

**SALEM COUNTY  
VOCATIONAL TECHNICAL  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**Salem County Vocational Technical Board of Education**

**Woodstown, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**of the**

**Salem County Vocational Technical  
Board of Education**

**Woodstown, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

**Prepared by**

**Salem County Vocational Technical School  
Business Office**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

<u>Exhibit</u>	<u>Page</u>
Letter of Transmittal	1 - 5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

**FINANCIAL SECTION**

<b>Independent Auditor's Report</b>	9 - 11
<b>Required Supplementary Information – Part I Management's Discussion and Analysis (Unaudited)</b>	12 - 19

**Basic Financial Statements**

<b>A.</b>	District-wide Financial Statements:	
	A-1 Statement of Net Position	20
	A-2 Statement of Activities	21
<b>B.</b>	Fund Financial Statements:	
	Governmental Funds:	
	B-1 Balance Sheet	22
	B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	23
	B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
	Proprietary Funds:	
	B-4 Statement of Net Position	25
	B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	26
	B-6 Statement of Cash Flows	27
	Fiduciary Funds:	
	B-7 Statement of Fiduciary Net Position	N/A
	B-8 Statement of Changes in Fiduciary Net Position	N/A
	<b>Notes to the Financial Statements</b>	28-62

**Required Supplementary Information – Part II**

<b>C.</b>	Budgetary Comparison Schedules (Unaudited):	
	C-1 Budgetary Comparison Schedule – General Fund	63-66
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual <b>(if applicable)</b>	N/A
	C-1b Education Jobs Fund Program-Budget & Actual	N/A
	C-2 Budgetary Comparison Schedule – Special Revenue Fund	67-68

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
TABLE OF CONTENTS**

**FINANCIAL SECTION (Continued)**

**Exhibit**

	<b><u>Page</u></b>
<b>Notes to the Required Supplementary Information – Part II</b>	
C-3 Budget-to-GAAP Reconciliation	69
<b>Required Supplementary Information – Part III</b>	
<b>L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited)</b>	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	70
L-2 Schedule of District Contributions – PERS	71
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	72
<b>M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)</b>	
M-1 Schedule of the District’s Proportionate Share of the Net OPEB Liability – PERS	73
<b>Other Supplementary Information</b>	
<b>D. School Based Budget Schedules (if applicable):</b>	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
<b>E. Special Revenue Fund:</b>	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	74-77
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
<b>F. Capital Projects Fund:</b>	
F-1 Summary Schedule of Project Expenditures	78
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	79
F-2(a) Schedules of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	80
F-2(b) Schedules of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	N/A

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
TABLE OF CONTENTS**

<b>Other Supplementary Information (Continued)</b>	<b><u>Page</u></b>
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	81
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	82
G-3 Combining Schedule of Cash Flows	83
Internal Service Fund:	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
I. Long-Term Debt:	
I-1 Statement of Serial Bonds	N/A
I-2 Schedule of Obligations under Capital Leases	84
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

**STATISTICAL SECTION (Unaudited)**

**Financial Trends Information/Schedules**

J-1 Net Assets by Component	85
J-2 Changes in Net Position	86-87
J-3 Fund Balances - Governmental Funds	88
J-4 Changes in Fund Balances, Governmental Funds	89
J-5 General Fund Other Local Revenue By Source	90

**Revenue Capacity Information**

J-6 Assessed Value and Actual Value of Taxable Property	N/A
J-7 Direct and Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers	N/A
J-9 Property Tax Levies and Collections	N/A

**Debt Capacity Information**

J-10 Ratios of Outstanding Debt by Type	91
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A

**Demographic and Economic Information**

J-14 Demographic and Economic Statistics	92
J-15 Principal Employers	N/A

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
TABLE OF CONTENTS**

<b>Other Supplementary Information (Continued)</b>	<b><u>Page</u></b>
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	93
J-17 Operating Statistics	94
J-18 School Building Information	95
J-19 Schedule of Allowable Maintenance Expenditures by School Facility	96
J-20 Insurance Schedule	97

**SINGLE AUDIT SECTION**

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 <i>Government Auditing Standards</i>	98-99
K-2	Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures Required by the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular Letter 15-08	100-102
K-3	Schedule of Expenditures of Federal Awards, Schedule A	103
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	104
K-5	Notes to Schedules of Expenditures of Federal and State Awards	105-106
K-6	Schedule of Findings and Questioned Costs - Summary of Auditor's Results	107-108
K-6	Schedule of Findings and Questioned Costs - Financial Statement, Federal Awards and State Financial Assistance	109-110
K-7	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	111

## **INTRODUCTORY SECTION**

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Office of the Business Administrator  
880 Route 45  
Box 350 Woodstown, NJ 08098-0350

**John R. Swain**  
Superintendent

**Jennifer K.A. Bates Ed.D.**  
Business Administrator

February 17, 2023

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

The comprehensive annual financial report of the Salem County Vocational Technical School District for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the final position and results of operations of the various funds and the account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit information. The introductory section includes this transmittal letter, Management's Discussion and Analysis (MD&A), the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Salem County Vocational Technical School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Salem County Vocational Technical Board of Education and all its schools constitute the District's reporting entity. The Salem County Vocational Technical School District is one of the 21 county vocational-technical schools in New Jersey. A list of services provided follows:
  - A. Full/Shared-time Career and Technical Education
    - Air Force Junior ROTC (Military Science)
    - Allied Health Professionals



A. Full/Shared-time Career and Technical Education (Cont'd)

- Academy of Agriculture
- Academy of Biological/Medical Science
- Academy of Culinary, Pastry, and Hospitality
- Academy of Energy Applications
- Auto Collision Technology
- Automotive Technology
- Child Care and Early Childhood Education
- Computer Assisted Design and Drafting
- Construction Technology
- Cosmetology
- Electrical Technology
- Global Logistics and Supply Chain Management
- Graphics Technology
- Information Technology: Computer Hardware and Software
- Law Enforcement and Public Safety (LEPS) including EMT and Fire Science
- Welding Technology

B. Salem County Arts, Science and Technology Academies

- Academy of Creative and Performing Arts
  - Vocal Music – Hosted at Pennsville High School
  - Dance – Hosted at Schalick High School
  - Drama – Hosted at Schalick High School
  - Instrumental Music – Hosted at Pennsville High School
  - Visual Arts – Hosted at Schalick High School
  - GMT- Hosted at Pennsville High School
- Academy of Engineering and Technology – Hosted at Penns Grove High School
- Academy of Communications and Information Technology – Hosted at Woodstown High School

C. Special Needs Programs

- Career Orientation

D. Post Secondary Programs/Community Education – Allied Health Professions, Medical Assistant, Certified Nurse Aide, Homemakers Home Health, Phlebotomy Technician, Patient Care Technician.

E. Community Grant Programs

- 21<sup>st</sup> Community Learning Centers Programs at Penns Grove Carney's Point Schools
- County- WIOA In and Out of School Youth Grants
- State- Adult Literacy WIOA Title II Programs

2. **ECONOMIC CONDITION AND OUTLOOK:** New Jersey and the United States currently in a very tight labor market with lower unemployment rates, more labor force participation, and long-term employment projected to grow by 2026 with NJ adding 352,730 jobs (8%). The southern region is likely to add 25,470 jobs (9%) with the majority of growth in service-providing industries

There is a strong demand now for jobs in health care, leisure and hospitality, IT, and personal services with employers seeking communication skills, collaboration abilities, and problem solving abilities.

3. **MAJOR INITIATIVES:** The mission of the Salem County Vocational Technical School District is to prepare students for employment, for further education leading to employment, and for lifelong learning.

The Salem County Career and Technical High School District in Woodstown, New Jersey, is designed to provide career and technical education programs that prepare secondary and postsecondary students for employment, for higher education leading to employment, and for lifelong learning. A complete array of academic and related programs is provided to support career and technical education programs. In addition, essential skills such as ethics and other "soft skills" are taught.

The school serves both full and shared-time students in grades nine through twelve. Shared-time students participate in career and technical education programs for a half-day and attend their resident high school for academic and related instructional programs during the other half of the day. Full-time students attend the Career and Technical High School for the entire day and receive full academic, as well as career and technical instruction.

The Salem County Adult Post Secondary Programs, located at Salem Community College with evening courses at CTHS, continues to adapt to the workforce needs and trends in the southern NJ area. This department implements the WIOA In and Out of School Youth programs for the Salem County Board of Social Services as well as the WIAO state Consolidated Adult Literacy Programs for Salem and Cumberland Counties.

Major initiatives include development of a new long range strategic plan with the current plan ending June 30. The development of the 2020-2025 plan seeks to address the academic, technical, and workforce needs within our local area.

4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining internal control 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 the generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards 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 Board of School Estimates. Annual appropriated budgets are adopted for the general fund and the special revenue fund and the debt service fund. The final budget amount as amended for fiscal year 2022 is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to Financial Statements", Note 2.
7. **CASH MANAGEMENT:** The investment procedure of the District is guided in large part by state statute as detailed in "Notes to the Financial Statement", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. **RISK MANAGEMENT:** The Board participated in Gloucester, Cumberland, and Salem School Districts Joint Insurance Fund and carries various forms of insurance, including, but not limited to, commercial general liability, commercial catastrophic liability and comprehensive/collision, commercial property on all property and contents, commercial inland marine, school board legal liability, worker's compensation and fidelity bonds.
9. **OTHER INFORMATION: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

**10. ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Special Services School District and Vocational School District of the County of Salem for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby continuing their full support to the development and maintenance of our financial operation. The presentation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

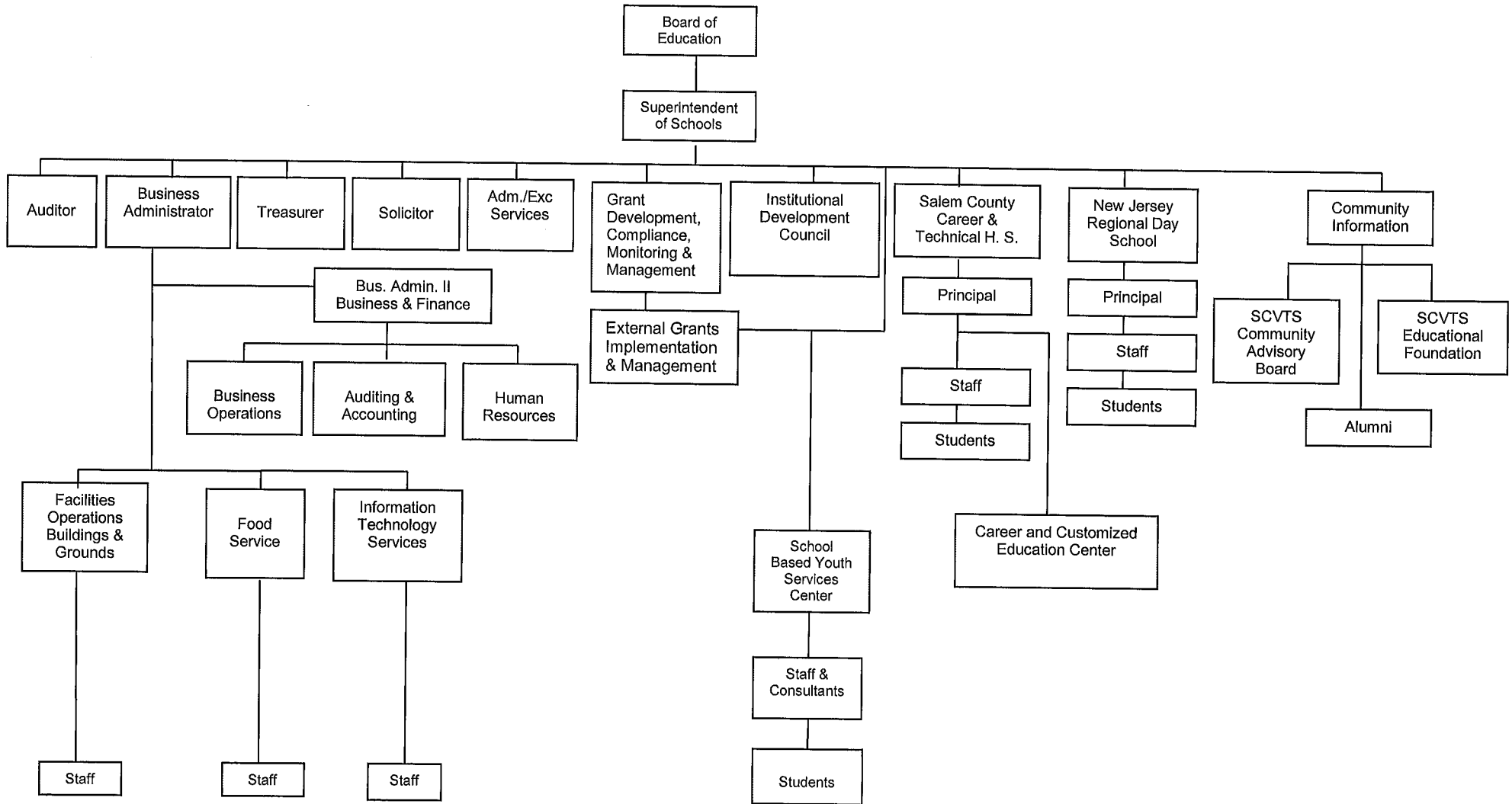
*John R. Swain*

*Jennifer Bates*

John R. Swain  
Superintendent of Schools

Dr. Jennifer Bates  
Business Administrator

# SCVTS Administrative and Organizational Design Overall Organizational Structure



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**WOODSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2022**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Linwood Donelson, President	2024
Earl Ransome, Vice President	2022
James Davis	2023
Daryl Halter	2023
Patricia Bomba	2024
Julie Smith	2024
Margaret Nicolosi - Executive County Superintendent of Schools	
<u>OTHER OFFICIALS</u>	<u>Surety Bonds</u>
John R. Swain, Superintendent	
Dr. Jennifer Bates, Board Secretary/Business Administrator	\$ 217,500

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Raymond Colavita, CPA, RMA  
Nightlinger, Colavita and Volpa, P.A.  
P.O. Box 799  
Williamstown, New Jersey 08094

**BROKER OF RECORD**

Gloucester, Cumberland, Salem School Districts  
Joint Insurance Fund

**MEDICAL INSPECTOR**

Woodstown Family Practice  
Woodstown, NJ

**OFFICIAL DEPOSITORY**

Fulton Bank  
1 South Main Street  
Woodstown, New Jersey 08098

**SOLICITOR**

Mark Toscano, Esq.  
Comegno Law Group, P.C.  
521 Pleasant Valley Avenue  
Moorestown, New Jersey 08057

**FINANCIAL SECTION**



# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

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P.O. Box 799  
Williamstown, NJ 08094

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Salem County Vocational Technical School District  
County of Salem, New Jersey 08098

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Salem County Vocational Technical School District in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Salem County Vocational Technical School District in the County of Salem, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Salem County Vocational Technical School District in the County of Salem, State of New Jersey, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Salem County Vocational Technical School District in the County of Salem, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Salem County Vocational Technical School District in the County of Salem, State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the Salem County Vocational Technical School District in the County of Salem, State of New Jersey's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Salem County Vocational Technical School District in the County of Salem, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Salem County Vocational Technical School District in the County of Salem, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

Management is responsible for the other information included in the annual report, as required by the Office of School Finance, Department of Education, State of New Jersey. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2023 on our consideration of the Salem County Vocational Technical Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Salem County Vocational Technical Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Salem County Vocational Technical School District's internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

February 17, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

The Management's Discussion and Analysis (MD&A) of Salem County Vocational Technical School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performances as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key highlights for the fiscal year ended June 30, 2022 are as follows:

- The School District had \$19,118,678 in expenses; \$7,259,663 of these expenses were offset by program specific charges for services, and operating grants and contributions.
- The total assets of the School District exceeded total liabilities by \$16,392,997 (net position).
- Among major funds, the General Fund had \$13,487,844 in revenues and \$12,880,547 in expenditures.

**Overview of the Financial Statements**

The financial section of this annual report consists of two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II that contains required supplementary information that further explains and supports the information in the financial statements including: budget schedules, reconciliations and individual fund statements.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Cont'd)**

**Reporting the School District as a Whole**

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

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business – type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

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

**Fund Financial Statements**

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund and the Capital Projects Fund; the School District has no Debt Service Fund or Permanent Fund.

**Governmental Funds**

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Cont'd)**

**The School District as a Whole**

The Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for the fiscal years ended June 30, 2022 and 2021.

**Table 1  
Net position**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<b>Assets</b>		
Current and Other Assets	\$ 4,896,468	\$ 2,889,958
Capital Assets	18,036,026	18,828,918
Total Assets	<u>22,932,494</u>	<u>21,718,876</u>
<b>Deferred Outflows of Resources</b>		
	<u>377,834</u>	<u>610,355</u>
<b>Liabilities</b>		
Other Liabilities	1,795,801	440,476
Long-Term Liabilities	3,591,214	4,320,617
Total Liabilities	<u>5,387,015</u>	<u>4,761,093</u>
<b>Deferred Inflows of Resources</b>		
	<u>1,530,316</u>	<u>1,598,071</u>
<b>Net Assets</b>		
Invested in Capital Assets Net of Related Debt	16,820,177	17,285,394
Restricted	2,780,315	2,203,999
Unrestricted (Deficit)	(3,207,495)	(3,519,326)
Total Net Position	<u>\$ 16,392,997</u>	<u>\$ 15,970,067</u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Cont'd)**

Table 2 shows a summary of changes in net position for fiscal years ended June 30, 2022 and 2021.

