

CUMBERLAND COUNTY
BOARD OF VOCATIONAL EDUCATION



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
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INTRODUCTORY SECTION



January 31, 2022

Honorable President and
Members of the Board of Education
Cumberland County Board of Vocational Education
Cumberland County, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Cumberland County Board of Vocational Education for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Cumberland County Board of Vocational Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements, notes to financial statements and supplemental schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Revisions of 1996 and the U.S. Office of Management and Budget; the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with acceptable laws and regulations and findings and questioned costs are included in the single audit section of this report.

1.) REPORTING ENTITY AND ITS SERVICES :

Cumberland County Board of Vocational Education is a component of Cumberland County within the criteria adopted by GASB as established by GASB Statement No. 14, as amended. All funds of the District are included in this report. The Cumberland County Board of Vocational Education and all its schools constitute the District's reporting entity.

The district delivers full time career and college readiness curriculum for secondary students within the county. In addition, the district provides a self-contained special education program for students (STRIVE) with a curriculum focused on occupational programs.

CCTEC Enrollment History

| YEAR | Bridgeton | | CRHS | | Millville | | Vineland | | Other | | HSTOT | Adult | Total |
|-------|-----------|----|------|-----|-----------|-----|----------|-----|--------|-------|-------|-------|-------|
| | FT | ST | FT | ST | FT | ST | FT | ST | STRIVE | other | | | |
| 11-12 | 10 | 57 | 7 | 132 | 8 | 90 | 4 | 234 | 13 | 47 | 602 | 179 | 781 |
| 12-13 | 10 | 79 | 7 | 130 | 13 | 91 | 3 | 248 | 7 | 52 | 640 | 155 | 795 |
| 13-14 | 9 | 85 | 5 | 124 | 15 | 100 | 4 | 301 | 8 | 42 | 693 | 105 | 798 |
| 14-15 | 8 | 81 | 9 | 112 | 20 | 91 | 3 | 270 | 15 | 37 | 646 | 103 | 749 |
| 15-16 | 7 | 67 | 7 | 71 | 16 | 78 | 2 | 182 | 17 | 46 | 493 | 114 | 607 |
| 16-17 | 45 | 33 | 45 | 62 | 38 | 53 | 92 | 130 | 13 | 65 | 576 | 50 | 626 |
| 17-18 | 75 | 13 | 80 | 33 | 61 | 8 | 217 | 46 | 7 | 67 | 607 | 0 | 607 |
| 18-19 | 95 | 0 | 104 | 0 | 93 | 0 | 315 | 0 | 10 | 91 | 708 | 17 | 725 |
| 19-20 | 134 | 0 | 131 | 0 | 127 | 0 | 427 | 0 | 13 | 115 | 947 | 30 | 977 |
| 20-21 | 139 | 0 | 116 | 0 | 148 | 0 | 451 | 0 | 13 | 106 | 973 | 0 | 973 |

2.) **ECONOMIC CONDITION AND OUTLOOK:**

As our sixth school year as a full time high school has started, we have wished the class of 2021 well and welcomed the class of 2025. Enrollment currently exceeds 1027 full time students.

We continue to see record enrollment in all Health Science and Medicine Programs. The County as a whole has benefited from significant investments by the medical community and the creation of jobs within this important field. This commitment by our Business Partners along with steady increased enrollment has led to the expansion of our building with the opening on the Health Science and Medicine addition this year.

Interest in Engineering programs continues to increase. The District has applied for and been awarded funding through the Securing Our Children’s Future Bond Act – CTE Expansion Grant. The \$2,250,000 grant and \$750,000 of the District’s Capital Reserve funds to renovate locations within the facility for the expansion of the Engineering program. Renovations are scheduled to be complete in time for students to utilize these spaces beginning in the Fall of 2022.

3.) **MAJOR INITIATIVES:**

CCTEC is proud of our educational initiatives during the fiscal year 2021. They include:

- a. The continuation of partnerships with Rowan College of South Jersey, Rutgers University, Rowan University and Ohio Technical College that enhance career pathways for all students.
- b. The continuation of STRIVE’s extended year program with a strong On the Job Training Program as a major component of the curriculum.
- c. The collaboration with CTE professionals to assist in the development of curriculum.
- d. The successful recruitment of teaching and support staff to facilitate the entrance of the class of 2025.

4.) **INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial

statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimate and judgments by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5.) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2021.

6.) ACCOUNTING SYSTEM AND REPORTS:

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

7.) DEBT ADMINISTRATION:

All bond indebtedness on behalf of the District is held by the Cumberland County Board of County Commissioners and the Cumberland County Improvement Authority.

8.) CASH MANAGEMENT:

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

9.) **RISK MANAGEMENT:**

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

10.) **OTHER INFORMATION:**

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was also designed to meet the requirements the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08. The auditor’s report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

11.) **ACKNOWLEDGEMENTS:**

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

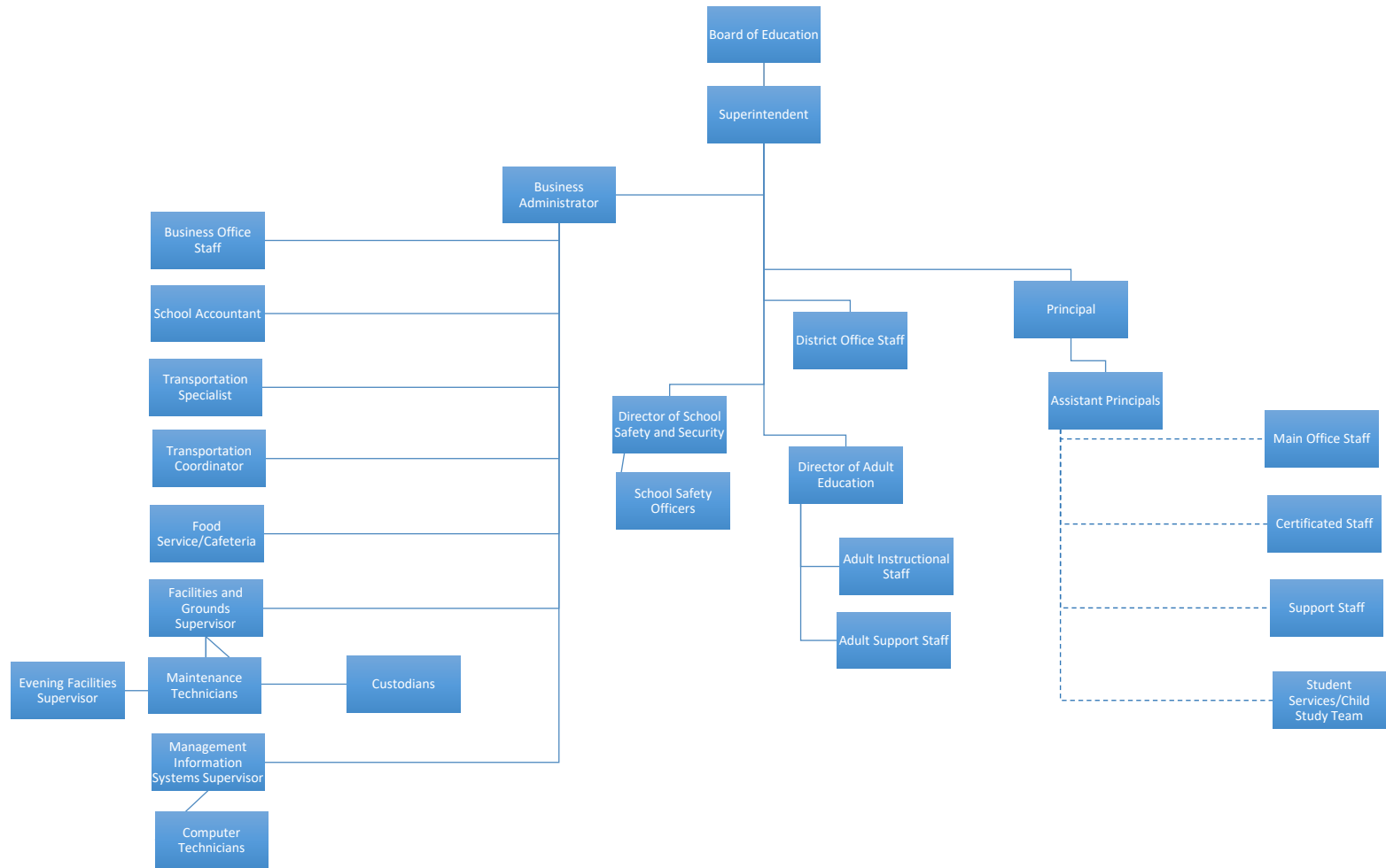
Respectfully submitted,



Dina Rossi, Ed. D.
Superintendent



Megan Duffield
Business Administrator/Board Secretary



CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2021

| <u>Members of the Board of Education</u> | <u>Title</u> | <u>Term Expires</u> |
|---|---------------------|----------------------------|
| Ruth Hands | President | 2023 |
| Christy DiLeonardo | Vice President | 2021 |
| Sheila McCann | | 2022 |
| Johnathan Burks | | 2024 |
| John Redden | | 2021 |
| Ernesto Ortiz | | 2022 |
| Leslie White-Coursey, Interim Executive County Superintendent | | Permanent |

Other Officials

| | |
|---------------------------|---|
| Dina Rossi, Ed. D. | Superintendent |
| Megan Duffield | Business Administrator, Board Secretary |
| Christopher Russo, Ed. D. | Treasurer |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

CONSULTANTS AND ADVISORS

JUNE 30, 2021

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, New Jersey 08043

Attorney

Mitchell H. Kizner, Esq.
Flaster/Greenberg, P.C.
Commerce Center, Third Floor
1810 Chapel Avenue West
Cherry Hill, NJ 08002-4609

Official Depository

OceanFirst Bank
Delsea Drive
Vineland, NJ 08360

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Cumberland County Board of Vocational Education
Cumberland County, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Cumberland County Board of Vocational Education School District, a component unit of the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, and each major fund of the Cumberland County Board of Vocational Education School District, in the County of Cumberland, State of New Jersey, as of June 30, 2021, 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.

Emphasis of Matter*Adoption of New Accounting Principle*

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 84, several funds of the School District that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental activities and governmental fund types. Our opinion is not modified with respect to this matter.

Prior Period Restatement

In addition, because of the implementation of GASB Statement No. 84, net position and fund balance as of July 1, 2020 on the statement of activities and statement of revenues, expenditures, and changes in fund balances, have been restated, as discussed in note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Lastly, during the fiscal year ended June 30, 2021, the School District became aware of prior year accounts receivable balances deemed uncollectible. As a result, the School District has restated net position as of July 1, 2020 on the statement of activities to reflect the cancellation of prior year accounts receivable as discussed in note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

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

Other Information

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

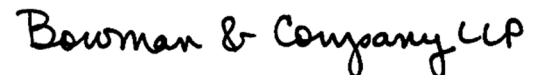
The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records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

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 on our consideration of the Cumberland County Board of Vocational Education School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Cumberland County Board of Vocational Education School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cumberland County Board of Vocational Education School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
January 31, 2022

Exhibit K-1

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Cumberland County Board of Vocational Education
Cumberland County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Cumberland County Board of Vocational Education School District, a component unit of the County of Cumberland, State of New Jersey as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 31, 2022. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle, and additional paragraphs on the consistency of financial statements and prior period restatement resulting from the new accounting principle. Also, our report on the financial statements included an additional emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the cancellation of prior year accounts receivable.

Internal Control Over Financial Reporting

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

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

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

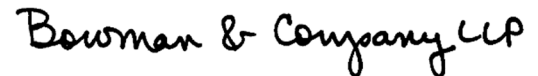
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cumberland County Board of Vocational Education School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
January 31, 2022

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The discussion and analysis of the Cumberland County Board of Vocational Education's (CCBOVE) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to review the School District's financial performance as a whole; readers are advised to read it in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the School District's performance.

The Management's Discussion and Analysis (MD&A) section of the Annual Comprehensive Financial Report ("ACFR") is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments that was issued in June 1999. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can first understand the School District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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.
 - o The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
 - o *Proprietary funds* statements offer short and long-term financial information about the activities the district operates like a business.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year reasonable.

Major Features of District-Wide and Fund Financial Statements

| | Fund Financial Statements | | |
|--|--|---|--|
| | <u>District-Wide Statements</u> | <u>Governmental Funds</u> | <u>Proprietary Funds</u> |
| Scope | Entire district | 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: such as food services and adult education. Instances in which the district administers resources on behalf of someone else, such as scholarship programs student activities monies |
| Required Financial | -Statement of net position -Statement of activities | -Balance sheet -Statement of revenues expenditures, and changes in fund balances | -Statement of net position -Statement of revenues, expenses, and changes in fund net position -Statement of cash flows |
| 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 |
| Type of asset/liability information | All assets and liabilities both financial and capital, short-term and long term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities both financial and capital and short-term and long-term |
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable | All revenues/additions and expenses/deductions during the year, regardless of when cash is received or paid |

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Reporting the School District as a Whole

The Statement of Net Position includes all of the School District's assets, deferred outflow of resources, liabilities, and deferred inflow of resources and uses the accrual basis of accounting similar to the accounting used by most private-sector businesses. 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. These statements report the School District's net position and how they have changed. Net position are the difference between the School District's assets, deferred inflows, liabilities, and deferred outflows and represent one way to measure the School District's financial health or position. The two district-wide statements report the District's *net position* and how it has changed. Net position is the difference between the District's assets and deferred outflow of resources and liabilities and deferred inflow of resources and is one way to measure the District's financial health or *position*.

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

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

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

Reporting the School District's Most Significant Funds

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

- Some funds are required by State Law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has two kinds of funds:

- ***Governmental Fund*** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending.

Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences between them).

- ***Proprietary Funds*** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
 - The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
 - *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (student transportation).

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position

The School District's overall financial position and operations for the past two years are summarized as follows based on the information included in the government-wide financial statements.

The School District's overall net position is \$67,681,167.76 on June 30, 2021. This is a \$1,102,555.84 increase from last year's net position of \$66,578,611.92. The majority of the total net position, is attributed to governmental activities (99%).

TABLE 1
Summary of Net Position

| | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>Change</u> | <u>% Change</u> |
|---|-------------------------|-------------------------|------------------------|-----------------|
| Current and Other Assets | \$ 10,618,592.08 | \$ 9,103,362.43 | \$ 1,515,229.65 | 16.64% |
| Capital Assets | 61,615,573.54 | 62,365,330.62 | (749,757.08) | -1.20% |
| Total Assets | 72,234,165.62 | 71,468,693.05 | 765,472.57 | 1.07% |
| Deferred Outflow of Resources - Related to Pensions | 714,974.00 | 558,294.00 | 156,680.00 | 28.06% |
| Long-Term Liabilities | 3,228,057.32 | 3,116,355.98 | 111,701.34 | 3.58% |
| Other Liabilities | 541,805.54 | 830,516.15 | (288,710.61) | -34.76% |
| Total Liabilities | 3,769,862.86 | 3,946,872.13 | (177,009.27) | -4.48% |
| Deferred Inflow of Resources - Related to Pensions | 1,498,109.00 | 1,501,503.00 | (3,394.00) | -0.23% |
| Net Position: | | | | |
| Net Investment in Capital Assets | 61,615,573.54 | 62,365,330.62 | (749,757.08) | -1.20% |
| Restricted | 7,163,530.65 | 6,514,937.32 | 648,593.33 | 9.96% |
| Unrestricted (Deficit) | (1,097,936.43) | (2,301,656.02) | 1,203,719.59 | -52.30% |
| Total Net Position | \$ 67,681,167.76 | \$ 66,578,611.92 | \$ 1,102,555.84 | 1.66% |

The following table provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

TABLE 2
Statement of Net Position - Effect of Pension Related Items

| | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>Change</u> | <u>% Change</u> |
|--|--------------------------|--------------------------|----------------------|-----------------|
| Deferred Outflows Related to Pensions | \$ 714,974.00 | \$ 558,294.00 | \$ 156,680.00 | 28.06% |
| Less: Net Pension Liability | (2,889,298.00) | (2,957,019.00) | 67,721.00 | -2.29% |
| Less: Deferred Inflows Related to Pensions | (1,498,109.00) | (1,501,503.00) | 3,394.00 | -0.23% |
| | \$ (3,672,433.00) | \$ (3,900,228.00) | \$ 227,795.00 | -5.84% |

Changes in Net Position

The District's total revenues are \$22,706,774.70 for the fiscal period ending June 30, 2021. County appropriations and state formula aid accounted for 56% of the District's revenue. 10% is derived from state and federal aid for specific programs, and the remainder, 34% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students accounting for 53% of total costs with purely administrative activities of the District totaling 11% of total costs.

Total revenues surpassed expenditures, increasing net position approximately \$930,557.52 from last year, primarily in governmental type activities.

The following table provides a summary of the School District's changes in net position:

TABLE 2
Summary of Change in Net Position

| Revenues: | <u>2021</u> | <u>2020</u> | <u>Change</u> | <u>% Change</u> |
|--|-------------------------|-------------------------|----------------------|-----------------|
| Program Revenues: | | | | |
| Charges for Services | \$ 759,872.01 | \$ 1,136,377.48 | \$ (376,505.47) | -33.13% |
| Federal & State Categorical Grants | 3,389,494.30 | 1,831,119.64 | 1,558,374.66 | 85.11% |
| General Revenues: | | | | |
| County Appropriations | 2,634,000.00 | 2,582,000.00 | 52,000.00 | 2.01% |
| Federal & State Grants | 9,297,469.19 | 7,616,967.39 | 1,680,501.80 | 22.06% |
| Miscellaneous | 6,625,939.20 | 6,613,844.51 | 12,094.69 | 0.18% |
| Total Revenues | <u>22,706,774.70</u> | <u>19,780,309.02</u> | <u>2,926,465.68</u> | <u>14.79%</u> |
| Expenses: | | | | |
| Instruction: | | | | |
| Regular | 4,909,901.20 | 4,628,339.49 | 281,561.71 | 6.08% |
| Special Education | - | 239,056.25 | (239,056.25) | -100.00% |
| Vocational Education | 2,276,143.09 | 2,104,823.18 | 171,319.91 | 8.14% |
| Other Special Instruction | 181,365.17 | 220,714.89 | (39,349.72) | -17.83% |
| Student Services: | | | | |
| Student and Instruction Related Services | 1,656,479.29 | 1,308,256.03 | 348,223.26 | 26.62% |
| School Administrative Services | 779,653.98 | 630,399.68 | 149,254.30 | 23.68% |
| General Administrative Services | 791,657.72 | 1,106,671.13 | (315,013.41) | -28.46% |
| Central Services | 411,914.45 | 328,668.63 | 83,245.82 | 25.33% |
| Admin Info Tech | 288,253.07 | 324,545.32 | (36,292.25) | -11.18% |
| Plant Operations and Maintenance | 1,843,181.33 | 1,782,967.27 | 60,214.06 | 3.38% |
| Pupil Transportation | 55,215.41 | 91,008.03 | (35,792.62) | -39.33% |
| Unallocated Benefits | 6,299,633.09 | 4,313,785.20 | 1,985,847.89 | 46.03% |
| Unallocated Depreciation | 1,724,343.60 | 1,694,803.18 | 29,540.42 | 1.74% |
| Enterprise Funds | 558,475.78 | 738,660.85 | (180,185.07) | -24.39% |
| Total Expenses | <u>21,776,217.18</u> | <u>19,512,699.13</u> | <u>2,263,518.05</u> | <u>11.60%</u> |
| Increase in Net Position | <u>930,557.52</u> | <u>267,609.89</u> | <u>662,947.63</u> | <u>247.73%</u> |
| Beginning Net Position, as Previously Reported | 66,578,611.92 | 66,311,002.03 | 267,609.89 | 0.40% |
| Prior Period Adjustment | 171,998.32 | | | |
| Beginning Net Position, as Restated | <u>66,750,610.24</u> | <u>66,311,002.03</u> | <u>267,609.89</u> | <u>0.40%</u> |
| Ending Net Position | <u>\$ 67,681,167.76</u> | <u>\$ 66,578,611.92</u> | <u>\$ 930,557.52</u> | <u>1.40%</u> |

THE SCHOOL DISTRICT'S ACTIVITIES

Governmental Activities

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. Fiscal year 2021 governmental funds reported total ending fund balances of \$8,288,216.75. The District's final budget anticipated utilizing fiscal year 2020 fund balance of \$1,075,851.00. Assigned fund balance includes \$978,460.43 designated for subsequent year's expenditures. Restricted fund balances include the capital reserve account with \$2,937,708.84 of funds available, the maintenance reserve account with \$1,155,440.00 of funds available, the unemployment compensation account with \$169,760.44, and \$1,420,281.96 of excess surplus.

The District received additional state aid in the amount of \$950,438.00. Miscellaneous revenue fees exceeded the amounts anticipated in the 2021 budget. The District charged tuition for secondary high school students.

Actual expenditures for capital outlay amounted to \$1,168,481.47 in the Operating Fund, \$115,948.93 in the Special Revenue Fund, and \$661,543.45 from the Capital Project Fund.

Over the course of the year, the District revised the annual operating budget several times to prevent budgetary line account overruns.

General Fund Budgetary Highlights

Reimbursements for pension and Social Security contributions of \$2,659,482.34 are non-budgeted items in both revenues and appropriations.

Business-Type Activities

Revenues of the District's business-type activities for the year amounted to \$615,649.87 and expenses were \$558,475.78.

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for governmental and business type activities as of June 30, 2021 and 2020, was \$61,615,573.54 and \$62,365,330.62 respectively. Investments include a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. See Note 7 for additional information about changes in capital assets during the fiscal year

TABLE 4
Capital Assets

| Capital Assets (Net of Depreciation): | <u>June 30, 2021</u> | <u>June 30, 2020</u> |
|---------------------------------------|-------------------------|-------------------------|
| Land | \$ 1,236,795.00 | \$ 1,236,795.00 |
| Site Improvements | 1,655,259.50 | 1,758,779.50 |
| Building and Improvements | 55,978,533.51 | 57,220,292.51 |
| Machinery and Equipment | <u>2,744,985.53</u> | <u>2,149,463.61</u> |
| Total Capital Assets | <u>\$ 61,615,573.54</u> | <u>\$ 62,365,330.62</u> |

LONG TERM DEBIT

The District does not have the authority to issue bonds. Any long-term debt is approved and issued by the County of Cumberland and is not a liability of the District.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The school district is heavily dependent on State Aid. It is anticipated that the Governor and State Legislature will continue to adjust the State School Aid Formula to address school funding issues State wide. Anticipated changes to the school funding formula always causes great anxiety among school officials due to the uncertainty. The District is hopeful that we realize only positive funding changes due to increasing enrollment.
- The District continues to monitor industry needs to ensure our technical programs produce a job-ready workforce. In conjunction with the Center for Workforce and Economic Development (CWED), and Rowan College of South Jersey, and industry partners, the Cumberland County Board of Vocational Education will continue to work with leaders in Cumberland County to identify trends and enhance our training programs.
- In October 2018, the Cumberland County Board of Chosen Freeholders approved a \$23 million bond ordinance with the State of New Jersey incurring 72.1% of the cost of to construct a 55,000 sq. ft. expansion of the current facility that will be home to our Health Science and Medicine Program. Historically, Health Science and Medicine has been the most enrolled program. Currently there are four applicants for every one seat. This consistent enrollment, coupled with a health system that serves Cumberland County's top employer, provides the rationale for the expansion that will serve as an anchor for quality medical training for a variety of populations. The construction of the addition was completed this fall.
- In the Fall of 2021, the District has applied for and been awarded funding through the Securing Our Children's Future Bond Act – CTE Expansion Grant. The \$2,250,000 grant and \$750,000 of the District's Capital Reserve funds will be utilized for construction that will include the conversion and reconfiguration of the existing Central District Office Area and Allied Health Classrooms (to be relocated to Health Science and Medicine Addition) to a STEM Lab 1,261 sf, Electrical Construction Lab 1,277 sf and a Construction Engineering Lab 1,247 sf which includes supporting storage, (2) Advanced Manufacturing Labs 1,184 sf and 1,342 sf and an Electronics Lab 1,352 sf which includes supporting storage spaces for a total project conversion of 8,914 sf. This conversion will add 144 seats to our current STEM Programs of Engineering, Electrical Technology, Welding Technology, Construction and Advanced Manufacturing.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding it receives. If you have questions about this report or need additional financial information, please contact Megan Duffield, School Business Administrator, Cumberland County Board of Vocational Education, 3400 College Drive, Vineland, NJ 08360.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Net Position
June 30, 2021

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|-------------------------|
| ASSETS: | | | |
| Cash and Cash Equivalents | \$ 6,823,680.09 | \$ 925,595.63 | \$ 7,749,275.72 |
| Receivables, net | 1,226,646.13 | 69,653.40 | 1,296,299.53 |
| Inventory | | 21,702.35 | 21,702.35 |
| Restricted Cash and Cash Equivalents | 1,551,314.48 | | 1,551,314.48 |
| Capital Assets, net | <u>61,585,849.23</u> | <u>29,724.31</u> | <u>61,615,573.54</u> |
| Total Assets | <u>71,187,489.93</u> | <u>1,046,675.69</u> | <u>72,234,165.62</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Related to Pensions | <u>714,974.00</u> | <u>-</u> | <u>714,974.00</u> |
| LIABILITIES: | | | |
| Accounts Payable: | | | |
| Other | 156,772.97 | 55,582.26 | 212,355.23 |
| Related to Pensions | 231,858.00 | | 231,858.00 |
| Internal Balances | 20,934.44 | (20,934.44) | |
| Unearned Revenue | 87,827.95 | 1,889.76 | 89,717.71 |
| Noncurrent Liabilities: | | | |
| Due within One Year | 7,874.60 | | 7,874.60 |
| Due beyond One Year | <u>3,195,536.34</u> | <u>32,520.98</u> | <u>3,228,057.32</u> |
| Total Liabilities | <u>3,700,804.30</u> | <u>69,058.56</u> | <u>3,769,862.86</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Related to Pensions | <u>1,498,109.00</u> | <u>-</u> | <u>1,498,109.00</u> |
| NET POSITION: | | | |
| Net Investment in Capital Assets | 61,585,849.23 | 29,724.31 | 61,615,573.54 |
| Restricted for: | | | |
| Unemployment Compensation | 169,760.44 | | 169,760.44 |
| Student Activities | 126,331.86 | | 126,331.86 |
| Other Purposes | 7,220,573.44 | | 7,220,573.44 |
| Unrestricted (Deficit) | <u>(2,398,964.34)</u> | <u>947,892.82</u> | <u>(1,451,071.52)</u> |
| Total Net Position | <u>\$ 66,703,550.63</u> | <u>\$ 977,617.13</u> | <u>\$ 67,681,167.76</u> |

