

CUMBERLAND COUNTY
BOARD OF VOCATIONAL EDUCATION



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
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INTRODUCTORY SECTION



November 27, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Cumberland County Board of Vocational Education for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Cumberland County Board of Vocational Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1.) REPORTING ENTITY AND ITS SERVICES :

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

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

2.) ECONOMIC CONDITION AND OUTLOOK:

CTEC Enrollment History						
*Full Time Students - District ASSA Report						
Year	Bridgeton	CRHS	Millville	Vineland	Other**	Total
18-19	95	103	95	317	98	708
19-20	134	131	127	427	128	947
20-21	139	116	148	451	119	973
21-22	141	136	164	475	113	1029
22-23	140	161	169	511	105	1086
<i>*Inclusive of STRIVE enrollment</i>						
<i>**Commercial, Downe, Lawrence, Maurice River</i>						

2023-2024 enrollment currently exceeds 1,190 full time students. Enrollment is projected to continue to increase over the next several years.

We continue to see record enrollment in all Health Science and Medicine Programs. The County as a whole has benefited from significant investments by the medical community and the creation of jobs within this important field. This commitment by our Business Partners along with steady increased enrollment has led to the expansion of our building with the opening on the Health Science and Medicine in the Winter of 2022.

Interest in Engineering programs continues to rise as well. The District was awarded funding through the Securing Our Children’s Future Bond Act – CTE Expansion Grant. The \$2,250,000 grant and \$750,000 of the District’s Capital Reserve funds were utilized to renovate locations within the facility for the expansion of the Engineering program. The project was completed, and utilization of the spaces began in two phases: Phase I in the Fall of 2022 and Phase II in the Fall of 2023.

3.) MAJOR INITIATIVES:

CTEC is proud of our educational initiatives during the fiscal year 2023. They include:

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

4.) INTERNAL ACCOUNTING CONTROLS:

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

4.) INTERNAL ACCOUNTING CONTROLS (CONT'D):

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

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

5.) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2023.

6.) ACCOUNTING SYSTEM AND REPORTS:

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

7.) DEBT ADMINISTRATION:

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

8.) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9.) RISK MANAGEMENT:

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

10.) OTHER INFORMATION:

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

11.) ACKNOWLEDGEMENTS:

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

Respectfully submitted,

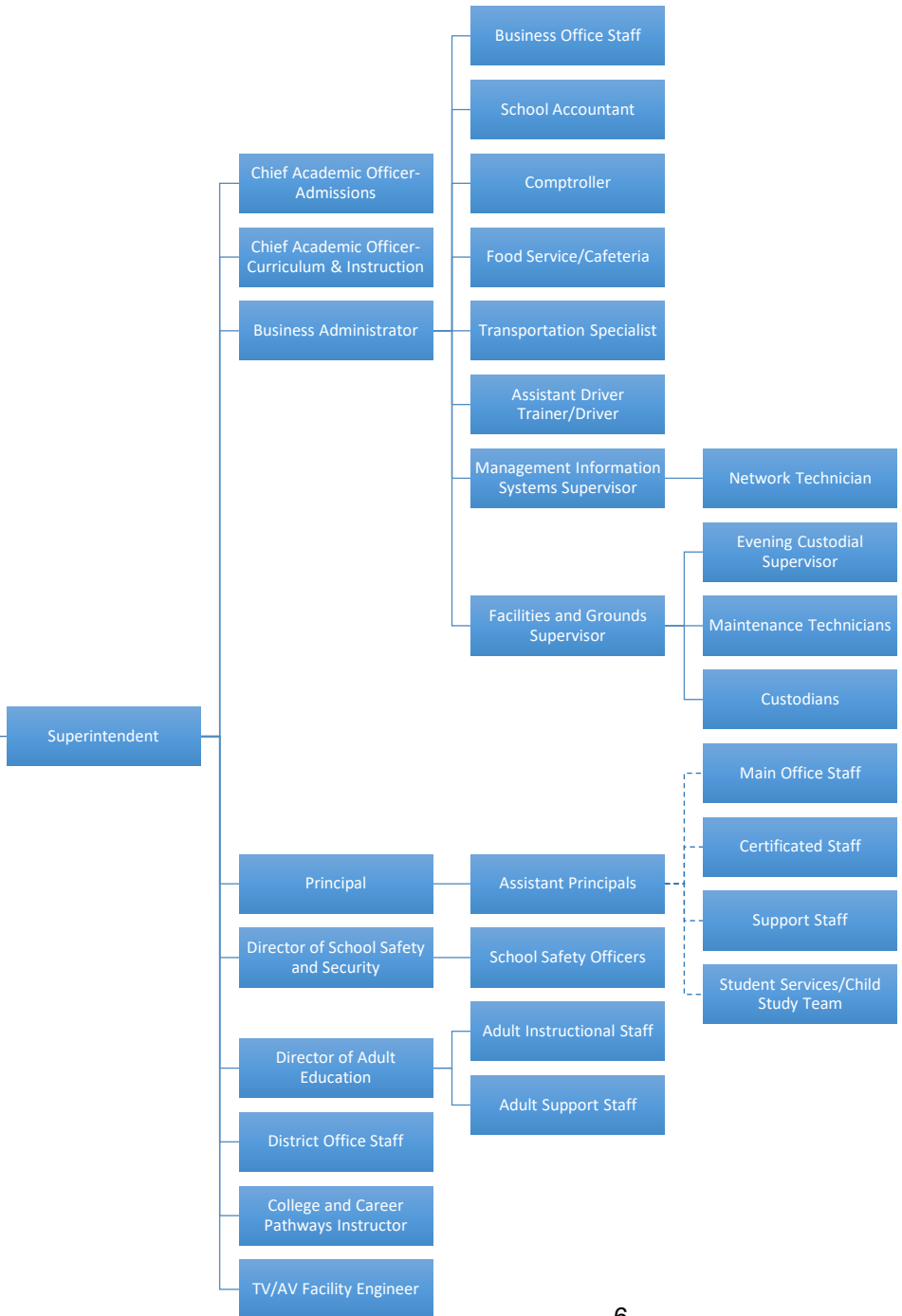


Dina Rossi, Ed. D.
Superintendent



Megan Duffield
Business Administrator/Board Secretary

Board of Education



Key

— Direct Line of Supervision

- - - In-Direct Line of Supervision

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Ruth Hands	President	2023
Christy DiLeonardo	Vice President	2025
Sheila McCann		2026
Johnathan Burks		2024
John Redden		2025
Ernesto Ortiz		2026
Robert Bumpus, Interim Executive County Superintendent		Permanent

Other Officials

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

CONSULTANTS AND ADVISORS

JUNE 30, 2023

Architect

Garrison Architects
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Bellmawr, NJ 08031

Audit Firm

Bowman & Company LLP
601 White Horse Road
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Official Depository

OceanFirst Bank
Delsea Drive
Vineland, NJ 08360

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Cumberland County Board of Vocational Education School District, a component unit of the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Cumberland County Board of Vocational Education School District, in the County of Cumberland, State of New Jersey, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 School District 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 School District'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 auditing standards generally accepted in the United States of America and *Government 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 auditing standards generally accepted in the United States of America and *Government 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 School District'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 School District'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, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information 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 Cumberland County Board of Vocational Education School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. 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 November 27, 2023 on our consideration of the Cumberland County Board of Vocational Education School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cumberland County Board of Vocational Education School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cumberland County Board of Vocational Education School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

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

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The discussion and analysis of the Cumberland County Board of Vocational Education's (CCBOVE) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to review the School District's financial performance as a whole; readers are advised to read it in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the School District's performance.

The Management's Discussion and Analysis (MD&A) section of the Annual Comprehensive Financial Report ("ACFR") is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments that was issued in June 1999. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

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

The basic financial statements include two kinds of statements that present different views of the district:

- The first two statements are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - o The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
 - o *Proprietary funds* statements offer short and long-term financial information about the activities the district operates like a business.

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

Major Features of District-Wide and Fund Financial Statements

	Fund Financial Statements		
	<u>District-Wide Statements</u> Entire district	<u>Governmental Funds</u> the activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	<u>Proprietary Funds</u> Activities the district operates similar to private businesses: such as food services and adult education. Instances in which the district administers resources on behalf of someone else, such as scholarship programs student activities monies
Scope			
Required Financial	-Statement of net position -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net position -Statement of revenues, expenses, and changes in fund net position -Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues/additions and expenses/deductions during the year, regardless of when cash is received or paid

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

Reporting the School District as a Whole

The Statement of Net Position includes all of the School District's assets, deferred outflow of resources, liabilities, and deferred inflow of resources and uses the accrual basis of accounting similar to the accounting used by most private-sector businesses. All of the current year's revenue and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. These statements report the School District's net position and how they have changed. Net position is the difference between the School District's assets, deferred inflows of resources, liabilities, and deferred outflows of resources and represents one way to measure the School District's financial health or position. The two district-wide statements report the District's *net position* and how it has changed.

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

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

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

Reporting the School District's Most Significant Funds

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

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

The District has two kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position

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

The School District's overall net position is \$92,949,755.37 on June 30, 2023, which is an increase of \$2,544,482.13 over the prior year net position of \$90,405,273.24. The majority of the total net position is attributed to governmental activities (99%).