Table 2  
Changes in Net Position

	2022	2021
<b>Revenues</b>		
Programs Revenues		
Charges for Services	\$ 3,710,321	\$ 4,521,063
Operating Grants	3,549,342	2,207,116
General Revenues		
County of Salem Budget Appropriation	1,828,758	1,828,758
Federal and State Grants Restricted	10,438,862	8,456,523
Miscellaneous Income	11,171	173,299
	<b>\$ 19,538,454</b>	<b>\$ 17,186,759</b>
<b>Expenses</b>		
Instruction		
Regular	\$ 2,208,795	\$ 1,861,278
Vocational	3,578,004	3,576,867
School Sponsord Co. curricular	318,748	167,376
Student Services		
Attendance & Social Work	105,762	103,213
Health Services	65,631	60,718
Students - Regular	2,147,994	1,702,816
Improvement of Instruction Services	147,507	97,520
General Administration	262,303	266,376
School Administration	335,972	328,694
Central Services	321,693	301,536
Administration Information Technology	353,959	345,998
Operation and Maintenance of Plant	1,467,548	1,294,393
Student Transportation Services	21,591	3,972
Unallocated Benefits	6,359,041	4,535,343
Interest on Long-Term Debt	34,577	40,549
Unallocated Depreciation	656,780	389,659
Food Service	354,327	399,531
Regional Day School	212,442	338,782
BCCEC/ETTC	100,204	25,695
The Learning Center	65,800	22,713
Total Expenses	<b>\$ 19,118,678</b>	<b>\$ 15,863,029</b>
Change in Net Assets	419,776	1,323,730
Increase (Decrease) in Net Position	419,776	1,323,730
Beginning Net Position	15,970,067	14,646,337
Ending Net Position	<b>\$ 16,389,843</b>	<b>\$ 15,970,067</b>



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Cont'd)**

**Governmental Activities**

In 2021-2022 Governmental-Type Activities revenues were \$18,779,043 or 96.1% of total revenues of \$19,538,454. The County of Salem Budget Appropriation made up 9.7% of Governmental-Type Activities revenue, Federal and State Aid unrestricted revenue made up 55.6%, miscellaneous income was 0.1% and program revenues made up 34.6% of Governmental-Type Activities revenue.

Governmental-Type Activities expenditures increased by \$3,309,597 from the prior year, which was due to increases in various line items.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden assumed.

**Table 3**

	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Instruction				
Regular Instruction	\$ 1,861,278	\$ 1,353,340	\$ 1,861,278	\$ 1,353,340
Regular Vocational	3,576,867	(391,209)	3,576,867	(391,209)
School Sponsored Co/Extraclr Act	167,376	167,376	167,376	167,376
Support services				
Attendance & Social Work	103,213	103,213	103,213	103,213
Health Services	60,718	60,718	60,718	60,718
Students - Regular	1,702,816	379,282	1,702,816	379,282
Improvement of Instruction Services	97,520	97,520	97,520	97,520
General Administration	266,376	266,376	266,376	266,376
School Administration	328,694	328,694	328,694	328,694
Central Services	301,536	301,536	301,536	301,536
Administrative Information Technology	345,998	345,998	345,998	345,998
Operation and Maint. of Plant Serv.	1,294,393	1,294,393	1,294,393	1,294,393
Student Transportation Services	3,972	3,972	3,972	3,972
Unallocated Benefits	4,535,343	4,424,562	4,535,343	4,424,562
Interest on Long-Term Debt	40,549	40,549	40,549	40,549
Unallocated Depreciation	389,659	389,659	389,659	389,659
<b>Total Expenses</b>	<u>\$ 15,076,308</u>	<u>\$ 9,165,979</u>	<u>\$ 15,076,308</u>	<u>\$ 9,165,979</u>

**Business-Type Activities**

In 2021-2022 Business-Type Activities revenues were \$759,411 or 3.9% of total District revenues.

Charges for Services comprised 58.8% of total Business-Type Activities revenue in 2021-2022, while operating grants and contributions made up 41.2%.

Expenses for Business-Type Activities were \$732,773 or 3.8% of total District expenses.

Food Service comprised 48.4% of total Business-Type Activities expenses in 2021-2022, while Regional Day School expenses made up 29.0%, BCCEC/ETTC made up 13.7% and The Learning Center was 9.0%.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Cont'd)**

**The School District's Funds**

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$16,145,433 and expenditures of \$15,523,101. The net change in fund balance for the year in the General Fund, Special Revenue Fund, and Capital Projects Fund resulted in an increase of \$622,332.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2022, and the amount and percentage of increases in relation to prior year revenues.

**Table 4**

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 5,104,045	31.6%	\$ (841,217)	-14.1%
Federal Sources	2,357,966	14.6%	711,531	43.2%
State Sources	8,683,422	53.8%	1,362,232	18.6%
<b>Total</b>	<b>\$ 16,145,433</b>	<b>100.0%</b>	<b>\$ 1,232,546</b>	<b>8.3%</b>

The following schedule present a summary of the expenditures of the governmental funds for the fiscal year ended June 30, 2022, and the amount and percentage of increases in relation to prior year revenues.

**Table 4**

<u>Expenditure</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent Increase (Decrease)</u>
Instructional	\$ 6,141,506	39.6%	\$ 503,526	8.9%
Support	4,967,428	32.0%	712,159	16.7%
Unallocated	3,962,393	25.5%	562,142	16.5%
Capital Outlay	451,774	2.9%	(7,641,833)	-94.4%
<b>Total</b>	<b>\$ 15,523,101</b>	<b>100.0%</b>	<b>\$ (5,864,006)</b>	<b>-27.4%</b>

**General Fund Budgeting Highlights**

The School District's budget is prepared in accordance with New Jersey law. The most significant budgeted fund is the General Fund.

During the course of the 2021-2022 year, the School District modified its General Fund budget line items numerous times. There was no net change in the total modified budget.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Cont'd)**

**General Fund Budgeting Highlights (Cont'd)**

For the General Fund, the original revenue amount budgeted on Exhibit C-1 was \$11,783,292 and was the same as the final budget. The actual revenue was \$13,596,358, which was \$190,809 less than budgeted, excluding reimbursed TPAF Social Security Aid and on-behalf TPAF contributions for pensions and long-term disability of \$2,003,875.

During the 2021-2022 year, the School District budgeted \$1,828,758 for county tax and \$6,708,291 for state aid revenues, respectively. The School District also received \$2,003,875 in reimbursed TPAF Social Security Aid and TPAF Pension Contributions.

The final budget basis expenditure appropriation estimate was \$12,310,240 compared to the original estimate of \$12,377,361.

There was a positive variance in expenditures of \$1,433,568, excluding reimbursed TPAF Social Security Aid and on-behalf TPAF contributions for pensions and long-term disability of \$2,003,875.

**Capital Assets**

At the end of the fiscal year 2022, the School District had \$18,036,026 (Net of Depreciation) invested in buildings, furniture and equipment.

Table 5 shows a summary of the fiscal years ended June 30, 2022 and 2021:

**Table 5**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Land	\$ 391,928	\$ 391,928
Construction in Progress		
Land Improvements	313,841	348,196
Buildings & Improvements	16,837,962	17,621,912
Equipment & Furniture	467,327	466,882
Right-to-Use Lease Assets	24,968	
<b>Total</b>	<u>\$ 18,036,026</u>	<u>\$ 18,828,918</u>

Overall capital assets decreased by \$792,892 from fiscal year 2021. The decrease in capital assets was comprised of depreciation of \$927,766, offset by a net addition in equipment and right-to-use lease assets of \$151,355.

**Debt Administration**

The County of Salem provides for most debt administration of the School District.

During the 2009-10 school year, the district approved an Energy Savings Lease Purchase in the amount of \$3,190,699, which was subsequently refinanced in the 2013-14 school year at \$2,796,142. There were also two capital leases approved in 2015-16, totaling \$1,075,899, for additional energy improvements, technology and vehicles. As of June 30, 2022, the combined principal balance remaining for all capital leases was \$3,591,214.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Cont'd)**

**For the Future**

The Salem County Vocational-Technical School District continues to provide the very best it can offer in regard to career and technical education (CTE). Enrollment has stabilized and the district continues to accept as many students as possible within the logistical constraints the district continues to have.

Challenges with the COVID-19 closures have forced previous initiatives to be placed on hold while moving forward with the increase of instructional technology and technology training for staff and students. Moving forward, the district will continue to evaluate programming within both the Career and Technical High School and the Adult Post Secondary Programs, noting new challenges with virtual learning. Providing valuable experiences for our students to gain academic, technical and employability skills remains top priority.

The host sites continue to provide career and technical programming through our vision of vocational partnership models. Enrollment in these programs has fluctuated and will continue to be evaluated. Additionally, out of county students attending the Art programs at Schalick High School may change with the anticipated launch of new Art programs within Cumberland County. Continued focus will be placed on understanding the program data and preparing for local changes. The District will continue to explore the Teacher Academy Partnership with Rowan University.

In closing, the district continues to strengthen regarding procedures and protocols and provides the best education for students throughout the county. The stability of the administration, staff, and students, combined with the continued refinement has allowed the students to benefit and gain an exceptional educational experience and prepare them for life beyond their high school experience.

**Contacting the School District's Financial Management**

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact John R. Swain, Superintendent of Schools at Salem County Vocational Technical Schools, 880 Route 45, Box 350, Woodstown, New Jersey 08098 or email [jswain@scvts.org](mailto:jswain@scvts.org).

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,733,560	\$ 162,826	\$ 1,896,386
Receivables, net	1,821,061	50,308	1,871,369
Interfund Receivable	1,096,169		1,096,169
Inventories		32,544	32,544
Capital Assets, net (Note 6):	18,036,026		18,036,026
<b>Total Assets</b>	<b>22,686,816</b>	<b>245,678</b>	<b>22,932,494</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Pension Outflows	364,858		364,858
Deferred Loss on Refinancing of Capital Lease	12,976		12,976
<b>Total Deferred Outflows of Resources</b>	<b>377,834</b>		<b>377,834</b>
<b>LIABILITIES:</b>			
Accounts Payable	1,257,941		1,257,941
Accrued Interest	6,983		6,983
Unearned Revenue	512,615	18,262	530,877
Noncurrent Liabilities (Note 7):			
Due within One Year	390,203		390,203
Due beyond One Year	3,201,011		3,201,011
<b>Total Liabilities</b>	<b>5,368,753</b>	<b>18,262</b>	<b>5,387,015</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Pension Inflows	1,530,316		1,530,316
<b>Total Deferred Inflows of Resources</b>	<b>1,530,316</b>		<b>1,530,316</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	16,820,177		16,820,177
Restricted for:			
Capital Reserve	1,257,650		1,257,650
Capital Projects	24,263		24,263
Student Activities	76,868		76,868
Other Purposes	1,421,534		1,421,534
Unrestricted (Deficit)	(3,434,911)	227,416	(3,207,495)
<b>Total Net Position</b>	<b>\$ 16,165,581</b>	<b>\$ 227,416</b>	<b>\$ 16,392,997</b>

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular Instruction	\$ 2,208,795	\$	\$ 765,636	\$ (1,443,159)	\$	\$ (1,443,159)
Regular Vocational	3,578,004	3,046,924		(531,080)		(531,080)
School Sponsored Co/Extracurricular Activities	318,748			(318,748)		(318,748)
<b>Undistributed Expenditures and Support Services:</b>						
Attendance & Social Work	105,762			(105,762)		(105,762)
Health Services	65,631			(65,631)		(65,631)
Students - Regular	2,147,994	217,192	1,777,374	(153,428)		(153,428)
Improvement of Instruction Services	147,507			(147,507)		(147,507)
General Administration	262,303			(262,303)		(262,303)
School Administration	335,972			(335,972)		(335,972)
Central Services	321,693			(321,693)		(321,693)
Administration Information Technology	353,959			(353,959)		(353,959)
Operation and Maintenance of Plant Services	1,467,548			(1,467,548)		(1,467,548)
Student Transportation Services	21,591			(21,591)		(21,591)
Unallocated Benefits	6,359,041		693,126	(5,665,915)		(5,665,915)
Interest on Long-Term Debt	34,577			(34,577)		(34,577)
Unallocated Depreciation	656,780			(656,780)		(656,780.00)
<b>Total Governmental Activities</b>	<b>18,385,905</b>	<b>3,264,116</b>	<b>3,236,136</b>	<b>(11,885,653)</b>		<b>(11,885,653)</b>
<b>Business-Type Activities:</b>						
Food Service	354,327	85,646	313,206		44,525	44,525
Salem Campus	212,442	212,442				
BCCEC/ETTC	100,204	97,670			(2,534)	(2,534)
The Learning Center	65,800	50,447			(15,353)	(15,353)
<b>Total Business-Type Activities</b>	<b>732,773</b>	<b>446,205</b>	<b>313,206</b>		<b>26,638</b>	<b>26,638</b>
<b>Total Primary Government</b>	<b>\$ 19,118,678</b>	<b>\$ 3,710,321</b>	<b>\$ 3,549,342</b>	<b>\$ (11,885,653)</b>	<b>\$ 26,638</b>	<b>\$ (11,859,015)</b>
<b>General Revenues:</b>						
County of Salem Budget Appropriation				1,828,758		1,828,758
Federal and State Aid Restricted				10,438,862		10,438,862
Miscellaneous Income				11,171		11,171
<b>Special Items:</b>						
Prior Year Right-to-Use Assets and Lease Liability Adjustment				3,154		3,154
<b>Total General Revenues and Special Items</b>				<b>12,281,945</b>		<b>12,281,945</b>
<b>Change in Net Assets</b>				<b>396,292</b>	<b>26,638</b>	<b>422,930</b>
<b>Net Position -- July 1</b>				<b>15,769,289</b>	<b>200,778</b>	<b>15,970,067</b>
<b>Net Position -- June 30</b>				<b>\$ 16,165,581</b>	<b>\$ 227,416</b>	<b>\$ 16,392,997</b>

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



## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

**GOVERNMENTAL FUNDS**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,656,692	\$ 76,868	\$	\$ 1,733,560
Accounts Receivable:				
State Government		67,852		67,852
Federal Government		1,569,532		1,569,532
Intergovernmental	183,633			183,633
Other	44			44
Interfund Accounts Receivable	1,071,906		24,263	1,096,169
<b>Total Assets</b>	<b>\$ 2,912,275</b>	<b>\$ 1,714,252</b>	<b>\$ 24,263</b>	<b>\$ 4,650,790</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 78,919	\$ 79,830	\$	\$ 158,749
Interfund Payable	24,263	1,056,058		1,080,321
Payroll Deductions and Withholding Payable	18,871			18,871
Unearned Revenue	11,119	501,496		512,615
<b>Total Liabilities</b>	<b>133,172</b>	<b>1,637,384</b>		<b>1,770,556</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Capital Reserve Account	1,107,300			1,107,300
Maintenance Reserve	150,350			150,350
Capital Projects			24,263	24,263
Student Activities		76,868		76,868
Excess Surplus				
Excess Surplus - Designated for Subsequent Years Expenditures	1,421,534			1,421,534
<b>Assigned Fund Balance:</b>				
Year-End Encumbrances	178,520			178,520
<b>Unassigned, Reported In:</b>				
General Fund (Deficit)	(78,601)			(78,601)
<b>Total Fund Balances</b>	<b>2,779,103</b>	<b>76,868</b>	<b>24,263</b>	<b>2,880,234</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,912,275</b>	<b>\$ 1,714,252</b>	<b>\$ 24,263</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$33,353,694 and the accumulated depreciation is \$15,317,668.	18,036,026
Deferred Outflow of Resources - Deferred Amount on Refinanced Debt	12,976
Deferred Outflow of Resources - Deferred Pension Contribution	364,858
Deferred Inflows of Resources - Pension Actuarial Gains	(1,530,316)
Long Term Net Pension Liability	(1,773,420)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,824,777)
<b>Net Position of governmental activities</b>	<b>\$ 16,165,581</b>

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>				
County of Salem Budget Appropriation	\$ 1,828,758	\$	\$	\$ 1,828,758
Tuition Charges	3,046,924			3,046,924
Miscellaneous	8,510	219,853		228,363
State Sources	8,603,652	79,770		8,683,422
Federal Sources		2,357,966		2,357,966
<b>Total Revenues</b>	<b>13,487,844</b>	<b>2,657,589</b>		<b>16,145,433</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Regular Instruction	1,438,964	765,636		2,204,600
Regular Vocational	3,512,396			3,512,396
School Sponsored Co/Extracurricular Activities	318,748			318,748
Attendance & Social Work	105,762			105,762
<b>Undistributed Expenditures and Support Services:</b>				
Health Services	65,631			65,631
Students - Regular	370,620	1,777,374		2,147,994
Improvement of Instruction Services	147,507			147,507
General Administration	258,154			258,154
School Administration	335,972			335,972
Central Services	321,693			321,693
Administration Information Technology	353,959			353,959
Operation and Maintenance of Plant Services	1,314,927			1,314,927
Student Transportation Services	21,591			21,591
Unallocated Benefits	1,958,518			1,958,518
On Behalf Contributions	2,003,875			2,003,875
Capital Outlay	352,230	99,544		451,774
<b>Total Expenditures</b>	<b>12,880,547</b>	<b>2,642,554</b>		<b>15,523,101</b>
Excess (Deficiency) of Revenues over Expenditures	607,297	15,035		622,332
<b>OTHER FINANCING SOURCES (USES):</b>				
<b>Total Other Financing Sources and Uses</b>				
<b>Net Change in Fund Balances</b>	<b>607,297</b>	<b>15,035</b>		<b>622,332</b>
Fund Balance -- July 1	2,171,806	61,833	24,263	2,257,902
<b>Fund Balance -- June 30</b>	<b>\$ 2,779,103</b>	<b>\$ 76,868</b>	<b>\$ 24,263</b>	<b>\$ 2,880,234</b>

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 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, 2022

Total Net Change in Fund Balances - Governmental Funds		\$ 622,332
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense		\$ (927,766)
Capital Outlays		<u>110,152</u>
		(817,614)
In the Statement of Activities, interest expense on debt service is accrued, while only payments are charged as expenditures in the budget basis financial statements		2,215
In the Statement of Activities, Amortization of the Deferred Loss on Refinanced Debt is expensed, regardless of when the Debt was Refinanced		(2,062)
Leases entered into by the District are an other financing source in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
Repayment of Capital Lease Principal is an Expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.		
Capital Lease Principal		351,305
Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.		481,699
Repayment of right-to-use lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		3,154
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(244,737)</u>
Change in Net Position of Governmental Activities		<u>\$ 396,292</u>

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

**PROPRIETARY FUNDS**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Statement of Net Position  
 Proprietary Funds  
 June 30, 2022

	<u>Business Type Activities- Enterprise Funds</u>				
	<u>Food Service</u>	<u>Regional Day School</u>	<u>The Learning Center</u>	<u>BCCEC/ ETTC Program</u>	<u>Total</u>
<b>ASSETS:</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 13,301	\$ 35,922	\$ 20,275	\$ 109,176	\$ 178,674
Accounts Receivable:					
State					
Federal	20,470				20,470
Other	10,259		9,115	10,464	29,838
Interfund				28,415	28,415
Inventories	32,544				32,544
Total Current Assets	<u>76,574</u>	<u>35,922</u>	<u>29,390</u>	<u>148,055</u>	<u>289,941</u>
Total Noncurrent Assets					
Total Assets	<u>76,574</u>	<u>35,922</u>	<u>29,390</u>	<u>148,055</u>	<u>289,941</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Interfund Payable	13,787	22,145	8,331		44,263
Unearned Revenue	18,262				18,262
Total Current Liabilities	<u>32,049</u>	<u>22,145</u>	<u>8,331</u>		<u>62,525</u>
<b>Net Position:</b>					
Unrestricted	<u>44,525</u>	<u>13,777</u>	<u>21,059</u>	<u>148,055</u>	<u>227,416</u>
Total Net Position	<u>\$ 44,525</u>	<u>\$ 13,777</u>	<u>\$ 21,059</u>	<u>\$ 148,055</u>	<u>\$ 227,416</u>