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Activities
For the Fiscal Year Ended June 30, 2021

| Functions / Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|-------------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular Instruction | \$ 4,909,901.20 | | \$ 396,343.02 | | \$ (4,513,558.18) | | \$ (4,513,558.18) |
| Vocational Programs | 2,276,143.09 | | | | (2,276,143.09) | | (2,276,143.09) |
| Other Special Instruction | 181,365.17 | | | | (181,365.17) | | (181,365.17) |
| Support Services: | | | | | | | |
| Instruction/Tuition | 493,023.25 | \$ 132,899.64 | 426,770.55 | | 66,646.94 | | 66,646.94 |
| Health Services | 205,641.76 | | | | (205,641.76) | | (205,641.76) |
| Support Services - Students | 933,999.17 | | 117,081.01 | | (816,918.16) | | (816,918.16) |
| Support Services - Instructional Staff | 6,698.75 | | | | (6,698.75) | | (6,698.75) |
| Educational Media / Library | 5,018.96 | | | | (5,018.96) | | (5,018.96) |
| Instructional Staff Training Services | 12,097.40 | | | | (12,097.40) | | (12,097.40) |
| General Administration | 791,657.72 | 487,319.88 | | | (304,337.84) | | (304,337.84) |
| School Administration | 779,653.98 | | | | (779,653.98) | | (779,653.98) |
| Operations and Maintenance | 1,763,850.13 | | | | (1,763,850.13) | | (1,763,850.13) |
| Central Services | 411,914.45 | | | | (411,914.45) | | (411,914.45) |
| Administration Information Technology | 288,253.07 | | | | (288,253.07) | | (288,253.07) |
| Care and Upkeep of Grounds | 79,331.20 | | | | (79,331.20) | | (79,331.20) |
| Student Transportation | 55,215.41 | | | | (55,215.41) | | (55,215.41) |
| Unallocated Benefits | 6,299,633.09 | | 1,973,302.34 | | (4,326,330.75) | | (4,326,330.75) |
| Unallocated Depreciation and Amortization | 1,724,343.60 | | | | (1,724,343.60) | | (1,724,343.60) |
| Total Governmental Activities | 21,217,741.40 | 620,219.52 | 2,913,496.92 | \$ - | (17,684,024.96) | \$ - | (17,684,024.96) |
| Business-Type Activities: | | | | | | | |
| Food Service | 346,957.11 | 6,874.13 | 470,948.75 | | | 130,865.77 | 130,865.77 |
| Other Enterprise Funds | 211,518.67 | 132,778.36 | 5,048.63 | | | (73,691.68) | (73,691.68) |
| Total Business-Type Activities | 558,475.78 | 139,652.49 | 475,997.38 | - | - | 57,174.09 | 57,174.09 |
| Total Government | \$ 21,776,217.18 | \$ 759,872.01 | \$ 3,389,494.30 | \$ - | (17,684,024.96) | 57,174.09 | (17,626,850.87) |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Activities
For the Fiscal Year Ended June 30, 2021

| Functions / Programs | <u>Expenses</u> | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | | |
|---|-----------------|-----------------------------|---|---|--------------------------------|---------------------------------|-------------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| General Revenues: | | | | | | | |
| County Appropriations | | | | | \$ 2,634,000.00 | \$ - | \$ 2,634,000.00 |
| Tuition Received | | | | | 6,446,560.50 | | 6,446,560.50 |
| Federal and State Aid not Restricted | | | | | 9,297,469.19 | | 9,297,469.19 |
| Intereat and Investment Earnings - Unrestricted | | | | | 44,291.66 | | 44,291.66 |
| Intereat and Investment Earnings - Restricted | | | | | 883.07 | | 883.07 |
| Miscellaneous Income | | | | | 134,203.97 | | 134,203.97 |
| Total General Revenues | | | | | <u>18,557,408.39</u> | <u>-</u> | <u>18,557,408.39</u> |
| Change in Net Position | | | | | <u>873,383.43</u> | <u>57,174.09</u> | <u>930,557.52</u> |
| Net Position -- July 1, as Previously Reported | | | | | 65,658,168.88 | 920,443.04 | 66,578,611.92 |
| Prior Period Adjustment | | | | | <u>171,998.32</u> | | <u>171,998.32</u> |
| Net Position -- July 1, as Restated | | | | | <u>65,830,167.20</u> | <u>920,443.04</u> | <u>66,750,610.24</u> |
| Net Position -- June 30 | | | | | <u>\$ 66,703,550.63</u> | <u>\$ 977,617.13</u> | <u>\$ 67,681,167.76</u> |

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

FUND FINANCIAL STATEMENTS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Governmental Funds
Balance Sheet
June 30, 2021

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total Governmental Funds |
|--|------------------------|----------------------------|-----------------------------|--------------------------------|
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$ 6,371,795.52 | \$ 126,331.86 | \$ 1,245,928.93 | \$ 7,744,056.31 |
| Due from Other Funds | | | | |
| Capital Projects Fund | 1,907,472.38 | | | 1,907,472.38 |
| Enterprise - Drive to the Future | 27,004.06 | | | 27,004.06 |
| Special Revenue Fund | 80,068.99 | | | 80,068.99 |
| General Fund | | | 939,700.00 | 939,700.00 |
| Receivables from Other Governments | 32,747.39 | 183,402.72 | | 216,150.11 |
| Other - Tuition | 998,034.10 | | | 998,034.10 |
| Total Assets | \$ 9,417,122.44 | \$ 309,734.58 | \$ 2,185,628.93 | \$ 11,912,485.95 |
| LIABILITIES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 26,797.63 | \$ 90,505.78 | | \$ 117,303.41 |
| Payroll Deductions and Withholdings Payable | 25,557.81 | | | 25,557.81 |
| Unemployment Compensation Claims Payable | 13,911.75 | | | 13,911.75 |
| Interfund Accounts Payable: | | | | |
| Capital Projects Fund | 939,700.00 | | | 939,700.00 |
| Enterprise - Adult Student | 28,054.00 | | | 28,054.00 |
| Enterprise - Food Service | 1,261.50 | | | 1,261.50 |
| Enterprise - Drive to the Future | 12,000.00 | | | 12,000.00 |
| Enterprise - Food Service Restaurant | 6,623.00 | | | 6,623.00 |
| General Fund | | 80,068.99 | \$ 1,907,472.38 | 1,987,541.37 |
| Unearned Revenue | 75,000.00 | 12,827.95 | | 87,827.95 |
| Total Liabilities | 1,128,905.69 | 183,402.72 | 1,907,472.38 | 3,219,780.79 |
| Fund Balances: | | | | |
| Restricted: | | | | |
| Capital Reserve | 2,937,708.84 | | | 2,937,708.84 |
| Maintenance Reserve | 1,155,440.00 | | | 1,155,440.00 |
| Capital Projects | | | 278,156.55 | 278,156.55 |
| Excess Surplus -- Designated for Subsequent Year's Expenditures | 1,075,851.00 | | | 1,075,851.00 |
| Excess Surplus | 1,773,417.05 | | | 1,773,417.05 |
| Unemployment Compensation | 169,760.44 | | | 169,760.44 |
| Student Activities | | 126,331.86 | | 126,331.86 |
| Assigned: | | | | |
| Other Purposes | 978,460.43 | | | 978,460.43 |
| Unassigned (Deficit) | 197,578.99 | | | 197,578.99 |
| Total Fund Balances | 8,288,216.75 | 126,331.86 | 278,156.55 | 8,692,705.16 |
| Total Liabilities and Fund Balances | \$ 9,417,122.44 | \$ 309,734.58 | \$ 2,185,628.93 | |

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:

| | |
|---|-------------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$71,400,718.86, and the accumulated depreciation is \$9,814,869.63. | 61,585,849.23 |
| 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. | (314,112.94) |
| Internal Service Funds are used by management to charge costs of certain activities, such as shared business services. Assets and liabilities of the Internal Service Fund are included in the Statement of Net Position. | 643,400.18 |
| Net Pension Liability | (2,889,298.00) |
| Accounts Payable related to the April 1, 2022 Required PERS pension contribution that is not to be liquidated with current financial resources. | (231,858.00) |
| Deferred Outflows of Resources - Related to Pensions | 714,974.00 |
| Deferred Inflows of Resources - Related to Pensions | (1,498,109.00) |
| Net Position of Governmental Activities | \$ 66,703,550.63 |

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2021

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total Governmental Funds |
|--|------------------------|----------------------------|-----------------------------|--------------------------------|
| REVENUES: | | | | |
| County Appropriations | \$ 2,634,000.00 | | | \$ 2,634,000.00 |
| Tuition Charges | 6,446,560.50 | | | 6,446,560.50 |
| Miscellaneous | 181,274.74 | | | 181,274.74 |
| State Sources | 9,833,022.34 | | | 9,833,022.34 |
| Federal Sources | | \$ 933,746.77 | | 933,746.77 |
| Local Sources | | 132,899.64 | | 132,899.64 |
| Total Revenues | 19,094,857.58 | 1,066,646.41 | \$ - | 20,161,503.99 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Regular Instruction | 4,513,558.18 | 396,343.02 | | 4,909,901.20 |
| Vocational Programs | 2,276,143.09 | | | 2,276,143.09 |
| Other Instruction | 181,365.17 | | | 181,365.17 |
| Support Services and Undistributed Costs: | | | | |
| Instruction/Tuition | 66,252.70 | 426,770.55 | | 493,023.25 |
| Health Services | 205,641.76 | | | 205,641.76 |
| Support Services - Students | 816,918.16 | 117,081.01 | | 933,999.17 |
| Support Services - Instructional Staff | 6,698.75 | | | 6,698.75 |
| Educational Media / Library | 5,018.96 | | | 5,018.96 |
| Instructional Staff Training Services | 12,097.40 | | | 12,097.40 |
| General Administration | 535,884.39 | | | 535,884.39 |
| School Administration | 779,653.98 | | | 779,653.98 |
| Operations and Maintenance | 1,763,850.13 | | | 1,763,850.13 |
| Central Services | 411,914.45 | | | 411,914.45 |
| Administration Information Technology | 288,253.07 | | | 288,253.07 |
| Care and Upkeep of Grounds | 79,331.20 | | | 79,331.20 |
| Student Transportation | 55,215.41 | | | 55,215.41 |
| Unallocated Benefits | 4,887,625.23 | | | 4,887,625.23 |
| Capital Outlay | 209,493.47 | 115,948.93 | 661,543.45 | 986,985.85 |
| Total Expenditures | 17,094,915.50 | 1,056,143.51 | 661,543.45 | 18,812,602.46 |
| Excess of Revenues over Expenditures | 1,999,942.08 | 10,502.90 | (661,543.45) | 1,348,901.53 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating Transfers In | | | 939,700.00 | 939,700.00 |
| Operating Transfers Out | (939,700.00) | | | (939,700.00) |
| Total Other Financing Sources (Uses) | (939,700.00) | - | 939,700.00 | - |
| Net Change in Fund Balances | 1,060,242.08 | 10,502.90 | 278,156.55 | 1,348,901.53 |
| Fund Balance -- July 1 | 7,171,805.31 | | | 7,171,805.31 |
| Prior Period Adjustments | 56,169.36 | 115,828.96 | - | 171,998.32 |
| Fund Balance -- July 1 (Restated) | 7,227,974.67 | 115,828.96 | - | 7,343,803.63 |
| Fund Balance -- June 30 | \$ 8,288,216.75 | \$ 126,331.86 | \$ 278,156.55 | \$ 8,692,705.16 |

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

| | |
|---|----------------------|
| Net Change in Fund Balances - Governmental Funds | \$ 1,348,901.53 |
| Amounts reported for governmental activities in the statement of activities (A-2) are different because: | |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period. | |
| Depreciation Expense | \$ (1,724,343.60) |
| Capital Outlays | 986,985.85 |
| Capital Assets Charged to Budget Accounts | <u>(1,896.04)</u> |
| | (739,253.79) |
| In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). | |
| | (157,570.86) |
| Internal Service Funds are used by management to charge costs of certain activities, such as shared business services. The operating transfers are included in the Governmental Funds. | |
| | 231,546.55 |
| Governmental funds report School District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. | |
| | <u>189,760.00</u> |
| Change in Net Position of Governmental Activities | <u>\$ 873,383.43</u> |

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2021

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities |
|-------------------------------------|--|------------------------------------|--------------------------------|----------------------------|-----------------------------|----------------------------------|
| | <u>Food Service</u> | <u>Food Service Restaurant</u> | <u>Drive to the Future</u> | <u>Adult Education</u> | <u>Total Enterprise</u> | <u>Internal Service Fund</u> |
| ASSETS: | | | | | | |
| Current Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 151,370.54 | \$ 31,281.43 | \$ 642,612.69 | \$ 100,330.97 | \$ 925,595.63 | \$ 630,938.26 |
| Accounts Receivable: | | | | | | |
| State | 3,565.77 | | | | 3,565.77 | |
| Federal | 60,453.41 | | | | 60,453.41 | |
| Other | 2,220.22 | | | 3,414.00 | 5,634.22 | 12,461.92 |
| Interfund Accounts Receivable: | | | | | | |
| General Fund | 1,261.50 | 6,860.00 | 12,000.00 | 28,054.00 | 48,175.50 | |
| Internal Service Fund | | | | | | 6,250.00 |
| Inventories | 21,702.35 | | | | 21,702.35 | |
| Total Current Assets | <u>240,573.79</u> | <u>38,141.43</u> | <u>654,612.69</u> | <u>131,798.97</u> | <u>1,065,126.88</u> | <u>649,650.18</u> |
| Noncurrent Assets: | | | | | | |
| Equipment | | | 84,026.00 | | 84,026.00 | |
| Less Accumulated Depreciation | | | (54,301.69) | | (54,301.69) | |
| Total Noncurrent Assets | <u>-</u> | <u>-</u> | <u>29,724.31</u> | <u>-</u> | <u>29,724.31</u> | <u>-</u> |
| Total Assets | <u>240,573.79</u> | <u>38,141.43</u> | <u>684,337.00</u> | <u>131,798.97</u> | <u>1,094,851.19</u> | <u>649,650.18</u> |
| LIABILITIES: | | | | | | |
| Current Liabilities: | | | | | | |
| Interfund Accounts Payable: | | | | | | |
| Due General Fund | 237.00 | | 27,004.06 | | 27,241.06 | |
| Internal Service Fund | | | | | | 6,250.00 |
| Accounts Payable | 52,154.76 | | 3,427.50 | | 55,582.26 | |
| Unearned Revenue | | | 1,889.76 | | 1,889.76 | |
| Total Current Liabilities | <u>52,391.76</u> | <u>-</u> | <u>32,321.32</u> | <u>-</u> | <u>84,713.08</u> | <u>6,250.00</u> |
| Noncurrent Liabilities: | | | | | | |
| Compensated Absences Payable | | | 32,520.98 | | 32,520.98 | |
| Total Noncurrent Liabilities | <u>-</u> | <u>-</u> | <u>32,520.98</u> | <u>-</u> | <u>32,520.98</u> | <u>-</u> |
| Total Liabilities | <u>52,391.76</u> | <u>-</u> | <u>64,842.30</u> | <u>-</u> | <u>117,234.06</u> | <u>6,250.00</u> |
| NET POSITION: | | | | | | |
| Net Investment in Capital Assets | | | 29,724.31 | | 29,724.31 | |
| Unrestricted | 188,182.03 | 38,141.43 | 589,770.39 | 131,798.97 | 947,892.82 | 643,400.18 |
| Total Net Position | <u>\$ 188,182.03</u> | <u>\$ 38,141.43</u> | <u>\$ 619,494.70</u> | <u>\$ 131,798.97</u> | <u>\$ 977,617.13</u> | <u>\$ 643,400.18</u> |

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities |
|--|--|----------------------------|------------------------|----------------------|----------------------|----------------------------|
| | Food Service | Food Service Restaurant | Drive to the Future | Adult Education | Total Enterprise | Internal Service Fund |
| OPERATING REVENUES: | | | | | | |
| Charges for Services: | | | | | | |
| Daily Sales - Non-Reimbursable Programs | \$ 4,912.63 | \$ - | \$ - | \$ - | \$ 4,912.63 | \$ - |
| Miscellaneous Fees | 1,961.50 | | 132,778.36 | | 1,961.50 | 487,319.88 |
| | | | 132,778.36 | | 132,778.36 | 487,319.88 |
| Total Operating Revenues | 6,874.13 | - | 132,778.36 | - | 139,652.49 | 487,319.88 |
| OPERATING EXPENSES: | | | | | | |
| Salaries and Fringe Benefits | 85,594.41 | | 189,451.15 | | 275,045.56 | 255,773.33 |
| Purchased Professional/Technical Services | 39,130.20 | | 5,049.15 | 1,719.11 | 45,898.46 | |
| Other Purchased Services | 15,938.58 | | | 4,389.42 | 20,328.00 | |
| General Supplies | 41,717.54 | | 406.55 | | 42,124.09 | |
| Depreciation | | | 10,503.29 | | 10,503.29 | |
| Cleaning, Repairs and Maintenance | 937.02 | | | | 937.02 | |
| Insurance | 6,643.83 | | | | 6,643.83 | |
| Miscellaneous | 4,074.45 | | | | 4,074.45 | |
| Cost of Sales - Reimbursable | 151,391.87 | | | | 151,391.87 | |
| Cost of Sales - Non Reimbursable | 1,529.21 | | | | 1,529.21 | |
| Total Operating Expenses | 346,957.11 | - | 205,410.14 | 6,108.53 | 558,475.78 | 255,773.33 |
| Operating Income / (Loss) | (340,082.98) | - | (72,631.78) | (6,108.53) | (418,823.29) | 231,546.55 |
| NONOPERATING REVENUES: | | | | | | |
| State Sources: | | | | | | |
| Seamless Summer Lunch Program - State | 17,727.80 | | | | 17,727.80 | |
| Federal Sources: | | | | | | |
| Healthy Hunger Free Kids Act | 5,332.32 | | | | 5,332.32 | |
| Seamless Summer Option | 400,435.26 | | | | 400,435.26 | |
| Emergency Operational Cost Program - Schools | 23,755.79 | | | | 23,755.79 | |
| Food Distribution Program | 22,661.30 | | | | 22,661.30 | |
| P-EBT Administrative Cost | 614.00 | | | | 614.00 | |
| Interest and Investment Revenue | 422.28 | | 5,048.63 | | 5,470.91 | |
| Total Nonoperating Revenues | 470,948.75 | - | 5,048.63 | - | 475,997.38 | - |
| Change in Net Position | 130,865.77 | - | (67,583.15) | (6,108.53) | 57,174.09 | 231,546.55 |
| Net Position -- July 1 | 57,316.26 | 38,141.43 | 687,077.85 | 137,907.50 | 920,443.04 | 411,853.63 |
| Net Position -- June 30 | \$ 188,182.03 | \$ 38,141.43 | \$ 619,494.70 | \$ 131,798.97 | \$ 977,617.13 | \$ 643,400.18 |

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities |
|--|--|------------------------------------|--------------------------------|----------------------------|------------------------|----------------------------------|
| | <u>Food Service</u> | <u>Food Service Restaurant</u> | <u>Drive to the Future</u> | <u>Adult Education</u> | <u>Total</u> | <u>Internal Service Fund</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | | |
| Receipts from Customers | \$ 20,074.00 | \$ - | \$ 140,447.15 | \$ - | \$ 160,521.15 | \$ 508,608.36 |
| Payments to Employees | (85,594.41) | | (177,460.41) | | (263,054.82) | (255,773.33) |
| Payments to Suppliers | (209,531.34) | | (2,028.20) | (6,108.53) | (217,668.07) | |
| Net Cash Provided by (Used in) Operating Activities | <u>(275,051.75)</u> | <u>-</u> | <u>(39,041.46)</u> | <u>(6,108.53)</u> | <u>(320,201.74)</u> | <u>252,835.03</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | | | | |
| State Sources | 14,207.30 | | | | 14,207.30 | |
| Federal Sources | 397,019.90 | | | | 397,019.90 | |
| Net Cash Provided by (Used in) Non-Capital Financing Activities | <u>411,227.20</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>411,227.20</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | | |
| Interest and Dividends | 422.28 | | 5,048.63 | - | 5,470.91 | |
| Net Cash Provided by (used in) Investing Activities | <u>422.28</u> | <u>-</u> | <u>5,048.63</u> | <u>-</u> | <u>5,470.91</u> | <u>-</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 136,597.73 | - | (33,992.83) | (6,108.53) | 96,496.37 | 252,835.03 |
| Cash and Cash Equivalents -- July 1 | 14,772.81 | 31,281.43 | 676,605.52 | 106,439.50 | 829,099.26 | 378,103.23 |
| Cash and Cash Equivalents -- June 30 | <u>\$ 151,370.54</u> | <u>\$ 31,281.43</u> | <u>\$ 642,612.69</u> | <u>\$ 100,330.97</u> | <u>\$ 925,595.63</u> | <u>\$ 630,938.26</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | | | |
| Operating Income (Loss) | <u>\$ (340,082.98)</u> | <u>\$ -</u> | <u>\$ (72,631.78)</u> | <u>\$ (6,108.53)</u> | <u>\$ (418,823.29)</u> | <u>\$ 231,546.55</u> |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | | | |
| Depreciation | | | 10,503.29 | | 10,503.29 | |
| (Increase) Decrease in Accounts Receivable, net | 20,728.19 | | 16,406.00 | 28,054.00 | 65,188.19 | 21,288.48 |
| (Increase) Decrease in Interfunds Receivable | 246.50 | | (12,000.00) | (28,054.00) | (39,807.50) | |
| (Increase) Decrease in Inventories | (1,831.40) | | | | (1,831.40) | |
| (Increase) Decrease in Prepaid Expenses | (6,266.82) | | | | (6,266.82) | |
| Increase (Decrease) in Accounts Payable | 52,154.76 | | 3,427.50 | | 55,582.26 | |
| Increase (Decrease) in Interfund Payable | | | 1,373.03 | | 1,373.03 | |
| Increase (Decrease) in Other Current Liabilities | | | 1,889.76 | | 1,889.76 | |
| Increase (Decrease) in Accrued Salaries Benefits | | | 11,990.74 | | 11,990.74 | |
| Total Adjustments | <u>65,031.23</u> | <u>-</u> | <u>33,590.32</u> | <u>-</u> | <u>98,621.55</u> | <u>21,288.48</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ (275,051.75)</u> | <u>\$ -</u> | <u>\$ (39,041.46)</u> | <u>\$ (6,108.53)</u> | <u>\$ (320,201.74)</u> | <u>\$ 252,835.03</u> |

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cumberland County Board of Vocational Education, a component unit of the County of Cumberland (the "School District"), have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type I district located in the County of Cumberland, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of seven members elected to four-year terms, six members are appointed by the Board of County Commissioners, and the seventh member is the County Superintendent of Schools. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the School District is to educate students in grades 9 through 12 for vocational programs and operate the adult and continuing education programs. The School District has an approximate enrollment at June 30, 2021 of 974 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Government-wide and Fund Financial Statements

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements (Cont'd)**

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

County appropriation, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, county appropriations, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

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 expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures 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 New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

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

Food Service Restaurant Fund - This fund accounts for the financial transactions related to the services provided by the students in the culinary program offered by the School District.

Drive to the Future Fund - This fund accounts for the financial transactions related to the School District's adult driver training program.

Adult Education Fund - This fund accounts for the financial transactions related to providing tuition based CTE programs to post-secondary learners.

Internal Service Funds

Internal service funds are used to account for the financing of goods and/or services provided by one department to another or to an other governmental unit on a cost reimbursement basis. The School District maintains two internal service funds that provide supplies and/or services to other governmental units. Currently, the internal service fund accounts for security and superintendent services provided by the School District.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all County appropriations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general and special revenue funds and are submitted to the county office of education. The budgets are voted upon at the Board of School Estimates meeting in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments 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. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Encumbrances (Cont'd)**

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.

Cash, Cash Equivalents and Investments

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

New Jersey school districts are limited as to the types of investments and types of financial institutions in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2021. The School District had no prepaid expenses for the fiscal year ended June 30, 2021.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses (Cont'd)**

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

| <u>Description</u> | Governmental Activities <u>Estimated Lives</u> | Business-Type Activities <u>Estimated Lives</u> |
|-------------------------|---|--|
| Buildings | 20-50 years | N/A |
| Machinery and Equipment | 5-10 years | 5-10 years |
| Improvements | 10-20 years | N/A |

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Tuition Payable**

The School District had no tuition expenditures.

Unearned Revenue

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

Compensated Absences

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Net Position

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

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

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

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position (Cont'd)**

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Interfund Activity**

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

Accounting Estimates

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

Recently Issued and Adopted Accounting Pronouncements

The School District implemented the following GASB Statement for the fiscal year ended June 30, 2021:

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

Because of the implementation of Statement No. 84, the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated (note 19).