TABLE 1
Summary of Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 12,645,984.87	\$ 12,662,263.37	\$ (16,278.50)	-0.13%
Capital Assets	87,125,396.08	85,566,581.81	1,558,814.27	1.82%
Total Assets	99,771,380.95	98,228,845.18	1,542,535.77	1.57%
Deferred Outflow of Resources - Related to Pensions	1,542,050.00	892,751.00	649,299.00	72.73%
Long-Term Liabilities	5,653,785.21	4,519,967.75	1,133,817.46	25.08%
Other Liabilities	2,082,534.37	2,561,383.19	(478,848.82)	-18.69%
Total Liabilities	7,736,319.58	7,081,350.94	654,968.64	9.25%
Deferred Inflow of Resources - Related to Pensions	627,356.00	1,634,972.00	(1,007,616.00)	-61.63%
Net Position:				
Net Investment in Capital Assets	85,205,396.08	83,576,581.81	1,628,814.27	1.95%
Restricted	8,976,827.29	8,170,646.39	806,180.90	9.87%
Unrestricted (Deficit)	(1,232,468.00)	(1,341,954.96)	109,486.96	-8.16%
Total Net Position	\$ 92,949,755.37	\$ 90,405,273.24	\$ 2,544,482.13	2.81%

The following table provides an illustration of the impact of the School District's Net Position as a result of the implementation of GASBS No. 68.

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 1,542,050.00	\$ 892,751.00	\$ 649,299.00	72.73%
Less: Net Pension Liability	(3,567,640.00)	(2,345,374.00)	(1,222,266.00)	52.11%
Less: Deferred Inflows Related to Pensions	(627,356.00)	(1,634,972.00)	1,007,616.00	-61.63%
	\$ (2,652,946.00)	\$ (3,087,595.00)	\$ 434,649.00	-14.08%

Changes in Net Position

The District's total revenues are \$30,747,315.40 for the fiscal year ending June 30, 2023. County appropriations and state formula aid accounted for 77% of the District's revenue. 10% is derived from state and federal aid for specific programs, and the remainder, 13% from fees charged for services, donated assets, and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students accounting for 44% of total costs with purely administrative activities of the District totaling 7% of total costs.

Total revenues surpassed expenditures, increasing net position approximately \$2,544,482.13 from last year, primarily in governmental type activities.

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

TABLE 3
Summary of Change in Net Position

Revenues:	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,369,716.06	\$ 927,718.43	\$ 441,997.63	47.64%
Federal & State Categorical Grants	6,283,670.15	2,926,294.46	3,357,375.69	114.73%
General Revenues:				
County Appropriations	2,744,000.00	2,688,000.00	56,000.00	2.08%
Tuition Received	2,313,895.97	4,944,581.15	(2,630,685.18)	-53.20%
Federal & State Grants	17,746,282.99	14,517,450.31	3,228,832.68	22.24%
Donated Capital Assets		22,325,484.89	(22,325,484.89)	-100.00%
Miscellaneous	289,750.23	200,334.95	89,415.28	44.63%
Total Revenues	<u>30,747,315.40</u>	<u>48,529,864.19</u>	<u>(17,782,548.79)</u>	<u>-36.64%</u>
Expenses:				
Instruction:				
Regular	6,077,631.38	5,995,382.13	82,249.25	1.37%
Vocational Education	3,214,038.44	3,002,675.55	211,362.89	7.04%
Other Special Instruction	282,766.81	223,787.66	58,979.15	26.35%
Student Services:				
Student and Instruction Related Services	2,711,919.47	1,939,171.48	772,747.99	39.85%
School Administrative Services	746,903.49	808,572.24	(61,668.75)	-7.63%
General Administrative Services	1,197,988.48	1,143,697.47	54,291.01	4.75%
Central Services	472,172.45	453,101.87	19,070.58	4.21%
Admin Info Tech	428,014.28	635,992.89	(207,978.61)	-32.70%
Plant Operations and Maintenance	3,204,449.38	2,716,773.68	487,675.70	17.95%
Pupil Transportation	217,983.13	86,538.35	131,444.78	151.89%
Unallocated Benefits	6,042,620.85	5,604,614.16	438,006.69	7.82%
Special Schools	47.65		47.65	100.00%
Unallocated Depreciation and Amortization	2,596,580.89	2,187,706.55	408,874.34	18.69%
Enterprise Funds	1,009,716.57	1,007,744.68	1,971.89	0.20%
Total Expenses	<u>28,202,833.27</u>	<u>25,805,758.71</u>	<u>2,397,074.56</u>	<u>9.29%</u>
Increase in Net Position	<u>2,544,482.13</u>	<u>22,724,105.48</u>	<u>(20,179,623.35)</u>	<u>-88.80%</u>
Beginning Net Position	<u>90,405,273.24</u>	<u>67,681,167.76</u>	<u>22,724,105.48</u>	<u>33.58%</u>
Ending Net Position	<u>\$ 92,949,755.37</u>	<u>\$ 90,405,273.24</u>	<u>\$ 2,544,482.13</u>	<u>2.81%</u>

THE SCHOOL DISTRICT'S ACTIVITIES

Governmental Activities

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. Fiscal year 2023 governmental funds reported total ending fund balances of \$9,054,433.62. The District's final budget anticipated utilizing fiscal year 2022 fund balance of \$1,773,417.00. Assigned fund balance includes \$496,900.46 designated for subsequent year's expenditures. Restricted fund balances include the capital reserve account with \$3,827,705.00 of funds available, the maintenance reserve account with \$1,566,657.00 of funds available, the unemployment compensation account with \$262,686.69, and \$3,112,000.09 of excess surplus of which \$1,201,174.00 is anticipated as revenue in the District's fiscal year 2024 budget.