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Propriety Funds  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2022

	Business Type Activities- Enterprise Funds				Total
	Food Service	Regional Day School	The Learning Center	BCCEC/ ETTC Program	
<b>OPERATING REVENUES:</b>					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$				\$
Daily Sales - Non-Reimbursable Programs	11,390				11,390
Tuition			50,447		50,447
Other Revenue	74,256	212,442		97,670	384,368
<b>Total Operating Revenues</b>	<b>85,646</b>	<b>212,442</b>	<b>50,447</b>	<b>97,670</b>	<b>446,205</b>
<b>OPERATING EXPENSES:</b>					
Salaries	181,798	212,442	65,041	66,156	525,437
Cost of Sales - Reimbursable Programs	145,723				145,723
Cost of Sales - Non Reimbursable Programs	16,784				16,784
Purchased Educational Services				17,066	17,066
General Supplies	7,190		759	9,627	17,576
Textbooks				1,009	1,009
Miscellaneous	2,832			6,346	9,178
<b>Total Operating Expenses</b>	<b>354,327</b>	<b>212,442</b>	<b>65,800</b>	<b>100,204</b>	<b>732,773</b>
Operating Income / (Loss)	(268,681)		(15,353)	(2,534)	(286,568)
<b>NONOPERATING REVENUES (EXPENSES):</b>					
State Sources:					
State School Lunch Program	4,938				4,938
Federal Sources:					
Food Distribution Program	28,773				28,773
National School Lunch Program	209,225				209,225
National School Breakfast Program	41,646				41,646
Supply Chain Assistance Funding	20,470				20,470
P-EBT Administrative Cost	1,242				1,242
Emergency Operational Cost Program - Schools	6,912				6,912
<b>Total Non-operating Revenues (Expenses)</b>	<b>313,206</b>				<b>313,206</b>
<b>OTHER FINANCING USES:</b>					
Change in Net Position	44,525		(15,353)	(2,534)	26,638
Net Position -- July 1		13,777	36,412	150,589	200,778
<b>Net Position -- June 30</b>	<b>\$ 44,525</b>	<b>\$ 13,777</b>	<b>\$ 21,059</b>	<b>\$ 148,055</b>	<b>\$ 227,416</b>

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



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Proprietary Funds  
 Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2022

	Business Type Activities- Enterprise Funds				Totals
	Food Service	Regional Day School	The Learning Center	BCCEC/ ETTC Program	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from Customers	\$ 59,561	\$ 212,442	\$ 49,974	\$ 110,278	\$ 432,255
Payments to Employees	(181,798)	(212,442)	(65,041)	(66,156)	(525,437)
Payments to Suppliers	(177,668)		(760)	(34,048)	(212,476)
Net Cash Provided by (used for) Operating Activities	(299,905)		(15,827)	10,074	(305,658)
Cash from (Used for) Operating Activities-Transfers to the General Fund					
Total Cash Provided by (Used for) Operating Activities	(299,905)		(15,827)	10,074	(305,658)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
State Sources	4,938				4,938
Federal Sources	308,268				308,268
Net Cash Provided by (used for) Non-Capital Financing Activities	313,206				313,206
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest and Dividends					
Net Cash Provided by (used for) Investing Activities					
Net Increase (Decrease) in Cash and Cash Equivalents	13,301		(15,827)	10,074	7,548
Cash and Cash Equivalents -- July 1		35,922	36,102	99,102	171,126
Cash and Equivalents -- June 30	\$ 13,301	\$ 35,922	\$ 20,275	\$ 109,176	\$ 178,674
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ (268,681)	\$	\$ (15,353)	\$ (2,534)	\$ (286,568)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Changes in Assets and Liabilities:					
Accounts Receivable (Increase)/Decrease	(26,085)		(473)	12,607	(13,951)
Inventory (Increase)/Decrease	(1,186)				(1,186)
Interfund Receivable (Increase)/Decrease				1	1
Accounts Payable Increase/(Decrease)					
Unearned Revenue Increase/(Decrease)	8,657				8,657
Interfund Payable Increase/(Decrease)	(12,610)		(1)		(12,611)
Net Cash Provided by (used for) Operating Activities	\$ (299,905)	\$	\$ (15,827)	\$ 10,074	\$ (305,658)

**Noncash Investing, Capital, and Financing Activities:**

During the year, the District received \$28,776 of food commodities from the U.S. Department of Agriculture

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

**NOTES TO THE FINANCIAL STATEMENTS**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

**A. Reporting Entity:**

The Salem County Vocational Technical School District (hereafter referred to as the "School District") is a Type I district located in the County of Salem, State of New Jersey. The Board is comprised of eight members; seven of them are appointed to four-year terms by the Salem County Board of Chosen Freeholders and one is a statutory appointment. The terms are staggered so that at least one member's term expires each year. The purpose of the School District is to provide a full range of educational services for the residents of Salem County. The School District had an approximate enrollment at June 30, 2022 of 722 students.

The Agency is considered to be a "Component Unit" of the County of Salem under GAAP. This determination is based on the oversight responsibility of the County, which manifests itself primarily in the selection of District Board members, the accountability on fiscal matters, the approval for debt authorizations and the determination of county tax provided by the county.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB 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 combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities require to be include in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**Component Units** – GASB Statement No. 14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The School District is a component unit of the County of Salem. These financial statements would be either blended or discreetly presented as part of the County's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities. The following organization is considered a component unit of the School District; however, the School District has determined that it is not significant and, therefore, has not been included in the basic financial statements:

Salem County Vocational Technical School Foundation  
880 Route 45  
Woodstown, New Jersey 08098

Requests for financial information should be addressed to the organization listed above.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**New Accounting Standards:**

The School District has adopted the following GASB statements:

- GASB Statement No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The adoption of GASB 87 will impact the financial statements of the School District.
- GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of GASB 89 did not impact the financial statements of the School District.
- GASB Statement No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 92 did not impact the financial statements of the School District.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 93 did not impact the financial statements of the School District.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 97 did not impact the financial statements of the School District.
- GASB Statement No. 98 – *The Annual Comprehensive Financial Report*: This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods ending after December 15, 2021. The adoption of GASB 98 did not impact the financial statements of the School District.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. Basis of Presentation:**

The financial statements of the Board of Education (Board) of Salem County Vocational Technical School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities, and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the Board's accounting policies are described in this Note.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*. The implementation of these statements had no effect on equity balances as previously reported.

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

District-wide Statements: The statement of Net Position and the statement of activities display information about the School District as a whole. These statements include financial activities of the primary government, except for fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between those activities of the School District that are *governmental* and those that are considered *business-type activities*. Governmental activities generally are financed through county taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The statement of Net Position presents the financial condition of the governmental and business-type activities of the School District at the fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activity of the School District.

- Direct expenses are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expense to functions in the statement of activities.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and (c) contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is used to support a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. Basis of Presentation (Cont'd):**

**Fund Financial Statements:** During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds, *governmental*, *proprietary*, and *fiduciary*. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

**B. Governmental Funds:**

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

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

As required by the New Jersey State Department of Education, the 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, district taxes 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.

In addition to the capital outlay sub-fund, the School District is accountable for additional sub-funds resulting from federal legislation signed into law. This federal law requires the tracking and separate reporting of American Recovery and Reinvestment Act (ARRA) funds, if any. ARRA State Fiscal Stabilization Funds were provided to districts to be used for general fund expenses. In addition, the Education Jobs Fund Program will require an additional sub-fund to be used for expenses in accordance with the education jobs compliance supplement within the federal OMB 133.

**Special Revenue Fund-** The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, other than major capital projects, debt service, enterprise funds and local appropriations, legally restricted to expenditures for specified purposes.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

**Debt Service Fund** – The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Permanent Fund** – The permanent fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students. The School District does not have a permanent fund.

**C. Proprietary Fund Type:**

Proprietary Funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

**Enterprise Funds**- The Enterprise Funds are utilized to account for operations: (1) financed and operated in a manner similar to private businesses, where the intent of the School District is that the costs (expenses including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, (2) where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The School District's enterprise funds are:

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

**Regional Day School**– This fund accounts for the financial activity that was under a contract with the N. J. Dept. of Education, designed to serve up to 100 multiple and or low incident disabled students from the Cumberland, Gloucester and Salem Counties, previously named Regional Day School Fund. This activity was transferred to the Salem County Special Services District.

**The Learning Center** – This fund accounts for the financial transactions related to the learning center operations provided by the school on a tuition basis.

**Business and Corporate and Customized Education Center Fund / Educational Technology Training Center (BCCEC/ETTC)** – This fund accounts for the financial activity related to the professional development and technology training to school districts and employers in the greater Cumberland, Gloucester and Salem County communities.

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Enterprise Funds (Cont'd)-**

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

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

**D. Fiduciary Funds:**

Fiduciary fund reporting focuses on Net Position and changes in Net Position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held but the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has two fiduciary funds, which bare a student activity fund, and a payroll fund. A description of permitted fiduciary funds is a follows:

**Trust and Agency Funds-** The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund-** An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The district does not currently maintain an Expendable Trust Fund.

**Nonexpendable Trust Fund-** A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

**Agency Funds-** Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**E. Measurement Focus:**

**District-wide Financial Statements** – The district-wide financial statements are prepared using the economic resources measurement focus. All assets and all liability associated with the operation of the School District are included on the statement of Net Position.

**Fund Financial Statements** – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. All assets and all liabilities associated with the operation of these funds are included on the statement of Net Position. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**E. Measurement Focus (Cont'd):**

**Fund Financial Statements (Cont'd)** –Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of Net Position. The statement of changes in fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**F. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

*District-wide, Proprietary and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**F. Basis of Accounting (Cont'd):**

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

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

Non- exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual, as under New Jersey State Statute. A municipality is required to remit to its susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its School Districts the entire balance of taxes in the amount voted upon or certified prior to the end of the school year.

The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The school District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements which specify the fiscal year when the resources are required to be used or the year resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula aids, which include *Demonstrably Effective Program Aid*, and *Instructional Supplement Program Aid* are recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditure.

**Revenues – Exchange and Non-Exchange Transactions(Cont'd)** - Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

**Expenses/Expenditures** – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in government funds.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**G. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-2.13.3.

The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America 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 as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The budget, as detailed on Exhibit C-1 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis, with the exception of the revenue recognition policy for the one or more June state aid payments.

**H. Encumbrances:**

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**H. Encumbrances (Cont'd):**

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

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

**I. 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. 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 they may invest in. 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 public depositories 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.

**J. Tuition Receivable:**

Tuition charges were established by the Board of Education based on contracts with the sending districts.

**K. Tuition Payable:**

There were no tuition charges or adjustments for the fiscal year under audit.

**L. Inventories:**

Inventories, which benefit future periods other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase rather than when consumed. Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**M. 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<sup>th</sup>.

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

**N. Short-Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. These amounts are eliminated in the governmental business-type columns of the statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

**O. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of Net Position and the proprietary fund of the Net Position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received the School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<b><u>Description</u></b>	<b><u>Governmental Activities Estimated Lives</u></b>	<b><u>Business - Type Activities Estimated Lives</u></b>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	10-50 Years
Furniture and Equipment	5-20 Years	12 Years
Vehicles	5-10 Years	4-6 Years

**P. Deferred Expenditures:**

Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure / expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Q. Accrued Salaries and Wages:**

Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in separate bank accounts.

**R. Compensated Absences:**

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

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability. The entire amount of compensated absences is reported on the government-wide financial statements.

**S. Unearned Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied and generally in the special revenue fund.

**T. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

**U. Comparative Data/Reclassifications:**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**V. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities and long-term obligations are reported on the District-wide financial statements. All payables, accrued liabilities and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities, once incurred, are paid in a timely manner and in full from current financial resources as obligations of 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 fund financial statements when due.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**W. Net Position:**

Net Position represents the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position are 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.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

**X. Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves are established for encumbrances, legally restricted appropriations, tuition, excess surplus, capital reserve accounts, emergency reserves and debt service reserves. In accordance with GASB 54, fund balances are to be categorized as Restricted, Committed, Assigned or Unassigned,

**Y. Management 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. Accordingly, actual results could differ from those estimates.

**Z. Operating and Non- Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service program, tuition for the Regional Day School, fees for training and educational programs for the BCCEC/ETTC Program. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Non-operating expenses principally include expenses attributable to the School District's proprietary funds.

**AA. Interfund Activity:**

Transfers between governmental and business-type activities on the governmental-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.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**AB. Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

**AC. Bond and Lease Acquisition Costs:**

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

**Custodial Credit Risk Related to Deposits:**

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2022, the District's bank balance of \$2,580,547 was exposed to custodial credit risk as follows:

Insured	\$	250,000
Uninsured and collateralized with securities held by pledging financial institutions		2,330,547
	\$	<u>2,580,547</u>



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 4. CAPITAL AND MAINTENANCE RESERVES**

**Capital Reserve:** 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 excess 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. As of June 30, 2022, the capital reserve account had a balance of \$1,107,300, which represents an increase of \$1,005,100 from the prior year.

**Maintenance Reserve:** New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. As of June 30, 2022, the maintenance reserve account had a balance of \$150,350.

**NOTE 5. ACCOUNTS RECEIVABLES**

Accounts Receivables at June 30, 2022 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. As of year-end, the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Funds	Total
Receivables:				
State	\$	\$ 67,852	\$	\$ 67,852
Federal		1,569,532	20,470	1,590,002
Intergovernmental	183,633			183,633
Other	44		29,838	29,882
Total	\$ 183,677	\$ 1,637,384	\$ 50,308	\$ 1,871,369

**NOTE 6. INVENTORY**

Inventory in the Food Service Fund at June 30, 2022 consisted of the following:

Food	\$ 11,072
Supplies	21,472
	\$ 32,544

The value of Federal donated commodities, where reflected on Schedule A-2 (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase has been included as an item of non-operating revenue in the financial statements. The district received \$28,776 in federal commodities during the 2021-2022 school year, which was consumed during operations with the exception of \$2,724 left in ending inventory.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022 was as follows:

	<b>Beginning Balance 7/1/2021</b>	<b>Additions</b>	<b>Adjustments/ Retirements</b>	<b>Ending Balance 6/30/2022</b>
<b>Governmental activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 391,928	\$	\$	\$ 391,928
Capital assets being depreciated and amortized:				
Land Improvements	967,836			967,836
Building and Improvements	27,367,283			27,367,283
Equipment	4,475,292	99,544		4,574,836
Right-to-Use Lease Assets		10,608	41,203	51,811
<b>Total Historical Cost</b>	<b>33,202,339</b>	<b>110,152</b>	<b>41,203</b>	<b>33,353,694</b>
Less accumulated depreciation and amortization:				
Land Improvements	(619,640)	(34,355)		(653,995)
Building and improvements	(9,745,371)	(783,950)		(10,529,321)
Equipment	(4,008,410)	(99,099)		(4,107,509)
Right-to-Use Lease Assets		(10,362)	(16,481)	(26,843)
<b>Total accumulated depreciation and amortization</b>	<b>(14,373,421)</b>	<b>(927,766)</b>	<b>(16,481)</b>	<b>(15,317,668)</b>
<b>Government activities capital assets, net</b>	<b>\$ 18,828,918</b>	<b>\$ (817,614)</b>	<b>\$ 24,722</b>	<b>\$ 18,036,026</b>
				To A-1
Business-Type Activities -				
Business-Type Activities				
Capital Assets - Net	\$	\$	\$	\$

\*Depreciation expense was charged to government functions as follows:

Instruction- Regular	\$ 4,195
Instruction- Vocational	65,608
Plant Operations and Maintenance	197,034
General Administration	4,149
Unallocated	656,780
<b>Total Depreciation Expense</b>	<b>\$ 927,766</b>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2022, the following changes occurred in long-term obligations:

	Beginning Balance 7/1/2021	Additions	Reductions	Ending Balance 6/30/2022	Amounts Due within One Year	Long-term Portion
<b>Governmental Activities:</b>						
Capital Lease Payable	\$ 1,558,562		\$ (351,305)	\$ 1,207,257	\$ 376,014	\$ 831,243
Net Pension Liability	2,417,823		(644,403)	1,773,420		1,773,420
Compensated Absences	344,232	244,737		588,969		588,969
Right-to-Use Lease Liabilities		33,825	(12,257)	21,568	14,189	7,379
Governmental Activity Long Term Liabilities	<u>\$ 4,320,617</u>	<u>\$ 278,562</u>	<u>\$ (1,007,965)</u>	<u>\$ 3,591,214</u>	<u>\$ 390,203</u>	<u>\$ 3,201,011</u>
<b>Business-Type Activities:</b>						
Compensated absences payable	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**A. Bonds Payable-** The District is organized as a Type 1 School District under New Jersey Statutes; therefore long-term debt is accounted for and financed by the County of Salem.

During January 15, 2020, the Count of Salem adopted a bond ordinance providing for various capital improvements to the Salem County Career and Technical High School in the amount of \$8,000,000. The expenditures against this bond ordinance are shown on Exhibit F-2B.

**Bonds Authorized But Not Issued** – As of June 30, 2022, the School District had no authorizations to issue additional bonded debt.

**Compensated Absences** – Compensated absences will be paid from the fund from which the employees' salaries are paid.

**B. Capital Leases Payable**

The School District was financing Energy Saving upgrades with a 15 year Capital Lease totaling \$3,190,699. In April 2014, the School District elected to refinance the Capital Lease, which reduced the interest rate from 4.74% to 3.00% at a premium of \$30,923 that will be amortized over 11 years.