Recently Issued Accounting Pronouncements

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2021:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2021, the School District's bank balances of \$9,989,437.66 were exposed to custodial credit risk as follows:

| | |
|--------------------------------|------------------------|
| Insured by FDIC and GUDPA | \$ 9,872,215.96 |
| Uninsured and Uncollateralized | <u>117,221.70</u> |
| | <u>\$ 9,989,437.66</u> |

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

| | |
|---|------------------------|
| Beginning Balance July 1, 2020 | \$ 2,863,364.36 |
| Increased by: | |
| Interest Earnings | \$ 14,044.48 |
| Deposits: | |
| Approved at June 10, 2021 Board Meeting | <u>1,000,000.00</u> |
| | <u>1,014,044.48</u> |
| | 2,863,364.36 |
| Decreased by: | |
| Withdrawals: | |
| Included in Adopted Budget | <u>939,700.00</u> |
| Ending Balance June 30, 2021 | <u>\$ 2,937,708.84</u> |

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The June 30, 2021 LRFP balance of local support costs of uncompleted projects at June 30, 2021 is \$3,100,000.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: MAINTENANCE RESERVE ACCOUNT

The Maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). School Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

There was no activity in the maintenance reserve account during the fiscal year and the June 30, 2021 balance in the maintenance reserve account is \$1,155,440.00, which is the maximum allowed per the statutes.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

| Description | Governmental Funds | | | Total Governmental Funds | Internal Service Funds | | Total Internal Service Funds | Total Governmental Activities |
|-------------------|------------------------|----------------------|-----------------------|--------------------------|------------------------|-------------------------|------------------------------|-------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | | Security | Superintendent Services | | |
| Federal Awards | | \$ 183,402.72 | | \$ 183,402.72 | | | | \$ 183,402.72 |
| State Awards | \$ 24,232.18 | | | 24,232.18 | | | | 24,232.18 |
| Other | 8,515.21 | | | 8,515.21 | | | | 8,515.21 |
| Provided Services | 998,034.10 | | | 998,034.10 | \$ 6,211.92 | \$ 6,250.00 | \$ 12,461.92 | 1,010,496.02 |
| Total | \$ 1,030,781.49 | \$ 183,402.72 | \$ - | \$ 1,214,184.21 | \$ 6,211.92 | \$ 6,250.00 | \$ 12,461.92 | \$ 1,226,646.13 |

| Description | Proprietary Funds | | | | | Total |
|----------------|---------------------|------------------------------|--------------------------|----------------------|--------------------------------|------------------------|
| | Food Service Fund | Food Service Restaurant Fund | Drive to the Future Fund | Adult Education Fund | Total Business-Type Activities | |
| Federal Awards | \$ 60,453.41 | | | | \$ 60,453.41 | \$ 243,856.13 |
| State Awards | 3,565.77 | | | | 3,565.77 | 27,797.95 |
| Other | 2,220.22 | | | \$ 3,414.00 | 5,634.22 | 1,016,130.24 |
| Total | \$ 66,239.40 | \$ - | \$ - | \$ 3,414.00 | \$ 69,653.40 | \$ 1,296,299.53 |

Note 6: INVENTORY

Inventory recorded at June 30, 2021 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

| | |
|-------------|---------------------|
| Food | \$ 14,331.20 |
| Supplies | 6,505.61 |
| Commodities | <u>865.54</u> |
| Total | <u>\$ 21,702.35</u> |

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 is as follows:

| | <u>Balance</u> <u>July 1, 2020</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2021</u> |
|--|---------------------------------------|------------------------|------------------|--|
| Governmental Activities: | | | | |
| Capital Assets, not being Depreciated: | | | | |
| Land | \$ 1,236,795.00 | | | \$ 1,236,795.00 |
| Total Capital Assets not being Depreciated | <u>1,236,795.00</u> | <u>\$ -</u> | <u>\$ -</u> | <u>1,236,795.00</u> |
| Capital Assets, being Depreciated: | | | | |
| Site Improvements | 2,070,407.05 | | | 2,070,407.05 |
| Buildings and Improvements | 62,087,991.00 | | | 62,087,991.00 |
| Machinery and Equipment | 5,020,435.92 | 985,089.81 | | 6,005,525.73 |
| Total Capital Assets, being Depreciated | <u>69,178,833.97</u> | <u>985,089.81</u> | <u>-</u> | <u>70,163,923.78</u> |
| Less Accumulated Depreciation: | | | | |
| Site Improvements | (311,627.55) | (103,520.00) | | (415,147.55) |
| Buildings and Improvements | (4,867,698.49) | (1,241,759.00) | | (6,109,457.49) |
| Machinery and Equipment | (2,911,199.91) | (379,064.60) | | (3,290,264.51) |
| Total Accumulated Depreciation | <u>(8,090,525.95)</u> | <u>(1,724,343.60)</u> | <u>-</u> | <u>(9,814,869.55)</u> |
| Total Capital Assets, being Depreciated, Net | <u>61,088,308.02</u> | <u>(739,253.79)</u> | <u>-</u> | <u>60,349,054.23</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 62,325,103.02</u> | <u>\$ (739,253.79)</u> | <u>\$ -</u> | <u>\$ 61,585,849.23</u> |
| Business-Type Activities: | | | | |
| Machinery and Equipment | \$ 84,026.00 | | | \$ 84,026.00 |
| Less Accumulated Depreciation | <u>(43,798.40)</u> | <u>\$ (10,503.29)</u> | <u>\$ -</u> | <u>(54,301.69)</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 40,227.60</u> | <u>\$ (10,503.29)</u> | <u>\$ -</u> | <u>\$ 29,724.31</u> |

Note 7: CAPITAL ASSETS (CONT'D)

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

| | | |
|----------------------------------|--|------------------------|
| Governmental Activities: | | |
| Unallocated | | <u>\$ 1,724,343.60</u> |
| Business-Type Activities: | | |
| Drive to the Future | | <u>\$ 10,503.29</u> |

Note 8: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in long-term obligations for governmental activities:

| | <u>Balance July 1, 2020</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2021</u> | <u>Due within One Year</u> |
|---------------------------------|---------------------------------|------------------------|--------------------------|----------------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Other Liabilities: | | | | | |
| Net Pension Liability | \$ 2,957,019.00 | \$ 1,988,684.00 | \$ (2,056,405.00) | \$ 2,889,298.00 | |
| Compensated Absences | <u>156,542.08</u> | <u>180,507.43</u> | <u>(22,936.57)</u> | <u>314,112.94</u> | <u>\$ 7,874.60</u> |
| Governmental Activities | | | | | |
| Long-term Liabilities | <u>\$ 3,113,561.08</u> | <u>\$ 2,169,191.43</u> | <u>\$ (2,079,341.57)</u> | <u>\$ 3,203,410.94</u> | <u>\$ 7,874.60</u> |

The net pension liability and compensated absences are liquidated by the general fund.

During the fiscal year ended June 30, 2021, the following changes occurred in long-term obligations for business-type activities:

| | <u>Balance July 1, 2020</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2021</u> | <u>Due within One Year</u> |
|----------------------------------|---------------------------------|---------------------|-------------------|----------------------------------|--------------------------------|
| Business-Type Activities: | | | | | |
| Other Liabilities: | | | | | |
| Compensated Absences | \$ 20,530.24 | \$ 11,990.74 | \$ - | \$ 32,520.98 | \$ - |
| Total Business-Type Activities | <u>\$ 20,530.24</u> | <u>\$ 11,990.74</u> | <u>\$ -</u> | <u>\$ 32,520.98</u> | <u>\$ -</u> |

Compensated absences are liquidated by the Drive to the Future enterprise fund.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Postemployment Benefits - For details on other postemployment benefits, refer to note 10. The School District's contributions to the postemployment benefits plan are budgeted and paid from the general fund.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Prudential Financial for the Division.

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

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 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - 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 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 14.21% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2021 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2021 was \$978,953.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$521,931.10

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 15.90% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 was \$193,823.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$110,613.46.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial no later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2021, employee contributions totaled \$2,193.25, and the School District recognized pension expense, which equaled the required contributions, of \$970.71. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2021, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

| | | |
|--|-----------|----------------------|
| School District's Proportionate Share of Net Pension Liability | \$ | - |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District | | 28,447,526.00 |
| | | <u>28,447,526.00</u> |
| | <u>\$</u> | <u>28,447,526.00</u> |

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. For the June 30, 2020 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2020 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .0432012852%, which was an increase of .0052051515% from its proportion measured as of June 30, 2019.

Pension Expense - For the fiscal year ended June 30, 2021, the School District recognized \$1,768,988.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2020 measurement date.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

Pension Liability - At June 30, 2021, the School District reported a liability of \$2,889,298.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the School District's proportion was .0177177273%, which was an increase of .0013066953% from its proportion measured as of June 30, 2019.

Pension Expense - For the fiscal year ended June 30, 2021, the School District recognized pension expense of \$4,065.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2020 measurement date.

Deferred Outflows and Inflows of Resources - At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|--|---|
| Differences between Expected and Actual Experience | \$ 52,609.00 | \$ 10,218.00 |
| Changes of Assumptions | 93,732.00 | 1,209,776.00 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 98,759.00 | - |
| Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions | 238,016.00 | 278,115.00 |
| School District Contributions Subsequent to the Measurement Date | 231,858.00 | - |
| | <u>\$ 714,974.00</u> | <u>\$ 1,498,109.00</u> |

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$231,858.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year | |
|-------------------------------|--------------------------|
| <u>Ending June 30,</u> | |
| 2022 | \$ (417,436.00) |
| 2023 | (368,470.00) |
| 2024 | (194,724.00) |
| 2025 | (26,963.00) |
| 2026 | (7,400.00) |
| | <hr/> |
| | <u>\$ (1,014,993.00)</u> |

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|--|---|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | 5.48 | - |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | 5.21 | - |
| June 30, 2020 | 5.16 | - |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | - | 5.48 |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | - | 5.21 |
| June 30, 2020 | - | 5.16 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2016 | 5.00 | - |
| June 30, 2017 | 5.00 | - |
| June 30, 2018 | 5.00 | - |
| June 30, 2019 | 5.00 | - |
| June 30, 2020 | 5.00 | - |
| Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | 6.44 |
| June 30, 2015 | 5.72 | 5.72 |
| June 30, 2016 | 5.57 | 5.57 |
| June 30, 2017 | 5.48 | 5.48 |
| June 30, 2018 | 5.63 | 5.63 |
| June 30, 2019 | 5.21 | 5.21 |
| June 30, 2020 | 5.16 | 5.16 |

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2019. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

| | <u>TPAF</u> | <u>PERS</u> |
|----------------------------------|------------------------------|------------------------------|
| Inflation Rate: | | |
| Price | 2.75% | 2.75% |
| Wage | 3.25% | 3.25% |
| Salary Increases: ⁽¹⁾ | | |
| Through 2026 | 1.55% - 4.45% | 2.00% - 6.00% |
| Thereafter | 2.75% - 5.65% | 3.00% - 7.00% |
| Investment Rate of Return | 7.00% | 7.00% |
| Period of Actuarial Experience | | |
| Study upon which Actuarial | | |
| Assumptions were Based | July 1, 2015 - June 30, 2018 | July 1, 2014 - June 30, 2018 |

⁽¹⁾ based on years of service

For TPAF, 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 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-2020.

For PERS, 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 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-2020.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2020 measurement date are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|--------------------------|---|
| U.S. Equity | 27.00% | 7.71% |
| Non-US Developed Markets Equity | 13.50% | 8.57% |
| Emerging Market Equity | 5.50% | 10.23% |
| Private Equity | 13.00% | 11.42% |
| Real Assets | 3.00% | 9.73% |
| Real Estate | 8.00% | 9.56% |
| High Yield | 2.00% | 5.95% |
| Private Credit | 8.00% | 7.59% |
| Investment Grade Credit | 8.00% | 2.67% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 1.94% |
| Risk Mitigation Strategies | 3.00% | 3.40% |
| | <u>100.00%</u> | |

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of the June 30, 2020 measurement date 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 would be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate (Cont'd) -**

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 2.21% as of the June 30, 2020 measurement date 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 would be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2020, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2020 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 5.40% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

| | 1% Decrease <u>(4.40%)</u> | Current Discount Rate <u>(5.40%)</u> | 1% Increase <u>(6.40%)</u> |
|--|---|---|---|
| School District's Proportionate Share of the Net Pension Liability | \$ - | \$ - | \$ - |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District | <u>33,414,951.00</u> | <u>28,447,526.00</u> | <u>24,322,913.00</u> |
| | <u>\$ 33,414,951.00</u> | <u>\$ 28,447,526.00</u> | <u>\$ 24,322,913.00</u> |

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2020, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

| | 1% Decrease <u>(6.00%)</u> | Current Discount Rate <u>(7.00%)</u> | 1% Increase <u>(8.00%)</u> |
|--|---|---|---|
| School District's Proportionate Share of the Net Pension Liability | <u>\$ 3,665,744.00</u> | <u>\$ 2,889,298.00</u> | <u>\$ 2,272,460.00</u> |

Note 9: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Employees Covered by Benefit Terms - At June 30, 2020, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

| | |
|--|---------|
| Active Plan Members | 216,804 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 149,304 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments | - |
| | 366,108 |

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2021 was \$30,080,803.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. For the June 30, 2020 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.0443604477%, which was an increase of 0.0049178561% from its proportion measured as of June 30, 2019.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

| | <u>TPAF/ABP</u> * | <u>PERS</u> * | <u>PFRS</u> |
|-------------------|-------------------|---------------|--------------------------------|
| Salary Increases: | | | |
| Through 2026 | 1.55 - 4.45% | 2.00 - 6.00% | 3.25 - 15.25% * |
| Thereafter | 1.55 - 4.45% | 3.00 - 7.00% | Applied to all Future Years |

* based on service years

Inflation Rate - 2.50%.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Experience Studies - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate - The discount rate for June 30, 2020 measurement date was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

| | | |
|---|---------------------|-------------------------|
| Balance at June 30, 2020 | | \$ 16,459,031.00 |
| Changes for the Year: | | |
| Service Cost | \$ 768,803.00 | |
| Interest Cost | 594,164.00 | |
| Difference between Expected and Actual Experience | 7,271,885.00 | |
| Changes in Assumptions | 5,494,729.00 | |
| Member Contributions | 15,873.00 | |
| Gross Benefit Payments | <u>(523,682.00)</u> | |
| Net Changes | | <u>13,621,772.00</u> |
| Balance at June 30, 2021 | | <u>\$ 30,080,803.00</u> |

There were no changes in benefit terms between the June 30, 2019 measurement date and the June 30, 2020 measurement date.

Differences between expected and actual experience reflect an increase in liability from June 30, 2019 to June 30, 2020 due to changes in the census, claims, and premiums experience.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Changes in assumptions reflect an increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the School District, using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

| | 1% Decrease (1.21%) | Current Discount Rate (2.21%) | 1% Increase (3.21%) |
|--|------------------------------------|--|------------------------------------|
| State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District | <u>\$ 36,263,961.00</u> | <u>\$ 30,080,803.00</u> | <u>\$ 25,246,169.00</u> |

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|--|-------------------------|--|-------------------------|
| State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District | <u>\$ 24,282,239.00</u> | <u>\$ 30,080,803.00</u> | <u>\$ 36,985,604.00</u> |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal year ended June 30, 2021, the School District recognized \$1,834,627.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2020 measurement date.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2021, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Difference between Expected and Actual Experience | \$ 4,567,049.00 | \$ 4,068,165.00 |
| Changes of Assumptions | 5,116,645.00 | 3,432,390.00 |
| Changes in Proportion | <u>3,141,870.00</u> | <u>79,579.00</u> |
| | <u>\$ 12,825,564.00</u> | <u>\$ 7,580,134.00</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

| Fiscal Year Ending June 30, | |
|--|------------------------|
| 2022 | \$ 400,883.00 |
| 2023 | 400,883.00 |
| 2024 | 400,883.00 |
| 2025 | 400,883.00 |
| 2026 | 400,883.00 |
| Thereafter | <u>3,241,015.00</u> |
| | <u>\$ 5,245,430.00</u> |

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2021, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,613,465.00, \$30,698.00, \$515,255.00, and \$1,657.00, respectively.

Note 12: RISK MANAGEMENT

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

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

The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

| <u>Fiscal Year Ended June 30,</u> | <u>School District Contributions</u> | <u>Employee Contributions</u> | <u>Interest Income</u> | <u>Claims Incurred</u> | <u>Ending Balance</u> | |
|-----------------------------------|--------------------------------------|-------------------------------|------------------------|------------------------|-----------------------|--------------------------------|
| | | | | | <u>Claims Payable</u> | <u>Restricted Fund Balance</u> |
| 2021 | \$ 45,000.00 | \$ 15,050.12 | \$ 883.07 | \$ 1,138.37 | \$ 13,911.75 | \$ 169,760.44 |
| 2020 | 45,000.00 | 15,304.20 | 1,083.91 | 27,683.74 | - | 123,877.37 |
| 2019 | 45,000.00 | 15,425.00 | 371.00 | 13,700.00 | - | 90,173.00 |

Joint Insurance Fund - The School District is a member of the New Jersey School Board Association Insurance Group. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
 General Liability including Police Professional and Employee Benefit Liability
 Automobile Liability
 Blanket Crime including Public Employee Dishonesty
 Property Including Boiler and Machinery
 Public Officials and Employment Practices Liability
 Volunteer Directors and Officers Liability
 Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
 Excess General Liability
 Non-Owned Aircraft Liability
 Excess Auto Liability
 Fidelity and Performance (Blanket)
 Excess Property including Boiler and Machinery
 Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

Note 12: RISK MANAGEMENT (CONT'D)

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended June 30, 2021, which can be obtained from:

New Jersey Schools Insurance Group
600 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of several deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans 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. The plan administrators are as follows:

GWN Marketing
Life of the Southwest
Lincoln Investment Planning
Brighthouse Financial (MetLife)

Note 14: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2021, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$314,112.94 and \$32,520.98, respectively.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2021 is as follows:

| <u>Fund</u> | <u>Interfunds Receivable</u> | <u>Interfunds Payable</u> |
|------------------|----------------------------------|-------------------------------|
| General | \$ 2,014,545.43 | \$ 987,638.50 |
| Special Revenue | | 80,068.99 |
| Capital Projects | 939,700.00 | 1,907,472.38 |
| Proprietary | 53,175.50 | 32,241.06 |
| Internal Service | 6,250.00 | 6,250.00 |
| | <u>\$ 3,013,670.93</u> | <u>\$ 3,013,670.93</u> |

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2022, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers - This interfund transfer was made to supplement a capital project for security and technology infrastructures.

| | <u>Transfer In</u> |
|----------------------|--------------------------------------|
| | Capital Projects Fund |
| <u>Transfer Out:</u> | |
| General Fund | <u>\$ 939,700.00</u> |

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 18: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$1,773,417.05. Additionally, \$1,075,851.00 of excess fund balance generated during 2019-2020 has been restricted and designated for utilization in the 2021-2022 budget.

For Capital Reserve Account - As of June 30, 2021, the balance in the capital reserve account is \$2,937,708.84. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2021, the balance in the maintenance reserve account is \$1,155,440.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 12). As a result, there exists at June 30, 2021 a restricted fund balance from employer contributions in the amount of \$169,760.44 for future unemployment claims.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2021 is \$126,331.86.

Capital Projects Fund

The State of New Jersey Department of Education formally approved project #0995-030-18-1000 for the Cumberland County Board of Vocational Education project known as the Cumberland County Technical Education Center Addition and has qualified the project for State of NJ Debt Service support of approximately 71.52% of the cost as allowed by N.J.S.A. 18A:7G-9. On January 16, 2019, The Cumberland County Improvement Authority issued \$21,035,000.00 of county general obligation revenue bonds which were loaned to the County of Cumberland for the benefit of the School District to pay the costs for the project. On March 17, 2020 the Board of School Estimate approved the funding for the project. In addition, approval was granted for Cumberland County Board of Vocational Education to supplement the project with funds from the board of education's approved Capital Reserve Account in the amount of \$939,700.00 for security and technology infrastructures. As of June 30, 2021, the restricted fund balance amount was \$278,156.55.

Note 18: FUND BALANCES (CONT'D)**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

Other Purposes - As of June 30, 2021, the School District had \$978,460.43 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2021, \$197,578.99 of general fund balance was unassigned.

Note 19: RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE

For the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result, the following net positions and fund balances as of July 1, 2020 have been restated. There was also a cancelation of prior year accounts receivable. The following tables illustrate the restatements:

| | | |
|---|--------------------|-------------------------------------|
| | | Governmental Activities |
| Beginning Net Position as Previously Reported at July 1, 2020 | | \$ 65,658,168.88 |
| Prior Period Adjustments: | | |
| Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund | \$ 115,828.96 | |
| Reclassification of Unemployment Compensation Trust Net Position from Fiduciary Fund | 123,877.37 | |
| Cancellation of Prior Year Accounts Receivable | <u>(67,708.01)</u> | |
| Total Prior Period Adjustments | | <u>171,998.32</u> |
| Net Position as Restated, July 1, 2020 | | <u>\$ 65,830,167.20</u> |
| | | General Fund |
| Beginning Fund Balance as Previously Reported at July 1, 2020 | | \$ 7,171,805.31 |
| Prior Period Adjustments: | | |
| Reclassification of Unemployment Compensation Trust Net Position from Fiduciary Fund | \$ 123,877.37 | |
| Cancellation of Prior Year Accounts Receivable | <u>(67,708.01)</u> | |
| Total Prior Period Adjustments | | <u>56,169.36</u> |
| Fund Balance as Restated, July 1, 2020 | | <u>\$ 7,227,974.67</u> |
| | | Special Revenue Fund |
| Beginning Fund Balance as Previously Reported at July 1, 2020 | | \$ - |
| Prior Period Adjustment: | | |
| Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund | | <u>115,828.96</u> |
| Fund Balance as Restated, July 1, 2020 | | <u>\$ 115,828.96</u> |