Miscellaneous revenue fees exceeded the amounts anticipated in the 2023 budget. The District charged tuition for secondary high school students.

Actual expenditures for capital outlay amounted to \$1,609,567.30 in the General Fund, \$499,648.68 in the Special Revenue Fund, and \$2,060,560.07 from the Capital Project Fund.

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

General Fund Budgetary Highlights

Reimbursements for pension and Social Security contributions of \$3,974,166.03 are non-budgeted items in both revenues and appropriations.

Business-Type Activities

Revenues of the District's business-type activities for the year amounted to \$953,593.63 and expenses were \$1,009,716.57.

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation and amortization, for governmental and business type activities as of June 30, 2023 and 2022, was \$87,125,396.08 and \$85,566,581.81, respectively. Investments include a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. See Note 7 for additional information about changes in capital assets during the fiscal year.

TABLE 4
Capital Assets

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Capital Assets (Net of Depreciation and Amortization):		
Land	\$ 1,236,795.00	\$ 1,236,795.00
Construction in Progress	2,424,096.52	363,536.45
Site Improvements	7,215,285.30	6,333,538.15
Building and Improvements	70,008,357.13	71,567,504.39
Building - Financed Purchase (Admin bldg)	1,887,500.00	1,990,000.00
Machinery and Equipment	4,353,362.13	4,075,207.82
	<hr/>	<hr/>
Total Capital Assets, Net	<u>\$ 87,125,396.08</u>	<u>\$ 85,566,581.81</u>

LONG TERM DEBIT

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The school district is heavily dependent on State Aid. It is anticipated that the Governor and State Legislature will continue to adjust the State School Aid Formula to address school funding issues State wide. Anticipated changes to the school funding formula always causes great anxiety among school officials due to the uncertainty. The District is hopeful that we realize only positive funding changes due to increasing enrollment.
- The District continues to monitor industry needs to ensure our technical programs produce a job-ready workforce. In conjunction with the Center for Workforce and Economic Development (CWED), and Rowan College of South Jersey, and industry partners, the Cumberland County Board of Vocational Education will continue to work with leaders in Cumberland County to identify trends and enhance our training programs.
- In October 2018, the Cumberland County Board of Chosen Freeholders approved a \$23 million bond ordinance with the State of New Jersey incurring 72.1% of the cost of to construct a 55,000 sq. ft. expansion of the current facility that will be home to our Health Science and Medicine Program. Historically, Health Science and Medicine has been the most enrolled program. Currently there are four applicants for every one seat. This consistent enrollment, coupled with a health system that serves Cumberland County's top employer, provides the rationale for the expansion that will serve as an anchor for quality medical training for a variety of populations. The construction of the addition was completed in the Winter of 2022.
- In the Fall of 2021, the District applied for and was awarded funding through the Securing Our Children's Future Bond Act – CTE Expansion Grant. The \$2,250,000 grant and \$750,000 of the District's Capital Reserve funds will be utilized for construction that will include the conversion and reconfiguration of the existing Central District Office Area and Allied Health Classrooms (to be relocated to Health Science and Medicine Addition) to a STEM Lab 1,261 sf, Electrical Construction Lab 1,277 sf and a Construction Engineering Lab 1,247 sf which includes supporting storage, (2) Advanced Manufacturing Labs 1,184 sf and 1,342 sf and an Electronics Lab 1,352 sf which includes supporting storage spaces for a total project conversion of 8,914 sf. This conversion will add 144 seats to our current STEM Programs of Engineering, Electrical Technology, Welding Technology, Construction and Advanced Manufacturing. Phase I of this renovation was completed over the summer of 2022 and students began utilizing these spaces in the Fall of 2022. In the summer of 2023, Phase II was completed and the space opened to students in the Fall of 2023.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding it receives. If you have questions about this report or need additional financial information, please contact Megan Duffield, School Business Administrator, Cumberland County Board of Vocational Education, 2745 S. Delsea Drive, Vineland, NJ 08360.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 7,809,177.44	\$ 832,974.06	\$ 8,642,151.50
Receivables, net	1,377,705.42	21,894.47	1,399,599.89
Internal Balances	31,652.00	(31,652.00)	
Inventory		18,026.98	18,026.98
Restricted Cash and Cash Equivalents	2,586,206.50		2,586,206.50
Capital Assets, net	<u>86,977,455.99</u>	<u>147,940.09</u>	<u>87,125,396.08</u>
Total Assets	<u>98,782,197.35</u>	<u>989,183.60</u>	<u>99,771,380.95</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	<u>1,542,050.00</u>	-	<u>1,542,050.00</u>
LIABILITIES:			
Accounts Payable:			
Other	1,243,293.99	25,471.75	1,268,765.74
Related to Pensions	371,790.00		371,790.00
Due Students, Net		4,844.46	4,844.46
Unearned Revenue	353,700.24	17,601.43	371,301.67
Noncurrent Liabilities:			
Due within One Year	65,832.50		65,832.50
Due beyond One Year	<u>5,633,481.62</u>	<u>20,303.59</u>	<u>5,653,785.21</u>
Total Liabilities	<u>7,668,098.35</u>	<u>68,221.23</u>	<u>7,736,319.58</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	<u>627,356.00</u>	-	<u>627,356.00</u>
NET POSITION:			
Net Investment in Capital Assets	85,057,455.99	147,940.09	85,205,396.08
Restricted for:			
Unemployment Compensation	262,686.69		262,686.69
Student Activities	181,657.54		181,657.54
Other Purposes	8,532,483.06		8,532,483.06
Unrestricted (Deficit)	<u>(2,005,490.28)</u>	<u>773,022.28</u>	<u>(1,232,468.00)</u>
Total Net Position	<u>\$ 92,028,793.00</u>	<u>\$ 920,962.37</u>	<u>\$ 92,949,755.37</u>