The following is a schedule of the future minimum lease payments at June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 312,229	\$ 27,930	\$ 340,159
2024	335,783	18,388	354,171
2025	360,475	8,130	368,605
	<u>\$ 1,008,487</u>	<u>\$ 54,448</u>	<u>\$ 1,062,935</u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8. LONG-TERM OBLIGATIONS (CONT'D)**

During the current 2015-16 fiscal school year, the District financed additional energy upgrades through a ten year Capital Lease totaling \$650,000 interest at 2.875%. The following is a schedule of the future minimum lease payments at June 30, 2022:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 63,785	\$ 5,259	\$ 69,044
2024	66,198	3,408	69,606
2025	68,787	1,488	70,275
	<u>\$ 198,770</u>	<u>\$ 10,155</u>	<u>\$ 208,925</u>

**NOTE 9. AMORTIZATION OF DEBT REFINANCE**

The School District elected to implement GASB Statement No. 65 during the 2012-13 year under audit and as a result, has reflected Capital Lease Debt Refinancing Cost as a Deferred Outflow of Resources on the Statement of Net Position, net of the portion amortized, as a component of interest expense over the life of the debt. During the 2021-22 School Year, \$2,062 of Debt Refinancing Costs was amortized, resulting in a balance in Deferred Outflows of Resources of \$12,976, as of June 30, 2022.

**NOTE 10. LEASES**

The School is a lessee for various copiers. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 10. LEASES (CONT'D)**

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2022, total future minimum lease payments under right-to-use lease agreements are as follows:

Year Ending June 30,	Total	Principal	Interest
2023	\$ 17,771	\$ 15,829	\$ 1,942
2024	17,771	16,306	1,465
2025	17,771	16,797	974
2026	16,053	15,584	469
	\$ 69,366	\$ 64,516	\$ 4,850

**NOTE 11. PENSION PLANS**

**Description of Plans** - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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 with 30 years or more 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.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11. PENSION PLANS (CONTINUED)**

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

The following represents the membership tiers for PERS:

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

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2020 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2022 were 79,478. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2022 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2022, and 2021, were \$175,316 and \$162,195 respectively.

The total payroll for the year ended June 30, 2022 was \$6,279,421. Payroll covered by PERS was \$1,058,724 for fiscal year 2022.

**Components of Net Pension Liability** - At June 30, 2022, the District's proportionate share of the PERS net pension liability was \$1,773,420. The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The District's proportion measured as of June 30, 2021 was 0.014970% which was an increase of 0.00014% from its proportion measured as of June 30, 2020.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11. PENSION PLANS (CONTINUED)**

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

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2022 PERS pension expense, with respect to GASB 68, was \$(293,263). The District's 2022 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 27,969	\$ 12,696
Changes of assumptions	9,236	631,349
Net difference between projected and actual earnings on pension plan investments		467,165
Changes in proportion	152,337	419,106
Contributions subsequent to the measurement date	175,316	
<b>Total</b>	<b>\$ 364,858</b>	<b>\$ 1,530,316</b>

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

<u>Year</u>	<u>PERS</u>
2022	\$ (469,179)
2023	(303,400)
2024	(286,556)
2025	(189,762)
2026	(91,877)
Thereafter	
<b>Total</b>	<b>\$ (1,340,774)</b>

**Additional Information** - Collective Balances at June 30, 2022 and 2021 are as follows:

<u>Year</u>	<u>2022</u>	<u>2021</u>
Collective deferred outflows of resources	\$ 364,858	\$ 595,317
Collective deferred inflows of resources	\$ 1,530,316	\$ 1,598,071
Collective Net Pension Liability	\$ 1,773,420	\$ 2,417,823
District's Proportion	0.014970%	0.014827%

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11. PENSION PLANS (CONTINUED)**

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

**Actuarial Assumptions** - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>PERS</u></b>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11. PENSION PLANS (CONTINUED)**

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

**Long-Term Expected Rate of Return** – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all 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.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11. PENSION PLANS (CONTINUED)**

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

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>2,440,783</u>	\$ <u>1,773,420</u>	\$ <u>1,242,016</u>

**Teachers' Pension and Annuity Fund**

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

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

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11. PENSION PLANS (CONTINUED)**

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

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2020. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, 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 District and all other related non-contributing employers. No normal or accrued liability contribution by the 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 District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2022 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$1,398,092 to the TPAF for pension contributions, \$326,651 for post-retirement benefits on behalf of the School, and \$617 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$278,515 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Components of Net Pension Liability** - At June 30, 2022, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

**Pension Expense** - For the year ended June 30, 2022, the District recognized pension expense of \$365,858 and revenue of \$365,858 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>TPAF</u></b>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11. PENSION PLANS (CONTINUED)**

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

**Long-Term Expected Rate of Return** - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% 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 all 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 in determining the total pension liability.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11. PENSION PLANS (CONTINUED)**

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

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 25,070,286	\$ 15,548,296	\$ 18,248,789
State's Share of the Net Pension Liability	\$ 56,988,413,045	\$ 48,165,991,182	\$ 40,755,711,186

**Defined Contribution Retirement Program (DCRP)**

**The Defined Contribution Retirement Program (DCRP)** is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

**Contributions** – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2022, employee contributions totaled \$3,577 and the District's employer contribution, recognized in pension expense, was \$1,951. There were no forfeitures during the fiscal year.

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about the OPEB Plan**

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

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

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

**Special Funding Situation**

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2021, was \$60,007,650,970. Of this amount, the total OPEB liability attributable to the School District was \$17,630,327. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.02938%. The total OPEB liability for the School District measured as of June 30, 2021 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2021 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	2.75% - 5.65%	3.00% - 7.00%	N/A

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 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 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Discount rate**

The discount rate for June 30, 2021 was 2.16%. 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 OPEB Liability**

State of New Jersey		<b><u>Total OPEB Liability</u></b>
<b>Balance as of June 30, 2020 Measurement Date</b>	\$	<u>67,809,962,609</u>
Changes for the year:		
Service Cost		3,217,184,264
Interest		1,556,661,679
Changes of Benefit Terms		(63,870,842)
Differences between Expected and Actual		(11,385,071,658)
Changes of Assumptions		59,202,105
Benefit Payments		(1,226,213,382)
Contributions from Members		<u>39,796,196</u>
<b>Net Changes</b>		<u>(7,802,311,638)</u>
<b>Balance as of June 30, 2021 Measurement Date</b>	\$	<u><u>60,007,650,971</u></u>

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

The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b><u>June 30, 2021</u></b>		
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	1.16%	2.16%	3.16%
\$	71,879,745,555	60,007,650,970	50,659,089,138

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

The following presents the total nonemployer OPEB liability as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<b><u>June 30, 2021</u></b>		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	48,576,388,417	60,007,650,970	75,358,991,782



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$1,524,586. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 2,657,693	\$ 5,291,175
Changes of Assumptions	2,990,761	1,891,570
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	1,819,539	225,615
Contributions Subsequent to the Measurement Date		
<b>Total</b>	<b>\$ 7,467,993</b>	<b>\$ 7,408,360</b>

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

Measurement Period Ending June 30,		OPEB
2022	\$	(91,276)
2023		(91,276)
2024		(91,276)
2025		(91,276)
2026		70,320
Thereafter		354,417
<b>Total</b>	<b>\$</b>	<b>59,633</b>

**NOTE 13. COMPENSATED ABSENCES**

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

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13. COMPENSATED ABSENCES (CONTINUED)**

In the District Wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, a liability existed for compensated absences in the Governmental Activities of \$588,969.

**NOTE 14. DEFERRED COMPENSATION**

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators were Prudential, Securities, Equitable, Lincoln Investments and Travelers.

**NOTE 15. 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.

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

**Joint Insurance Pool –** The School District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund. The Fund provides the School District with the following coverage:

Property (Including Crime and Auto Physical Damage)  
General Liability  
Automobile Liability  
Workers' Compensation  
Educator's Legal Liability  
Boiler and Machinery  
Pollution Legal Liability

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year. The Fund publishes its own financial report for the year ended June 30, 2021, which can be obtained from the following address:

GCSSDJIF  
P.O. Box 449  
Marlton, New Jersey 08053

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 16. INTERFUND RECEIVABLES AND PAYABLES**

The following Interfund balances remained on the balance sheet at June 30, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,071,906	\$ 24,263
Special Revenue Fund		1,056,058
Capital Projects Fund	24,263	
Enterprise Fund	28,415	44,263
Total	<u>\$ 1,124,584</u>	<u>\$ 1,124,584</u>

**NOTE 17. DEFICIT FUND BALANCES**

The District had a deficit fund balance in the General Fund of (\$78,601) and none in the Special Revenue Fund, as of June 30, 2022 as reported in the fund statements (modified accrual basis). 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 year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

**NOTE 18. DEFICIT IN UNRESTRICTED NET POSITION**

The governmental activities had a deficit in unrestricted Net Position of \$3,434,911, shown on Exhibit A-1, as of June 30, 2022. The primary cause of the deficit is attributable to the application of GASB 68 as described in Note 11, the allocation of compensated absences balances payable to unrestricted Net Position and the result from a delay in the June payments of state aid until the following fiscal year.

**NOTE 19. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$2,779,103 General Fund balance at June 30, 2022, \$178,520 is assigned for encumbrances; \$1,421,534 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, all of which is designated for subsequent years expenditures; \$1,107,300 has been restricted in the Capital Reserve Account; \$150,350 has been restricted in the Maintenance Reserve Account; \$0 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2023 and the net result is a balance of (\$78,601) in unassigned and unrestricted fund balance.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 19. FUND BALANCE APPROPRIATED (CONTINUED)**

**General Fund (Continued):**

**Legally Restricted**

Restrictions of fund balances of governmental funds are established to either (1) satisfy the legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance are summarized below:

**Legally Restricted for Capital Reserve Account** – As of June 30, 2022, the balance in the capital reserve account is \$1,107,300. These funds are restricted for future capital outlay expenditures for capital projects in the School District’s approved Long Range Facilities Plan (LRFP).

**Assigned For Encumbrances** – The reserve for encumbrances was created to represent encumbrances outstanding at the end of the fiscal year based on purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year. There was no reserve for encumbrances, as of June 30, 2022.

**Unassigned - General Fund** – The budgetary basis unassigned general fund balance at June 30, 2022 is \$592,136.

**Capital Projects Fund** - On December 3, 2014, a Bond Ordinance, in the amount of \$3,149,364 was approved by the Salem County Board of Chosen Freeholders, for the purpose of funding various capital improvements to the Salem County Career and Technical High School. As of June 30, 2022, the District had an unexpended balance of \$24,263 on this project (See Exhibit F2 b).

**NOTE 20. CALCULATION OF 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 pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). 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, 2022 is \$1,421,534 all of which was assigned for utilization in the 2022-2023 budget.

**NOTE 21. LITIGATION**

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District’s legal counsel, there is one pending litigation which has been assigned to Board’s insurance carrier. In addition, the Board is not aware of any formal claims, assessments of contingent liability against the District.

**NOTE 22. MERGE OF THE SALEM COUNTY SPECIAL SERVICES BOARD OF EDUCATION AND THE SALEM COUNTY VO-TECH BOARD OF EDUCATION**

Effective, July 1, 2009, the Salem County Board of Chosen Freeholders adopted a resolution to disband the Salem County Special Services Board of Education and the Salem County Vo-Tech Board of Education, instituting a new Board named “The Board of Education for the Vocational School District and the Special Services School District for the County of Salem”.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 23. TAX ABATEMENT**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

**NOTE 24. SUBSEQUENT EVENTS**

There were no events noted, between the year-end and the date of the audit report, requiring disclosure.

End of Notes to Financial Statements

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
<b>Local Sources:</b>					
County of Salem Budget Appropriation	\$ 1,828,758	\$	\$ 1,828,758	\$ 1,828,758	\$
Tuition Charges - In County	3,165,893		3,165,893	2,705,634	(460,259)
Other Tuition				341,290	341,290
Rent and Royalties	75,000		75,000		(75,000)
Interest Earned on Investments				302	302
Interest Earned on Maintenance Reserve	250		250		(250)
Interest Earned on Capital Reserve	100		100		(100)
Unrestricted Miscellaneous Revenue	5,000		5,000	8,208	3,208
<b>Total - Local Sources</b>	<b>5,075,001</b>		<b>5,075,001</b>	<b>4,884,192</b>	<b>(190,809)</b>
<b>State Sources:</b>					
<b>Categorical Aid</b>					
Equalization Aid	6,027,848		6,027,848	6,027,848	
Categorical Special Education Aid	583,368		583,368	583,368	
Categorical Security Aid	97,075		97,075	97,075	
<b>Other State Aid</b>					
Reimbursed TPAF Social Security Contributions (non-budgeted)				278,515	278,515
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				617	617
On-behalf TPAF Pension Contributions (non-budgeted)				1,398,092	1,398,092
On-behalf TPAF Pension Post-Retirement Med'l Contrib (non-budgeted)				326,651	326,651
<b>Total - State Sources</b>	<b>6,708,291</b>		<b>6,708,291</b>	<b>8,712,166</b>	<b>2,003,875</b>
<b>Total Revenues</b>	<b>11,783,292</b>		<b>11,783,292</b>	<b>13,596,358</b>	<b>1,813,066</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Grade 9-12 - Instruction:</b>					
Salaries of Teachers	1,498,965	(68,877)	1,430,088	1,418,625	11,463
Other Salaries for Instruction	42,128	(42,128)			
Purchased Professional-Educational Services	4,350		4,350		4,350
Purchased Technical Services	13,500		13,500	1,010	12,490
Other Purchased Services	4,500	(3,000)	1,500		1,500
General Supplies	19,850	2,000	21,850	16,884	4,966
Textbooks	8,500		8,500		8,500
<b>Total Regular Programs - Instruction</b>	<b>1,591,793</b>	<b>(112,005)</b>	<b>1,479,788</b>	<b>1,436,519</b>	<b>43,269</b>
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	3,000		3,000	2,445	555
<b>Regular Vocational Programs - Instruction:</b>					
Salaries of Teachers	1,505,081	(53,248)	1,451,833	1,449,174	2,659
Purchased Professional-Educational Services	1,881,275	25,812	1,907,087	1,895,198	11,889
Purchased Technical Services	14,400		14,400	6,898	7,502
Other Purchased Services		325	325	325	
General Supplies	146,400	36,250	182,650	160,518	22,132
Textbooks	6,500	(325)	6,175	283	5,892
<b>Total - Regular Vocational Programs - Instruction</b>	<b>3,553,656</b>	<b>8,814</b>	<b>3,562,470</b>	<b>3,512,396</b>	<b>50,074</b>
<b>School-Sponsored Co/Extra-Curr. Activities-Instruction</b>					
Salaries	67,000	53,248	120,248	120,248	
Purchased Services	55,000		55,000	51,776	3,224
Supplies and Materials	9,000	4,500	13,500	10,961	2,539
Other Objects	4,500	(4,500)			
<b>Total School-Spon. Co/Extra Curr. Actvts. - Inst</b>	<b>135,500</b>	<b>53,248</b>	<b>188,748</b>	<b>182,985</b>	<b>5,763</b>
<b>School-Sponsored Athletics-Instruction</b>					
Salaries	78,000		78,000	72,705	5,295
Purchased Services	40,100	6,500	46,600	43,154	3,446
Supplies and Materials	9,000	23,970	32,970	19,904	13,066
<b>Total School-Spon. Athletics - Inst</b>	<b>127,100</b>	<b>30,470</b>	<b>157,570</b>	<b>135,763</b>	<b>21,807</b>
<b>Undistributed Expenditures - Attendance &amp; Social Work</b>					
Salaries of Drop-Out Prevention Officer/Coordinator	105,794		105,794	105,762	32
<b>Total Undistributed Expenditures - Attendance &amp; Social Work</b>	<b>105,794</b>		<b>105,794</b>	<b>105,762</b>	<b>32</b>

(Continued)



SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
<b>Current Expense (Cont'd):</b>					
Undistributed Expenditures - Health Services:					
Salaries	\$ 62,000	\$ 962	\$ 62,962	\$ 62,962	\$
Other Purchased Services	450	(450)			
Supplies and Materials	2,500	169	2,669	2,669	
<b>Total Undistributed Expenditures - Health Services</b>	<b>64,950</b>	<b>681</b>	<b>65,631</b>	<b>65,631</b>	
Undistributed Expenditures - Speech, OT, PT and Related Services					
Salaries of Other Professional Staff					
Salaries of Secretarial and Clerical Staff					
Other Purchased Services					
Supplies and Materials					
<b>Total Undist. Expend. - Speech, OT, PT and Related Services</b>					
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	316,408		316,408	313,161	3,247
Salaries of Secretarial and Clerical Assistants	35,000		35,000	34,023	977
Purchased Professional-Educational Services	5,000	(681)	4,319	2,778	1,541
Other Purchased Services	2,000		2,000	658	1,342
Supplies and Materials	5,000		5,000	5,000	
<b>Total Undist. Expend. - Guidance</b>	<b>363,408</b>	<b>(681)</b>	<b>362,727</b>	<b>355,620</b>	<b>7,107</b>
Undistributed Expenditures - Child Study Teams					
Purchased Professional - Educational Services	15,000		15,000	15,000	
<b>Total Undist. Expend. - Child Study Teams</b>	<b>15,000</b>		<b>15,000</b>	<b>15,000</b>	
Undistributed Expenditures - Improvement of Instruction Services					
Salaries of Supervisor of Instruction	99,250		99,250.00	99,250	
Salaries of Other Professional Staff	45,000		45,000	45,000	
Other Purchased Services	5,000		5,000	3,257	1,743
Supplies and Materials	10,000		10,000		10,000
<b>Total Undist. Expend. - Improv of Inst. Serv.</b>	<b>159,250</b>		<b>159,250</b>	<b>147,507</b>	<b>11,743</b>
Undistributed Expenditures - Educational Media Service/Library					
Salaries of Technoogy Coordinators	15,000	(15,000)			
<b>Total Undist. Expend. - Educational Media Service/Library</b>	<b>15,000</b>	<b>(15,000)</b>			
Undistributed Expenditures - Support Services - General Administration:					
Salaries	150,290	25,000	175,290	175,290	
Legal Services	19,000		19,000	5,597	13,403
Audit Fee	26,000		26,000	24,945	1,055
Other Purchased Professional Services	10,200		10,200	3,810	6,390
Purchased Technical Services	2,000		2,000	1,658	342
Communications/Telephone	90,000		90,000	14,470	75,530
Misc. Purch Serv	12,000		12,000	6,691	5,309
General Supplies	6,500		6,500	3,429	3,071
Miscellaneous Expenditures	25,000	(1,425)	23,575	22,264	1,311
<b>Total Undist. Expend. -Support Serv. -Gen. Admin.</b>	<b>340,990</b>	<b>23,575</b>	<b>364,565</b>	<b>258,154</b>	<b>106,411</b>
Undistributed Expenditures - Support Services - School Administration					
Salaries of Principals / Assistant Principals	222,439		222,439	219,024	3,415
Salaries of Secretarial and Clerical Assistants	90,000		90,000	89,499	501
Other Purchased Services	11,000	1,000	12,000	4,884	7,116
Supplies and Materials	11,000	1,740	12,740	12,740	
Other Objects	5,500	4,425	9,925	9,825	100
<b>Total Undist. Expend. -Support Serv. - School Adm.</b>	<b>339,939</b>	<b>7,165</b>	<b>347,104</b>	<b>335,972</b>	<b>11,132</b>
Undistributed Expenditures - Central Services:					
Salaries	282,086	34,546	316,632	303,211	13,421
Purchased Technical Services	25,200	(17,666)	7,534	7,534	
Misc. Purchased Services	21,850	(15,620)	6,230	6,230	
Supplies and Materials	17,950	4,240	22,190	4,718	17,472
<b>Total Undistributed Expenditures - Central Services</b>	<b>347,086</b>	<b>5,500</b>	<b>352,586</b>	<b>321,693</b>	<b>30,893</b>