Note 20: SUBSEQUENT EVENTS

COVID-19 - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Modifications / Transfers | Final Budget | Actual | Variance Final to Actual Favorable / (Unfavorable) |
|---|--------------------|--|-----------------|-----------------|---|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| County Appropriations | \$ 2,634,000.00 | \$ - | \$ 2,634,000.00 | \$ 2,634,000.00 | \$ - |
| Tuition | 6,262,542.00 | | 6,262,542.00 | 6,446,560.50 | 184,018.50 |
| Interest Earned on Capital Reserve Funds | 2,500.00 | | 2,500.00 | 14,044.48 | 11,544.48 |
| Interest on Investment | | | | 44,291.66 | 44,291.66 |
| Other Revenue Local | | | | 75,000.00 | 75,000.00 |
| Facility Rental | | | | 4,210.00 | 4,210.00 |
| Other Restricted Miscellaneous Revenues | | | | 883.07 | 883.07 |
| Unrestricted Miscellaneous Revenues | 25,000.00 | | 25,000.00 | 42,845.53 | 17,845.53 |
| Total - Local Sources | 8,924,042.00 | - | 8,924,042.00 | 9,261,835.24 | 337,793.24 |
| State Sources: | | | | | |
| Categorical Special Education Aid | 479,308.00 | | 479,308.00 | 479,308.00 | |
| Equalization Aid | 8,669,188.00 | (2,040,371.00) | 6,628,817.00 | 6,628,817.00 | |
| Security Aid | 160,459.00 | | 160,459.00 | 160,459.00 | |
| On-behalf TPAF Pension Contributions (non-budgeted) | | | | 1,613,465.00 | 1,613,465.00 |
| On-behalf TPAF Non-Contributory Group Insurance (non-budgeted) | | | | 30,698.00 | 30,698.00 |
| On-behalf TPAF Post-Retirement Medical Contributions (non-budgeted) | | | | 515,255.00 | 515,255.00 |
| On-behalf TPAF Long-Term Disability Insurance (non-budgeted) | | | | 1,657.00 | 1,657.00 |
| Reimbursed T.P.A.F. Social Security Contributions (non-budgeted) | | | | 498,407.34 | 498,407.34 |
| Total - State Sources | 9,308,955.00 | (2,040,371.00) | 7,268,584.00 | 9,928,066.34 | 2,659,482.34 |
| Total Revenues | 18,232,997.00 | (2,040,371.00) | 16,192,626.00 | 19,189,901.58 | 2,997,275.58 |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Modifications / Transfers | Final Budget | Actual | Variance Final to Actual Favorable / (Unfavorable) |
|---|---------------------|--|---------------------|---------------------|---|
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Grades 9-12 - Instruction: | | | | | |
| Salaries of Teachers | \$ 3,387,148.00 | \$ 178,292.00 | \$ 3,565,440.00 | \$ 3,377,964.66 | \$ 187,475.34 |
| Purchased Professional-Educational Services | 36,500.00 | | 36,500.00 | 34,567.00 | 1,933.00 |
| Other Purchased services (400-500 Series) | 1,038,075.00 | (50,400.00) | 987,675.00 | 651,629.60 | 336,045.40 |
| General Supplies | 390,519.60 | 35,400.00 | 425,919.60 | 348,581.37 | 77,338.23 |
| TextBooks | 180,135.27 | (30,000.00) | 150,135.27 | 97,613.50 | 52,521.77 |
| Other Objects | 1,000.00 | | 1,000.00 | 92.30 | 907.70 |
| Home Instruction: | | | | | |
| Salaries of Teachers | 15,000.00 | | 15,000.00 | 1,251.25 | 13,748.75 |
| Other Purchased Services (400-500 Series) | 15,000.00 | | 15,000.00 | 1,858.50 | 13,141.50 |
| General Supplies | 500.00 | | 500.00 | | 500.00 |
| Textbooks | 500.00 | | 500.00 | | 500.00 |
| Total Regular Programs - Instruction | <u>5,064,377.87</u> | <u>133,292.00</u> | <u>5,197,669.87</u> | <u>4,513,558.18</u> | <u>684,111.69</u> |
| Special Education - Instruction: | | | | | |
| Resource Room / Resource Center: | | | | | |
| Salaries of Teachers | <u>262,256.00</u> | <u>(262,256.00)</u> | | | |
| Total Resource Room / Resource Center | <u>262,256.00</u> | <u>(262,256.00)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Special Education - Instruction | <u>262,256.00</u> | <u>(262,256.00)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Vocational Programs: | | | | | |
| Regular Vocational Programs - Instruction: | | | | | |
| Salaries of Teachers | 1,584,163.00 | (27,120.00) | 1,557,043.00 | 1,519,187.23 | 37,855.77 |
| Purchased Professional Service - Educational Services | 31,000.00 | | 31,000.00 | 5,479.50 | 25,520.50 |
| Other Purchased Services (400-500 Series) | 160,505.00 | (8,650.00) | 151,855.00 | 56,102.46 | 95,752.54 |
| General Supplies | 1,013,449.98 | (444,945.00) | 568,504.98 | 236,571.28 | 331,933.70 |
| Textbooks | 9,400.00 | | 9,400.00 | 1,890.30 | 7,509.70 |
| Other Objects | 3,750.00 | | 3,750.00 | | 3,750.00 |
| Total Regular Vocational Programs - Instruction | <u>2,802,267.98</u> | <u>(480,715.00)</u> | <u>2,321,552.98</u> | <u>1,819,230.77</u> | <u>502,322.21</u> |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Modifications / Transfers | Final Budget | Actual | Variance Final to Actual Favorable / (Unfavorable) |
|--|--------------------|--|-----------------|---------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Vocational Programs (Cont'd): | | | | | |
| Special Vocational Programs - Instruction | | | | | |
| Salaries | \$ 344,920.00 | \$ 4,300.00 | \$ 349,220.00 | \$ 331,648.39 | \$ 17,571.61 |
| Other Salaries for Instruction | 86,044.00 | | 86,044.00 | 78,485.00 | 7,559.00 |
| Purchased Professional-Educational Services | 17,200.00 | 5,400.00 | 22,600.00 | 22,574.50 | 25.50 |
| Other Purchased Services (400-500 Series) | 10,550.00 | | 10,550.00 | 7,054.96 | 3,495.04 |
| General Supplies | 23,910.00 | (3,400.00) | 20,510.00 | 17,149.47 | 3,360.53 |
| Textbooks | 4,850.00 | (2,000.00) | 2,850.00 | | 2,850.00 |
| Total Special Vocational Programs- Instruction | 487,474.00 | 4,300.00 | 491,774.00 | 456,912.32 | 34,861.68 |
| Total Vocational Programs | 3,289,741.98 | (476,415.00) | 2,813,326.98 | 2,276,143.09 | 537,183.89 |
| School Sponsored Cocurricular Activities - Instruction: | | | | | |
| Salaries | 46,850.00 | | 46,850.00 | 33,730.00 | 13,120.00 |
| Purchased Services (300-500 series) | 96,450.00 | (3,500.00) | 92,950.00 | 21,142.86 | 71,807.14 |
| Supplies and Materials | 57,009.76 | (25,000.00) | 32,009.76 | 22,492.31 | 9,517.45 |
| Total School Sponsored Cocurricular Activities - Instruction | 200,309.76 | (28,500.00) | 171,809.76 | 77,365.17 | 94,444.59 |
| School Sponsored Athletics - Instruction: | | | | | |
| Salaries | 2,500.00 | | 2,500.00 | 2,500.00 | |
| Purchased Services (300-500 series) | 3,500.00 | | 3,500.00 | 1,500.00 | 2,000.00 |
| Supplies and Materials | 8,800.00 | (8,000.00) | 800.00 | | 800.00 |
| Other Objects | 100,000.00 | | 100,000.00 | 100,000.00 | |
| Total School Sponsored Athletics - Instruction | 114,800.00 | (8,000.00) | 106,800.00 | 104,000.00 | 2,800.00 |
| Total Instruction | 8,931,485.61 | (641,879.00) | 8,289,606.61 | 6,971,066.44 | 1,318,540.17 |
| Undistributed Expenditures: | | | | | |
| Attendance and Social Work Services: | | | | | |
| Salaries | 42,798.00 | | 42,798.00 | 42,379.20 | 418.80 |
| Purchased Professional and Technical Services | 7,500.00 | | 7,500.00 | 1,761.00 | 5,739.00 |
| Other Purchased Services (400-500 Series) | 20,412.00 | | 20,412.00 | 17,597.50 | 2,814.50 |
| Supplies and Materials | 11,474.55 | (2,400.00) | 9,074.55 | 4,515.00 | 4,559.55 |
| Other Objects | 1,500.00 | | 1,500.00 | | 1,500.00 |
| Total Undist. Expend. - Attendance and Social Work | 83,684.55 | (2,400.00) | 81,284.55 | 66,252.70 | 15,031.85 |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Modifications / Transfers | Final Budget | Actual | Variance Final to Actual Favorable / (Unfavorable) |
|--|--------------------|--|-------------------|-------------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures - Health Services: | | | | | |
| Salaries | \$ 238,203.00 | \$ (64,214.00) | \$ 173,989.00 | \$ 171,762.67 | \$ 2,226.33 |
| Purchased Professional and Technical Services | 41,000.00 | | 41,000.00 | 3,120.00 | 37,880.00 |
| Other Purchased Services | 38,695.00 | | 38,695.00 | 12,909.31 | 25,785.69 |
| Supplies and Materials | 23,531.05 | (2,400.00) | 21,131.05 | 17,564.78 | 3,566.27 |
| Other Objects | 400.00 | | 400.00 | 285.00 | 115.00 |
| Total Undistributed Expenditures - Health Services | <u>341,829.05</u> | <u>(66,614.00)</u> | <u>275,215.05</u> | <u>205,641.76</u> | <u>69,573.29</u> |
| Undistributed Expenditures - Other Support Services - Students - Related Services: | | | | | |
| Purchased Professional - Educational Services | 63,000.00 | | 63,000.00 | 10,729.47 | 52,270.53 |
| Supplies and Materials | 250.00 | | 250.00 | | 250.00 |
| Other Objects | 250.00 | | 250.00 | | 250.00 |
| Total Undistributed Expenditures - Other Support Services - Students - Related Services | <u>63,500.00</u> | <u>-</u> | <u>63,500.00</u> | <u>10,729.47</u> | <u>52,770.53</u> |
| Undistributed Expenditures - Other Support Services - Students - Regular: | | | | | |
| Salaries of Other Professional Staff | 558,789.00 | 14,575.00 | 573,364.00 | 573,273.72 | 90.28 |
| Salaries of Secretarial and Clerical Assistants | 43,798.00 | | 43,798.00 | 43,297.92 | 500.08 |
| Other Purchased Services (400-500 Series) | 8,000.00 | 1,036.00 | 9,036.00 | 5,386.00 | 3,650.00 |
| Supplies and Materials | 31,100.00 | (11,300.00) | 19,800.00 | 18,724.53 | 1,075.47 |
| Other Objects | 2,000.00 | (1,200.00) | 800.00 | 30.00 | 770.00 |
| Total Undistributed Expenditures - Other Support Services - Students - Regular | <u>643,687.00</u> | <u>3,111.00</u> | <u>646,798.00</u> | <u>640,712.17</u> | <u>6,085.83</u> |
| Undistributed Expenditures - Other Support Services - Students - Special: | | | | | |
| Salaries of Other Professional Staff | 150,310.00 | | 150,310.00 | 145,158.13 | 5,151.87 |
| Salaries of Secretarial and Clerical Assistants | 15,750.00 | (7,800.00) | 7,950.00 | | 7,950.00 |
| Other Purchased Professional and Technical Services | 11,299.00 | 2,055.00 | 13,354.00 | 12,103.11 | 1,250.89 |
| Supplies and Materials | 6,134.00 | 2,400.00 | 8,534.00 | 8,215.28 | 318.72 |
| Other Objects | 500.00 | | 500.00 | | 500.00 |
| Total Undistributed Expenditures - Other Support Services - Students - Special | <u>183,993.00</u> | <u>(3,345.00)</u> | <u>180,648.00</u> | <u>165,476.52</u> | <u>15,171.48</u> |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Modifications / Transfers | Final Budget | Actual | Variance Final to Actual Favorable / (Unfavorable) |
|--|--------------------|--|-----------------|-------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures - Improvement of Instruction Services: | | | | | |
| Other Salaries | \$ 30,200.00 | \$ - | \$ 30,200.00 | \$ 5,378.75 | \$ 24,821.25 |
| Other Purchased Services | 12,000.00 | (10,000.00) | 2,000.00 | 1,320.00 | 680.00 |
| Supplies and Materials | 500.00 | | 500.00 | | 500.00 |
| Total Undistributed Expenditures - Improvement of Instruction Services | 42,700.00 | (10,000.00) | 32,700.00 | 6,698.75 | 26,001.25 |
| Undistributed Expenditures - Educational Media Services / School Library | | | | | |
| Other Purchased Services | 9,350.00 | | 9,350.00 | 5,018.96 | 4,331.04 |
| Supplies and Materials | 20,000.00 | | 20,000.00 | | 20,000.00 |
| Other Objects | 1,250.00 | | 1,250.00 | | 1,250.00 |
| Total Undistributed Expenditures - Educational Media Services / School Library | 30,600.00 | - | 30,600.00 | 5,018.96 | 25,581.04 |
| Undistributed Expenditures - Instructional Staff Training Services: | | | | | |
| Other Salaries | 7,863.00 | | 7,863.00 | 650.00 | 7,213.00 |
| Purchased Professional - Educational Service | 3,000.00 | | 3,000.00 | | 3,000.00 |
| Other Purchased Services (400-500 series) | 12,650.00 | | 12,650.00 | 11,219.30 | 1,430.70 |
| Supplies and Materials | 3,000.00 | | 3,000.00 | 228.10 | 2,771.90 |
| Other Objects | 3,000.00 | | 3,000.00 | | 3,000.00 |
| Total Undistributed Expenditures - Instructional Staff Training Services | 29,513.00 | - | 29,513.00 | 12,097.40 | 17,415.60 |
| Undistributed Expenditures - Support Services - General Administration: | | | | | |
| Salaries | 277,163.00 | | 277,163.00 | 256,752.43 | 20,410.57 |
| Salaries of Attorneys | 33,695.00 | | 33,695.00 | 33,409.84 | 285.16 |
| Legal Services | 50,000.00 | 11,800.00 | 61,800.00 | 55,667.75 | 6,132.25 |
| Audit Fees | 32,000.00 | | 32,000.00 | 31,500.00 | 500.00 |
| Archititectoral/Engineering Service | 50,000.00 | (4,000.00) | 46,000.00 | 9,478.80 | 36,521.20 |
| Other Purchased Professional Services | 14,735.00 | | 14,735.00 | 4,635.00 | 10,100.00 |
| Purchased Technical Service | 6,700.00 | | 6,700.00 | 1,808.07 | 4,891.93 |
| Communications / Telephone | 58,570.00 | (7,800.00) | 50,770.00 | 25,840.16 | 24,929.84 |
| BOE Other Purchased Services | 5,500.00 | 2,500.00 | 8,000.00 | 1,421.76 | 6,578.24 |
| Other Purchased Services (400-500 series) | 75,612.44 | (2,500.00) | 73,112.44 | 64,071.39 | 9,041.05 |
| General Supplies | 19,516.19 | (3,600.00) | 15,916.19 | 8,401.94 | 7,514.25 |
| BOE In-House Training/Meeting Supplies | 1,200.00 | | 1,200.00 | 1,083.22 | 116.78 |
| Judgements | - | 10,797.91 | 10,797.91 | | 10,797.91 |
| Miscellaneous Expenditures | 5,200.00 | | 5,200.00 | 3,023.78 | 2,176.22 |
| BOE Membership Dues and Fees | 20,500.00 | | 20,500.00 | 19,502.25 | 997.75 |
| Total Undistributed Expenditures - Support Services - General Administration | 650,391.63 | 7,197.91 | 657,589.54 | 516,596.39 | 140,993.15 |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Modifications / Transfers | Final Budget | Actual | Variance Final to Actual Favorable / (Unfavorable) |
|--|---------------------|--|-------------------|-------------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures - Support Services - School Administration: | | | | | |
| Salaries of Principals / Assistant Principals | \$ 552,807.00 | \$ (31,719.00) | \$ 521,088.00 | \$ 516,929.04 | \$ 4,158.96 |
| Salaries of Secretarial and Clerical Assistants | 146,812.00 | | 146,812.00 | 144,777.38 | 2,034.62 |
| Unused Vacation Payment to Terminated/Retired Staff - Normal Retirements | | 28,026.97 | 28,026.97 | 28,026.97 | |
| Other Purchased Services (400-500 series) | 56,255.00 | (6,000.00) | 50,255.00 | 45,612.62 | 4,642.38 |
| Supplies and Materials | 53,763.10 | (8,400.00) | 45,363.10 | 37,571.47 | 7,791.63 |
| Other Objects | 12,425.00 | | 12,425.00 | 6,736.50 | 5,688.50 |
| Total Undistributed Expenditures - Support Services - School Administration | 822,062.10 | (18,092.03) | 803,970.07 | 779,653.98 | 24,316.09 |
| Undistributed Expenditures - Central Services: | | | | | |
| Salaries | 307,603.00 | 3,759.00 | 311,362.00 | 311,223.60 | 138.40 |
| Unused Vacation Payment to Terminated/Retired Staff - Normal Retirements | | 7,602.00 | 7,602.00 | 7,602.00 | |
| Purchased Professional Service | 50,300.00 | (5,358.91) | 44,941.09 | 43,581.00 | 1,360.09 |
| Purchased Technical Service | 30,250.00 | (2,068.00) | 28,182.00 | 28,180.55 | 1.45 |
| Miscellaneous Purchased Services | 10,931.17 | (3,000.00) | 7,931.17 | 6,298.81 | 1,632.36 |
| Supplies and Materials | 18,223.27 | (2,700.00) | 15,523.27 | 13,838.49 | 1,684.78 |
| Miscellaneous Expenditures | 3,000.00 | (130.00) | 2,870.00 | 1,190.00 | 1,680.00 |
| Total Undistributed Expenditures - Central Services | 420,307.44 | (1,895.91) | 418,411.53 | 411,914.45 | 6,497.08 |
| Undistributed Expenditures - Administration Information Technology: | | | | | |
| Salaries | 104,185.00 | | 104,185.00 | 103,691.04 | 493.96 |
| Purchased Technical Services | 196,610.50 | (33,600.00) | 163,010.50 | 101,997.00 | 61,013.50 |
| Other Purchased Services | 93,800.00 | (13,750.00) | 80,050.00 | 68,569.53 | 11,480.47 |
| Supplies and Materials | 24,310.65 | 56,400.00 | 80,710.65 | 13,995.50 | 66,715.15 |
| Other Objects | 1,500.00 | | 1,500.00 | | 1,500.00 |
| Total Undistributed Expenditures - Administration Information Technology | 420,406.15 | 9,050.00 | 429,456.15 | 288,253.07 | 141,203.08 |
| Undistributed Expenditures - Required Maintenance for School Facilities: | | | | | |
| Salaries | 301,572.00 | | 301,572.00 | 292,786.84 | 8,785.16 |
| Cleaning, Repair and Maintenance Services | 902,006.50 | (606,688.00) | 295,318.50 | 43,229.87 | 252,088.63 |
| General Supplies | 17,632.64 | (6,000.00) | 11,632.64 | 6,002.20 | 5,630.44 |
| Other Objects | 2,200.00 | | 2,200.00 | 206.81 | 1,993.19 |
| Total Undistributed Expenditures - Required Maintenance for School Facilities | 1,223,411.14 | (612,688.00) | 610,723.14 | 342,225.72 | 268,497.42 |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Modifications / Transfers | Final Budget | Actual | Variance Final to Actual Favorable / (Unfavorable) |
|--|--------------------|--|-----------------|---------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Undistributed Expenditures - Custodial Services: | | | | | |
| Salaries | \$ 444,534.00 | \$ (41,590.00) | \$ 402,944.00 | \$ 364,509.59 | \$ 38,434.41 |
| Purchased Professional and Technical Services | 7,530.00 | 2,000.00 | 9,530.00 | 6,457.00 | 3,073.00 |
| Cleaning, Repair and Maintenance Services | 140,405.00 | | 140,405.00 | 68,411.84 | 71,993.16 |
| Other Purchased Property Services | 71,965.00 | | 71,965.00 | 53,207.44 | 18,757.56 |
| Insurance | 89,281.00 | | 89,281.00 | 72,451.71 | 16,829.29 |
| Miscellaneous Purchased Services | 11,430.00 | | 11,430.00 | 567.50 | 10,862.50 |
| General Supplies | 132,085.97 | 15,000.00 | 147,085.97 | 114,358.20 | 32,727.77 |
| Energy (Electricity) | 464,111.25 | (44,191.00) | 419,920.25 | 266,675.80 | 153,244.45 |
| Energy (Natural Gas) | 207,500.00 | | 207,500.00 | 73,952.44 | 133,547.56 |
| Total Undistributed Expenditures - Custodial Service | 1,568,842.22 | (68,781.00) | 1,500,061.22 | 1,020,591.52 | 479,469.70 |
| Undistributed Expenditures - Care and Upkeep of Grounds: | | | | | |
| Purchased Professional and Technical Services | 2,500.00 | | 2,500.00 | | 2,500.00 |
| Cleaning Repair and Maintenance | 89,562.00 | | 89,562.00 | 78,949.20 | 10,612.80 |
| General Supplies | 5,000.00 | | 5,000.00 | 382.00 | 4,618.00 |
| Other Objects | 1,000.00 | | 1,000.00 | | 1,000.00 |
| Total Undistributed Expenditures - Care and Upkeep of Grounds | 98,062.00 | - | 98,062.00 | 79,331.20 | 18,730.80 |
| Undistributed Expenditures - Security: | | | | | |
| Salaries | 366,398.00 | | 366,398.00 | 284,510.41 | 81,887.59 |
| Purchased Professional and Technical Services | 4,250.00 | | 4,250.00 | 302.55 | 3,947.45 |
| Cleaning Repair and Maintenance | 160,844.00 | | 160,844.00 | 86,073.06 | 74,770.94 |
| General Supplies | 48,507.63 | (5,810.00) | 42,697.63 | 26,145.47 | 16,552.16 |
| Other Objects | 11,350.00 | | 11,350.00 | 4,001.40 | 7,348.60 |
| Total Undistributed Expenditures - Security | 591,349.63 | (5,810.00) | 585,539.63 | 401,032.89 | 184,506.74 |
| Undistributed Expenditures - Student Transportation Services: | | | | | |
| Salaries for Pupil Transportation (Other than Bet. Home & School) | 10,300.00 | | 10,300.00 | 4,729.40 | 5,570.60 |
| Cleaning, Repair, & Maintenance Services | 7,500.00 | | 7,500.00 | 2,385.44 | 5,114.56 |
| Contracted Services Other (Between Home and School) - Vendors | 184,640.00 | | 184,640.00 | 29,447.34 | 155,192.66 |
| Miscellaneous Purchased Services - Transportation | 26,370.00 | | 26,370.00 | 17,675.53 | 8,694.47 |
| General Supplies | 4,300.00 | | 4,300.00 | 115.60 | 4,184.40 |
| Miscellaneous Expenditures | 1,000.00 | | 1,000.00 | 862.10 | 137.90 |
| Total Undistributed Expenditures - Student Transportation Services | 234,110.00 | - | 234,110.00 | 55,215.41 | 178,894.59 |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 General Fund
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

| | <u>Original Budget</u> | <u>Budget Modifications / Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable / (Unfavorable)</u> |
|---|----------------------------|---|-------------------------|---------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| Current Expense (Cont'd): | | | | | |
| Allocated Benefits: | | | | | |
| Other Retirement Contributions - PERS | \$ 5,000.00 | \$ - | \$ 5,000.00 | \$ 5,000.00 | \$ - |
| Total Support Services - General Administration | 5,000.00 | - | 5,000.00 | 5,000.00 | - |
| Other Retirement Contributions - PERS | 2,500.00 | | 2,500.00 | 2,500.00 | |
| Tuition Reimbursement | 3,000.00 | | 3,000.00 | | 3,000.00 |
| Total Support Services - Central Services | 5,500.00 | - | 5,500.00 | 2,500.00 | 3,000.00 |
| Total Allocated Benefits | 10,500.00 | - | 10,500.00 | 7,500.00 | 3,000.00 |
| Unallocated Benefits: | | | | | |
| Social Security Contributions | 141,960.00 | 20,000.00 | 161,960.00 | 161,325.13 | 634.87 |
| Other Retirement Contributions - PERS | 190,000.00 | 4,200.00 | 194,200.00 | 194,157.60 | 42.40 |
| Other Retirement Contributions - Regular | 2,800.00 | | 2,800.00 | 350.66 | 2,449.34 |
| Unemployment Compensation | 45,000.00 | | 45,000.00 | | 45,000.00 |
| Workmen's Compensation | 135,612.00 | | 135,612.00 | 116,818.60 | 18,793.40 |
| Health Benefits | 2,088,462.00 | (182,700.00) | 1,905,762.00 | 1,590,770.07 | 314,991.93 |
| Tuition Reimbursement | 10,000.00 | | 10,000.00 | 9,750.00 | 250.00 |
| Other Employee Benefits | | 170,150.00 | 170,150.00 | 147,470.83 | 22,679.17 |
| Unused Sick Payment to Terminated/Retired Staff | 217,150.00 | (205,778.97) | 11,371.03 | | 11,371.03 |
| Total Unallocated Benefits | 2,830,984.00 | (194,128.97) | 2,636,855.03 | 2,220,642.89 | 416,212.14 |
| On-behalf Contributions (non-budgeted): | | | | | |
| On-behalf TPAF Pension Contributions (non-budgeted) | | | | 1,613,465.00 | (1,613,465.00) |
| On-behalf TPAF Non-Contributory Group Insurance (non-budgeted) | | | | 30,698.00 | (30,698.00) |
| On-behalf TPAF Post-Retirement Medical Contributions (non-budgeted) | | | | 515,255.00 | (515,255.00) |
| On-behalf TPAF Long-Term Disability Insurance (non-budgeted) | | | | 1,657.00 | (1,657.00) |
| Reimbursed T.P.A.F. Social Security Contributions (non-budgeted) | | | | 498,407.34 | (498,407.34) |
| Total On-behalf Contributions | - | - | - | 2,659,482.34 | (2,659,482.34) |
| Total Undistributed Expenditures | 10,289,932.91 | (964,396.00) | 9,325,536.91 | 9,895,067.59 | (569,530.68) |
| Total Current Expense | 19,221,418.52 | (1,606,275.00) | 17,615,143.52 | 16,866,134.03 | 749,009.49 |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 General Fund
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Modifications / Transfers | Final Budget | Actual | Variance Final to Actual Favorable / (Unfavorable) |
|---|-----------------------|--|-----------------------|----------------------|---|
| EXPENDITURES (CONT'D): | | | | | |
| Capital Outlay: | | | | | |
| Transfer to Capital Projects | \$ 939,700.00 | \$ - | \$ 939,700.00 | \$ 939,700.00 | \$ - |
| Interest Deposit to Capital Reserve | 2,500.00 | | 2,500.00 | | 2,500.00 |
| | <u>942,200.00</u> | <u>-</u> | <u>942,200.00</u> | <u>939,700.00</u> | <u>2,500.00</u> |
| Equipment: | | | | | |
| Grades 9-12 | 12,200.00 | (4,984.48) | 7,215.52 | | 7,215.52 |
| Vocational Programs-Regular Programs | 431,996.00 | (253,315.99) | 178,680.01 | 62,813.01 | 115,867.00 |
| Undistributed Expenditures - Admin Info. Tech | 33,870.14 | (11,536.12) | 22,334.02 | 22,334.02 | |
| Undistributed Expenditures -Custodial Equipment | 76,250.00 | (48,700.00) | 27,550.00 | 27,478.21 | 71.79 |
| Undistributed Expenditures -Upkeep of Grounds Equipment | 46,500.00 | (15,082.04) | 31,417.96 | 11,346.50 | 20,071.46 |
| Undistributed Expenditures -Security Equipment | 115,000.00 | (62,477.37) | 52,522.63 | | 52,522.63 |
| School Buses-Regular | 61,107.35 | | 61,107.35 | 61,107.35 | |
| Undistributed Expenditures - Non Instructional Services | 54,414.38 | (30,000.00) | 24,414.38 | 24,414.38 | |
| Total Equipment | <u>831,337.87</u> | <u>(426,096.00)</u> | <u>405,241.87</u> | <u>209,493.47</u> | <u>195,748.40</u> |
| Facilities Acquisition and Constructing Services: | | | | | |
| Assessment for Debt Service on SDA Funding | 19,288.00 | | 19,288.00 | 19,288.00 | |
| Total Facilities Acquisition and Constructing Services | <u>19,288.00</u> | <u>-</u> | <u>19,288.00</u> | <u>19,288.00</u> | <u>-</u> |
| Total Capital Outlay | <u>1,792,825.87</u> | <u>(426,096.00)</u> | <u>1,366,729.87</u> | <u>1,168,481.47</u> | <u>198,248.40</u> |
| Summer School - Instruction: | | | | | |
| Salaries of Teachers | 7,500.00 | (7,500.00) | | | |
| General Supplies | 500.00 | (500.00) | | | |
| Total Post-Secondary Vocational Program - Instruction | <u>8,000.00</u> | <u>(8,000.00)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Post Secondary Programs | <u>8,000.00</u> | <u>(8,000.00)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>21,022,244.39</u> | <u>(2,040,371.00)</u> | <u>18,981,873.39</u> | <u>18,034,615.50</u> | <u>947,257.89</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures (Carried Forward) | <u>(2,789,247.39)</u> | <u>-</u> | <u>(2,789,247.39)</u> | <u>1,155,286.08</u> | <u>3,944,533.47</u> |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 General Fund
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Modifications / Transfers | Final Budget | Actual | Variance Final to Actual Favorable / (Unfavorable) |
|---|------------------------|--|------------------------|------------------------|---|
| Excess (Deficiency) of Revenues Over (Under) Expenditures (Brought Forward) | \$ (2,789,247.39) | \$ - | \$ (2,789,247.39) | \$ 1,155,286.08 | \$ 3,944,533.47 |
| Fund Balance -- July 1 | 7,801,690.31 | | 7,801,690.31 | 7,801,690.31 | |
| Prior Period Adjustment | | | | 56,169.36 | 56,169.36 |
| Fund Balance -- July 1 (Restated) | 7,801,690.31 | - | 7,801,690.31 | 7,857,859.67 | 56,169.36 |
| Fund Balance -- June 30 | <u>\$ 5,012,442.92</u> | <u>\$ -</u> | <u>\$ 5,012,442.92</u> | <u>\$ 9,013,145.75</u> | <u>\$ 4,000,702.83</u> |
| Recapitulation: | | | | | |
| Restricted Fund Balance: | | | | | |
| Capital Reserve | | | | \$ 2,937,708.84 | |
| Maintenance Reserve | | | | 1,155,440.00 | |
| Excess Surplus - Designated for Subsequent Year's Expenditures | | | | 1,075,851.00 | |
| Excess Surplus - Current Year | | | | 1,773,417.05 | |
| Assigned Fund Balance: | | | | | |
| Year-End Encumbrances | | | | 978,460.43 | |
| Unemployment Compensation | | | | 169,760.44 | |
| Unassigned Fund Balance | | | | <u>922,507.99</u> | |
| | | | | 9,013,145.75 | |
| Reconciliation to Governmental Funds Statement (GAAP): | | | | | |
| Last State Aid Payment Not Recognized on GAAP Basis | | | | <u>724,929.00</u> | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>\$ 8,288,216.75</u> | |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Special Revenue Fund
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