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 6,077,631.38		\$ 927,317.42		\$ (5,150,313.96)		\$ (5,150,313.96)
Vocational Programs	3,214,038.44			\$ 499,648.68	(2,714,389.76)		(2,714,389.76)
Other Special Instruction	282,766.81				(282,766.81)		(282,766.81)
Support Services:							
Instruction/Tuition	1,056,957.84	\$ 175,683.98	1,000,845.64		119,571.78		119,571.78
Health Services	366,138.41				(366,138.41)		(366,138.41)
Support Services - Students	1,134,755.39		159,255.48		(975,499.91)		(975,499.91)
Support Services - Instructional Staff	135,058.93				(135,058.93)		(135,058.93)
Educational Media / Library	50.00				(50.00)		(50.00)
Instructional Staff Training Services	18,958.90				(18,958.90)		(18,958.90)
General Administration	1,197,988.48	669,782.35			(528,206.13)		(528,206.13)
School Administration	746,903.49				(746,903.49)		(746,903.49)
Operations and Maintenance	3,093,773.78				(3,093,773.78)		(3,093,773.78)
Central Services	472,172.45				(472,172.45)		(472,172.45)
Administration Information Technology	428,014.28				(428,014.28)		(428,014.28)
Care and Upkeep of Grounds	110,675.60				(110,675.60)		(110,675.60)
Student Transportation	217,983.13				(217,983.13)		(217,983.13)
Unallocated Benefits	6,042,620.85		3,267,259.03		(2,775,361.82)		(2,775,361.82)
Special Schools	47.65				(47.65)		(47.65)
Unallocated Depreciation and Amortization	2,596,580.89				(2,596,580.89)		(2,596,580.89)
Total Governmental Activities	27,193,116.70	845,466.33	5,354,677.57	499,648.68	(20,493,324.12)	\$ -	(20,493,324.12)
Business-Type Activities:							
Food Service	870,389.76	438,884.86	427,244.29			(4,260.61)	(4,260.61)
Other Enterprise Funds	139,326.81	85,364.87	2,099.61			(51,862.33)	(51,862.33)
Total Business-Type Activities	1,009,716.57	524,249.73	429,343.90	-	-	(56,122.94)	(56,122.94)
Total Government	\$ 28,202,833.27	\$ 1,369,716.06	\$ 5,784,021.47	\$ 499,648.68	(20,493,324.12)	(56,122.94)	(20,549,447.06)
General Revenues:							
County Appropriations					2,744,000.00		2,744,000.00
Tuition Received					2,313,895.97		2,313,895.97
Federal and State Aid not Restricted					17,746,282.99		17,746,282.99
Miscellaneous Income					303,447.31		303,447.31
Gain/Loss on Disposal of Capital Assets					(13,697.08)		(13,697.08)
Total General Revenues					23,093,929.19	-	23,093,929.19
Change in Net Position					2,600,605.07	(56,122.94)	2,544,482.13
Net Position -- July 1					89,428,187.93	977,085.31	90,405,273.24
Net Position -- June 30					\$ 92,028,793.00	\$ 920,962.37	\$ 92,949,755.37