(Continued)

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
<b>Current Expense (Cont'd):</b>					
Undistributed Expenditures - Admin Info Technology					
Salaries	\$ 102,132	\$ 1,425	\$ 103,557	\$ 103,557	\$
Purchased Professional Services	61,020	74,500	135,520	112,381	23,139
Purchased Technical Services	85,000	(85,000)			
Other Purchased Services	4,500	180,075	184,575	138,021	46,554
Supplies and Materials	125,000	(125,000)			
<b>Total Undist. Expend-Admin Info Technology</b>	<b>377,652</b>	<b>46,000</b>	<b>423,652</b>	<b>353,959</b>	<b>69,693</b>
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	75,000	65,617	140,617	140,617	
Cleaning, Repair, and Maintenance Services	160,000	72,198	232,198	146,184	86,014
General Supplies	125,000	5,000	130,000	106,509	23,491
Other Objects	75,000	(62,008)	12,992	12,992	
<b>Total Undist. Expend-Required Maint for Sch Fac.</b>	<b>435,000</b>	<b>80,807</b>	<b>515,807</b>	<b>406,302</b>	<b>109,505</b>
Undistributed Expenditures - Custodial Services					
Salaries					
Purchased Professional and Technical Services	342,000		342,000	305,116	36,884
Cleaning, Repair, and Maintenance Services	25,000		25,000	13,606	11,394
Rental of Land/Bldgs Other Than Lease Purchase	38,207		38,207	38,207	
Insurance	105,000	9,576	114,576	87,499	27,077
Miscellaneous Purchased Services	10,000		10,000	9,720	280
General Supplies	25,000		25,000	10,829	14,171
Energy (Natural Gas)	110,000		110,000	99,070	10,930
Energy (Heat and Electricity)	230,000	20,000	250,000	212,566	37,434
Energy (Oil)	8,500		8,500	6,547	1,953
Interest - Energy Savings Impr. Prog. Bonds	36,793		36,793	36,793	
<b>Total Undist. Expend. - Custodial Services</b>	<b>930,500</b>	<b>29,576</b>	<b>960,076</b>	<b>819,953</b>	<b>140,123</b>
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	75,000	(75,000)			
Cleaning, Repair, and Maintenance Services	20,000	5,826	25,826	25,826	
<b>Total Care and Upkeep of Grounds</b>	<b>95,000</b>	<b>(69,174)</b>	<b>25,826</b>	<b>25,826</b>	
Undistributed Expenditures - Security					
Purchased Professional and Technical Services	68,500		68,500	62,846	5,654
<b>Total Security</b>	<b>68,500</b>		<b>68,500</b>	<b>62,846</b>	<b>5,654</b>
<b>Total Undist. Expend-Oper &amp; Maint of Plant Serv.</b>	<b>1,529,000</b>	<b>41,209</b>	<b>1,570,209</b>	<b>1,314,927</b>	<b>255,282</b>
Undistributed Expenditures - Student Transportation Services:					
Sal. For Pupil Trans. (Oth. Than Bet Home & Sch)	18,000		18,000	11,363	6,637
Contr Serv (Oth. Than Bet Home & Sch) - Vend	11,000		11,000	10,228	772
<b>Total Undist. Expend. -Student Trans. Serv.</b>	<b>29,000</b>		<b>29,000</b>	<b>21,591</b>	<b>7,409</b>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	180,000		180,000	178,277	1,723
Other Retirement Contributions - PERS	252,000		252,000	171,856	80,144
Unemployment Compensation	35,000		35,000	26,352	8,648
Workmen's Compensation	95,000		95,000	87,499	7,501
Health Benefits	1,982,823	(156,097)	1,826,726	1,474,049	352,677
Tuition Reimbursement	15,000		15,000	10,000	5,000
Other Employee Benefits	16,500		16,500	10,485	6,015
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>2,576,323</b>	<b>(156,097)</b>	<b>2,420,226</b>	<b>1,958,518</b>	<b>461,708</b>

(Continued)

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
Current Expense (Cont'd):					
Reimbursed TPAF Social Security Contributions (non-budgeted)				\$ 278,515	\$ (278,515)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				617	(617)
On-behalf TPAF Pension Contributions (non-budgeted)				1,398,092	(1,398,092)
On-behalf TPAF Pension Post-Retirement Contributions (non-budgeted)				326,651	(326,651)
Total On-behalf Contributions				2,003,875	(2,003,875)
Total Undistributed Expenditures	\$ 6,263,392	\$ (47,648)	\$ 6,215,744	7,258,209	(1,042,465)
Interest Earned on Maintenance Reserve	250		250		250
Increase in Maintenance Reserve	150,000		150,000		150,000
Total Current Expense	11,824,691	(67,121)	11,757,570	12,528,317	(770,747)
Capital Outlay:					
Instruction					
Total Equipment					
Facilities Acquisition and Construction Services:					
Lease Purchase Agreements-Principal	326,645		326,645	351,305	(24,660)
Assessment for Debt Service on SDA Funding	925		925	925	
Total Facilities Acquisition and Construction Services	327,570		327,570	352,230	(24,660)
Increase in Capital Reserve	225,000		225,000		225,000
Interest Deposit to Capital Reserve	100		100		100
Total Capital Outlay	552,670		552,670	352,230	200,440
Total Expenditures	12,377,361	(67,121)	12,310,240	12,880,547	(570,307)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(594,069)	67,121	(526,948)	715,811	1,242,759
Other Financing Sources (Uses)					
Transfers to Food Service					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(594,069)	67,121	(526,948)	715,811	1,242,759
Fund Balances, July 1	2,734,029		2,734,029	2,734,029	
Fund Balances, June 30	\$ 2,139,960	\$ 67,121	\$ 2,207,081	\$ 3,449,840	\$ 1,242,759
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				\$ 1,107,300	
Maintenance Reserve				150,350	
Excess Surplus					
Excess Surplus - Designated For Subsequent Years Expenditures				1,421,534	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				178,520	
<b>Unassigned Fund Balance</b>				592,136	
				3,449,840	
Reconciliation to Governmental Funds Statements (GAAP):					
Last two State Aid Payments 2021-22 Not Recognized on GAAP Basis				(670,737)	
				<u>\$ 2,779,103</u>	

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Amendments / Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
State Sources:					
County Bridge Grant	\$ 100,175	\$ (2,153)	\$ 98,022	\$ 66,870	\$ (31,152)
Opportunity Grant				12,900	12,900
<b>Total - State Sources</b>	<b>100,175</b>	<b>(2,153)</b>	<b>98,022</b>	<b>79,770</b>	<b>(18,252)</b>
Federal Sources:					
Perkins	114,674		114,674	197,443	82,769
Adult Basic Skills-LA & Sub-grantee	595,374	6,560	601,934	399,789	(202,145)
I.D.E.A.	121,435		121,435	118,358	(3,077)
21st Century	685,096	24,998	710,094	530,892	(179,202)
Expand Pre Apprenticeship Comp	100,000		100,000	99,281	(719)
CARES	34,429		34,429	34,429	
CRRSA:					
ESSER II	576,417		576,417	352,120	(224,297)
Learning Acc	36,992		36,992	31,644	(5,348)
Mental Health	45,000		45,000	39,210	(5,790)
ARP ESSER III	1,958,586	(663,127)	1,295,459	870,188	(425,271)
No Child Left Behind:					
Title IA	169,111	55,812	224,923	144,868	(80,055)
Title IIA	27,075	10,605	37,680	5,869	(31,811)
Title IV	12,836	2,986	15,822	14,707	(1,115)
ARP IDEA B	33,112		33,112	14,281	(18,831)
<b>Total - Federal Sources</b>	<b>4,510,137</b>	<b>(562,166)</b>	<b>3,947,971</b>	<b>2,853,079</b>	<b>(1,094,892)</b>
Other Sources:					
Local Sources	133,038		133,038	220,414	87,376
<b>Total - Other Sources</b>	<b>133,038</b>		<b>133,038</b>	<b>220,414</b>	<b>87,376</b>
<b>Total Revenues</b>	<b>4,743,350</b>	<b>(564,319)</b>	<b>4,179,031</b>	<b>3,153,263</b>	<b>(1,025,768)</b>

(Continued)

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
Required Supplementary Information  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Amendments / Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 1,044,881	\$ (154,612)	\$ 890,269	\$ 471,836	418,433
Purchased Professional & Technical Services	87,825	30,797	118,622	91,768	26,854
Other Purchased Services	10,990	67,810	78,800	13,038	65,762
Supplies and Materials	472,249	(106,778)	365,471	174,894	190,577
Other Objects	12,900	1,200	14,100	14,100	
Total Instruction	1,628,845	(161,583)	1,467,262	765,636	701,626
Support Services:					
Salaries of Other Professional Staff	387,286	(18,878)	368,408	301,685	66,723
Personal Services - Employee Benefits	176,551	(45,537)	131,014	84,553	46,461
Purchased Professional Educational Services		20,000	20,000	19,231	769
Purchased Professional Technical Services	676,824	(11,657)	665,167	652,540	12,627
Purchase Property Services	1,432,200	(271,922)	1,160,278	870,188	290,090
Other Purchased Services	88,750	(10,464)	78,286	58,227	20,059
Transportation	74,212	(2,362)	71,850	67,292	4,558
Supplies and Materials	22,583		22,583	13,098	9,485
Travel	16,924	(8,995)	7,929	4,077	3,852
Student Activities				202,157	(202,157)
Total Support Services	2,875,330	(349,815)	2,525,515	2,273,048	252,467
Facilities Acquisition and Construction Services:					
Instructional Equipment	239,175	(52,921)	186,254	99,544	86,710
Total Facilities Acquisition & Construction Services	239,175	(52,921)	186,254	99,544	86,710
Total Expenditures	4,743,350	(564,319)	4,179,031	3,138,228	1,040,803
Excess (Deficiency) of Revenues Over (Under) Expenditures				15,035	15,035
Fund Balance, July 1				\$ 61,833	
Fund Balance, June 30				\$ 76,868	
Recapitulation:					
Restricted:					
Student Activities				\$ 76,868	
Total Fund Balance				\$ 76,868	

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2022

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

	General Fund		Special Revenue Fund
Sources / Inflows of Resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 13,596,358	[E-1]	\$ 3,153,263
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Current Year			(495,674)
Prior Year			
The last two 20-21 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	562,223		
The last two 21-22 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(670,737)		
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 13,487,844</u>	[B-2]	<u>\$ 2,657,589</u>
Uses / Outflows of Resources:			
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 12,880,547	[E-1]	\$ 3,138,228
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.			
Current Year			(495,674)
Prior Year			
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 12,880,547</u>	[B-2]	<u>\$ 2,642,554</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION PART III**



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<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>
District's Proportion of the Net Pension Liability	0.014970%	0.014827%	0.017762%	0.016760%	0.016287%	0.017041%	0.015153%	0.018610%	0.020479%
District's Proportionate Share of the Net Pension Liability	\$ 1,773,420	\$ 2,417,823	\$ 3,200,425	\$ 3,299,884	\$ 3,791,412	\$ 5,046,962	\$ 3,401,593	\$ 3,484,297	\$ 3,913,891
District's Covered-Employee Payroll	\$ 1,058,724	\$ 1,022,142	\$ 1,112,645	\$ 1,021,542	\$ 1,179,357	\$ 1,165,849	\$ 1,146,524	\$ 1,067,848	\$ 1,169,944
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	167.51%	236.54%	287.64%	323.03%	321.48%	432.90%	296.69%	326.29%	334.54%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<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>
Contractually Required Contribution	\$ 175,316	\$ 162,195	\$ 173,918	\$ 167,954	\$ 154,272	\$ 153,264	\$ 130,277	\$ 153,418	\$ 154,303
Contributions in relation to the Contractually Required Contribution	(175,316)	(162,195)	(173,918)	(167,954)	(154,272)	(153,264)	(130,277)	(153,418)	(154,303)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 1,058,724	\$ 1,022,142	\$ 1,112,645	\$ 1,021,542	\$ 1,179,357	\$ 1,165,849	\$ 1,146,524	\$ 1,067,848	\$ 1,169,944
Contributions as a Percentage of Covered-Employee Payroll	16.56%	15.87%	15.63%	16.44%	13.08%	13.15%	11.36%	14.37%	13.19%

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund (TPAF)**  
**Last Ten Fiscal Years\***

	<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>
District's Proportion of the Net Pension Liability	0.032342%		0.031291%		0.032145%		0.032054%		0.030413%		0.031832%		0.031078%		0.031268%		0.031849%
District's Proportionate Share of the Net Pension Liability	\$ 15,548,296	\$	20,604,436	\$	19,727,424	\$	20,392,195	\$	20,505,800	\$	25,041,038	\$	19,642,384	\$	16,711,990	\$	16,096,024
District's Covered-Employee Payroll	\$ 3,911,934	\$	3,872,020	\$	3,675,218	\$	3,442,825	\$	3,400,311	\$	4,848,646	\$	3,248,683	\$	3,212,474	\$	3,138,412
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	397.46%		532.14%		536.77%		592.31%		603.06%		516.45%		604.63%		520.22%		512.87%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	35.52%		24.60%		26.95%		26.49%		25.41%		22.33%		28.71%		33.64%		33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 1,224,012	\$ 662,290	\$ 650,418	\$ 690,096	\$ 828,546
Interest Cost	457,349	429,235	493,589	511,427	436,834
Changes of Benefit Terms	(18,765)				
Differences Between Expected and Actual Experiences	(3,896,542)	3,985,272	(1,475,803)	(950,866)	
Changes of Assumptions	17,394	3,689,015	175,500	(1,408,901)	(1,857,206)
Member Contributions	11,692	10,657	10,711	11,346	11,729
Gross Benefit Payments	(360,263)	(351,586)	(361,321)	(328,295)	(318,541)
<b>Net Change in Total OPEB Liability</b>	<u>(2,565,123)</u>	<u>8,424,883</u>	<u>(506,906)</u>	<u>(1,475,193)</u>	<u>(898,638)</u>
<b>Total OPEB Liability - Beginning</b>	<u>20,195,450</u>	<u>11,770,567</u>	<u>12,277,473</u>	<u>13,752,666</u>	<u>14,651,304</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 17,630,327</u>	<u>\$ 20,195,450</u>	<u>\$ 11,770,567</u>	<u>\$ 12,277,473</u>	<u>\$ 13,752,666</u>
<b>Covered-Employee Payroll</b>	<u>\$ 4,970,658</u>	<u>\$ 4,894,162</u>	<u>\$ 4,787,863</u>	<u>\$ 4,464,367</u>	<u>\$ 4,579,668</u>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	354.69%	423.00%	245.84%	275.01%	300.30%

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

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.

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2022

	Total	NCLB		IDEA		Opportunity Partners	Total Brought Forward
		Title I, Part A	Title II A	ARP Part B	Part B		
<b>REVENUES:</b>							
Federal Sources	\$ 2,853,079	\$ 144,868	\$ 5,869	\$ 14,707	\$ 14,281	\$ 118,358	\$ 2,554,996
State Sources	79,770						66,870
Other Sources	220,414						220,414
<b>Total Revenues</b>	<b>3,153,263</b>	<b>144,868</b>	<b>5,869</b>	<b>14,707</b>	<b>14,281</b>	<b>118,358</b>	<b>2,842,280</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	471,836					12,816	459,020
Purchased Professional & Technical Services	91,768						91,768
Other Purchased Services	13,038						13,038
Supplies and Materials	174,894	12,516					162,294
Other Objects	14,100					84	14,100
<b>Total Instruction</b>	<b>765,636</b>	<b>12,516</b>				<b>12,900</b>	<b>740,220</b>
<b>Support Services:</b>							
Salaries of Other Professional Staff	301,685	88,252	3,660				209,773
Personal Services - Employee Benefits	84,553	44,100					40,453
Purchased Professional Educational Services	19,231				14,281		4,950
Purchased Professional Technical Services	652,540					118,358	534,182
Purchased Property Services	870,188						870,188
Other Purchased Services	58,227		2,209	14,707			41,311
Transportation	67,292						67,292
Supplies and Materials	13,098						13,098
Travel	4,077						4,077
Student Activities	202,157						202,157
<b>Total Support Services</b>	<b>2,273,048</b>	<b>132,352</b>	<b>5,869</b>	<b>14,707</b>	<b>14,281</b>	<b>118,358</b>	<b>1,987,481</b>
<b>Facilities Acquisition &amp; Construction Services:</b>							
Instructional Equipment	99,544						99,544
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>99,544</b>						<b>99,544</b>
<b>Total Expenditures</b>	<b>3,138,228</b>	<b>\$ 144,868</b>	<b>\$ 5,869</b>	<b>\$ 14,707</b>	<b>\$ 14,281</b>	<b>\$ 118,358</b>	<b>\$ 2,827,245</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,035						15,035
Fund Balance, July 1	61,833						61,833
Fund Balance, June 30	\$ 76,868						\$ 76,868

(Continued)