| | Original <u>Budget</u> | Budget <u>Transfers</u> | Final <u>Budget</u> | <u>Actual</u> | Variance Final to Actual Favorable / <u>(Unfavorable)</u> |
|--|---------------------------|----------------------------|------------------------|---------------------|--|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Revenue from Local Sources | \$ 10,765.73 | \$ 243,412.87 | \$ 254,178.60 | \$ 132,899.64 | \$ (121,278.96) |
| Total - Local Sources | <u>10,765.73</u> | <u>243,412.87</u> | <u>254,178.60</u> | <u>132,899.64</u> | <u>(121,278.96)</u> |
| Federal Sources: | | | | | |
| Title I, Part A | 368,024.00 | | 368,024.00 | 313,768.33 | (54,255.67) |
| Title II, Part A | 42,448.00 | | 42,448.00 | 42,448.00 | |
| Title III | 1,439.00 | 925.00 | 2,364.00 | 1,574.38 | (789.62) |
| Title IV | 20,917.00 | | 20,917.00 | 1,327.69 | (19,589.31) |
| Title V RLIS | 28,704.00 | | 28,704.00 | 14,610.66 | (14,093.34) |
| I.D.E.A., Part B, Basic | 192,573.00 | | 192,573.00 | 151,295.23 | (41,277.77) |
| Perkins Vocational Secondary | 98,018.00 | | 98,018.00 | 88,157.41 | (9,860.59) |
| Perkins Vocational Secondary - Reserve | 24,583.00 | | 24,583.00 | 24,583.00 | |
| REAP | 28,849.50 | | 28,849.50 | 28,849.50 | |
| Education Stabilization Fund: | | | | | |
| Elementary and Secondary School Emergency Relief (ESSER)(CARES Act) | 227,728.00 | 12,440.00 | 240,168.00 | 141,528.70 | (98,639.30) |
| CRSSA - ESSER II | 1,159,380.00 | | 1,159,380.00 | | (1,159,380.00) |
| Learning Acceleration | 74,403.00 | | 74,403.00 | 1,014.60 | (73,388.40) |
| Mental Health | 45,000.00 | | 45,000.00 | | (45,000.00) |
| Coronavirus Relief Fund: | | | | | |
| School Reopening and Remote Learning Grant | 63,355.00 | | 63,355.00 | 63,355.00 | |
| Total - Federal Sources | <u>2,375,421.50</u> | <u>13,365.00</u> | <u>2,388,786.50</u> | <u>872,512.50</u> | <u>(1,516,274.00)</u> |
| Total Revenues | <u>2,386,187.23</u> | <u>256,777.87</u> | <u>2,642,965.10</u> | <u>1,005,412.14</u> | <u>(1,637,552.96)</u> |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Special Revenue Fund
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual Favorable / (Unfavorable) |
|---|---------------------|---------------------|---------------------|-------------------|---|
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | \$ 563,417.50 | \$ 9,281.77 | \$ 572,699.27 | \$ 234,255.87 | \$ 338,443.40 |
| Other Salaries for Instruction | 33,804.00 | | 33,804.00 | 33,804.00 | |
| Purchased Professional and Technical Services | 51,886.00 | | 51,886.00 | 10,899.10 | 40,986.90 |
| Other Purchased Services (400-500 series) | 105,704.00 | 14,754.00 | 120,458.00 | 31,432.96 | 89,025.04 |
| General Supplies | 328,143.26 | (3,470.98) | 324,672.28 | 85,951.09 | 238,721.19 |
| Miscellaneous Expenditures | 2,501.00 | | 2,501.00 | | 2,501.00 |
| Total Instruction | 1,085,455.76 | 20,564.79 | 1,106,020.55 | 396,343.02 | 709,677.53 |
| Support Services: | | | | | |
| Personal Services - Salaries | 453,519.00 | 859.00 | 454,378.00 | | 454,378.00 |
| Salaries of Secretarial and Clerical Assistants | 53,309.00 | (803.00) | 52,506.00 | 44,298.00 | 8,208.00 |
| Personal Services - Employee Benefits | 374,534.54 | 2,223.66 | 376,758.20 | 142,495.14 | 234,263.06 |
| Purchased Professional and Technical Services | 71,874.46 | 8,399.00 | 80,273.46 | 41,167.56 | 39,105.90 |
| Other Purchased Services (400-500 series) | 77,086.73 | (3,108.00) | 73,978.73 | 48,709.40 | 25,269.33 |
| General Supplies | 133,270.60 | 418.55 | 133,689.15 | 88,866.18 | 44,822.97 |
| Student Activities | - | 243,412.87 | 243,412.87 | 117,081.01 | 126,331.86 |
| Total Support Services | 1,163,594.33 | 251,402.08 | 1,414,996.41 | 482,617.29 | 932,379.12 |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | 137,137.14 | (15,189.00) | 121,948.14 | 115,948.93 | 5,999.21 |
| Total Facilities Acquisition and Construction Services | 137,137.14 | (15,189.00) | 121,948.14 | 115,948.93 | 5,999.21 |
| Total Expenditures | 2,386,187.23 | 256,777.87 | 2,642,965.10 | 994,909.24 | 1,648,055.86 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ - | \$ - | \$ - | \$ 10,502.90 | \$ 10,502.90 |
| Fund Balance, July 1 | | | | \$ - | |
| Prior Period Adjustment | | | | 115,828.96 | |
| Fund Balance, July 1 (Restated) | | | | 115,828.96 | |
| Fund Balance, June 30 | | | | \$ 126,331.86 | |
| Recapitulation: | | | | | |
| Restricted: | | | | | |
| Student Activities | | | | \$ 126,331.86 | |
| Total Fund Balance | | | | \$ 126,331.86 | |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2021

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|-------------------------|-------------------------------------|
| Sources / Inflows of Resources: | | |
| Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules | \$ 19,189,901.58 | \$ 1,005,412.14 |
| Differences - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | 61,234.27 |
| The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2020. | 629,885.00 | |
| The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2021. | <u>(724,929.00)</u> | |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2) | <u>\$ 19,094,857.58</u> | <u>\$ 1,066,646.41</u> |
| Uses / Outflows of Resources: | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-series) | \$ 18,034,615.50 | \$ 994,909.24 |
| Differences - Budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | 61,234.27 |
| Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. | <u>(939,700.00)</u> | |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2) | <u>\$ 17,094,915.50</u> | <u>\$ 1,056,143.51</u> |

REQUIRED SUPPLEMENTARY INFORMATION
PART III

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Eight Plan Years

| | Measurement Date Ending June 30, | | | | | | | |
|---|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| School District's Proportion of the Net Pension Liability | 0.0177177273% | 0.0164110320% | 0.0172422821% | 0.0183003286% | 0.0302375415% | 0.0191188693% | 0.0185487233% | 0.0204281583% |
| School District's Proportionate Share of the Net Pension Liability | \$ 2,889,298.00 | \$ 2,957,019.00 | \$ 3,394,919.00 | \$ 4,260,024.00 | \$ 5,674,686.00 | \$ 4,291,803.00 | \$ 3,472,828.00 | \$ 3,904,227.00 |
| School District's Covered Payroll | \$ 1,322,052.00 | \$ 1,191,928.00 | \$ 1,221,112.00 | \$ 1,314,940.00 | \$ 1,350,004.00 | \$ 1,344,664.00 | \$ 1,301,320.00 | \$ 1,438,460.00 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 218.55% | 248.09% | 278.02% | 323.97% | 420.35% | 319.17% | 266.87% | 271.42% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 58.32% | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% | 52.08% | 48.72% |

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Required Supplementary Information - Part III
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Eight Fiscal Years

| | Fiscal Year Ended June 30, | | | | | | | |
|---|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Contractually Required Contribution | \$ 231,858.00 | \$ 193,823.00 | \$ 159,631.00 | \$ 171,505.00 | \$ 169,533.00 | \$ 268,626.00 | \$ 164,371.00 | \$ 152,913.00 |
| Contributions in Relation to the Contractually Required Contribution | <u>(231,858.00)</u> | <u>(193,823.00)</u> | <u>(159,631.00)</u> | <u>(171,505.00)</u> | <u>(169,533.00)</u> | <u>(268,626.00)</u> | <u>(164,371.00)</u> | <u>(152,913.00)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School District's Covered Payroll | \$ 1,458,670.00 | \$ 1,393,458.00 | \$ 1,307,542.00 | \$ 1,195,910.00 | \$ 1,230,908.00 | \$ 1,346,813.00 | \$ 1,309,954.00 | \$ 1,329,956.00 |
| Contributions as a Percentage of School District's Covered Payroll | 15.90% | 13.91% | 12.21% | 14.34% | 13.77% | 19.95% | 12.55% | 11.50% |

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Eight Plan Years

| | Measurement Date Ending June 30, | | | | | | | |
|--|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| School District's Proportion of the Net Pension Liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| State's Proportion of the Net Pension Liability Associated with the School District | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |
| | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |
| School District's Proportionate Share of the Net Pension Liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's Proportionate Share of the Net Pension Liability Associated with the School District | <u>28,447,526.00</u> | <u>23,318,586.00</u> | <u>19,407,724.00</u> | <u>19,457,456.00</u> | <u>23,106,586.00</u> | <u>18,062,268.00</u> | <u>14,193,837.00</u> | <u>14,701,809.00</u> |
| | <u>\$ 28,447,526.00</u> | <u>\$ 23,318,586.00</u> | <u>\$ 19,407,724.00</u> | <u>\$ 19,457,456.00</u> | <u>\$ 23,106,586.00</u> | <u>\$ 18,062,268.00</u> | <u>\$ 14,193,837.00</u> | <u>\$ 14,701,809.00</u> |
| School District's Covered Payroll | \$ 6,858,096.00 | \$ 5,372,800.00 | \$ 4,570,048.00 | \$ 3,561,312.00 | \$ 3,444,324.00 | \$ 3,168,512.00 | \$ 3,100,296.00 | \$ 2,746,568.00 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 414.80% | 434.01% | 424.67% | 546.36% | 670.86% | 570.06% | 457.82% | 535.28% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 24.60% | 26.95% | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% | 33.76% |

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Required Supplementary Information - Part III
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2021

Teachers' Pension and Annuity Fund (TPAF)***Changes in Benefit Terms:***

The June 30, 2020 measurement date included one change to the plan provisions. The Division of Pension and Benefits (DPB) adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2020 | 5.40% | 2016 | 3.22% |
| 2019 | 5.60% | 2015 | 4.13% |
| 2018 | 4.86% | 2014 | 4.68% |
| 2017 | 4.25% | | |

The long-term expected rate of return used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2020 | 7.00% | 2016 | 7.65% |
| 2019 | 7.00% | 2015 | 7.90% |
| 2018 | 7.00% | 2014 | 7.90% |
| 2017 | 7.00% | | |

The mortality assumption was updated upon direction from the DPB.

Public Employees' Retirement System (PERS)***Changes in Benefit Terms:***

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2020 | 7.00% | 2016 | 3.98% |
| 2019 | 6.28% | 2015 | 4.90% |
| 2018 | 5.66% | 2014 | 5.39% |
| 2017 | 5.00% | | |

The long-term expected rate of return used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2020 | 7.00% | 2016 | 7.65% |
| 2019 | 7.00% | 2015 | 7.90% |
| 2018 | 7.00% | 2014 | 7.90% |
| 2017 | 7.00% | | |

The mortality assumption was updated upon direction from the DPB.

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Required Supplementary Information - Part IV
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Four Plan Years

| | Measurement Date Ending <u>June 30,</u> <u>2020</u> | Measurement Date Ending <u>June 30,</u> <u>2019</u> | Measurement Date Ending <u>June 30,</u> <u>2018</u> | Measurement Date Ending <u>June 30,</u> <u>2017</u> |
|---|--|--|--|--|
| Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District | | | | |
| Changes for the Year: | | | | |
| Service Cost | \$ 768,803.00 | \$ 675,728.00 | \$ 609,912.00 | \$ 733,098.00 |
| Interest Cost | 594,164.00 | 718,922.00 | 748,874.00 | 649,987.00 |
| Difference Between Expected and Actual Experience | 7,271,885.00 | (2,834,632.00) | (1,204,905.00) | |
| Changes in Assumptions | 5,494,729.00 | 245,406.00 | (2,082,100.00) | (2,685,325.00) |
| Gross Benefit Payments | 15,873.00 | (505,243.00) | (485,161.00) | (475,761.00) |
| Member Contributions | <u>(523,682.00)</u> | <u>14,977.00</u> | <u>16,768.00</u> | <u>17,519.00</u> |
| Net Change in Total Non-Employer OPEB Liability | 13,621,772.00 | (1,684,842.00) | (2,396,612.00) | (1,760,482.00) |
| Total Non-Employer OPEB Liability - July 1 | <u>16,459,031.00</u> | <u>18,143,873.00</u> | <u>20,540,485.00</u> | <u>22,300,967.00</u> |
| Total Non-Employer OPEB Liability - June 30 | <u>\$ 30,080,803.00</u> | <u>\$ 16,459,031.00</u> | <u>\$ 18,143,873.00</u> | <u>\$ 20,540,485.00</u> |
| School District's Covered Payroll (Plan Measurement Period) | <u>\$ 7,967,918.00</u> | <u>\$ 7,105,985.00</u> | <u>\$ 5,759,871.00</u> | <u>\$ 4,980,796.00</u> |
| State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll | 377.52% | 231.62% | 315.00% | 412.39% |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Notes to Required Supplementary Information - Part IV

For the Fiscal Year Ended June 30, 2021

Changes in Benefit Terms:

There were no changes in benefit terms from the previous valuations.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2020 | 2.21% | 2018 | 3.87% |
| 2019 | 3.50% | 2017 | 3.58% |

The mortality assumption was updated upon the direction from the Division of Pension and Benefits (DPB).

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. The ultimate trend for medical and prescription drug benefits was lowered from 5.0% to 4.5%. Recent plan experience along with national trend studies indicate a reduction on the expectations of future long-term medical and prescription drug experience. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023, the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% decreasing to a 4.5% long-term trend rate after seven years.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2021

| | Every Student Succeeds Act (E.S.S.A.) | | | | | | I.D.E.A. Part B, Basic | REAP | Total Brought Forward |
|--|---------------------------------------|-------------------|-------------------|-----------------|-----------------|------------------|---------------------------|------------------|-----------------------------|
| | Total | Title I - Part A | Title II - Part A | Title III | Title IV | Title V | | | |
| REVENUES: | | | | | | | | | |
| Federal Sources | \$ 872,512.50 | \$ 313,768.33 | \$ 42,448.00 | \$ 1,574.38 | \$ 1,327.69 | \$ 14,610.66 | \$ 151,295.23 | \$ 28,849.50 | \$ 318,638.71 |
| Local Sources | 132,899.64 | | | | | | | | 132,899.64 |
| Total Revenues | 1,005,412.14 | 313,768.33 | 42,448.00 | 1,574.38 | 1,327.69 | 14,610.66 | 151,295.23 | 28,849.50 | 451,538.35 |
| EXPENDITURES: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of Teachers | 234,255.87 | 188,136.60 | 29,706.77 | 1,462.50 | | 5,525.00 | | 8,482.50 | 942.50 |
| Other Salaries for Instruction | 33,804.00 | | | | | | 33,804.00 | | |
| Purchased Professional and Technical Services | 10,899.10 | | | | | | 1,500.00 | | 9,399.10 |
| Other Purchased Services (400-500 series) | 31,432.96 | 6,570.00 | | | | | 2,500.00 | | 22,362.96 |
| General Supplies | 85,951.09 | 1,886.43 | | | 1,327.69 | 198.00 | 15,427.13 | 17,320.57 | 49,791.27 |
| Total Instruction | 396,343.02 | 196,593.03 | 29,706.77 | 1,462.50 | 1,327.69 | 5,723.00 | 53,231.13 | 25,803.07 | 82,495.83 |
| Support Services: | | | | | | | | | |
| Salaries of Secretarial and Clerical Assistants | 44,298.00 | | | | | | 44,298.00 | | |
| Personal Services - Employee Benefits | 142,495.14 | 117,175.30 | 12,741.23 | 111.88 | | 422.66 | 11,325.54 | 646.43 | 72.10 |
| Purchased Professional and Technical Services | 41,167.56 | | | | | | 40,720.56 | | 447.00 |
| Other Purchased Services (400-500 series) | 48,709.40 | | | | | 8,465.00 | 1,720.00 | 2,400.00 | 36,124.40 |
| General Supplies | 88,866.18 | | | | | | | | 88,866.18 |
| Student Activities | 117,081.01 | | | | | | | | 117,081.01 |
| Total Support Services | 482,617.29 | 117,175.30 | 12,741.23 | 111.88 | - | 8,887.66 | 98,064.10 | 3,046.43 | 242,590.69 |
| Facilities Acquisition and Construction Services: | | | | | | | | | |
| Instructional Equipment | 115,948.93 | | | | | | | | 115,948.93 |
| Facilities Acquisition and Construction Services | 115,948.93 | - | - | - | - | - | - | - | 115,948.93 |
| Total Expenditures | 994,909.24 | 313,768.33 | 42,448.00 | 1,574.38 | 1,327.69 | 14,610.66 | 151,295.23 | 28,849.50 | 441,035.45 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 10,502.90 | - | - | - | - | - | - | - | 10,502.90 |
| Fund Balance, July 1 | - | - | - | - | - | - | - | - | - |
| Prior Period Adjustment | 115,828.96 | - | - | - | - | - | - | - | 115,828.96 |
| Fund Balance, July 1 (Restated) | 115,828.96 | - | - | - | - | - | - | - | 115,828.96 |
| Fund Balance, June 30 | \$ 126,331.86 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 126,331.86 |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2021

| | Total Brought Forward | Perkins Vocational Secondary | Perkins Vocational Sec - Reserve | Education Stabilization Fund | | Coronavirus Relief Fund | NJSBAIG Safety Grant | Student Activity Fund |
|--|-----------------------------|------------------------------------|--|--|---|---|----------------------------|-----------------------------|
| | | | | Elementary and Secondary School Emergency Relief (ESSER) (CARES Act) | Learning Acceleration (CARES Act) | School Re-Opening And Remote Learning Grant | | |
| REVENUES: | | | | | | | | |
| Federal Sources | \$ 318,638.71 | \$ 88,157.41 | \$ 24,583.00 | \$ 141,528.70 | \$ 1,014.60 | \$ 63,355.00 | | |
| Local Sources | 132,899.64 | | | | | | \$ 5,315.73 | \$ 127,583.91 |
| Total Revenues | 451,538.35 | 88,157.41 | 24,583.00 | 141,528.70 | 1,014.60 | 63,355.00 | 5,315.73 | 127,583.91 |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | 942.50 | | | | 942.50 | | | |
| Purchased Professional and Technical Services | 9,399.10 | 9,399.10 | | | | | | |
| Other Purchased Services (400-500 series) | 22,362.96 | 12,217.96 | | 10,145.00 | | | | |
| General Supplies | 49,791.27 | 6,298.56 | | 37,939.40 | | 5,553.31 | | |
| Miscellaneous Expenditures | | | | | | | | |
| Total Instruction | 82,495.83 | 27,915.62 | - | 48,084.40 | 942.50 | 5,553.31 | - | - |
| Support Services: | | | | | | | | |
| Salaries of Secretarial and Clerical Assistants | | | | | | | | |
| Personal Services - Employee Benefits | 72.10 | | | | 72.10 | | | |
| Purchased Professional and Technical Services | 447.00 | 447.00 | | | | | | |
| Other Purchased Services (400-500 series) | 36,124.40 | 7,819.00 | | 22,989.67 | | | 5,315.73 | |
| General Supplies | 88,866.18 | | | 70,454.63 | | 18,411.55 | | |
| Student Activities | 117,081.01 | | | | | | | 117,081.01 |
| Total Support Services | 242,590.69 | 8,266.00 | - | 93,444.30 | 72.10 | 18,411.55 | 5,315.73 | 117,081.01 |
| Facilities Acquisition and Construction Services: | | | | | | | | |
| Instructional Equipment | 115,948.93 | 51,975.79 | 24,583.00 | | | 39,390.14 | | |
| Facilities Acquisition and Construction Services | 115,948.93 | 51,975.79 | 24,583.00 | - | - | 39,390.14 | - | - |
| Total Expenditures | 441,035.45 | 88,157.41 | 24,583.00 | 141,528.70 | 1,014.60 | 63,355.00 | 5,315.73 | 117,081.01 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 10,502.90 | - | - | - | - | - | - | 10,502.90 |
| Fund Balance, July 1 | - | - | - | - | - | - | - | - |
| Prior Period Adjustment | 115,828.96 | - | - | - | - | - | - | 115,828.96 |
| Fund Balance, July 1 (Restated) | 115,828.96 | - | - | - | - | - | - | 115,828.96 |
| Fund Balance, June 30 | \$ 126,331.86 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 126,331.86 |

CAPITAL PROJECTS FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2021

| <u>Project Title/Issue</u> | <u>Approval Date</u> | <u>Revised Budgetary Appropriations</u> | <u>GAAP Expenditures to Date</u> | | <u>Unexpended Appropriations June 30, 2021</u> |
|---|----------------------|---|--------------------------------------|-------------------------|--|
| | | | <u>Prior Years</u> | <u>Current Year</u> | |
| Cumberland County Technical Education Center Addition | 03/17/20 | \$ 939,700.00 | \$ - | \$ 661,543.45 | \$ 278,156.55 |
| Totals | | <u>\$ 939,700.00</u> | <u>\$ -</u> | <u>\$ 661,543.45</u> | <u>\$ 278,156.55</u> |
| Reconciliation to Governmental Fund Statement (GAAP): | | | | | |
| Unexpended Balance as of June 30, 2021 | | | | | <u>\$ 278,156.55</u> |
| Fund Balance per Governmental Funds (GAAP) | | | | | <u>\$ 278,156.55</u> |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budgetary Basis
 For the Fiscal Year Ended June 30, 2021

| | |
|--|---------------|
| Revenues and Other Financing Sources | |
| Transfer from General Fund | \$ 939,700.00 |
| Total Revenues | 939,700.00 |
| Expenditures and Other Financing Uses | |
| Equipment | 661,543.45 |
| Total Expenditures | 661,543.45 |
| Excess of revenues over expenditures | 278,156.55 |
| Fund Balance -- Beginning | - |
| Fund Balance -- Ending | \$ 278,156.55 |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status -- Budgetary Basis
 Cumberland County Technical Education Center Addition
 From Inception and for the Fiscal Year Ended June 30, 2021

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|----------------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from General Fund | \$ - | \$ 939,700.00 | \$ 939,700.00 | \$ 939,700.00 |
| Total Revenues | - | 939,700.00 | 939,700.00 | 939,700.00 |
| Expenditures and Other Financing Uses | | | | |
| Supplies and Materials | | | - | 49,700.00 |
| Equipment | | 661,543.45 | 661,543.45 | 890,000.00 |
| Total Expenditures | - | 661,543.45 | 661,543.45 | 939,700.00 |
| Excess of revenues over expenditures | <u>\$ -</u> | <u>\$ 278,156.55</u> | <u>\$ 278,156.55</u> | <u>\$ -</u> |
| Encumbered | | | \$ 248,349.29 | |
| Designated for Subsequent Years Expenditures | | | <u>29,807.26</u> | |
| | | | <u>\$ 278,156.55</u> | |
| Project Number | 0995-030-18-1000 | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | 939,700.00 | | | |
| Additional Authorized Cost | N/A | | | |
| Revised Authorized Cost | 939,700.00 | | | |
| Percentage Increase over Original Authorized Cost | N/A | | | |
| Percentage Completion | 30% | | | |