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

FUND FINANCIAL STATEMENTS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 6,984,078.81	\$ 181,657.54	\$ 2,096,966.95	\$ 9,262,703.30
Interfund Accounts Receivable:				
Capital Projects Fund	2,141,111.45			2,141,111.45
Enterprise - Food Service	50,503.36			50,503.36
Enterprise - Drive to the Future	27,498.08			27,498.08
Special Revenue Fund	851,820.70			851,820.70
Receivables from Other Governments	72,684.63	1,139,792.45	70,265.47	1,282,742.55
Receivables Other - Tuition	74,330.00			74,330.00
Total Assets	\$ 10,202,027.03	\$ 1,321,449.99	\$ 2,167,232.42	\$ 13,690,709.44
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 1,169,527.62	\$ -	\$ -	\$ 1,169,527.62
Payroll Deductions and Withholdings Payable	24,252.55			24,252.55
Unemployment Compensation Claims Payable	49,513.82			49,513.82
Interfund Accounts Payable:				
Enterprise - Adult Student	28,054.00			28,054.00
Enterprise - Drive to the Future	12,000.00			12,000.00
Enterprise - Food Service Restaurant	6,295.44			6,295.44
General Fund		851,820.70	2,141,111.45	2,992,932.15
Unearned Revenue	65,728.49	287,971.75		353,700.24
Total Liabilities	1,355,371.92	1,139,792.45	2,141,111.45	4,636,275.82
Fund Balances:				
Restricted:				
Capital Reserve	3,827,705.00			3,827,705.00
Maintenance Reserve	1,566,657.00			1,566,657.00
Capital Projects			26,120.97	26,120.97
Excess Surplus -- Designated for Subsequent Year's Expenditures	1,201,174.00			1,201,174.00
Excess Surplus	1,910,826.09			1,910,826.09
Unemployment Compensation	262,686.69			262,686.69
Student Activities		181,657.54		181,657.54
Assigned:				
Other Purposes	496,900.46			496,900.46
Unassigned (Deficit)	(419,294.13)			(419,294.13)
Total Fund Balances	8,846,655.11	181,657.54	26,120.97	9,054,433.62
Total Liabilities and Fund Balances	\$ 10,202,027.03	\$ 1,321,449.99	\$ 2,167,232.42	

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 \$100,680,229.49 and the accumulated depreciation and amortization is \$13,702,773.50.	86,977,455.99
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,131,674.12)
Internal Service Funds are used by management to charge costs of certain activities, such as shared business services. Assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.	1,153,313.51
Net Pension Liability	(3,567,640.00)
Accounts Payable related to the April 1, 2024 Required PERS pension contribution that is not to be liquidated with current financial resources.	(371,790.00)
Deferred Outflows of Resources - Related to Pensions	1,542,050.00
Deferred Inflows of Resources - Related to Pensions	(627,356.00)
Net Position of Governmental Activities	\$ 92,028,793.00

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES:				
County Appropriations	\$ 2,744,000.00			\$ 2,744,000.00
Tuition Charges	2,313,895.97			2,313,895.97
Miscellaneous	268,726.57			268,726.57
State Sources	20,243,488.03	\$ 129,748.00	\$ 1,645,265.47	22,018,501.50
Federal Sources		2,289,014.74		2,289,014.74
Local Sources		184,732.98		184,732.98
Total Revenues	<u>25,570,110.57</u>	<u>2,603,495.72</u>	<u>1,645,265.47</u>	<u>29,818,871.76</u>
EXPENDITURES:				
Current:				
Regular Instruction	5,150,313.96	927,317.42		6,077,631.38
Vocational Programs	3,214,038.44			3,214,038.44
Other Instruction	282,766.81			282,766.81
Support Services and Undistributed Costs:				
Instruction/Tuition	56,112.20	1,000,845.64		1,056,957.84
Health Services	366,138.41			366,138.41
Support Services - Students	975,499.91	159,255.48		1,134,755.39
Support Services - Instructional Staff	135,058.93			135,058.93
Educational Media / Library	50.00			50.00
Instructional Staff Training Services	18,958.90			18,958.90
General Administration	784,604.97			784,604.97
School Administration	746,903.49			746,903.49
Operations and Maintenance	3,163,773.78			3,163,773.78
Central Services	472,172.45			472,172.45
Administration Information Technology	428,014.28			428,014.28
Care and Upkeep of Grounds	110,675.60			110,675.60
Student Transportation	217,983.13			217,983.13
Unallocated Benefits	7,123,300.28			7,123,300.28
Capital Outlay	1,609,567.30	499,648.68	2,060,560.07	4,169,776.05
Special Schools	47.65			47.65
Total Expenditures	<u>24,855,980.49</u>	<u>2,587,067.22</u>	<u>2,060,560.07</u>	<u>29,503,607.78</u>
Excess (Deficit) of Revenues over / (under) Expenditures	<u>714,130.08</u>	<u>16,428.50</u>	<u>(415,294.60)</u>	<u>315,263.98</u>
Net Change in Fund Balances	714,130.08	16,428.50	(415,294.60)	315,263.98
Fund Balance -- July 1	<u>8,132,525.03</u>	<u>165,229.04</u>	<u>441,415.57</u>	<u>8,739,169.64</u>
Fund Balance -- June 30	<u>\$ 8,846,655.11</u>	<u>\$ 181,657.54</u>	<u>\$ 26,120.97</u>	<u>\$ 9,054,433.62</u>