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2022

	Total Carried Forward	Expand Pre Apprenticeship	Target Donation	21st Century 2022	21st Century 2021	County Bridge 2022	County Bridge 2021	Total Brought Forward
<b>REVENUES:</b>								
Federal Sources	\$ 2,554,996	\$ 99,281		\$ 397,948	\$ 132,944			\$ 1,924,823
State Sources	66,870							
Other Sources	220,414		\$ 1,524			\$ 37,336	\$ 29,534	218,890
<b>Total Revenues</b>	<b>2,842,280</b>	<b>99,281</b>	<b>1,524</b>	<b>397,948</b>	<b>132,944</b>	<b>37,336</b>	<b>29,534</b>	<b>2,143,713</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	459,020			164,366	51,565	14,662	15,500	212,927
Purchased Professional & Technical Services	91,768			7,576	13,135			71,057
Other Purchased Services	13,038	8,398		4,640				
Supplies and Materials	162,294	15,588	1,238	2,273	24,837	13,389	10,396	94,573
Other Objects	14,100							14,100
<b>Total Instruction</b>	<b>740,220</b>	<b>23,986</b>	<b>1,238</b>	<b>178,855</b>	<b>89,537</b>	<b>28,051</b>	<b>25,896</b>	<b>392,657</b>
Support Services:								
Salaries of Other Professional Staff	209,773	48,547		105,066	18,042	9,285		28,833
Personal Services - Employee Benefits	40,453	3,874		35,730				849
Purchased Professional Educational Services	4,950							4,950
Purchased Professional Technical Services	534,182			14,167	2,833			517,182
Purchased Property Services	870,188							870,188
Other Purchased Services	41,311				22,476			18,835
Transportation	67,292			63,654			3,638	
Supplies and Materials	13,098				56			13,042
Travel	4,077		286	476				3,315
Student Activities	202,157							202,157
<b>Total Support Services</b>	<b>1,987,481</b>	<b>52,421</b>	<b>286</b>	<b>219,093</b>	<b>43,407</b>	<b>9,285</b>	<b>3,638</b>	<b>1,659,351</b>
Facilities Acquisition & Construction Services:								
Instructional Equipment	99,544	22,874						76,670
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>99,544</b>	<b>22,874</b>						<b>76,670</b>
<b>Total Expenditures</b>	<b>2,827,245</b>	<b>\$ 99,281</b>	<b>\$ 1,524</b>	<b>\$ 397,948</b>	<b>\$ 132,944</b>	<b>\$ 37,336</b>	<b>\$ 29,534</b>	<b>2,128,678</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,035							15,035
Fund Balance, July 1	61,833							61,833
Fund Balance, June 30	\$ 76,868							\$ 76,868

(Continued)



SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2022

	Total Carried Forward	Perkins Secondary	Perkins Secondary Reserve	Perkins Post Secondary	Sub-Grantee Adult Literacy 2022	Total Brought Forward
REVENUES:						
Federal Sources	\$ 1,924,823	\$ 85,719	\$ 28,865	\$ 82,859	\$ 399,789	\$ 1,327,591
State Sources						
Other Sources	218,890					218,890
Total Revenues	2,143,713	85,719	28,865	82,859	399,789	1,546,481
EXPENDITURES:						
Instruction:						
Salaries of Teachers	212,927	7,760			116,639	88,528
Purchased Professional & Technical Services	71,057	10,872		13,625		46,560
Other Purchased Services						
Supplies and Materials	94,573	25,851	28,865	6,875	2,341	30,641
Other Objects	14,100	10,025		4,075		
Total Instruction	392,657	54,508	28,865	24,575	118,980	165,729
Support Services:						
Salaries of Other Professional Staff	28,833	1,200			14,240	13,393
Personal Services - Employee Benefits	849				849	
Purchased Professional Educational Services	4,950				4,950	
Purchased Professional Technical Services	517,182			300	260,770	256,112
Purchased Property Services	870,188					870,188
Other Purchased Services	18,835	7,315		695		10,825
Transportation						
Supplies and Materials	13,042					13,042
Travel	3,315	575		2,740		
Student Activities	202,157					202,157
Total Support Services	1,659,351	9,090		3,735	280,809	1,365,717
Facilities Acquisition & Construction Services:						
Instructional Equipment	76,670	22,121		54,549		
Total Facilities Acquisition & Construction Services	76,670	22,121		54,549		
Total Expenditures	2,128,678	\$ 85,719	\$ 28,865	82,859	\$ 399,789	1,531,446
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,035					15,035
Fund Balance, July 1	61,833					61,833
Fund Balance, June 30	\$ 76,868					\$ 76,868

(Continued)

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2022

	Total Carried Forward	Equalization Stabilization Fund					CASE Grant	Student Activity Fund
		CARES	ESSER II	CRRSA		ARP		
				Learning Acc	Mental Health	ARP ESSER III		
<b>REVENUES:</b>								
Federal Sources	\$ 1,327,591	\$ 34,429	\$ 352,120	\$ 31,644	\$ 39,210	\$ 870,188		
State Sources								
Other Sources	218,890						\$ 1,698	
<b>Total Revenues</b>	<b>1,546,481</b>	<b>34,429</b>	<b>352,120</b>	<b>31,644</b>	<b>39,210</b>	<b>870,188</b>	<b>1,698</b>	
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	88,528	7,150	49,081	31,644			653	
Purchased Professional & Technical Services	46,560		7,350		39,210			
Other Purchased Services								
Supplies and Materials	30,641	18,370	11,226				1,045	
Other Objects								
<b>Total Instruction</b>	<b>165,729</b>	<b>25,520</b>	<b>67,657</b>	<b>31,644</b>	<b>39,210</b>		<b>1,698</b>	
<b>Support Services:</b>								
Salaries of Other Professional Staff	13,393		13,393					
Personal Services - Employee Benefits								
Purchased Professional Educational Services								
Purchased Professional Technical Services	256,112		256,112					
Purchased Property Services	870,188					870,188		
Other Purchased Services	10,825		10,825					
Transportation								
Supplies and Materials	13,042	8,909	4,133					
Travel								
Student Activities	202,157						202,157	
<b>Total Support Services</b>	<b>1,365,717</b>	<b>8,909</b>	<b>284,463</b>			<b>870,188</b>	<b>202,157</b>	
<b>Facilities Acquisition &amp; Construction Services:</b>								
Instructional Equipment								
<b>Total Facilities Acquisition &amp; Construction Services</b>								
<b>Total Expenditures</b>	<b>1,531,446</b>	<b>\$ 34,429</b>	<b>\$ 352,120</b>	<b>\$ 31,644</b>	<b>\$ 39,210</b>	<b>\$ 870,188</b>	<b>\$ 1,698</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,035						15,035	
Fund Balance, July 1	61,833						61,833	
Fund Balance, June 30	\$ 76,868						\$ 76,868	

## **CAPITAL PROJECTS FUND DETAIL STATEMENT**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
For the Fiscal Year Ended June 30, 2022

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<u>Project Title / Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Balance June 30, 2022</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Various Improvements to High School	12/3/2014	\$ 3,149,364	\$ 3,125,101	\$	\$ 24,263
Various Improvements to High School	9/24/2019	8,203,000	538,652		
		<u>\$ 11,352,364</u>	<u>\$ 3,663,753</u>	<u>\$</u>	<u>\$ 24,263</u>
Encumbrances					
Unencumbered Balance					\$ 24,263
Fund Balance					<u>\$ 24,263</u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Summary Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budgetary Basis  
For the Fiscal Year Ended June 30, 2022

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**Revenues and Other Financing Sources (Uses)**

Total Revenues \$ \_\_\_\_\_

**Expenditures and Other Financing Uses**

Construction Services \_\_\_\_\_  
Professional Services \_\_\_\_\_

Total Expenditures \_\_\_\_\_

Excess (Deficiency) of Revenues Over (Under) Expenditures

Fund Balance - July 1 \_\_\_\_\_ 24,263

Fund Balance - June 30 \$ 24,263

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status—Budgetary Basis  
 From Inception and for the Fiscal Year Ended June 30, 2021

	Prior Years	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources (Uses)</b>				
Bond Proceeds	\$ 3,149,364	\$	\$ 3,149,364	\$ 3,149,364
Total Revenues	<u>3,149,364</u>	<u></u>	<u>3,149,364</u>	<u>3,149,364</u>
<b>Expenditures and Other Financing Uses</b>				
Professional Services	487,032		487,032	491,907
Construction Services	2,638,069		2,638,069	2,657,457
Total Expenditures	<u>3,125,101</u>	<u></u>	<u>3,125,101</u>	<u>3,149,364</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 24,263</u>	<u>\$</u>	<u>\$ 24,263</u>	<u>\$</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	3,149,364
Additional Authorized Cost	-
Revised Authorized Cost	3,149,364
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

## **PROPRIETARY FUND DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all schools within the school district.

**Alternative High School Enterprise Fund** – This fund provides for the operation of the District’s Alternative High School.

**Transportation Enterprise Fund** – This fund provides for transportation services provided to other local educational associations.

**Related Services Enterprise Fund** – This fund provides for student support services which are provided to other local educational associations.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Enterprise Fund  
 Combining Statement of Net Position  
 June 30, 2022

	<u>Business Type Activities- Enterprise Funds</u>				<u>Total</u>
	<u>Food Service</u>	<u>Regional Day School</u>	<u>The Learning Center</u>	<u>BCCEC/ ETTC Program</u>	
<b>ASSETS:</b>					
Current Assets:					
Cash and Cash Equivalents \$	13,301	\$ 35,922	\$ 20,275	\$ 109,176	\$ 178,674
Accounts Receivable:					
State					
Federal	20,470				20,470
Other	10,259		9,115	10,464	29,838
Interfund Receivable				28,415	28,415
Inventories	32,544				32,544
Total Current Assets	<u>76,574</u>	<u>35,922</u>	<u>29,390</u>	<u>148,055</u>	<u>289,941</u>
Total Noncurrent Assets					
Total Assets	<u>76,574</u>	<u>35,922</u>	<u>29,390</u>	<u>148,055</u>	<u>289,941</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Interfund Payable	13,787	22,145	8,331		44,263
Unearned Revenue	18,262				18,262
Total Current Liabilities	<u>32,049</u>	<u>22,145</u>	<u>8,331</u>		<u>62,525</u>
<b>Net Position:</b>					
Invested in Capital Assets					
Net of Related Debt					
Unrestricted	44,525	13,777	21,059	148,055	227,416
Total Net Position	<u>\$ 44,525</u>	<u>\$ 13,777</u>	<u>\$ 21,059</u>	<u>\$ 148,055</u>	<u>\$ 227,416</u>



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Enterprise Fund  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2022

	Business Type Activities- Enterprise Funds				Total
	Food Service	Regional Day School	The Learning Center	BCCEC/ ETTC Program	
<b>OPERATING REVENUES:</b>					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$	\$	\$	\$	\$
Daily Sales - Non-Reimbursable Programs		11,390			11,390
Tuition			50,447		50,447
Other Revenue		74,256	212,442	97,670	384,368
<b>Total Operating Revenues</b>		<b>85,646</b>	<b>212,442</b>	<b>50,447</b>	<b>97,670</b>
<b>OPERATING EXPENSES:</b>					
Salaries		181,798	212,442	65,041	66,156
Cost of Sales - Reimbursable Programs		145,723			145,723
Cost of Sales - Non Reimbursable Programs		16,784			16,784
Purchased Educational Services				17,066	17,066
General Supplies		7,190		759	9,627
Textbooks				1,009	1,009
Miscellaneous		2,832		6,346	9,178
<b>Total Operating Expenses</b>		<b>354,327</b>	<b>212,442</b>	<b>65,800</b>	<b>100,204</b>
<b>Operating Income / (Loss)</b>		<b>(268,681)</b>		<b>(15,353)</b>	<b>(2,534)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
State Sources:					
State School Lunch Program		4,938			4,938
Federal Sources:					
Food Distribution Program		28,773			28,773
Supply Chain Assistance Funding		20,470			20,470
P-EBT Administrative Cost		1,242			1,242
Emergency Operational Cost Program - Schor		6,912			6,912
National School Lunch Program		209,225			209,225
National School Breakfast Program		41,646			41,646
<b>Total Non-operating Revenues (Expenses)</b>		<b>313,206</b>			<b>313,206</b>
<b>Income(Loss) before Operating Transfers</b>		<b>44,525</b>		<b>(15,353)</b>	<b>(2,534)</b>
<b>OTHER FINANCING USES:</b>					
Transfers					
Net Position -- July 1			13,777	36,412	150,589
Net Position -- June 30	\$	44,525	\$ 13,777	\$ 21,059	\$ 148,055
					\$ 227,416

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2022

	Business Type Activities- Enterprise Funds				Totals
	Food Service	Regional Day School	The Learning Center	BCCEC/ETTC Program	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from Customers	\$ 59,561	\$ 212,442	\$ 49,974	\$ 110,278	\$ 432,255
Payments to Employees	(181,798)	(212,442)	(65,041)	(66,156)	(525,437)
Payments to Suppliers	(177,668)		(760)	(34,048)	(212,476)
Net Cash Provided by (used for) Operating Activities	<u>(299,905)</u>		<u>(15,827)</u>	<u>10,074</u>	<u>(305,658)</u>
Cash from (Used for) Operating Activities-Transfers					
Total Cash Provided by (Used for) Operating Activities	<u>(299,905)</u>		<u>(15,827)</u>	<u>10,074</u>	<u>(305,658)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
State Sources	4,938				4,938
Federal Sources	308,268				308,268
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>313,206</u>				<u>313,206</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest and Dividends					
Net Cash Provided by (used for) Investing Activities					
Net Increase (Decrease) in Cash and Cash Equivalents			(15,827)	10,074	7,548
Cash and Cash Equivalents -- July 1		35,922	36,102	99,102	171,126
Cash and Equivalents -- June 30	<u>\$ 13,301</u>	<u>\$ 35,922</u>	<u>\$ 20,275</u>	<u>\$ 109,176</u>	<u>\$ 178,674</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ (268,681)	\$	\$ (15,353)	\$ (2,534)	\$ (286,568)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Changes in Assets and Liabilities:					
Accounts Receivable (Increase)/Decrease	(26,085)		(473)	12,607	(13,951)
Interfund Receivable (Increase)/Decrease				1	1
Inventory (Increase)/Decrease	(1,186)				(1,186)
Accounts Payable Increase/(Decrease)					
Unearned Revenue Increase/(Decrease)	8,657				8,657
Interfund Payable Increase/(Decrease)	(12,610)		(1)		(12,611)
Net Cash Provided by (used for) Operating Activities	<u>\$ (299,905)</u>	<u>\$</u>	<u>\$ (15,827)</u>	<u>\$ 10,074</u>	<u>\$ (305,658)</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2022

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue Principal</u>	<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2021</u>	<u>Issued</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2022</u>
2014 Refinancing of Energy Savings Project	4/14/14	11 yrs.	\$ 2,796,142	3.00%	\$ 1,298,340		\$ 289,853	\$ 1,008,487
2016 Energy Project	10/15/15	10 yrs	650,000	2.875%	260,222		61,452	198,770
					<u>\$ 1,558,562</u>		<u>\$ 351,305</u>	<u>\$ 1,207,257</u>

**STATISTICAL SECTION**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Net Position by Component,  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*  
 Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 6,884,811	\$ 7,627,048	\$ 7,898,446	\$ 10,531,955	\$ 10,020,533	\$ 9,924,810	\$ 9,635,983	\$ 9,819,092	\$ 17,285,394	\$ 16,820,177
Restricted	649,361	619,871	3,181,353	301,757	113,902	36,463	236,463	8,491,980	2,203,999	2,780,315
Unrestricted (Deficit)	(119,188)	(107,055)	(3,780,914)	(3,659,585)	(3,765,084)	(3,676,497)	(4,407,271)	(3,903,438)	(3,720,104)	(3,434,911)
<b>Total governmental activities Net Position</b>	<b>\$ 7,414,984</b>	<b>\$ 8,139,864</b>	<b>\$ 7,298,885</b>	<b>\$ 7,174,127</b>	<b>\$ 6,369,351</b>	<b>\$ 6,284,776</b>	<b>\$ 5,465,175</b>	<b>\$ 14,407,634</b>	<b>\$ 15,769,289</b>	<b>\$ 16,165,581</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 818,095	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted	17,886									
Unrestricted	535,945	892,355	951,241	802,460	501,184	361,387	305,026	149,786	200,778	227,416
<b>Total business-type activities Net Position</b>	<b>\$ 1,371,926</b>	<b>\$ 892,355</b>	<b>\$ 951,241</b>	<b>\$ 802,460</b>	<b>\$ 501,184</b>	<b>\$ 361,387</b>	<b>\$ 305,026</b>	<b>\$ 149,786</b>	<b>\$ 200,778</b>	<b>\$ 227,416</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 7,702,906	\$ 7,627,048	\$ 7,898,446	\$ 10,531,955	\$ 10,020,533	\$ 9,924,810	\$ 9,635,983	\$ 9,819,092	\$ 17,285,394	\$ 16,820,177
Restricted	667,247	619,871	3,181,353	301,757	113,902	36,463	236,463	8,491,980	2,203,999	2,780,315
Unrestricted (Deficit)	416,757	785,300	(2,829,673)	(2,857,125)	(3,263,900)	(3,315,110)	(4,102,245)	(3,753,652)	(3,519,326)	(3,207,495)
<b>Total District Net Position</b>	<b>\$ 8,786,910</b>	<b>\$ 9,032,219</b>	<b>\$ 8,250,126</b>	<b>\$ 7,976,587</b>	<b>\$ 6,870,535</b>	<b>\$ 6,646,163</b>	<b>\$ 5,770,201</b>	<b>\$ 14,557,420</b>	<b>\$ 15,970,067</b>	<b>\$ 16,392,997</b>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 1,652,817	\$ 1,392,817	\$ 1,450,057	\$ 1,545,838	\$ 1,739,203	\$ 1,602,990	\$ 1,826,838	\$ 1,890,517	\$ 1,861,278	\$ 2,208,795
Special Vocational Programs										
Vocational	2,834,358	3,058,443	3,277,086	3,091,102	3,082,340	3,221,222	3,510,324	3,536,298	3,576,867	3,578,004
Other instruction										
School Sponsored Co-Curricular Activities	28,120	21,868	20,823	22,289	99,083	244,325	219,469	331,562	167,376	318,748
Support Services:										
Attendance and Social Work	73,835	75,312	88,172	89,116	73,812	93,928	73,490	101,671	103,213	105,762
Health Services	55,242	56,496	61,459	59,872	60,425	62,835	63,615	63,723	60,718	65,631
Speech, OT, PT and Related Services				6,072						
Students - Regular	1,675,738	1,282,486	803,389	947,066	1,067,112	1,121,454	1,365,163	1,363,490	1,702,816	2,147,994
Improvement of Instruction Services	148,632	135,650	170,250	112,935	119,213	74,941	78,972	101,374	97,520	147,507
Educational Media/School Library	175,315	219,420	183,199	224,033	251,119					
General Administration	263,041	259,662	287,463	329,655	302,606	318,831	264,293	300,521	266,376	262,303
School Administrative	255,654	260,038	314,382	289,248	305,105	315,115	293,907	315,457	328,694	335,972
Central Services	304,308	279,719	95,866	162,128	137,627	221,276	151,613	223,275	301,536	321,693
Administration Information Technology						293,193	285,161	260,220	345,998	353,959
Operation and Maintenance of Plant Services	925,595	852,937	1,084,502	1,173,851	1,152,736	1,245,136	1,252,378	1,178,874	1,294,393	1,467,548
Student Transportation Services	15,056	13,134	14,538	26,610	22,069	26,848	41,458	18,176	3,972	21,591
Unallocated benefits	1,871,773	1,453,811	2,840,999	3,246,493	4,390,059	4,061,994	4,480,770	3,567,684	4,535,343	6,359,041
Capital Outlay										
Special Schools				20,673		54,809				
Interest on Long Term Debt				8,999	93,032	92,551	62,123	64,574	40,549	34,577
Unallocated depreciation	640,385	1,452,642	451,993	450,853	446,097	449,135	411,074	395,227	389,659	656,780
<b>Total governmental activities expenses</b>	<b>10,919,869</b>	<b>10,814,435</b>	<b>11,144,178</b>	<b>11,806,833</b>	<b>13,341,638</b>	<b>13,500,583</b>	<b>14,380,648</b>	<b>13,712,643</b>	<b>15,076,308</b>	<b>18,385,905</b>
<b>Business-type activities:</b>										
Food Service	226,700	262,300	320,379	271,248	360,302	351,004	388,074	317,339	399,531	354,327
Regional Day School	1,120,210	588,610	527,374	398,855	336,762	299,394	289,335	374,908	338,782	212,442
Summer Enrichment Program	60,888	32,885								
BCCEC/ETTC	286,422	183,126	355,677	393,172	515,721	342,564	218,243	144,188	25,695	100,204
Transitional Production Workshop	145									
Consolidated Services	313,748									
School Based Youth Services	62,749	57,827	19,418	69,283	46,987	74,510	72,707	49,980	22,713	65,800
<b>Total business-type activities expense</b>	<b>2,070,862</b>	<b>1,124,748</b>	<b>1,222,848</b>	<b>1,132,558</b>	<b>1,259,772</b>	<b>1,067,472</b>	<b>968,359</b>	<b>886,415</b>	<b>786,721</b>	<b>732,773</b>
<b>Total district expenses</b>	<b>\$ 12,990,731</b>	<b>\$ 11,939,183</b>	<b>\$ 12,367,026</b>	<b>\$ 12,939,391</b>	<b>\$ 14,601,410</b>	<b>\$ 14,568,055</b>	<b>\$ 15,349,007</b>	<b>\$ 14,599,058</b>	<b>\$ 15,863,029</b>	<b>\$ 19,118,678</b>