PROPRIETARY FUNDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Combining Statement of Net Position
Enterprise Funds
June 30, 2021

| | <u>Food Service</u> | <u>Food Service Restaurant</u> | <u>Drive to the Future</u> | <u>Adult Education</u> | <u>Total</u> |
|----------------------------------|-------------------------|------------------------------------|--------------------------------|----------------------------|----------------------|
| ASSETS: | | | | | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents | \$ 151,370.54 | \$ 31,281.43 | \$ 642,612.69 | \$ 100,330.97 | \$ 925,595.63 |
| Accounts Receivable: | | | | | |
| State | 3,565.77 | | | | 3,565.77 |
| Federal | 60,453.41 | | | | 60,453.41 |
| Other | 2,220.22 | | | 3,414.00 | 5,634.22 |
| Interfund Accounts Receivable: | | | | | |
| General Fund | 1,261.50 | 6,860.00 | 12,000.00 | 28,054.00 | 48,175.50 |
| Inventories | 21,702.35 | | | | 21,702.35 |
| Total Current Assets | <u>240,573.79</u> | <u>38,141.43</u> | <u>654,612.69</u> | <u>131,798.97</u> | <u>1,065,126.88</u> |
| Noncurrent Assets: | | | | | |
| Equipment | | | 84,026.00 | | 84,026.00 |
| Less Accumulated Depreciation | | | (54,301.69) | | (54,301.69) |
| Total Noncurrent Assets | <u>-</u> | <u>-</u> | <u>29,724.31</u> | <u>-</u> | <u>29,724.31</u> |
| Total Assets | <u>240,573.79</u> | <u>38,141.43</u> | <u>684,337.00</u> | <u>131,798.97</u> | <u>1,094,851.19</u> |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| Interfund Accounts Payable: | | | | | |
| Due General Fund | 237.00 | | 27,004.06 | | 27,241.06 |
| Accounts Payable | 52,154.76 | | 3,427.50 | | 55,582.26 |
| Unearned Revenue | | | 1,889.76 | | 1,889.76 |
| Total Current Liabilities | <u>52,391.76</u> | <u>-</u> | <u>32,321.32</u> | <u>-</u> | <u>84,713.08</u> |
| Noncurrent Liabilities: | | | | | |
| Compensated Absences Payable | | | 32,520.98 | | 32,520.98 |
| Total Noncurrent Liabilities | <u>-</u> | <u>-</u> | <u>32,520.98</u> | <u>-</u> | <u>32,520.98</u> |
| Total Liabilities | <u>52,391.76</u> | <u>-</u> | <u>64,842.30</u> | <u>-</u> | <u>117,234.06</u> |
| NET POSITION: | | | | | |
| Net Investment in Capital Assets | | | 29,724.31 | | 29,724.31 |
| Unrestricted | 188,182.03 | 38,141.43 | 589,770.39 | 131,798.97 | 947,892.82 |
| Total Net Position | <u>\$ 188,182.03</u> | <u>\$ 38,141.43</u> | <u>\$ 619,494.70</u> | <u>\$ 131,798.97</u> | <u>\$ 977,617.13</u> |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
For the Fiscal Year Ended June 30, 2021

| | <u>Food Service</u> | <u>Food Service Restaurant</u> | <u>Drive to the Future</u> | <u>Adult Education</u> | <u>Total</u> |
|--|-------------------------|------------------------------------|--------------------------------|----------------------------|------------------------|
| OPERATING REVENUES: | | | | | |
| Charges for Services: | | | | | |
| Daily Sales - Non-Reimbursable Programs | \$ 4,912.63 | \$ - | \$ - | \$ - | \$ 4,912.63 |
| Miscellaneous Fees | 1,961.50 | | 132,778.36 | | 1,961.50 132,778.36 |
| Total Operating Revenues | 6,874.13 | - | 132,778.36 | - | 139,652.49 |
| OPERATING EXPENSES: | | | | | |
| Salaries and Fringe Benefits | 85,594.41 | | 189,451.15 | | 275,045.56 |
| Purchased Professional/Technical Services | 39,130.20 | | 5,049.15 | 1,719.11 | 45,898.46 |
| Other Purchased Services | 15,938.58 | | | 4,389.42 | 20,328.00 |
| General Supplies | 41,717.54 | | 406.55 | | 42,124.09 |
| Depreciation | | | 10,503.29 | | 10,503.29 |
| Cleaning, Repairs and Maintenance | 937.02 | | | | 937.02 |
| Insurance | 6,643.83 | | | | 6,643.83 |
| Miscellaneous | 4,074.45 | | | | 4,074.45 |
| Cost of Sales - Reimbursable | 151,391.87 | | | | 151,391.87 |
| Cost of Sales - Non Reimbursable | 1,529.21 | | | | 1,529.21 |
| Total Operating Expenses | 346,957.11 | - | 205,410.14 | 6,108.53 | 558,475.78 |
| Operating Income / (Loss) | (340,082.98) | - | (72,631.78) | (6,108.53) | (418,823.29) |
| NONOPERATING REVENUES: | | | | | |
| State Sources: | | | | | |
| Seamless Summer Lunch Program - State | 17,727.80 | | | | 17,727.80 |
| Federal Sources: | | | | | |
| Healthy Hunger Free Kids Act | 5,332.32 | | | | 5,332.32 |
| Seamless Summer Option | 400,435.26 | | | | 400,435.26 |
| Food Distribution Program | 22,661.30 | | | | 22,661.30 |
| Emergency Operational Cost Program - Schools | 23,755.79 | | | | 23,755.79 |
| P-EBT Administrative Cost | 614.00 | | | | 614.00 |
| Interest and Investment Revenue | 422.28 | | 5,048.63 | | 5,470.91 |
| Total Nonoperating Revenues | 470,948.75 | - | 5,048.63 | - | 475,997.38 |
| Change in Net Position | 130,865.77 | - | (67,583.15) | (6,108.53) | 57,174.09 |
| Net Position - July 1 | 57,316.26 | 38,141.43 | 687,077.85 | 137,907.50 | 920,443.04 |
| Net Position -- June 30 | \$ 188,182.03 | \$ 38,141.43 | \$ 619,494.70 | \$ 131,798.97 | \$ 977,617.13 |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2021

| | <u>Food Service</u> | <u>Food Service Restaurant</u> | <u>Drive to the Future</u> | <u>Adult Education</u> | <u>Total</u> |
|--|-------------------------|------------------------------------|--------------------------------|----------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Receipts from Customers | \$ 20,074.00 | \$ - | \$ 140,447.15 | \$ - | \$ 160,521.15 |
| Payments to Employees | (85,594.41) | | (177,460.41) | | (263,054.82) |
| Payments to Suppliers | <u>(209,531.34)</u> | | <u>(2,028.20)</u> | <u>(6,108.53)</u> | <u>(217,668.07)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>(275,051.75)</u> | <u>-</u> | <u>(39,041.46)</u> | <u>(6,108.53)</u> | <u>(320,201.74)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | | | |
| State Sources | 14,207.30 | | | | 14,207.30 |
| Federal Sources | <u>397,019.90</u> | | | | <u>397,019.90</u> |
| Net Cash Provided by (Used in) Non-Capital Financing Activities | <u>411,227.20</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>411,227.20</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Interest and Dividends | <u>422.28</u> | | <u>5,048.63</u> | | <u>5,470.91</u> |
| Net Cash Provided by (used in) Investing Activities | <u>422.28</u> | <u>-</u> | <u>5,048.63</u> | <u>-</u> | <u>5,470.91</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 136,597.73 | - | (33,992.83) | (6,108.53) | 96,496.37 |
| Cash and Cash Equivalents -- July 1 | <u>14,772.81</u> | <u>31,281.43</u> | <u>676,605.52</u> | <u>106,439.50</u> | <u>829,099.26</u> |
| Cash and Cash Equivalents -- June 30 | <u>\$ 151,370.54</u> | <u>\$ 31,281.43</u> | <u>\$ 642,612.69</u> | <u>\$ 100,330.97</u> | <u>\$ 925,595.63</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | | |
| Operating Income (Loss) | <u>\$ (340,082.98)</u> | <u>\$ -</u> | <u>\$ (72,631.78)</u> | <u>\$ (6,108.53)</u> | <u>\$ (418,823.29)</u> |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | | |
| Depreciation | | | 10,503.29 | | 10,503.29 |
| (Increase) Decrease in Accounts Receivable, net | 20,728.19 | | 16,406.00 | 28,054.00 | 65,188.19 |
| (Increase) Decrease in Interfunds Receivable | 246.50 | | (12,000.00) | (28,054.00) | (39,807.50) |
| (Increase) Decrease in Inventories | (1,831.40) | | | | (1,831.40) |
| (Increase) Decrease in Prepaid Expenses | (6,266.82) | | | | (6,266.82) |
| Increase (Decrease) in Accounts Payable | 52,154.76 | | 3,427.50 | | 55,582.26 |
| Increase (Decrease) in Interfund Payable | | | 1,373.03 | | 1,373.03 |
| Increase (Decrease) in Other Current Liabilities | | | 1,889.76 | | 1,889.76 |
| Increase (Decrease) in Accrued Salaries Benefits | | | <u>11,990.74</u> | | <u>11,990.74</u> |
| Total Adjustments | <u>65,031.23</u> | <u>-</u> | <u>33,590.32</u> | <u>-</u> | <u>98,621.55</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ (275,051.75)</u> | <u>\$ -</u> | <u>\$ (39,041.46)</u> | <u>\$ (6,108.53)</u> | <u>\$ (320,201.74)</u> |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

| | <u>Security</u> | <u>Superintendent Services</u> | <u>Total</u> |
|--------------------------------|----------------------|------------------------------------|----------------------|
| ASSETS: | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 630,938.26 | \$ - | \$ 630,938.26 |
| Accounts Receivable: | | | |
| Other | 6,211.92 | 6,250.00 | 12,461.92 |
| Interfund Accounts Receivable: | | | |
| Internal Service Fund | <u>6,250.00</u> | <u> </u> | <u>6,250.00</u> |
| Total Current Assets | <u>643,400.18</u> | <u>6,250.00</u> | <u>649,650.18</u> |
| Total Assets | <u>643,400.18</u> | <u>6,250.00</u> | <u>649,650.18</u> |
| LIABILITIES: | | | |
| Current Liabilities: | | | |
| Interfund Accounts Payable: | | | |
| Internal Service Fund | <u> </u> | <u>6,250.00</u> | <u>6,250.00</u> |
| Total Current Liabilities | <u>-</u> | <u>6,250.00</u> | <u>6,250.00</u> |
| Total Liabilities | <u>-</u> | <u>6,250.00</u> | <u>6,250.00</u> |
| NET POSITION: | | | |
| Unrestricted | <u>643,400.18</u> | <u> </u> | <u>643,400.18</u> |
| Total Net Position | <u>\$ 643,400.18</u> | <u>\$ -</u> | <u>\$ 643,400.18</u> |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2021

| | <u>Security</u> | <u>Superintendent Services</u> | <u>Total</u> |
|------------------------------|----------------------|------------------------------------|----------------------|
| OPERATING REVENUES: | | | |
| Charges for Services: | | | |
| Fees | \$ 481,069.88 | \$ 6,250.00 | \$ 487,319.88 |
| Total Operating Revenues | <u>481,069.88</u> | <u>6,250.00</u> | <u>487,319.88</u> |
| OPERATING EXPENSES: | | | |
| Salaries and Fringe Benefits | <u>249,523.33</u> | <u>6,250.00</u> | <u>255,773.33</u> |
| Total Operating Expenses | <u>249,523.33</u> | <u>6,250.00</u> | <u>255,773.33</u> |
| Change in Net Position | 231,546.55 | - | 231,546.55 |
| Net Position -- July 1 | <u>411,853.63</u> | - | <u>411,853.63</u> |
| Net Position -- June 30 | <u>\$ 643,400.18</u> | <u>\$ -</u> | <u>\$ 643,400.18</u> |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2021

| | <u>Security</u> | <u>Superintendent Services</u> | <u>Total</u> |
|--|----------------------|------------------------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipts from Customers | \$ 508,608.36 | \$ - | \$ 508,608.36 |
| Payments to Employees | (249,523.33) | (6,250.00) | (255,773.33) |
| Net Cash Provided by Operating Activities | <u>259,085.03</u> | <u>(6,250.00)</u> | <u>252,835.03</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | |
| Interfund Activities | (6,250.00) | 6,250.00 | - |
| Net Cash Provided by Non-Capital Financing Activities | <u>(6,250.00)</u> | <u>6,250.00</u> | <u>-</u> |
| Net Increase in Cash and Cash Equivalents | 252,835.03 | - | 252,835.03 |
| Cash and Cash Equivalents -- July 1 | <u>378,103.23</u> | <u>-</u> | <u>378,103.23</u> |
| Cash and Cash Equivalents -- June 30 | <u>\$ 630,938.26</u> | <u>\$ -</u> | <u>\$ 630,938.26</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | |
| Operating Income | \$ 231,546.55 | \$ - | \$ 231,546.55 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | |
| (Increase) Decrease in Accounts Receivable, net | <u>27,538.48</u> | <u>(6,250.00)</u> | <u>21,288.48</u> |
| Total Adjustments | <u>27,538.48</u> | <u>(6,250.00)</u> | <u>21,288.48</u> |
| Net Cash Provided by Operating Activities | <u>\$ 259,085.03</u> | <u>\$ (6,250.00)</u> | <u>\$ 252,835.03</u> |

STATISTICAL SECTION

Financial Trends Information

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
 Unaudited

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|--|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|------------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 61,585,849.23 | \$ 62,325,103.02 | \$ 63,602,328.00 | \$ 68,657,775.00 | \$ 68,332,306.00 | \$ 60,525,733.00 | \$ 19,667,934.00 | \$ 6,484,922.00 | \$ 5,736,033.00 | \$ 5,289,296.00 |
| Restricted for: | | | | | | | | | | |
| Unemployment Compensation | 169,760.44 | | | | | | | | | |
| Student Activities | 126,331.86 | | | | | | | | | |
| Other Purposes | 7,220,573.44 | 6,514,937.32 | 5,906,454.00 | 7,752,984.00 | 9,702,927.00 | 18,900,941.00 | 59,010,485.00 | 3,163,512.00 | 3,515,669.00 | 3,322,775.00 |
| Unrestricted (Deficit) | <u>(2,398,964.34)</u> | <u>(3,181,871.46)</u> | <u>(3,511,822.00)</u> | <u>(3,805,739.00)</u> | <u>(3,763,790.00)</u> | <u>(3,070,324.00)</u> | <u>(2,973,953.00)</u> | <u>535,819.00</u> | <u>488,848.00</u> | <u>314,186.00</u> |
| Total Governmental Activities Net Position | <u>\$ 66,703,550.63</u> | <u>\$ 65,658,168.88</u> | <u>\$ 65,996,960.00</u> | <u>\$ 72,605,020.00</u> | <u>\$ 74,271,443.00</u> | <u>\$ 76,356,350.00</u> | <u>\$ 75,704,466.00</u> | <u>\$ 10,184,253.00</u> | <u>\$ 9,740,550.00</u> | <u>\$ 8,926,257.00</u> |
| Business-type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 29,724.31 | \$ 40,227.60 | \$ 50,731.00 | \$ 57,768.00 | | | | | | |
| Restricted | | | | | | | | | | |
| Unrestricted (Deficit) | <u>947,892.82</u> | <u>880,215.44</u> | <u>435,696.00</u> | <u>422,921.00</u> | <u>\$ 433,981.00</u> | <u>\$ (30,291.00)</u> | <u>\$ 4,300.00</u> | <u>\$ 73,011.00</u> | <u>\$ 76,655.00</u> | <u>\$ 75,167.00</u> |
| Total Business-type Activities Net Position | <u>\$ 977,617.13</u> | <u>\$ 920,443.04</u> | <u>\$ 486,427.00</u> | <u>\$ 480,689.00</u> | <u>\$ 433,981.00</u> | <u>\$ (30,291.00)</u> | <u>\$ 4,300.00</u> | <u>\$ 73,011.00</u> | <u>\$ 76,655.00</u> | <u>\$ 75,167.00</u> |
| Government-wide | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 61,615,573.54 | \$ 62,365,330.62 | \$ 63,653,059.00 | \$ 68,715,543.00 | \$ 68,332,306.00 | \$ 60,525,733.00 | \$ 19,667,934.00 | \$ 6,484,922.00 | \$ 5,736,033.00 | \$ 5,289,296.00 |
| Restricted for: | | | | | | | | | | |
| Unemployment Compensation | 169,760.44 | | | | | | | | | |
| Student Activities | 126,331.86 | | | | | | | | | |
| Other Purposes | 7,220,573.44 | 6,514,937.32 | 5,906,454.00 | 7,752,984.00 | 9,702,927.00 | 18,900,941.00 | 59,010,485.00 | 3,163,512.00 | 3,515,669.00 | 3,322,775.00 |
| Unrestricted (Deficit) | <u>(1,451,071.52)</u> | <u>(2,301,656.02)</u> | <u>(3,076,126.00)</u> | <u>(3,382,818.00)</u> | <u>(3,329,809.00)</u> | <u>(3,100,615.00)</u> | <u>(2,969,653.00)</u> | <u>608,830.00</u> | <u>565,503.00</u> | <u>389,353.00</u> |
| Total Government-wide Net Position | <u>\$ 67,681,167.76</u> | <u>\$ 66,578,611.92</u> | <u>\$ 66,483,387.00</u> | <u>\$ 73,085,709.00</u> | <u>\$ 74,705,424.00</u> | <u>\$ 76,326,059.00</u> | <u>\$ 75,708,766.00</u> | <u>\$ 10,257,264.00</u> | <u>\$ 9,817,205.00</u> | <u>\$ 9,001,424.00</u> |

In accordance with GASBS No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

* For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

* For the fiscal year ended June 30, 2021, the School District implemented GASBS No. 84, and because of this implementation the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: Annual Comprehensive Financial Report, Exhibit A-1.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
 Unaudited

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|--|------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 4,909,901.20 | \$ 4,628,339.49 | \$ 4,626,903.00 | \$ 3,517,355.00 | \$ 2,434,245.00 | | | | | |
| Special Education | | 239,056.25 | 567,888.00 | 401,853.00 | 58,735.00 | | | | | |
| Vocational | 2,276,143.09 | 2,104,823.18 | 2,073,347.00 | 2,019,425.00 | 2,288,816.00 | \$ 2,759,056.00 | \$ 3,027,579.00 | \$ 2,942,506.00 | \$ 2,873,324.00 | \$ 2,607,264.00 |
| Other Instruction | 181,365.17 | 220,714.89 | 95,718.00 | 65,197.00 | 37,527.00 | 12,574.00 | 40,887.00 | 36,444.00 | 25,905.00 | 23,674.00 |
| Support Services: | | | | | | | | | | |
| Instruction/Tuition | | | | | | | | | | |
| Student & Instruction Related Services | 1,656,479.29 | 1,308,256.03 | 1,272,301.00 | 956,995.00 | 947,806.00 | 845,408.00 | 783,790.00 | 584,216.00 | 605,368.00 | 620,448.00 |
| School Administrative Services | 779,653.98 | 630,399.68 | 691,866.00 | 605,111.00 | 518,000.00 | 414,553.00 | 424,343.00 | 528,425.00 | 395,229.00 | 355,481.00 |
| General and Business Administrative Services | 1,491,825.24 | 1,759,885.08 | 1,287,789.00 | 1,190,610.00 | 1,160,712.00 | 1,090,695.00 | 957,898.00 | 972,632.00 | 914,784.00 | 897,778.00 |
| Plant Operations and Maintenance | 1,843,181.33 | 1,782,967.27 | 1,921,645.00 | 1,627,896.00 | 1,504,534.00 | 752,161.00 | 868,942.00 | 911,892.00 | 794,814.00 | 779,643.00 |
| Pupil Transportation | 55,215.41 | 91,008.03 | 70,518.00 | 36,873.00 | 43,350.00 | 33,653.00 | 29,975.00 | 29,359.00 | 32,683.00 | 25,913.00 |
| Unallocated Employee Benefits | 6,299,633.09 | 4,313,785.20 | 4,624,537.00 | 3,867,567.00 | 4,117,943.00 | 2,731,937.00 | 2,571,914.00 | 1,800,964.00 | 1,895,653.00 | 1,673,087.00 |
| Special Schools | | | 78,027.00 | 34,391.00 | 526,649.00 | 640,220.00 | 580,139.00 | 571,799.00 | 553,877.00 | 564,872.00 |
| Internal Service Fund | | | 272,082.00 | 300.00 | 783,485.00 | 5,914,868.00 | 7,093,537.00 | 6,839,016.00 | 6,172,874.00 | 6,228,546.00 |
| Unallocated Depreciation | 1,724,343.60 | 1,694,803.18 | 169,538.00 | 188,535.00 | 165,673.00 | | | | | |
| NJ Debt Service Assessment | | | 19,288.00 | 19,288.00 | 19,288.00 | 19,288.00 | 19,288.00 | 19,288.00 | 1,436.00 | 1,047.00 |
| Total Governmental Activities Expenses | 21,217,741.40 | 18,774,038.28 | 17,771,447.00 | 14,531,396.00 | 14,606,763.00 | 15,214,413.00 | 16,398,292.00 | 15,236,541 | 14,265,947.00 | 13,777,753.00 |
| Business-type Activities: | | | | | | | | | | |
| Enterprise Funds | | | | | | | | | | |
| | 558,475.78 | 738,660.85 | 771,965.00 | 631,404.00 | 321,588.00 | 82,395.00 | 145,965.00 | 38,721.00 | 36,602.00 | 42,447.00 |
| Total Business-type Activities Expenses | 558,475.78 | 738,660.85 | 771,965.00 | 631,404.00 | 321,588.00 | 82,395.00 | 145,965.00 | 38,721.00 | 36,602.00 | 42,447.00 |
| Total Government-wide Expenses | \$ 21,776,217.18 | \$ 19,512,699.13 | \$ 18,543,412.00 | \$ 15,162,800.00 | \$ 14,928,351.00 | \$ 15,296,808.00 | \$ 16,544,257.00 | \$ 15,275,262.00 | \$ 14,302,549.00 | \$ 13,820,200.00 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Internal Service Fund | \$ 620,219.52 | \$ 456,992.13 | \$ 430,712.00 | \$ 6,000.00 | \$ 567,132.00 | \$ 5,994,249.00 | \$ 7,300,788.00 | \$ 6,948,207.00 | \$ 6,306,124.00 | \$ 6,236,372.00 |
| Special Schools | | 142,301.00 | 142,301.00 | | 358,911.00 | 601,219.00 | 549,142.00 | 493,026.00 | 601,107.00 | 645,062.00 |
| Operating Grants and Contributions | 2,913,496.92 | 1,645,320.13 | 2,624,249.00 | 1,977,681.00 | 2,292,277.00 | 1,324,100.00 | 1,225,670.00 | 505,139.00 | 607,184.00 | 480,923.00 |
| Total Governmental Activities Program Revenues | 3,533,716.44 | 2,102,312.26 | 3,197,262.00 | 1,983,681.00 | 3,218,320.00 | 7,919,568.00 | 9,075,600.00 | 7,946,372.00 | 7,514,415.00 | 7,362,357.00 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Food Service | 139,652.49 | 679,385.35 | 513,375.00 | 446,555.00 | 168,036.00 | 46,097.00 | 33,476.00 | 15,654.00 | 21,009.00 | 21,387.00 |
| Operating Grants and Contributions: | | | | | | | | | | |
| Food Service | 475,997.38 | 185,799.51 | 195,182.00 | 136,043.00 | 66,947.00 | 14,190.00 | 21,859.00 | 19,408.00 | 17,061.00 | 17,903.00 |
| Total Business-type Activities Program Revenues | 615,649.87 | 865,184.86 | 708,557.00 | 582,598.00 | 234,983.00 | 60,287.00 | 55,335.00 | 35,062.00 | 38,070.00 | 39,290.00 |
| Total Government-wide Program Revenues | \$ 4,149,366.31 | \$ 2,967,497.12 | \$ 3,905,819.00 | \$ 2,566,279.00 | \$ 3,453,303.00 | \$ 7,979,855.00 | \$ 9,130,935.00 | \$ 7,981,434.00 | \$ 7,552,485.00 | \$ 7,401,647.00 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| | \$ (17,684,024.96) | \$ (16,671,726.02) | \$ (14,574,185.00) | \$ (12,547,715.00) | \$ (11,388,443.00) | \$ (7,294,845.00) | \$ (7,322,692.00) | \$ (7,290,169.00) | \$ (6,751,532.00) | \$ (6,415,396.00) |
| Business-type Activities | | | | | | | | | | |
| | 57,174.09 | 126,524.01 | (63,408.00) | (48,806.00) | (86,605.00) | (22,108.00) | (90,630.00) | (3,659.00) | 1,468.00 | (3,157.00) |
| Total Government-wide Net (Expense) Revenue | \$ (17,626,850.87) | \$ (16,545,202.01) | \$ (14,637,593.00) | \$ (12,596,521.00) | \$ (11,475,048.00) | \$ (7,316,953.00) | \$ (7,413,322.00) | \$ (7,293,828.00) | \$ (6,750,064.00) | \$ (6,418,553.00) |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
 Unaudited