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Governmental Funds	\$	315,263.98
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the period.		
Depreciation and Amortization Expense	\$	(2,596,580.89)
Capital Outlays		4,169,776.05
Capital Assets Charged to Budget Accounts		<u>25,671.74</u>
		1,598,866.90
Repayment of financed purchase liability 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.		70,000.00
The net effect of loss on disposal of capital assets.		(13,697.08)
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 (+).		12,798.43
Internal service funds are used by management to charge costs of certain activities, such as shared business services. The operating transfers are included in the governmental funds.		256,398.84
Governmental funds report School District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		<u>360,974.00</u>
Change in Net Position of Governmental Activities	\$	<u><u>2,600,605.07</u></u>

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Food Service	Food Service Restaurant	Drive to the Future	Adult Education	Total Enterprise	Internal Service Fund
ASSETS:						
Current Assets:						
Cash and Cash Equivalents	\$ 265,445.61	\$ 33,182.76	\$ 460,351.30	\$ 73,994.39	\$ 832,974.06	\$ 1,132,680.64
Accounts Receivable:						
State	883.83				883.83	
Federal	16,331.80				16,331.80	
Other	2,245.00		2,433.84		4,678.84	20,632.87
Interfund Accounts Receivable:						
General Fund		6,295.44	12,000.00	28,054.00	46,349.44	
Enterprise Fund		237.00			237.00	
Inventories	18,026.98				18,026.98	
Total Current Assets	302,933.22	39,715.20	474,785.14	102,048.39	919,481.95	1,153,313.51
Noncurrent Assets:						
Equipment	77,705.24		184,578.20		262,283.44	
Less Accumulated Depreciation	(14,944.52)		(99,398.83)		(114,343.35)	
Total Noncurrent Assets	62,760.72	-	85,179.37	-	147,940.09	-
Total Assets	365,693.94	39,715.20	559,964.51	102,048.39	1,067,422.04	1,153,313.51
LIABILITIES:						
Current Liabilities:						
Interfund Accounts Payable:						
Due General Fund	50,503.36		27,498.08		78,001.44	
Due Enterprise Fund - Food Service Restaurant	237.00				237.00	
Accounts Payable	25,306.75	165.00			25,471.75	
Due Students, Net	4,844.46				4,844.46	
Unearned Revenue			17,601.43		17,601.43	
Total Current Liabilities	80,891.57	165.00	45,099.51	-	126,156.08	
Noncurrent Liabilities:						
Compensated Absences Payable			20,303.59		20,303.59	
Total Noncurrent Liabilities	-	-	20,303.59	-	20,303.59	-
Total Liabilities	80,891.57	165.00	65,403.10	-	146,459.67	
NET POSITION:						
Net Investment in Capital Assets	62,760.72		85,179.37		147,940.09	
Unrestricted	222,041.65	39,550.20	409,382.04	102,048.39	773,022.28	1,153,313.51
Total Net Position	\$ 284,802.37	\$ 39,550.20	\$ 494,561.41	\$ 102,048.39	\$ 920,962.37	\$ 1,153,313.51

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	<u>Food Service</u>	<u>Food Service Restaurant</u>	<u>Drive to the Future</u>	<u>Adult Education</u>	<u>Total Enterprise</u>	<u>Internal Service Fund</u>
OPERATING REVENUES:						
Charges for Services:						
Daily Sales - Reimbursable Programs						
School Lunch	\$ 205,258.50	\$ -	\$ -	\$ -	\$ 205,258.50	\$ -
School Breakfast	27,734.00				27,734.00	
Daily Sales - Non-Reimbursable Programs	205,892.36				205,892.36	
Miscellaneous		2,360.00	445.11		2,805.11	
Fees			82,559.76		82,559.76	669,782.35
Total Operating Revenues	438,884.86	2,360.00	83,004.87	-	524,249.73	669,782.35
OPERATING EXPENSES:						
Salaries and Fringe Benefits	297,141.33		110,677.79		407,819.12	413,383.51
Purchased Professional/Technical Services	57,130.11		3,982.78		61,112.89	
Other Purchased Services	10,577.53		10.06		10,587.59	
General Supplies	4,999.39	891.26	692.64		6,583.29	
Depreciation	8,433.25		23,072.28		31,505.53	
Cleaning, Repairs and Maintenance	38,700.10				38,700.10	
Insurance	7,283.64				7,283.64	
Miscellaneous	401.40				401.40	
Cost of Sales - Reimbursable	418,685.46				418,685.46	
Cost of Sales - Non Reimbursable	27,037.55				27,037.55	
Total Operating Expenses	870,389.76	891.26	138,435.55	-	1,009,716.57	413,383.51
Operating Income / (Loss)	(431,504.90)	1,468.74	(55,430.68)	-	(485,466.84)	256,398.84
NONOPERATING REVENUES (EXPENSES):						
State Sources:						
State School Lunch Program	11,752.53				11,752.53	
State School Breakfast Program	6,504.00				6,504.00	
Federal Sources:						
School Breakfast Program	82,811.00				82,811.00	
National School Lunch Program	243,777.69				243,777.69	
National School Lunch Program - HHFKA	8,454.48				8,454.48	
National School Lunch Program - Supply Chain Assistance	35,955.43				35,955.43	
Food Distribution Program	35,133.97				35,133.97	
Interest and Investment Revenue	2,855.19		5,513.61		8,368.80	
Cancellation of Uncollectible Accounts Receivable				(3,414.00)	(3,414.00)	
Total Nonoperating Revenues (Expenses)	427,244.29	-	5,513.61	(3,414.00)	429,343.90	-
Change in Net Position	(4,260.61)	1,468.74	(49,917.07)	(3,414.00)	(56,122.94)	256,398.84
Net Position -- July 1	289,062.98	38,081.46	544,478.48	105,462.39	977,085.31	896,914.67
Net Position -- June 30	\$ 284,802.37	\$ 39,550.20	\$ 494,561.41	\$ 102,048.39	\$ 920,962.37	\$ 1,153,313.51