Continued

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 654,536	\$ 1,026,990	\$ 1,526,201	\$ 2,166,925	\$ 2,199,217	\$ 2,539,697	\$ 2,707,264	\$ 3,678,044	\$ 4,020,043	\$ 3,264,116
Operating grants and contributions	2,268,482	2,809,543	2,044,893	1,248,686	2,301,228	2,696,106	1,898,665	1,866,826	1,890,286	3,236,136
Total governmental activities program revenues	<u>2,923,018</u>	<u>3,836,533</u>	<u>3,571,094</u>	<u>3,415,611</u>	<u>4,500,445</u>	<u>5,235,803</u>	<u>4,605,929</u>	<u>5,544,870</u>	<u>5,910,329</u>	<u>6,500,252</u>
Business-type activities:										
Charges for services:										
Food service	112,404	113,354	165,781	178,803	163,592	252,966	262,240	142,374	62,838	85,646
Regional Day School	1,325,281	1,145,218	521,970	547,187	411,670	299,394	325,257	352,763	338,782	212,442
Summer Enrichment Program	142,000	117,000	5,876							
BCCEC/ETTC	233,387	377,948	615,374	501,317	387,169	303,673	178,062	62,705	40,275	97,670
Transitional Production Workshop	1,635	390								
Consolidated Services	300,733	284,111								
ETTC Program & The Learning Center	68,124	36,862	32,875	37,838	46,500	64,472	56,452	47,390	59,125	50,447
Operating grants and contributions	76,352	97,336	121,364	119,988	120,172	112,934	110,015	98,157	316,830	313,206
Total business type activities program revenues	<u>2,259,916</u>	<u>2,172,219</u>	<u>1,463,240</u>	<u>1,385,133</u>	<u>1,129,103</u>	<u>1,033,439</u>	<u>932,026</u>	<u>703,389</u>	<u>817,850</u>	<u>759,411</u>
Total district program revenues	<u>\$ 5,182,934</u>	<u>\$ 6,008,752</u>	<u>\$ 5,034,334</u>	<u>\$ 4,800,744</u>	<u>\$ 5,629,548</u>	<u>\$ 6,269,242</u>	<u>\$ 5,537,955</u>	<u>\$ 6,248,259</u>	<u>\$ 6,728,179</u>	<u>\$ 7,259,663</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ 5,720,936	\$ 6,977,902	\$ 7,573,084	\$ 8,391,222	\$ 8,841,193	\$ 8,264,780	\$ 9,774,719	\$ 8,167,773	\$ 9,165,979	\$ (11,885,653)
Business-type activities	(189,054)	(1,047,471)	(240,392)	(252,575)	130,669	34,033	36,333	183,026	(31,129)	26,638
Total district-wide net expense	<u>\$ 5,531,882</u>	<u>\$ 5,930,431</u>	<u>\$ 7,332,692</u>	<u>\$ 8,138,647</u>	<u>\$ 8,971,862</u>	<u>\$ 8,298,813</u>	<u>\$ 9,811,052</u>	<u>\$ 8,350,799</u>	<u>\$ 9,134,850</u>	<u>\$ (11,859,015)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
County of Salem Budget Appropriation	\$ 1,792,900	\$ 1,792,900	\$ 1,792,900	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758
Federal and State Aid Unrestricted										
Federal and State Aid Restricted	4,567,036	4,638,225	4,631,699	4,738,192	5,206,226	6,260,710	7,064,808	7,224,208	8,456,523	10,438,862
Loss on Disposal of Capital Assets				(1,637)						
Bond Proceeds				3,149,364				8,000,000		
Miscellaneous income	163,309	25,072	60,040	932,499	13,226	90,737	91,501	85,052	148,428	11,171
Prior Year Cancellations							(29,949)			
Fixed Asset Adjustment									24,871	
Right-to-Use Lease Adjustment										3,154
Transfers					133,420			(27,786)	(19,863)	
Total governmental activities	<u>6,523,245</u>	<u>6,456,197</u>	<u>6,484,639</u>	<u>10,647,176</u>	<u>7,181,630</u>	<u>8,180,205</u>	<u>8,955,118</u>	<u>17,110,232</u>	<u>10,438,717</u>	<u>12,281,945</u>
Business-type activities:										
Miscellaneous Income	125	102	32	15						
Prior Period Cancellations				(103,414)	(11,906)	(105,764)	(20,028)			
Capital Outlay Contributions										
Transfers					(133,420)			27,786	19,863	
Total business-type activities	<u>125</u>	<u>102</u>	<u>32</u>	<u>(103,399)</u>	<u>(145,326)</u>	<u>(105,764)</u>	<u>(20,028)</u>	<u>27,786</u>	<u>19,863</u>	
Total district-wide	<u>\$ 6,523,370</u>	<u>\$ 6,456,299</u>	<u>\$ 6,484,671</u>	<u>\$ 10,543,777</u>	<u>\$ 7,036,304</u>	<u>\$ 8,074,441</u>	<u>\$ 8,935,090</u>	<u>\$ 17,138,018</u>	<u>\$ 10,458,580</u>	<u>\$ 12,281,945</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 802,309	\$ (521,705)	\$ (1,088,445)	\$ 2,255,954	\$ (1,659,563)	\$ (84,575)	\$ (819,601)	\$ 8,942,459	\$ 1,272,738	\$ 396,292
Business-type activities	189,179	1,047,573	240,424	149,176	(275,995)	(139,797)	(56,361)	(155,240)	50,992	26,638
Total district	<u>\$ 991,488</u>	<u>\$ 525,868</u>	<u>\$ (848,021)</u>	<u>\$ 2,405,130</u>	<u>\$ (1,935,558)</u>	<u>\$ (224,372)</u>	<u>\$ (875,962)</u>	<u>\$ 8,787,219</u>	<u>\$ 1,323,730</u>	<u>\$ 422,930</u>



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
 Unaudited

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Restricted	\$ 340,496	\$ 329,154	\$ 228,304	\$ 277,494	\$ 89,639	\$ 12,200	\$ 212,200	\$ 803,369	\$ 2,117,903	\$ 2,679,184
Assigned			10,391	131,482	493,019	282,876	336,284	100,000		178,520
Unassigned (Deficit)	(28,471)	16,725	59,355	53,992	(43,941)	61,259	(314,390)	71,088	53,903	(78,601)
Total general fund	<u>\$ 312,025</u>	<u>\$ 345,879</u>	<u>\$ 298,050</u>	<u>\$ 462,968</u>	<u>\$ 538,717</u>	<u>\$ 356,335</u>	<u>\$ 234,094</u>	<u>\$ 974,457</u>	<u>\$ 2,171,806</u>	<u>\$ 2,779,103</u>
All Other Governmental Funds										
Restricted reported in:										
Capital Projects Fund	\$ 351,785	\$ 290,717	\$ 2,953,049	\$ 24,263	\$ 24,263	\$ 24,263	\$ 24,263	\$ 7,688,611	\$ 24,263	\$ 24,263
Special Revenue Fund									61,833	76,868
Total all other governmental funds	<u>\$ 351,785</u>	<u>\$ 290,717</u>	<u>\$ 2,953,049</u>	<u>\$ 24,263</u>	<u>\$ 24,263</u>	<u>\$ 24,263</u>	<u>\$ 24,263</u>	<u>\$ 7,688,611</u>	<u>\$ 86,096</u>	<u>\$ 101,131</u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
County of Salem Budget Appropriation	\$ 1,792,900	\$ 1,792,900	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758	\$ 1,828,758
Tuition charges	1,026,990	1,526,201	2,166,925	2,199,217	2,349,349	2,539,697	2,707,264	3,678,044	3,968,076	3,046,924
Unrestricted Miscellaneous Revenue	25,072	60,040	33,237	24,605	104,375	105,095	99,692	92,051	148,428	228,363
State sources	5,618,464	5,593,383	5,443,182	5,633,766	5,644,581	5,778,806	6,409,304	6,789,626	7,321,190	8,683,422
Federal sources	1,829,304	1,083,254	711,713	917,824	955,106	1,013,640	1,488,127	1,458,705	1,646,435	2,357,966
Other sources			3,149,364							
<b>Total revenue</b>	<b>10,292,730</b>	<b>10,055,778</b>	<b>13,333,179</b>	<b>10,604,170</b>	<b>10,882,169</b>	<b>11,265,996</b>	<b>12,533,145</b>	<b>13,847,184</b>	<b>14,912,887</b>	<b>16,145,433</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	1,545,490	1,376,360	1,436,103	1,537,321	1,621,365	1,597,826	1,822,097	1,886,322	1,857,083	2,204,600
Special Vocational Programs										
Vocational education	2,619,703	2,960,765	3,193,145	2,975,612	2,958,205	3,110,833	3,402,673	3,434,228	3,510,308	3,512,396
Other instruction										
School Sponsored Co/Extra Curricular Activities	28,120	21,868	20,823	22,289	99,083	244,325	219,469	331,562	167,376	318,748
<b>Support Services:</b>										
Attendance & Social Work	73,835	75,312	88,172	89,116	73,812	93,928	73,490	101,671	103,213	105,762
Health Services	55,242	56,496	61,459	59,872	60,425	62,835	63,615	63,723	60,718	65,631
Speech, OT, PT and Related Services				6,072						
Students - Regular	1,675,738	1,282,486	803,389	947,066	1,067,112	1,121,454	1,365,163	1,363,490	1,702,816	2,147,994
Improvement of Instruction Services	148,632	135,650	170,250	112,935	119,213	74,941	78,972	101,374	97,520	147,507
Educational Media/School Library	175,315	219,420	183,199	224,033	251,119		259,383			
General Administration	215,975	256,146	284,805	323,492	296,600	313,505	293,907	295,731	261,747	258,154
School Administrative	255,654	260,038	314,382	289,248	305,105	315,115	153,217	315,457	328,694	335,972
Central Services	303,383	278,092	95,866	162,128	144,248	228,914	1,407,682	233,809	301,536	321,693
Operation and Maintenance of Plant Services	846,215	851,069	1,089,659	991,183	1,053,827	1,503,007	41,458	1,308,571	1,498,266	1,668,886
Student Transportation Services	15,056	13,134	14,538	26,610	22,069	26,848	1,826,312	18,176	3,972	21,591
Unallocated Benefits	1,888,295	1,462,403	1,449,471	1,495,326	1,601,271	1,505,441	1,185,578	1,873,088	1,865,479	1,958,518
On Behalf Contributions	680,790	590,980	682,105	806,435	880,524	604,915		1,214,034	1,534,772	2,003,875
Adult Education						54,809				
Special Schools				20,673						
Capital outlay	230,128	242,728	831,310	4,278,773	589,445	589,682	432,421	873,451	8,093,607	451,774
<b>Total expenditures</b>	<b>10,757,571</b>	<b>10,082,947</b>	<b>10,718,676</b>	<b>14,368,184</b>	<b>11,143,423</b>	<b>11,448,378</b>	<b>12,625,437</b>	<b>13,414,687</b>	<b>21,387,107</b>	<b>15,523,101</b>
Excess (Deficiency) of revenues over (under) expenditures	(464,841)	(27,214)	2,614,503	(3,764,014)	(261,254)	(182,382)	(92,292)	432,497	(6,474,220)	622,332
<b>Other Financing sources (uses)</b>										
Debt Issuance Proceeds				866,726	221,706			8,000,000		
Transfers				133,420				(27,786)	(19,863)	
Prior Year Cancellations					115,297		(29,949)			
<b>Total other financing sources (uses)</b>				<b>1,000,146</b>	<b>337,003</b>		<b>(29,949)</b>	<b>7,972,214</b>	<b>(19,863)</b>	
<b>Net change in fund balances</b>	<b>\$ (464,841)</b>	<b>\$ (27,214)</b>	<b>\$ 2,614,503</b>	<b>\$ (2,763,868)</b>	<b>\$ 75,749</b>	<b>\$ (182,382)</b>	<b>\$ (122,241)</b>	<b>\$ 8,404,711</b>	<b>\$ (6,494,083)</b>	<b>\$ 622,332</b>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
General Fund - Other Local Revenue By Source  
Last Ten Fiscal Years  
Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Tuition	\$ 1,026,990	\$ 1,526,201	\$ 2,166,925	\$ 2,199,217	\$ 2,349,349	\$ 2,539,697	\$ 2,707,264	\$ 3,678,044	\$ 3,968,076	\$ 3,046,924
Interest on Investments	2,195	1,270	1,699	1,751	1,269	1,367	3,903	3,212	438	302
Refunds of Prior Year Expenditures	21,600	10,467								
Rentals					91,938	75,000	75,000	75,000		
NJ Clean Energy Program									66,581	980
ESIP Incentive										
Miscellaneous	1,277	41,191	17,535	11,475	943	14,370	12,598	6,840	20,031	7,228
Total	<u>\$ 1,052,062</u>	<u>\$ 1,579,129</u>	<u>\$ 2,186,159</u>	<u>\$ 2,212,443</u>	<u>\$ 2,443,499</u>	<u>\$ 2,443,499</u>	<u>\$ 2,798,765</u>	<u>\$ 3,763,096</u>	<u>\$ 4,055,126</u>	<u>\$ 3,055,434</u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Governmental Activities					Business Type Activities	Total District	Percentage of Personal Income a	Per Capita a
	General Obligation Bonds b	Early Retirement	Capital Leases	Short Term Loan	Bond Anticipation Notes (BANs)	Capital Leases			
2022			\$ 1,207,257				\$ 1,207,257	0.0336%	\$ 18.38
2021			1,558,562				1,558,562	0.0503%	25.28
2020			1,886,361				1,886,361	0.0704%	30.29
2019			2,197,307				2,197,307	0.0820%	35.28
2018			2,561,451				3,046,647	0.0947%	48.43
2017			3,046,647				3,046,647	0.1127%	48.43
2016			3,222,578	\$ 464,939			3,687,517	0.1350%	58.04
2015			2,627,188	460,334			3,087,522	0.1100%	48.19
2014			2,796,142				2,796,142	0.1000%	43.02
2013			2,893,284				2,893,284	0.1082%	44.66

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

- a Personal income has been estimated upon the county population and per capita
- b Per Capital personal income estimated based upon the 2000 Census published

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Years  
*Unaudited*

Year	Population (3)	Personal Income (4)	Per Capita Personal Income (1)	Unemployment Rate (2)
2022	65,696	\$ 3,592,717,152	\$ 54,687	6.9%
** 2021	65,046	3,101,321,258	54,633	7.3%
2020	62,451	2,679,193,742	54,578	8.1%
2019	62,341	2,679,149,430	50,597	4.8%
2018	62,776	2,703,471,488	47,485	5.4%
2017	62,944	2,278,059,816	45,923	7.0%
2016	63,256	2,713,667,755	45,126	7.0%
2015	63,754	2,733,647,116	44,576	7.1%
2014	64,342	2,756,240,550	42,412	8.2%
2013	64,801	2,673,199,932	41,592	8.8%

(1) Source: Regional Economic Information System

(2) Source: US Bureau of Economic Analysis

(3) Source: US Department of Commerce, Bureau of Census Population Division

(4) Source: Personal income has been estimated based upon the county population and per capita personal income presented

\*\* Estimates

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years  
*Unaudited*

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	17	23	23	24	23	23	25	25	23	23
Vocational	22	18	18	18	22	22	21	21	19	19
Support Services:										
Student & instruction related services	12	12	10	10	17	17	15	15	10	10
Health Services	1	1	1	1	1	1	1	1	1	1
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	5	5	3	3	2	2	2	2	2	2
Other administrative services	3	3	2	2	4	4	4	4	4	4
Central services	2	2	4	4	6	7	7	7	7	7
Administrative Information Technology		11	8	8	2	2	2	2	2	2
Plant operations and maintenance	11		8	8	8	8	10	10	4	4
Other:										
Cafeteria	4	4	4	4	4	4	5	4	4	4
Regional Day School	22	25								
<b>Total</b>	<u>101</u>	<u>106</u>	<u>83</u>	<u>84</u>	<u>91</u>	<u>92</u>	<u>94</u>	<u>93</u>	<u>78</u>	<u>78</u>