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|--|------------------------------------|-------------------------|--------------------------|--------------------------|--------------------------|------------------------|-------------------------|------------------------|------------------------|------------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| County Appropriations | \$ 2,634,000.00 | \$ 2,582,000.00 | \$ 2,530,000.00 | \$ 2,420,000.00 | \$ 2,310,000.00 | \$ 2,200,000.00 | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ 2,000,000.00 |
| Unrestricted grants and contributions | 9,297,469.19 | 7,616,967.39 | 5,700,361.00 | 4,633,583.00 | 4,942,304.00 | 4,550,615.00 | 4,499,670.00 | 4,366,374.00 | 4,254,057.00 | 5,640,874.00 |
| Tuition received | 6,446,560.50 | 6,269,101.50 | 5,379,138.00 | 3,910,820.00 | 2,489,600.00 | 1,061,040.00 | 1,290,130.00 | 1,152,625.00 | 1,088,635.00 | 1,080,854.00 |
| Investment earnings | 45,174.73 | | 43,494.00 | 20,245.00 | 23,062.00 | 21,585.00 | 18,161.00 | 14,180.00 | 27,459.00 | 23,595.00 |
| Nonresident Fees | | | 7,000.00 | | 24,000.00 | 76,000.00 | 34,000.00 | 76,000.00 | 96,000.00 | 81,000.00 |
| Miscellaneous income | 134,203.97 | 348,378.67 | 198,420.00 | 48,573.00 | 97,370.00 | 54,989.00 | 169,394.00 | 101,293.00 | 99,974.00 | 86,394.00 |
| Prior year Adjustments | | | (3,653,246.00) | (50,000.00) | | | | | (300.00) | (1,203.00) |
| Bond Proceeds from Cumberland County | | | | | | | 68,604,770.00 | | | |
| Adjustment to carrying value of fixed assets per appraisal | | | | | | | | | | |
| Fixed asset Retirement | | (3,635.66) | (2,177,042.00) | (9,696.00) | (32,078.00) | | | | | |
| Transfers | | (20,500.00) | (62,000.00) | (92,233.00) | (550,722.00) | (17,500.00) | (21,906.00) | 23,400.00 | | |
| Total Governmental Activities | 18,557,408.39 | 16,792,311.90 | 7,966,125.00 | 10,881,292.00 | 9,303,536.00 | 7,946,729.00 | 76,594,219.00 | 7,733,872.00 | 7,565,825.00 | 8,911,514.00 |
| Business-type Activities | | | | | | | | | | |
| Interest Earnings | | | 7,146.00 | 3,281.00 | 155.00 | 17.00 | 13.00 | 15.00 | 20.00 | 26.00 |
| Transfers | | 20,500.00 | 62,000.00 | 92,233.00 | 550,722.00 | 17,500.00 | 21,906.00 | | | |
| Other | | | | | | (30,000.00) | | | | |
| Total Business-type Activities | - | 20,500.00 | 69,146.00 | 95,514.00 | 550,877.00 | (12,483.00) | 21,919.00 | 15.00 | 20.00 | 26.00 |
| Total Government-wide | \$ 18,557,408.39 | \$ 16,812,811.90 | \$ 8,035,271.00 | \$ 10,976,806.00 | \$ 9,854,413.00 | \$ 7,934,246.00 | \$ 76,616,138.00 | \$ 7,733,887.00 | \$ 7,565,845.00 | \$ 8,911,540.00 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 873,383.43 | \$ 120,585.88 | \$ (6,608,060.00) | \$ (1,666,423.00) | \$ (2,084,907.00) | \$ 651,884.00 | \$ 69,271,527.00 | \$ 443,703.00 | \$ 814,293.00 | \$ 2,496,118.00 |
| Business-type Activities | 57,174.09 | 147,024.01 | 5,738.00 | 46,708.00 | 464,272.00 | (34,591.00) | (68,711.00) | (3,644.00) | 1,488.00 | (3,131.00) |
| Total Government-wide | \$ 930,557.52 | \$ 267,609.89 | \$ (6,602,322.00) | \$ (1,619,715.00) | \$ (1,620,635.00) | \$ 617,293.00 | \$ 69,202,816.00 | \$ 440,059.00 | \$ 815,781.00 | \$ 2,492,987.00 |

In accordance with GASBS No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

* For the fiscal year ended June 30, 2015, the School District adopted GASBS No's 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

* For the fiscal year ended June 30, 2021, the School District implemented GASBS No. 84, and because of this implementation the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: Annual Comprehensive Financial Report, Exhibit A-2.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|------------------------------------|------------------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|------------------------|------------------------|------------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Fund | | | | | | | | | | |
| Restricted | \$ 7,112,177.33 | \$ 6,514,937.32 | \$ 5,906,454.00 | \$ 5,576,996.00 | \$ 5,503,377.00 | \$ 5,286,761.00 | \$ 4,334,075.00 | \$ 3,725,317.00 | \$ 3,107,092.00 | \$ 2,876,974.00 |
| Assigned to: | | | | | | | | | | |
| Other Purposes | 978,460.43 | 429,265.39 | | | | | | | | |
| Unassigned (Deficit) | <u>197,578.99</u> | <u>227,602.60</u> | <u>254,772.00</u> | <u>210,984.00</u> | <u>215,970.00</u> | <u>25,227.00</u> | <u>49,677.00</u> | <u>41,276.00</u> | <u>78,534.00</u> | <u>61,753.00</u> |
| Total General Fund | <u>\$ 8,288,216.75</u> | <u>\$ 7,171,805.31</u> | <u>\$ 6,161,226.00</u> | <u>\$ 5,787,980.00</u> | <u>\$ 5,719,347.00</u> | <u>\$ 5,311,988.00</u> | <u>\$ 4,383,752.00</u> | <u>\$ 3,766,593.00</u> | <u>\$ 3,185,626.00</u> | <u>\$ 2,938,727.00</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted, Reported in: | | | | | | | | | | |
| Special Revenue Fund | \$ 126,331.86 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Capital Projects Fund | 278,156.55 | | | 2,175,988.00 | 4,199,550.00 | 13,614,180.00 | 54,676,410.00 | (556,117.00) | 432,503.00 | 445,801.00 |
| Unassigned (Deficit) | | | | | | | | | | |
| Total All Other Governmental Funds | <u>\$ 404,488.41</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,175,988.00</u> | <u>\$ 4,199,550.00</u> | <u>\$ 13,614,180.00</u> | <u>\$ 54,676,410.00</u> | <u>\$ (556,117.00)</u> | <u>\$ 432,503.00</u> | <u>\$ 445,801.00</u> |

* For the fiscal year ended June 30, 2021, the School District implemented GASBS No. 84, and because of this implementation the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: District Records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
 Unaudited

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|--|------------------------------------|------------------------|--------------------------|--------------------------|--------------------------|---------------------------|-------------------------|------------------------|----------------------|------------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Revenues | | | | | | | | | | |
| County Appropriations | \$ 2,634,000.00 | \$ 2,582,000.00 | \$ 2,530,000.00 | \$ 2,420,000.00 | \$ 2,310,000.00 | \$ 2,200,000.00 | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ 2,000,000.00 | \$ 2,000,000.00 |
| Tuition Charges | 6,446,560.50 | 6,269,101.50 | 5,379,138.00 | 3,910,820.00 | 2,489,600.00 | 1,061,040.00 | 1,290,130.00 | 1,152,625.00 | 1,088,635.00 | 1,080,854.00 |
| Non-resident Fees | | | 7,000.00 | | 24,000.00 | 76,000.00 | 34,000.00 | 76,000.00 | 96,000.00 | 81,000.00 |
| Interest Earnings | 58,336.14 | 83,091.66 | 42,787.00 | 20,245.00 | 19,783.00 | 19,276.00 | 15,893.00 | 12,382.00 | 24,208.00 | 17,930.00 |
| Miscellaneous | 122,938.60 | 258,488.44 | 340,721.00 | 48,573.00 | 456,281.00 | 656,208.00 | 718,538.00 | 594,319.00 | 701,081.00 | 731,456.00 |
| State Sources | 9,833,022.34 | 8,087,491.36 | 6,784,689.00 | 5,255,904.00 | 5,407,654.00 | 4,830,202.00 | 4,633,636.00 | 4,519,210.00 | 4,547,560.00 | 5,669,978.00 |
| Federal Sources | 933,746.77 | 671,191.16 | 452,297.00 | 467,605.00 | 415,392.00 | 456,843.00 | 482,443.00 | 352,303.00 | 313,681.00 | 451,819.00 |
| | <u>132,899.64</u> | | | | | | | | | |
| Total Revenue | <u>20,161,503.99</u> | <u>17,951,364.12</u> | <u>15,536,632.00</u> | <u>12,123,147.00</u> | <u>11,122,710.00</u> | <u>9,299,569.00</u> | <u>9,174,640.00</u> | <u>8,706,839.00</u> | <u>8,771,165.00</u> | <u>10,033,037.00</u> |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 4,909,901.20 | 4,628,339.49 | 3,355,360.00 | 2,103,332.00 | 1,191,669.00 | | | | | |
| Special Education Instruction | | 239,056.25 | 567,888.00 | 401,853.00 | 58,735.00 | | | | | |
| Vocational Instruction | 2,276,143.09 | 2,104,823.18 | 2,073,347.00 | 2,019,425.00 | 2,288,816.00 | 2,418,770.00 | 2,710,089.00 | 2,640,681.00 | 2,554,694.00 | 2,320,900.00 |
| School Sponsored/Other Instruction | 181,365.17 | 220,714.89 | 95,718.00 | 65,197.00 | 37,527.00 | 12,574.00 | 40,887.00 | 36,444.00 | 25,905.00 | 23,674.00 |
| Support Services: | | | | | | | | | | |
| Student & inst. Related services | 1,656,479.29 | 1,308,256.03 | 1,204,485.00 | 881,580.00 | 881,535.00 | 829,395.00 | 768,849.00 | 570,012.00 | 590,374.00 | 606,972.00 |
| General administration | 535,884.39 | 902,195.63 | 586,286.00 | 480,129.00 | 495,370.00 | 508,338.00 | 389,990.00 | 445,732.00 | 405,219.00 | 400,661.00 |
| School Administration services | 779,653.98 | 630,399.68 | 590,143.00 | 491,989.00 | 418,594.00 | 390,533.00 | 401,932.00 | 507,120.00 | 372,737.00 | 335,267.00 |
| Central Services | 411,914.45 | 328,668.63 | 341,843.00 | 391,254.00 | 413,616.00 | 381,556.00 | 356,019.00 | 324,276.00 | 315,783.00 | 324,153.00 |
| Admin info Tech | 288,253.07 | 324,545.32 | 291,844.00 | 243,812.00 | 185,455.00 | 184,788.00 | 196,948.00 | 188,420.00 | 178,788.00 | 159,488.00 |
| Plant Operations and Maintenance | 1,843,181.33 | 1,782,967.27 | 1,904,691.00 | 1,609,042.00 | 1,487,966.00 | 748,159.00 | 865,208.00 | 908,342.00 | 791,065.00 | 776,274.00 |
| Pupil transportation | 55,215.41 | 91,008.03 | 70,518.00 | 36,873.00 | 43,350.00 | 33,653.00 | 29,975.00 | 29,359.00 | 26,357.00 | 25,913.00 |
| Other Support Services: | | | | | | | | | | |
| Employee Benefits | 4,887,625.23 | 3,944,895.12 | 3,633,705.00 | 2,905,111.00 | 2,460,390.00 | 2,069,429.00 | 1,991,963.00 | 1,792,442.00 | 1,895,653.00 | 1,702,518.00 |
| Special Schools | | | 78,027.00 | 34,391.00 | 526,649.00 | 640,220.00 | 580,139.00 | 571,799.00 | 553,877.00 | 564,872.00 |
| Capital Outlay | 986,985.85 | 414,415.29 | 312,477.00 | 2,308,088.00 | 9,525,208.00 | 41,198,648.00 | 13,575,818.00 | 1,123,265.00 | 827,112.00 | 3,065,030.00 |
| Total Expenditures | <u>18,812,602.46</u> | <u>16,920,284.81</u> | <u>15,106,332.00</u> | <u>13,972,076.00</u> | <u>20,014,880.00</u> | <u>49,416,063.00</u> | <u>21,907,817.00</u> | <u>9,137,892.00</u> | <u>8,537,564.00</u> | <u>10,305,722.00</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,348,901.53</u> | <u>1,031,079.31</u> | <u>430,300.00</u> | <u>(1,848,929.00)</u> | <u>(8,892,170.00)</u> | <u>(40,116,494.00)</u> | <u>(12,733,177.00)</u> | <u>(431,053.00)</u> | <u>233,601.00</u> | <u>(272,685.00)</u> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from the sale of bonds | | | | | | | 68,604,770.00 | | | |
| Prior Year Adjustment | | | | | | | | | | (1,203.00) |
| Transfers/Cancellations | | | (2,177,042.00) | (50,000.00) | | | | | | |
| Transfers In | 939,700.00 | | 18,179.00 | 38,837.00 | 438,341.00 | 6,337.00 | 4,007.00 | 23,400.00 | | |
| Transfers Out | (939,700.00) | (20,500.00) | (74,179.00) | (94,837.00) | (553,442.00) | (23,837.00) | (25,914.00) | | | |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(20,500.00)</u> | <u>(2,233,042.00)</u> | <u>(106,000.00)</u> | <u>(115,101.00)</u> | <u>(17,500.00)</u> | <u>68,582,863.00</u> | <u>23,400.00</u> | <u>-</u> | <u>(1,203.00)</u> |
| Net Change in Fund Balances | <u>\$ 1,348,901.53</u> | <u>\$ 1,010,579.31</u> | <u>\$ (1,802,742.00)</u> | <u>\$ (1,954,929.00)</u> | <u>\$ (9,007,271.00)</u> | <u>\$ (40,133,994.00)</u> | <u>\$ 55,849,686.00</u> | <u>\$ (407,653.00)</u> | <u>\$ 233,601.00</u> | <u>\$ (273,888.00)</u> |

Source: District Records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
 Unaudited

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|-------------------------|------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Tuition | \$ 6,446,560.50 | \$ 6,269,101.50 | \$ 5,379,138.00 | \$ 3,910,820.00 | \$ 2,489,600.00 | \$ 1,061,040.00 | \$ 1,290,130.00 | \$ 1,152,625.00 | \$ 1,088,635.00 | \$ 1,080,854.00 |
| Non-Resident Fees | | | 7,000.00 | | 24,000.00 | 76,000.00 | 34,000.00 | 76,000.00 | 96,000.00 | 81,000.00 |
| Interest on Investments | 58,336.14 | 83,091.66 | 29,554.00 | 13,732.00 | 19,783.00 | 12,939.00 | 11,896.00 | 12,382.00 | 24,208.00 | 17,930.00 |
| Facility / Land Rent | 4,210.00 | 10,952.75 | 6,278.00 | 3,628.00 | | 12,000.00 | 12,000.00 | | | 17,000.00 |
| Prior Years' Refunds | | | | | | | | 35,976.00 | 65.00 | 22,009.00 |
| Adult and Evening Fees | | | 142,301.00 | | 358,911.00 | 601,219.00 | 549,142.00 | 493,026.00 | 601,107.00 | 645,062.00 |
| Insurance Claim | | 4,750.00 | 30,404.00 | | | | 102,416.00 | | | |
| Sale of Assets | | | | 22,251.00 | | | | | | |
| Atlantic City Electric | 75,000.00 | 100,000.00 | 100,000.00 | | 31,601.00 | 32,293.00 | 40,086.00 | 2,027.00 | 26,803.00 | 23,853.00 |
| E-Rate Reimbursement | | | 42,394.00 | 20,846.00 | 31,601.00 | 32,293.00 | 40,086.00 | 2,027.00 | 26,803.00 | 23,853.00 |
| Miscellaneous | 43,728.60 | 38,265.69 | | 562.00 | 65,769.00 | 8,083.00 | 9,146.00 | 61,275.00 | 18,521.00 | 23,532.00 |
| | <u>\$ 6,627,835.24</u> | <u>\$ 6,506,161.60</u> | <u>\$ 5,737,069.00</u> | <u>\$ 3,971,839.00</u> | <u>\$ 2,989,664.00</u> | <u>\$ 1,803,574.00</u> | <u>\$ 2,048,816.00</u> | <u>\$ 1,833,311.00</u> | <u>\$ 1,855,339.00</u> | <u>\$ 1,911,240.00</u> |

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

Not Applicable

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

Not Applicable

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Demographic and Economic Statistics
 Last Ten Fiscal Years
 Unaudited

| <u>Year</u> | <u>Population (1)</u> | <u>Personal Income (2)</u> | <u>Per Capita Personal Income (3)</u> | <u>Unemployment Rate (4)</u> |
|-------------|-----------------------|----------------------------|---------------------------------------|------------------------------|
| 2021 | Unavailable | Unavailable | Unavailable | Unavailable |
| 2020 | 147,008 | Unavailable | Unavailable | 10.80% |
| 2019 | 149,527 | \$ 6,166,044,899.00 | \$ 41,237.00 | 5.50% |
| 2018 | 150,972 | 6,082,510,908.00 | 40,289.00 | 6.50% |
| 2017 | 152,538 | 5,932,660,434.00 | 38,893.00 | 7.00% |
| 2016 | 153,797 | 5,746,317,311.00 | 37,363.00 | 7.50% |
| 2015 | 155,854 | 5,650,175,062.00 | 36,253.00 | 8.70% |
| 2014 | 157,099 | 5,571,987,332.00 | 35,468.00 | 9.90% |
| 2013 | 156,977 | 5,382,113,422.00 | 34,286.00 | 12.20% |
| 2012 | 157,677 | 5,387,823,090.00 | 34,170.00 | 14.10% |

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2010/2000 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development

(N/A) At the time of ACFR completion, this data was not yet available

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Principal Non-Governmental Employers in Cumberland County

Current Year and Nine Years Ago

Unaudited

| <u>Employer</u> | <u>2021</u> | | | <u>2012</u> | | |
|----------------------------|------------------|-------------|---|------------------|-------------|---|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> |
| Inspira Health Network | 3,393 | 1 | 34.31% | 2,837 | 1 | 31.87% |
| Durand Glass Manufacturing | 1,100 | 2 | 11.12% | 970 | 2 | 10.90% |
| ShopRite | 830 | 3 | 8.39% | 737 | 5 | 8.28% |
| Wal-Mart | 794 | 4 | 8.03% | 806 | 4 | 9.06% |
| F & S Produce | 731 | 5 | 7.39% | 525 | 8 | 5.90% |
| Agro Merchants Group | 700 | 6 | 7.08% | | | 0.00% |
| Sheppard Bus Service | 650 | 7 | 6.57% | 520 | 9 | 5.84% |
| Elwyn New Jersey | 615 | 8 | 6.22% | 518 | 10 | 5.82% |
| WaWa | 544 | 9 | 5.50% | 562 | 6 | 6.31% |
| OMNI Baking | 532 | 10 | 5.38% | | | 0.00% |
| Gerresheimer Glass | | | 0.00% | 876 | 3 | 9.84% |
| Seabrook Brothers and Sons | | | 0.00% | 550 | 7 | 6.18% |
| | <u>9,889</u> | | <u>100.00%</u> | <u>8,901</u> | | <u>100.00%</u> |

Source: Individual Employers

Operating Information

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

| <u>Function/Program</u> | For the Fiscal Year Ended June 30, | | | | | | | | | |
|---------------------------------------|------------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Instruction | | | | | | | | | | |
| Regular | 50.07 | 50.00 | 42.00 | 28.00 | 18.00 | | | | | |
| Special Education | 11.91 | 11.88 | 11.85 | 11.85 | 10.85 | | | | | |
| Vocational | 16.10 | 16.10 | 17.00 | 14.00 | 14.00 | 42.00 | 41.00 | 38.20 | 43.00 | 40.00 |
| Support Services: | | | | | | | | | | |
| General Administrative Services | 8.00 | 8.00 | 9.00 | 9.00 | 10.00 | 10.00 | 9.00 | 8.00 | 8.00 | 9.00 |
| School Administrative Services | 19.00 | 21.20 | 19.10 | 15.10 | 14.10 | 9.00 | 8.00 | 9.00 | 9.07 | 10.00 |
| Other Administrative Services | 10.00 | 7.00 | 5.00 | 5.00 | 5.00 | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 |
| Administrative Information Technology | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 3.00 |
| Plant Operations and Maintenance | 12.52 | 11.52 | 11.52 | 10.52 | 9.52 | 6.75 | 6.75 | 6.75 | 6.75 | 6.00 |
| Special Schools Fund 13 | | | | | 4.80 | 7.00 | 6.50 | 8.00 | 8.00 | 10.00 |
| Food Services | | | | | | | | | 1.10 | 1.50 |
| Total | <u>128.60</u> | <u>126.70</u> | <u>116.47</u> | <u>94.47</u> | <u>87.27</u> | <u>78.75</u> | <u>75.25</u> | <u>74.95</u> | <u>80.92</u> | <u>82.50</u> |

Source: District Personnel Records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

| Fiscal Year | District Enrollment | Operating Expenditures (1) | Cost Per Pupil | Percentage Change | Teaching Staff (2) | Pupil / Teacher Ratio | Average Daily Enrollment (ADE) (3) | Average Daily Attendance (ADA) (3) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|---------------------|----------------------------|----------------|-------------------|--------------------|-----------------------|------------------------------------|------------------------------------|--------------------------------------|-------------------------------|
| | | | | | | CCTEC | | | | |
| 2021 | 974 | \$ 17,825,616.61 | \$ 18,301.45 | 5.00% | 76 | 12.82 | 970.5 | 933.1 | 3.29% | 96.15% |
| 2020 | 947 | 16,505,869.52 | 17,429.64 | -16.58% | 74 | 12.78 | 939.5 | 912.1 | 33.64% | 97.08% |
| 2019 | 708 | 14,793,855.00 | 20,895.00 | -0.93% | 67 | 10.57 | 703.0 | 676.0 | 28.26% | 96.16% |
| 2018 | 553 | 11,663,988.00 | 21,092.00 | 1.34% | 49 | 11.29 | 548.1 | 520.6 | 8.79% | 94.98% |
| 2017 | 504 | 10,489,672.00 | 20,813.00 | 24.87% | 38 | 13.26 | 503.8 | 481.0 | 89.40% | 95.47% |
| 2016 | 493 | 8,217,415.00 | 16,668.00 | 18.22% | 36 | 13.69 | 266.0 | 249.0 | -16.40% | 93.61% |
| 2015 | 591 | 8,331,999.00 | 14,099.00 | 14.70% | 31 | 24.53 | 318.2 | 293.4 | -1.15% | 92.21% |
| 2014 | 652 | 8,014,627.00 | 12,292.00 | 2.02% | 30 | 25.40 | 321.9 | 297.8 | 5.26% | 92.51% |
| 2013 | 640 | 7,710,452.00 | 12,048.00 | 0.00% | 24 | 25.00 | 305.8 | 281.1 | -1.13% | 91.92% |
| 2012 | 601 | 7,240,692.00 | 12,048.00 | 1.69% | 23 | 26.13 | 309.3 | 284.3 | -9.61% | 91.92% |

N/A At the time of ACFR completion, this data was not yet available

Sources: District records

- (1) Operating expenditures equal total expenditures less debt service and capital outlay.
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 School Building Information
 Last Ten Fiscal Years
 Unaudited

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|--|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| <u>Other</u> | | | | | | | | | | |
| <u> CCTEC (1969)</u> | | | | | | | | | | |
| Square Feet | | | | 120,330 | 120,330 | 120,330 | 120,330 | 120,330 | 120,330 | 120,330 |
| Capacity (students) | | | | 505 | 505 | 505 | 505 | 505 | 505 | 505 |
| Enrollment | | | | | | 493 | 591 | 652 | 640 | 601 |
| <u>High School</u> | | | | | | | | | | |
| <u> CCTEC (2017)</u> | | | | | | | | | | |
| Square Feet | 202,000 | 202,000 | 202,000 | 202,000 | 202,000 | | | | | |
| Capacity (students) | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | | | | | |
| Enrollment | 974 | 947 | 708 | 553 | 504 | | | | | |
| Number of Schools at June 30, 2021 | | | | | | | | | | |
| Other = 1 | | | | | | | | | | |

Source: District records -- June Monthly Enrollment Report

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

| * School Facilities | For the Fiscal Year Ended June 30, | | | | | | | | | |
|-------------------------|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Bridgeton Avenue | | | | \$ 50,000.00 | \$ 50,000.00 | \$ 176,684.00 | \$ 259,331.00 | \$ 247,836.00 | \$ 165,379.00 | \$ 206,159.00 |
| College Drive | \$ 342,225.72 | \$ 353,458.62 | \$ 486,250.00 | 137,108.00 | 112,989.00 | | | | | |
| Total School Facilities | <u>\$ 342,225.72</u> | <u>\$ 353,458.62</u> | <u>\$ 486,250.00</u> | <u>\$ 187,108.00</u> | <u>\$ 162,989.00</u> | <u>\$ 176,684.00</u> | <u>\$ 259,331.00</u> | <u>\$ 247,836.00</u> | <u>\$ 165,379.00</u> | <u>\$ 206,159.00</u> |

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

Source: District Records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Insurance Schedule

June 30, 2021

Unaudited

| | <u>Coverage</u> | <u>Deductible</u> |
|---|---------------------|-------------------|
| Commerical Property Coverage | | \$ 5,000 |
| Blanket Building & Contents | \$ 51,993,105.00 | |
| Extra Expense | 50,000,000 | |
| Valuable Papers and Records | 10,000,000 | |
| Demolition and Increased Cost of Construction | 25,000,000 | |
| Limited Builders Risk | 10,000,000 | |
| Fire Department Service Charge | 10,000 | |
| Arson Reward | 10,000 | |
| Pollutant Cleanup and Removal | 250,000 | |
| Accounts Receivable | 250,000 | |
| Flood | 75,000,000 | |
| Earthquake | 50,000,000 | |
| Terrorism | 1,000,000 | |
| Boiler & Machinery Equipment Breakdown | | 25,000 |
| Combined Single Limit per Accident for Property Damage and Business Income | 51,993,105 | |
| Off-Premises Property Damage | 1,000,000 | |
| Extra Expense | 10,000,000 | |
| Service Interruption | 10,000,000 | |
| Perishable Goods | 1,000,000 | |
| Data Restoration | 1,000,000 | |
| Contingent Business Income | 1,000,000 | |
| Demolition | 1,000,000 | |
| Ordinance or Law | 1,000,000 | |
| Expediting Expense | 1,000,000 | |
| Hazardous Substances | 1,000,000 | |
| Newly Acquired Locations (120 days notice) | 1,000,000 | |
| Terrorism | included | |
| Commercial General Liability Coverage | | 1,000 |
| Bodily Injury & Property Damage, per Occurrence | 11,000,000 | |
| Products & Completed Operations | 11,000,000 | |
| Sexual Abuse | 11,000,000 | |
| Sexual Abuse - Annual NJSIG Aggregate | 26,500,000 | |
| Personal Injury & Advertising Injury – per occurrence/annual aggregate | 11,000,000 | |
| Employee Benefits Liability - per occurrence/annual aggregate | 11,000,000 | |
| Premises Medical Payments – per accident/limit per person | 10,000/5,000 | |
| Terrorism - per occurrence / annual NJSIG Aggregate | 1,000,000 | |
| Business Automobile Coverage | | 1,000 |
| Bodily Injury and Property Damage | 11,000,000 | |
| Uninsured/Underinsured Motorists –Symbol 6 – Private Passenger Autos | 1,000,000 | |
| Uninsured/Underinsured Motorists –Symbol 6 – All Other Vehicles | | |
| Bodily Injury Per Accident Person/Bodily Injury Per Accident/Property Damage Per Accident | 15,000/30,000/5,000 | |
| Person Injury Protection (including pedestrians) | 250,000 | |
| Medical Payments – private passenger vehicles/all other vehicles | 10,000/5,000 | |
| Terrorism – per occurrence/annual NJSIG aggregate | 1,000,000 | |
| Hired Car Physical Damage | 110,000 | |
| Garage Keepers | included | |

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Insurance Schedule

June 30, 2021

Unaudited

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| Workers Compensation Coverage | | |
| Workers Compensation | Statutory Limit | |
| Bodily Injury by Accident – Each Accident | \$ 3,000,000 | |
| Bodily Injury by Disease – Each Employee | 3,000,000 | |
| Bodily Injury by Disease – Aggregate Limit | 3,000,000 | |
| School Leaders E&O Liability Coverage | | |
| Coverage A – Educators Legal Liability / Employment Practices Liability | | \$ 5,000.00 |
| Limit of Liability - Each policy period | 11,000,000 | |
| Coverage B – Defense of an Administrative Law Proceedings | | 5,000 |
| Limit of Liability – Each Claim | 100,000 | |
| Limit of Liability – Each Policy Period | 300,000 | |
| Pollution Legal Liability Coverage | | 50,000 |
| Each Pollution Event Limit | 1,000,000 | |
| Aggregate Policy Limit | 11,000,000 | |
| Commercial Crime Coverage | | 500 |
| Per Loss - Employee Dishonesty /Faithful Performance | 100,000 | |
| Forgery & Alteration | 100,000 | |
| Computer Fraud | 100,000 | |
| Money & Securities: IN/OUT | 100,000 | |
| Money Orders & Counterfeit paper Currency | 100,000 | |
| Electronic Data Processing Coverage | | 1,000 |
| Hardware/Software | 1,050,000 | |
| Computer Virus | 250,000 | |
| Cyber Liability Coverage | | 25,000 |
| Policy Aggregate Limit | 2,000,000 | |
| Aggregate Notified Individuals | 2,000,000 | |
| Notified Individuals - Per Incident / Event | 250,000 | |
| Public Official Bonds | | |
| Megan Duffield - Board Secretary | 175,000 | |
| Christopher Russo - Treasurer | 220,000 | |
| Basic Student Accident Policy | | |
| Accident Medical Expense Limit | 1,000,000 | |
| Accident Medical Coverage for Volunteer Workers | 25,000 | |

Source: District records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Cumberland County Board of Vocational Education
Cumberland County, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Cumberland County Board of Vocational Education School District's, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2021. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Cumberland County Board of Vocational Education School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Cumberland County Board of Vocational Education School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as finding number 2021-001. Our opinion on each major federal and state program is not modified with respect to this matter.

The Cumberland County Board of Vocational School District's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

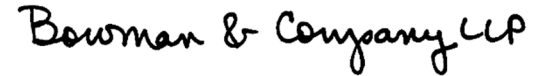
Management of the Cumberland County Board of Vocational School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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 Cumberland County Board of Vocational School District's internal control over compliance.

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
January 31, 2022

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2021

| Federal Grantor / Pass-through Grantor / Program or Cluster Title | Federal Assistance Listing Number | Additional Award Identification | Federal FAIN Number | Pass-Through Entity Identifying Number | Program or Award Amount | Grant Period From - To | Balance, June 30, 2020 | |
|--|--|---------------------------------------|------------------------|---|-------------------------------|------------------------------|--|-------------------|
| | | | | | | | Unearned Revenue/ (Accounts Receivable) | Due to Grantor |
| Special Revenue Fund: | | | | | | | | |
| U.S. Department of Education: | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | |
| E.S.S.A. | | | | | | | | |
| Title I Part A Grants to Local Educational Agencies | 84.010 | N/A | S010A200030 | ESEA-2890-21 | \$ 368,024.00 | 7/1/20 - 9/30/21 | \$ - | \$ - |
| Title I Part A Grants to Local Educational Agencies | 84.010 | N/A | S010A190030 | ESSA-2890-20 | 286,669.00 | 7/1/19 - 9/30/20 | (123,595.00) | |
| Total Title I Grants to Local Educational Agencies | | | | | | | (123,595.00) | - |
| Supporting Effective Instruction State Grants (Title II Part A) | 84.367 | 84.367A | S367A200029 | ESEA-2890-21 | 42,448.00 | 7/1/20 - 9/30/21 | | |
| Supporting Effective Instruction State Grants (Title II Part A) | 84.367 | 84.367A | S367A190029 | ESSA-2890-20 | 39,773.00 | 7/1/19 - 9/30/20 | (39,773.00) | |
| Total Supporting Effective Instruction State Grants | | | | | | | (39,773.00) | - |
| English Language Acquisition State Grants (Title III) | 84.365 | 84.365A | S365A200030 | ESSA-1280-21 | 1,439.00 | 7/1/20 - 9/30/21 | | |
| English Language Acquisition State Grants (Title III) | 84.365 | 84.365A | S365A190030 | ESSA-1280-20 | 1,615.00 | 7/1/19 - 9/30/20 | (313.79) | |
| Total English Language Acquisition State Grants | | | | | | | (313.79) | - |
| Student Support and Academic Enrichment Grants (Title IV) | 84.424 | 84.424A | S424A200031 | ESSA-1280-21 | 20,917.00 | 7/1/20 - 9/30/21 | | |
| Student Support and Academic Enrichment Grants (Title IV) | 84.424 | 84.424A | S424A190031 | ESSA-1280-20 | 11,575.00 | 7/1/19 - 9/30/20 | (8,298.00) | |
| Total Student Support and Academic Enrichment Grants | | | | | | | (8,298.00) | |
| Title V – Rural and Low-Income Schools Program | 84.358 | 84.358B | S358B200100 | ESSA-1280-21 | 28,704.00 | 7/1/20 - 9/30/21 | | - |
| Rural Education Achievement Program: | | | | | | | | |
| Rural & Low-Income Education (Title VI, Part B) | 84.358 | 84.358A | S358B190030 | N/A | 29,012.00 | 7/1/19 - 9/30/20 | (162.40) | |
| Total Rural Education Achievement Program Grant | | | | | | | (162.40) | - |
| Special Education Cluster (IDEA): | | | | | | | | |
| Special Education - Grants to States (IDEA, Part B) | 84.027 | 84.027A | H027A200100 | IDEA-2890-21 | 192,573.00 | 7/1/20 - 9/30/21 | | |
| Special Education - Grants to States (IDEA, Part B) | 84.027 | 84.027A | H027A190100 | IDEA-2890-20 | 148,403.00 | 7/1/19 - 9/30/20 | (43,234.00) | |
| Total Special Education Cluster (IDEA) | | | | | | | (43,234.00) | - |
| Career and Technical Education - Basic Grants to States (Perkins V) | 84.048 | 84.048A | V048A200030 | PERK-099521 | 98,018.00 | 7/1/20 - 6/30/21 | | |
| Career and Technical Education - Basic Grants to States (Perkins V) | 84.048 | 84.048A | V048A200030 | PERK-099521 | 24,583.00 | 7/1/20 - 6/30/21 | | |
| Total Career and Technical Education - Basic Grants to States (Perkins V) | | | | | | | - | - |
| Education Stabilization Fund (ESF): | | | | | | | | |
| Elementary and Secondary School Emergency Relief Fund | | | | | | | | |
| CARES - ESSER I | 84.425D | COVID-19, 84.425D | S425D200027 | N/A | 240,168.00 | 3/13/20-9/30/22 | | |
| CRSSA - Learning Acceleration | 84.425D | COVID-19, 84.425D | S425D210027 | N/A | 74,403.00 | 3/13/20-9/30/23 | | |
| CRSSA - ESSER II | 84.425D | COVID-19, 84.425D | S425D210027 | N/A | 1,159,380.00 | 3/13/20-9/30/23 | | |
| CRSSA - Mental Health | 84.425D | COVID-19, 84.425D | S425D210027 | N/A | 45,000.00 | 3/13/20-9/30/23 | | |
| Total Education Stabilization Fund (ESF) | | | | | | | - | - |
| Total U.S. Department of Education - Passed-through N.J. State Department of Education | | | | | | | (215,376.19) | - |
| U.S. Department of Treasury: | | | | | | | | |
| Passed-through N.J. State Department of Education: | | | | | | | | |
| Coronavirus Relief Fund: | | | | | | | | |
| School Re-opening and Remote Learning Grant | 21.019 | COVID-19 | SLT0228 | N/A | 63,355.00 | 7/1/16-10/31/20 | | |
| Total Special Revenue Fund | | | | | | | (215,376.19) | - |
| Enterprise Fund: | | | | | | | | |
| U.S. Department of Agriculture: | | | | | | | | |
| Passed-through State Department of Agriculture: | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | |
| Non-Cash Assistance: | | | | | | | | |
| National School Lunch Program - Food Distribution Program | 10.555 | N/A | 211NJ304N1099 | N/A | 22,661.30 | 7/1/20 - 6/30/21 | | |
| Cash Assistance: | | | | | | | | |
| School Breakfast Program (SBP): | | | | | | | | |
| Seamless Summer Option - Breakfast | 10.553 | N/A | 211NJ304N1099 | 100-028-3350-010 | 132,060.84 | 7/1/20 - 6/30/21 | | |
| Seamless Summer Option - Breakfast | 10.553 | COVID-19 | 211NJ304N1099 | 100-100-3350-010 | 996.66 | 7/1/20 - 6/30/21 | | |
| Seamless Summer Option - Breakfast | 10.553 | COVID-19 | 201NJ304N1099 | 100-100-3350-010 | 3,680.60 | 5/1/20 - 6/30/20 | (1,810.60) | |
| National School Lunch Program (NSLP): | | | | | | | | |
| Seamless Summer Option - Lunch | 10.555 | N/A | 211NJ304N1099 | 100-026-3350-010 | 265,798.98 | 7/1/20 - 6/30/21 | | |
| Healthy Hunger-Free Kids Act | 10.555 | N/A | 211NJ304N1099 | 100-026-3350-010 | 5,332.32 | 7/1/20 - 6/30/21 | | |
| Seamless Summer Option - Lunch | 10.555 | COVID-19 | 211NJ304N1099 | 100-098-3350-010 | 1,578.78 | 7/1/20 - 6/30/21 | | |
| Seamless Summer Option - Lunch | 10.555 | COVID-19 | 201NJ304N1099 | 100-098-3350-010 | 5,822.04 | 5/1/20 - 6/30/20 | (2,864.04) | |
| Emergency Operational Cost Program - Schools | 10.555 | COVID-19 | 202121H170341 | 100-112-3350-010 | 23,755.79 | 7/1/20 - 6/30/21 | | |
| Total Cash Assistance | | | | | | | (4,674.64) | - |
| Total Child Nutrition Cluster | | | | | | | (4,674.64) | - |
| P-EBT Administrative Cost | 10.649 | COVID-19 | 202121S900941 | 100-115-3350-010 | 614.00 | 7/1/20 - 6/30/21 | | |
| Total Enterprise Fund | | | | | | | (4,674.64) | - |
| Total Federal Awards | | | | | | | \$ (220,050.83) | \$ - |

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

| Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | | | Passed- Through to Subrecipients | Adjustments | Balance, June 30, 2021 | | |
|------------------------------------|--|------------------------------------|-----------------|------------------------------------|--|-------------|---------------------------|---------------------|-------------------|
| | | Pass-Through Funds | Direct Funds | Total Budgetary Expenditures | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor |
| \$ - | \$ 218,210.00 123,595.00 | \$ 313,768.33 | \$ - | \$ 313,768.33 | \$ - | \$ - | \$ (95,558.33) | \$ - | \$ - |
| - | 341,805.00 | 313,768.33 | - | 313,768.33 | - | - | (95,558.33) | - | - |
| - | 553.00 39,773.00 | 42,448.00 | - | 42,448.00 | - | - | (41,895.00) | - | - |
| - | 40,326.00 | 42,448.00 | - | 42,448.00 | - | - | (41,895.00) | - | - |
| - | 569.21 313.79 | 1,574.38 | - | 1,574.38 | - | - | (1,005.17) | - | - |
| - | 883.00 | 1,574.38 | - | 1,574.38 | - | - | (1,005.17) | - | - |
| - | 1,328.00 8,298.00 | 1,327.69 | - | 1,327.69 | - | (0.31) | - | - | - |
| - | 9,626.00 | 1,327.69 | - | 1,327.69 | - | (0.31) | - | - | - |
| - | 14,188.00 | 14,610.66 | - | 14,610.66 | - | - | (422.66) | - | - |
| - | 29,012.00 | 28,849.50 | - | 28,849.50 | - | (0.10) | - | - | - |
| - | 29,012.00 | 28,849.50 | - | 28,849.50 | - | (0.10) | - | - | - |
| - | 123,268.00 43,234.00 | 151,295.23 | - | 151,295.23 | - | - | (28,027.23) | - | - |
| - | 166,502.00 | 151,295.23 | - | 151,295.23 | - | - | (28,027.23) | - | - |
| - | 88,158.00 24,583.00 | 88,157.41 24,583.00 | - | 88,157.41 24,583.00 | - | (0.59) | - | - | - |
| - | 112,741.00 | 112,740.41 | - | 112,740.41 | - | (0.59) | - | - | - |
| - | 126,048.00 | 141,528.70 1,014.60 | - | 141,528.70 1,014.60 | - | - | (15,480.70) (1,014.60) | - | - |
| - | 126,048.00 | 142,543.30 | - | 142,543.30 | - | - | (16,495.30) | - | - |
| - | 841,131.00 | 809,157.50 | - | 809,157.50 | - | (1.00) | (183,403.69) | - | - |
| - | 63,355.00 | 63,355.00 | - | 63,355.00 | - | - | - | - | - |
| - | 904,486.00 | 872,512.50 | - | 872,512.50 | - | (1.00) | (183,403.69) | - | - |
| - | 22,661.30 | 22,661.30 | - | 22,661.30 | - | - | - | - | - |
| - | 119,619.54 996.66 1,810.60 | 132,060.84 996.66 | - | 132,060.84 996.66 | - | - | (12,441.30) | - | - |
| - | 242,618.94 4,870.04 1,578.78 2,864.04 | 265,798.98 5,332.32 1,578.78 | - | 265,798.98 5,332.32 1,578.78 | - | - | (23,180.04) (462.28) | - | - |
| - | 374,358.60 | 23,755.79 | - | 23,755.79 | - | - | (23,755.79) | - | - |
| - | 397,019.90 | 429,523.37 | - | 429,523.37 | - | - | (59,839.41) | - | - |
| - | 397,019.90 | 452,184.67 | - | 452,184.67 | - | - | (59,839.41) | - | - |
| - | 614.00 | 614.00 | - | 614.00 | - | - | (614.00) | - | - |
| - | 397,019.90 | 452,798.67 | - | 452,798.67 | - | - | (60,453.41) | - | - |
| \$ - | \$ 1,301,505.90 | \$ 1,325,311.17 | \$ - | \$ 1,325,311.17 | \$ - | \$ (1.00) | \$ (243,857.10) | \$ - | \$ - |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2021

| State Grantor / Program Title | Grant or State Project Number | Program or Award Amount | Grant Period From - To | Balance, June 30, 2020 | |
|---|-------------------------------|-------------------------|------------------------|---|----------------|
| | | | | Unearned Revenue/ (Accounts Receivable) | Due to Grantor |
| General Fund: | | | | | |
| New Jersey Department of Education: | | | | | |
| State Aid - Public: | | | | | |
| Equalization Aid | 495-034-5120-078 | \$ 6,628,817.00 | 7/1/20 - 6/30/21 | | |
| Special Education Categorical Aid | 495-034-5120-089 | 479,308.00 | 7/1/20 - 6/30/21 | | |
| Security Aid | 495-034-5120-084 | 160,459.00 | 7/1/20 - 6/30/21 | | |
| Equalization Aid | 495-034-5120-078 | 5,678,379.00 | 7/1/19 - 6/30/20 | \$ (566,103.69) | |
| Special Education Categorical Aid | 495-034-5120-089 | 479,308.00 | 7/1/19 - 6/30/20 | (47,784.42) | |
| Security Aid | 495-034-5120-084 | 160,459.00 | 7/1/19 - 6/30/20 | (15,996.89) | |
| Total State Aid - Public | | | | <u>(629,885.00)</u> | <u>\$ -</u> |
| Reimbursed TPAF Social Security Contributions: | | | | | |
| Reimbursed TPAF Social Security Contributions | 495-034-5094-003 | 498,407.34 | 7/1/20 - 6/30/21 | | |
| Reimbursed TPAF Social Security Contributions | 495-034-5094-003 | 471,119.36 | 7/1/19 - 6/30/20 | (22,994.63) | |
| Total Reimbursed TPAF Social Security Contributions | | | | <u>(22,994.63)</u> | <u>-</u> |
| On-Behalf TPAF Contributions (nonbudgeted): | | | | | |
| On-Behalf TPAF Pension Contribution - Normal Cost (non budgeted) | 495-034-5094-002 | 1,613,465.00 | 7/1/20 - 6/30/21 | | |
| On-Behalf TPAF Post-Retirement Medical (non budgeted) | 495-034-5094-001 | 515,255.00 | 7/1/20 - 6/30/21 | | |
| On-Behalf TPAF Long-Term Disability Insurance (non budgeted) | 495-034-5094-004 | 1,657.00 | 7/1/20 - 6/30/21 | | |
| On-Behalf TPAF Non-Contributory Insurance (non budgeted) | 495-034-5094-004 | 30,698.00 | 7/1/20 - 6/30/21 | | |
| Total On-Behalf TPAF Pension Contributions (non-budgeted) | | | | <u>-</u> | <u>-</u> |
| Total General Fund | | | | <u>(652,879.63)</u> | <u>-</u> |
| Capital Projects Fund: | | | | | |
| New Jersey Department of Education: | | | | | |
| School Addition & Renovation: | | | | | |
| School Addition & Renovation | 0995-030-09-1001 | 2,071,663.00 | 7/1/19 - 6/30/20 | (340,277.00) | |
| Total Capital Project Fund | | | | <u>(340,277.00)</u> | <u>-</u> |
| Enterprise Fund: | | | | | |
| New Jersey Department of Agriculture: | | | | | |
| Seamless Summer Lunch Program | | | | | |
| Seamless Summer Lunch Program | 100-010-3350-023 | 17,727.80 | 7/1/20 - 6/30/21 | | |
| State School Lunch Program | 100-010-3350-023 | 3,293.43 | 7/1/19 - 6/30/20 | (45.27) | |
| Total Enterprise Fund | | | | <u>(45.27)</u> | <u>-</u> |
| Total State Financial Assistance | | | | <u>\$ (993,201.90)</u> | <u>\$ -</u> |
| Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit: | | | | | |
| General Fund (Non-Cash Assistance): | | | | | |
| New Jersey Department of the Education: | | | | | |
| On-Behalf T.P.A.P. Pension Contribution - Normal Cost (non budgeted) | | | | | |
| On-Behalf T.P.A.P. Pension Contribution - Normal Cost (non budgeted) | 495-034-5094-002 | 1,613,465.00 | 7/1/20 - 6/30/21 | | |
| On-Behalf T.P.A.P. Post-Retirement Medical (non budgeted) | 495-034-5094-001 | 515,255.00 | 7/1/20 - 6/30/21 | | |
| On-Behalf T.P.A.P. Long-Term Disability Insurance (non budgeted) | 495-034-5094-004 | 1,657.00 | 7/1/20 - 6/30/21 | | |
| On-Behalf T.P.A.P. Non-Contributory Insurance (non budgeted) | 495-034-5094-004 | 30,698.00 | 7/1/20 - 6/30/21 | | |
| Total General Fund (Non-Cash Assistance) | | | | | |
| Total State Financial Assistance subject to Major Program Determination for State Single Audit | | | | | |

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

| Adjustments | Cash Received | Budgetary Expenditures | Passed-Through to Subrecipients | Repayment of Prior Years' Balances | Balance, June 30, 2021 | | | Memo | |
|--------------|------------------|------------------------|---------------------------------|------------------------------------|------------------------|------------------|----------------|------------------------------------|-------------------------------|
| | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | Budgetary Receivable June 30, 2021 | Cumulative Total Expenditures |
| \$ (2.73) | \$ 5,967,697.61 | \$ 6,628,817.00 | | | \$ (661,122.12) | | | \$ 661,122.12 | \$ 6,628,817.00 |
| (0.20) | 431,504.63 | 479,308.00 | | | (47,803.57) | | | 47,803.57 | 479,308.00 |
| (0.07) | 144,455.76 | 160,459.00 | | | (16,003.31) | | | 16,003.31 | 160,459.00 |
| | 566,103.69 | | | | | | | | 5,678,379.00 |
| | 47,784.42 | | | | | | | | 479,308.00 |
| | 15,996.89 | | | | | | | | 160,459.00 |
| (3.00) | 7,173,543.00 | 7,268,584.00 | \$ - | \$ - | (724,929.00) | \$ - | \$ - | 724,929.00 | 13,586,730.00 |
| | 474,175.19 | 498,407.34 | | | (24,232.15) | | | 24,232.15 | 498,407.34 |
| | 22,994.63 | | | | | | | | 471,119.36 |
| - | 497,169.82 | 498,407.34 | - | - | (24,232.15) | - | - | 24,232.15 | 969,526.70 |
| | 1,613,465.00 | 1,613,465.00 | | | | | | | 1,613,465.00 |
| | 515,255.00 | 515,255.00 | | | | | | | 515,255.00 |
| | 1,657.00 | 1,657.00 | | | | | | | 1,657.00 |
| | 30,698.00 | 30,698.00 | | | | | | | 30,698.00 |
| - | 2,161,075.00 | 2,161,075.00 | - | - | - | - | - | - | 2,161,075.00 |
| (3.00) | 9,831,787.82 | 9,928,066.34 | - | - | (749,161.15) | - | - | 749,161.15 | 16,717,331.70 |
| 36,208.08 | 304,068.92 | | | | | | | | 1,570,689.00 |
| 36,208.08 | 304,068.92 | - | - | - | - | - | - | - | 1,570,689.00 |
| | 14,162.03 | 17,727.80 | | | (3,565.77) | | | | 17,727.80 |
| | 45.27 | | | | | | | | 3,293.43 |
| - | 14,207.30 | 17,727.80 | - | - | (3,565.77) | - | - | - | 21,021.23 |
| \$ 36,205.08 | \$ 10,150,064.04 | \$ 9,945,794.14 | \$ - | \$ - | \$ (752,726.92) | \$ - | \$ - | \$ 749,161.15 | \$ 18,309,041.93 |

\$ (1,613,465.00)
 (515,255.00)
 (1,657.00)
(30,698.00)

(2,161,075.00)
\$ 7,784,719.14

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Cumberland County Board of Vocational Education (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise funds are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund, proprietary fund (enterprise fund - food service), 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the State deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$95,044.00 for the general fund and \$(61,234.27) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

| <u>Fund</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|--|------------------------|------------------------|-------------------------|
| General | \$ - | \$ 9,833,022.34 | \$ 9,833,022.34 |
| Special Revenue | 933,746.77 | | 933,746.77 |
| Food Service | 452,798.67 | 17,727.80 | 470,526.47 |
| | <u>1,386,545.44</u> | <u>9,850,750.14</u> | <u>11,237,295.58</u> |
| GAAP Basis Revenues | | | |
| GAAP Adjustments: | | | |
| State Aid Payments | - | 95,044.00 | 95,044.00 |
| Encumbrances | (61,234.27) | - | (61,234.27) |
| | <u>(61,234.27)</u> | <u>95,044.00</u> | <u>33,809.73</u> |
| Total Awards and Financial Assistance Expended | <u>\$ 1,325,311.17</u> | <u>\$ 9,945,794.14</u> | <u>\$ 11,271,105.31</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: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2021, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 7: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2021

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? ___ yes X no

 Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? ___ yes X no

 Significant deficiency(ies) identified? ___ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? X yes ___ no

Identification of major programs:

| <u>Assistance Listing Number(s)</u> | <u>FAIN Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|--|-----------------------|--|
| <u>84.010</u> | <u>S010A200030</u> | <u>Title I Part A Grants to Local Educational Agencies</u> |
| <u>Child Nutrition Cluster:</u> | | |
| <u>10.553</u> | <u>211NJ304N1099</u> | <u>School Breakfast Program</u> |
| <u>10.555</u> | <u>211NJ304N1099</u> | <u>National School Lunch Program</u> |
| <u>10.555</u> | <u>211NJ304N1099</u> | <u>National School Lunch Program - Food Distribution Program</u> |
| <u>10.555</u> | <u>202121H170341</u> | <u>Emergency Operational Cost Program - Schools</u> |

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? ___ yes X no

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

None

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2021

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Finding No. 2021-001

Information on the Federal Program

U.S. Department of Agriculture – Child Nutrition Cluster (Federal Award Year 7/1/20 to 6/30/21):

School Breakfast Program (Assistance Listing Number 10.553) (FAIN – 211NJ304N1099)

National School Lunch Program (Assistance Listing Number 10.555) (FAIN – 211NJ304N1099)

National School Lunch Program - Food Distribution Program (Assistance Listing Number 10.555) (FAIN – 211NJ304N1099)

National School Lunch Program – Emergency Operational Cost Program – Schools
 (Assistance Listing Number 10.555) (FAIN – 211NJ304N1099)

Criteria or Specific Requirement

CFR Section 210.14 Resource Management (b) Net cash resources. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount may be approved by the State agency in accordance with CFR Section 210.19(a).

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$62,392.55.

Questioned Costs

None

Context

Per the calculation of the Food Service Fund's Net Cash Resources, Net Cash Resources at June 30, 2021 were \$166,479.68 and its three months average expenditures were \$104,087.13, resulting in an overage of \$62,392.55.

Effect or Potential Effect

The School District is not in compliance with CFR section 210.14 and requirements as prescribed the Office of School Finance, Department of Education, State of New Jersey Audit Program.

Cause

The School District did not monitor the finances of its Food Service Fund to ensure its Net Cash Resources at the end of the fiscal year did not exceed the Fund's three months average expenditures.

Identification as a Repeat Finding

Not Applicable.

Recommendation

That the School District continue to monitor the finances of its Food Service Fund and create a plan to reduce the net cash resources below its three month average expenditures.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None