Source: District Personnel Records

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Operating Statistics,  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Teaching Staff b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2022	722	\$ 15,071,327	\$ 20,874	24.17%	42	na	na	17.19	722.0	683.0	-3.22%	94.60%
2021	725	13,293,500	18,336	9.07%	42	na	na	17.26	725.0	686.0	-2.82%	94.62%
2020	746	12,541,236	16,811	-2.66%	46	na	na	16.22	746.0	722.3	5.67%	96.82%
2019	706	12,193,016	17,271	21.83%	46	na	na	15.35	706.0	671.0	-7.74%	95.04%
2018	766	10,858,696	14,176	9.87%	46	na	na	18.18	765.2	719.9	-6.51%	94.08%
2017	818	10,553,978	12,902	15.47%	45	na	na	18.18	818.5	778.8	-7.09%	96.15%
2016	903	10,089,411	11,173	-8.69%	43	na	na	21.00	881.0	837.0	9.03%	95.01%
2015	808	9,887,366	12,237	9.93%	41	na	na	19.71	808.0	768.0	2.33%	95.05%
2014	884	9,840,219	11,131	-2.70%	41	na	na	21.56	789.6	742.8	63.68%	94.07%
2013	859	9,827,443	11,441	1.26%	39	na	na	22.03	482.4	452.5	-40.44%	93.80%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
<b><u>District Building</u></b>											
<b><u>Vocational School</u></b>											
Salem County Vocational (1973)											
Square Feet	136,356	136,356	136,356	136,356	136,356	136,356	136,356	136,356	136,356	136,356	136,356
Capacity (students)	630	630	630	630	630	630	755	755	755	755	
Enrollment (Full-time equivalent) *	859	884	808	903	818	766	706	746	725	722	
Number of Schools at June 30, 2022											
Elementary = 0											
Middle School = 0											
Senior High School = 0											
Vo-Tech = 1	1	1	1	1	1	1	1	1	1	1	

**Source: District Facilities Office**

\* = includes academy students

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



SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
Schedule of Required Maintenance  
Last Ten Fiscal Years  
*Unaudited*

Undistributed Expenditures - Required Maintenance for School Facilities

11-000-261-xxx

		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>* School Facilities</u>	<u>Project # (s)</u>										
Salem County Vocational School	N/A	\$ 202,435	\$ 254,598	\$ 306,498	\$ 289,052	\$ 198,828	\$ 281,068	\$ 280,522	\$ 272,631	\$ 337,180	\$ 406,302
Total School Facilities		<u>202,435</u>	<u>254,598</u>	<u>306,498</u>	<u>289,052</u>	<u>198,828</u>	<u>281,068</u>	<u>280,522</u>	<u>272,631</u>	<u>337,180</u>	<u>406,302</u>
Total		<u>\$ 202,435</u>	<u>\$ 254,598</u>	<u>\$ 306,498</u>	<u>\$ 289,052</u>	<u>\$ 198,828</u>	<u>\$ 281,068</u>	<u>\$ 280,522</u>	<u>\$ 272,631</u>	<u>\$ 337,180</u>	<u>\$ 406,302</u>

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Insurance Schedule  
6/30/2022  
*Unaudited*

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	<u>Coverage</u>	<u>GCSSDJIF SIR Retention</u>	<u>District Deductible</u>
Property Policy	\$ 174,749,500	\$ 250,000	\$ 500
Boiler & Machinery / Equipment Breakdown	125,000,000	None	1,000
Crime Policy	249,500	250,000	500
General Liability and Automobile Policy	14,750,000	250,000	None
Workers' Compensation and Employer's Liability Policy	Statutory	250,000	None
Educator's Legal Liability Insurance Policy	14,750,000	250,000	None
Commercial Pollution and Mold Legal Liability Insurance	3,000,000	None	25,000 100,000-250,000
Cyber Liability	2,000,000	None	50,000-100,000
Violent Malicious Acts	75,000,000	None	10,000
Crisis Protection & Disaster Management Services	1,000,000	None	10,000
Bonds			
Board Secretary/Business Administrator	217,500		

Source: District Records

**SINGLE AUDIT SECTION**

# **NIGHTLINGER, COLAVITA & VOLPA**

*A Professional Association*

Certified Public Accountants

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## **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  
Salem County Vocational Technical School District  
County of Salem, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Salem County Vocational Technical School District's basic financial statements, and have issued our report thereon dated February 17, 2023.

#### **Internal Control Over Financial Reporting**

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
February 17, 2023

# NIGHTLINGER, COLAVITA & VOLPA

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

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

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

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

We have audited The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey's major federal and state programs for the year ended June 30, 2022. The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey'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.

In our opinion, The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, 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 year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey's federal and state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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 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.

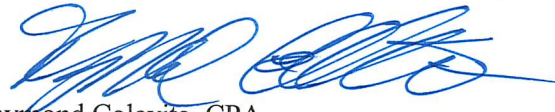
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
February 17, 2023



SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards, Schedule A  
For the Fiscal Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at	Cash	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Balance June 30, 2022		
					From	To	June 30, 2021 Unearned Revenue / (Accounts Receivable)					Received	(Accounts Receivable)	Unearned Revenue
<b>U.S. Department of Education:</b>														
<b>Passed-Through State Department of Education:</b>														
<b>Special Revenue Fund:</b>														
<b>E.S.E.A.:</b>														
Title I	84.010	S010A210030	ESEA464022	\$ 224,923	7/1/21	9/30/22		\$ 56,642	\$ (144,868)		\$ (144,868)	\$ (88,226)		
Title I	84.010	S010A200030	ESEA464021	239,471	7/1/20	9/30/21	\$ (27,103)	27,103						
Title II Part A	84.367A	S367A210029	ESEA464022	37,680	7/1/21	9/30/22		1,719	(5,869)		(5,869)	(4,150)		
Title IV Part A	84.424A	S424A210031	ESEA464022	15,822	7/1/21	9/30/22		14,707			(14,707)			
<b>IDEA Cluster:</b>														
IDEA - Basic	84.027A	H027A210100	IDEA464022	121,435	7/1/21	9/30/22		41,020	(118,358)		(118,358)	(77,338)		
IDEA - Basic	84.027A	H027A200100	IDEA464021	114,361	7/1/20	9/30/21	(11,437)	11,437						
ARP IDEA Part B-Basic	84.027X	H027X210100	IDEA464022	33,112	7/1/21	9/30/22			(14,281)		(14,281)	(14,281)		
<b>Career and Technical Education:</b>														
Perkins - Secondary	84.048A	V048A210030	PERK 464022	85,720	7/1/21	6/30/22		87,708	(85,719)		(85,719)		1,989	
Perkins - Secondary	84.048A	V048A200030	PERK 464021	87,867	7/1/20	6/30/21	(10,167)	10,167						
Perkins - Secondary Reserve	84.048A	V048A210030	PERK 464022	28,954	7/1/21	6/30/22		28,865	(28,865)		(28,865)			
Perkins - Secondary Reserve	84.048A	V048A200030	PERK 464021	27,610	7/1/20	6/30/21								
Carl D. Perkins - Post Secondary	84.048	225062032	PERK464022	84,203	7/1/21	6/30/22		82,859	(82,859)		(82,859)			
Carl D. Perkins - Post Secondary	84.048	215062032	PERK464021	91,615	7/1/20	6/30/21	(1,222)	1,222						
Expand Pre Apprenticeship Comp	84.048A	N/A	21E00102	100,000	7/1/21	6/30/22		60,618	(99,281)		(99,281)	(38,663)		
Expand Pre Apprenticeship Comp	84.048A	N/A	20E00102	88,013	7/1/20	6/30/21	(33,750)	33,750						
21st Century - Competitive	84.287	N/A	21E00070	525,000	9/1/21	8/31/22		351,837	(397,948)		(397,948)	(46,111)		
21st Century - Competitive	84.287	N/A	21E00070	500,000	9/1/20	8/31/21	(99,862)	232,806	(132,944)		(132,944)			
21st Century - Competitive	84.287	N/A	22E00044	500,000	9/1/19	8/31/20	(34,568)	34,568						
<b>Education Stabilization Fund:</b>														
CARES Act 2020 ESSER	84.425D	S425D200027	CARE464021	140,844	3/13/20	9/30/22	(83,634)		(34,429)		(34,429)	(118,063)		
<b>CRRSA:</b>														
Learning Acceleration	84.425D	S425D210027	ESSERLAN 4640-20	36,992	3/13/20	9/30/23		31,644	(31,644)		(31,644)			
Mental Health	84.425D	S425D210027	Unavailable	45,000	3/13/20	9/30/23		14,210	(39,210)		(39,210)	(25,000)		
Elementary and Secondary School Emergency Relief (EESER II)	84.425D	S425D210027	ESSER 4640-20	576,417	3/13/20	9/30/23		117,842	(352,120)		(352,120)	(234,278)		
<b>ARP:</b>														
Learning Acceleration	84.425U	S425U210027	Unavailable	67,115	3/13/20	9/30/24					(870,188)	(870,188)		
Mental Health	84.425U	S425U210027	Unavailable	45,000	3/13/20	9/30/24								
Elementary and Secondary School Emergency Relief (EESER III)	84.425U	S425U210027	Unavailable	1,295,459	3/13/20	9/30/24					(870,188)	(870,188)		
<b>Total U.S. Department of Education:</b>							<b>(301,743)</b>	<b>1,240,724</b>	<b>(2,453,290)</b>		<b>(2,453,290)</b>	<b>(1,516,298)</b>	<b>1,989</b>	
<b>U.S. Department of Labor:</b>														
<b>Passed-Through State Department of Labor and Workforce Development:</b>														
Adult Basic Skills	84.002	V002A210031	Sub grantee	601,934	7/1/21	6/30/22		346,555	(399,789)		(399,789)	(53,234)		
Adult Basic Skills	84.002	V002A200031	Sub grantee	460,000	7/1/20	6/30/21	(112,554)	112,554						
<b>Total U.S. Department of Labor:</b>							<b>(112,554)</b>	<b>459,109</b>	<b>(399,789)</b>		<b>(399,789)</b>	<b>(53,234)</b>		
<b>Total Special Revenue Fund:</b>							<b>(414,297)</b>	<b>1,699,833</b>	<b>(2,853,079)</b>		<b>(2,853,079)</b>	<b>(1,569,532)</b>	<b>1,989</b>	
<b>U.S. Department of Agriculture:</b>														
<b>Passed Through State Department of Education:</b>														
<b>Enterprise Fund:</b>														
<b>Non-Cash Assistance:</b>														
Food Distribution Program	10.565	Unknown	N/A	28,776	7/1/21	6/30/22		28,776	(26,052)		(26,052)		2,724	
Food Distribution Program	10.565	Unknown	N/A	27,989	7/1/20	6/30/21	2,721		(2,721)		(2,721)			
<b>Child Nutrition Cluster:</b>														
<b>Cash Assistance:</b>														
P-EBT Administrative Cost	10.649	202122S900941	N/A	614	7/1/20	6/30/21		614	(614)		(614)			
P-EBT Administrative Cost	10.649	202222S900941	N/A	628	7/1/21	6/30/22		628	(628)		(628)			
Supply Chain Assistance Funding	10.555	221NJ344N8903	N/A	20,470	7/1/21	6/30/22			(20,470)		(20,470)	(20,470)		
National School Breakfast Program	10.553	221NJ304N1099	N/A	41,646	7/1/21	6/30/22		41,646	(41,646)		(41,646)			
National School Lunch Program	10.555	221NJ304N1099	N/A	209,225	7/1/21	6/30/22		209,225	(209,225)		(209,225)			
Emergency Operational Cost Program - S	10.555	202121H170341	N/A	6,912	7/1/21	6/30/22		6,912	(6,912)		(6,912)			
<b>Total U.S. Department of Agriculture and Enterprise Funds:</b>							<b>2,721</b>	<b>287,801</b>	<b>(308,268)</b>		<b>(308,268)</b>	<b>(20,470)</b>	<b>2,724</b>	
<b>Total Federal Financial Awards:</b>							<b>\$ (411,576)</b>	<b>\$ 1,987,634</b>	<b>\$ (3,161,347)</b>		<b>\$ (3,161,347)</b>	<b>\$ (1,500,002)</b>	<b>\$ 4,713</b>	<b>\$</b>

(A) There were no awards passed through to subrecipients.

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. These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2022

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance	Cash	Balance June 30, 2022			Memo Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
					June 30, 2021 Unearned Revenue (Accounts Receivable)		Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue		
<b>State Department of Education (State Aid):</b>											
General Fund:											
Special Education Aid	22-495-034-5120-089	\$ 583,368	7/1/21	6/30/22		\$ 525,039	\$ (583,368)	\$ (58,329)		\$ (58,329)	\$ 583,368
Special Education Aid	21-495-034-5120-089	583,368	7/1/20	6/30/21	\$ (58,327)	58,327					
Equalization Aid	22-495-034-5120-078	6,027,848	7/1/21	6/30/22		5,425,146	(6,027,848)	(602,702)		(602,702)	6,027,848
Equalization Aid	21-495-034-5120-078	4,942,718	7/1/20	6/30/21	(494,190)	494,190					
Security Aid	22-495-034-5120-084	97,076	7/1/21	6/30/22		87,369	(97,076)	(9,706)		(9,706)	97,076
Security Aid	21-495-034-5120-084	97,075.00	7/1/20	6/30/21	(9,706)	9,706					
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	278,515	7/1/21	6/30/22		278,515	(278,515)				278,515
Reimbursed TPAF Social Security Contrib.	21-495-034-5094-003	275,867.00	7/1/20	6/30/21	(13,347)	13,347					
On Behalf Pension Contributions	22-495-034-5094-002	1,398,092	7/1/21	6/30/22		1,398,092	(1,398,092)				1,398,092
On Behalf TPAF Post Retirmt. Medical	22-495-034-5094-001	326,651	7/1/21	6/30/22		326,651	(326,651)				326,651
On-behalf TPAF Long-Term Disab. Ins.	22-495-034-5094-004	617	7/1/21	6/30/22		617	(617)				617
Total General Fund:					(575,570)	8,616,999	(8,712,166)	(670,737)		(670,737)	8,712,166
Special Revenue Fund:											
State Department of Education:											
School Security Grant	20E00624	49,699	7/1/20	6/30/21	(17,616)			(17,616)			
Total Special Revenue Fund:					(17,616)			(17,616)			
<b>State Department of Corrections</b>											
Pass-through Salem County:											
BRIDGE Grant	Unknown	68,488	4/1/21	12/31/21	(38,954)	68,488	(29,534)				29,534
BRIDGE Grant	Unknown	68,488	1/1/22	12/31/22			(37,336)	(37,336)			37,336
Total State Department of Corrections:					(38,954)	68,488	(66,870)	(37,336)			68,870
<b>State Department of Labor/Work Force Dev</b>											
Passed Through SC Board of Social Services:											
WIOA - In School	I-YOUTH-1920	35,947	9/1/19	4/30/20	(2,088)	2,088					
Opportunity Partnership Training Grant	OPGFY-2101015	129,000	6/1/21	5/31/22			(12,900)	(12,900)			12,900
Total State Department of Labor/Work Force Dev:					(2,088)	2,088	(12,900)	(12,900)			12,900
Total Special Revenue Fund:					(58,658)	70,576	(79,770)	(67,852)			79,770
Enterprise Fund:											
State School Lunch Program	22-100-010-3350-023	4,938	7/1/21	6/30/22		4,938	(4,938)				4,938
State School Lunch Program	21-100-010-3350-023	9,180	7/1/20	6/30/21	(984)	984					
Total Enterprise Funds:					(984)	5,922	(4,938)				4,938
Total State Financial Assistance:					\$ (635,212)	\$ 8,693,497	\$ (8,796,874)	\$ (738,589)		\$ (670,737)	\$ 8,796,874
Less: On-Behalf TPAF Pension Contributions											
On Behalf Pension Contributions	22-495-034-5094-002	1,398,092	7/1/21	6/30/22		\$ 1,398,092	\$ (1,398,092)				
On Behalf TPAF Post Retirmt. Medical	22-495-034-5094-001	326,651	7/1/21	6/30/22		326,651	(326,651)				
On-behalf TPAF Long-Term Disab. Ins.	22-495-034-5094-004	617	7/1/21	6/30/22		617	(617)				
Total State Financial Assistance - Major Program Determination:						\$ 6,968,137	\$ (7,071,514)				

(A) Canceled / Adjustment  
 (B) Prior Year Encumbrance Canceled

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.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2022**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Salem County Vocational Technical School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment was (\$108,514) to reconcile from the budgetary basis to the GAAP basis for the General Fund and (\$495,674) in the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2022**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 8,603,652	\$ 8,603,652
Special Revenue Fund	2,357,966	79,770	2,437,736
Food Service Fund	308,268	4,938	313,206
Total Awards & Financial Assistance	<u>\$ 2,666,234</u>	<u>\$ 8,688,360</u>	<u>\$ 11,354,594</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

The Salem County Vocational Technical School District has no outstanding short-term loan, resulting from the timing difference in the 19th and 20th state aid payments and other receivables.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

**NOTE 7: SCHOOLWIDE PROGRAM FUNDS**

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

**NOTE 8: MAJOR PROGRAMS**

The award designated as a major program is identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

**NOTE 9: ADJUSTMENTS**

There were no adjustments reflected on schedule A of Federal Awards and on Schedule B of the State Financial Assistance.

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified? \_\_\_\_\_ yes  X  no

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards

Internal control over major programs:

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

2) Significant deficiencies identified? \_\_\_\_\_ yes  X  no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a)? \_\_\_\_\_ yes  X  no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.425	S425D210027 S425U210027	Education Stabilization Fund

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

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(continued)

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

State Awards

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

Auditee qualified as low-risk auditee?  X  yes   no

Internal control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses?   yes  X  no

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08   yes  X  no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
22-495-034-5120-078	Equalization Aid
22-495-034-5120-089	Special Education Categorical Aid
22-495-034-5120-084	Security Aid
22-495-034-5094-003	Reimbursed TPAF Social Security Contrib.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(continued)**

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

**Finding:** N/A

**Criteria or specific requirement:**

**Condition:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(continued)

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

**FEDERAL AWARDS** – N/A

**Finding:**

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:** None

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**STATE AWARDS** - N/A

**Finding:**

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:** None

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED  
COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08.

**STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.