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Food Service	Food Service Restaurant	Drive to the Future	Adult Education	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from Customers	\$ 447,991.37	\$ 2,360.00	\$ 74,441.01	\$ -	\$ 524,792.38	\$ 660,843.97
Payments to Employees	(246,637.97)		(131,150.39)		(377,788.36)	(413,383.51)
Payments to Suppliers	(616,941.84)	(11,921.87)	(4,685.48)		(633,549.19)	
Net Cash Provided by (Used in) Operating Activities	<u>(415,588.44)</u>	<u>(9,561.87)</u>	<u>(61,394.86)</u>	<u>-</u>	<u>(486,545.17)</u>	<u>247,460.46</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
State Sources	18,466.38				18,466.38	
Federal Sources	476,796.89				476,796.89	
Interfund Activities						15,000.00
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>495,263.27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>495,263.27</u>	<u>15,000.00</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchase of Capital Assets	(5,149.98)				(5,149.98)	
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(5,149.98)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,149.98)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest and Dividends	2,855.19		5,513.61		8,368.80	
Net Cash Provided by (Used in) Investing Activities	<u>2,855.19</u>	<u>-</u>	<u>5,513.61</u>	<u>-</u>	<u>8,368.80</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	77,380.04	(9,561.87)	(55,881.25)	-	11,936.92	262,460.46
Cash and Cash Equivalents -- July 1	188,065.57	42,744.63	516,232.55	73,994.39	821,037.14	870,220.18
Cash and Cash Equivalents -- June 30	<u>\$ 265,445.61</u>	<u>\$ 33,182.76</u>	<u>\$ 460,351.30</u>	<u>\$ 73,994.39</u>	<u>\$ 832,974.06</u>	<u>\$ 1,132,680.64</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating Income (Loss)	\$ (431,504.90)	\$ 1,468.74	\$ (55,430.68)	\$ -	\$ (485,466.84)	\$ 256,398.84
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation	8,433.25		23,072.28		31,505.53	
(Increase) Decrease in Accounts Receivable, net	(2,245.00)		(2,433.84)		(4,678.84)	(8,938.38)
(Increase) Decrease in Interfunds Receivable	10,764.00	666.50	(12,000.00)		(569.50)	
(Increase) Decrease in Inventories	(12,526.34)				(12,526.34)	
(Increase) Decrease in Prepaid Expenses	587.51				587.51	
Increase (Decrease) in Accounts Payable	(39,600.32)	(696.50)			(40,296.82)	
Increase (Decrease) in Interfund Payable	50,503.36	(11,000.61)	(3,008.81)		36,493.94	
Increase (Decrease) in Other Current Liabilities			8,878.79		8,878.79	
Increase (Decrease) in Accrued Salaries Benefits			(20,472.60)		(20,472.60)	
Total Adjustments	<u>15,916.46</u>	<u>(11,030.61)</u>	<u>(5,964.18)</u>	<u>-</u>	<u>(1,078.33)</u>	<u>(8,938.38)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (415,588.44)</u>	<u>\$ (9,561.87)</u>	<u>\$ (61,394.86)</u>	<u>\$ -</u>	<u>\$ (486,545.17)</u>	<u>\$ 247,460.46</u>

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type I district located in the County of Cumberland, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of seven members elected to four-year terms, six members are appointed by the Board of County Commissioners, and the seventh member is the County Superintendent of Schools. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the School District is to educate students in grades 9 through 12 for vocational programs and operate the adult and continuing education programs. The School District has an approximate enrollment at June 30, 2023 of 1,079 students.

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

Government-wide and Fund Financial Statements

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

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

The School District reports the following major proprietary funds:

Enterprise Funds

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

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

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

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

Internal Service Funds

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments**

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

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

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

Inventories

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

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

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023. The School District had no prepaid expenses for the fiscal year ended June 30, 2023.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Short-Term Interfund Receivables / Payables**

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

Capital Assets

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease and subscription assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

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

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

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

The School District had no tuition expenditures.

Unearned Revenue

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

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

Accounting Estimates

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

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2023, the School District's bank balances of \$12,422,031.19 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 12,131,795.95
Uninsured and Uncollateralized	<u>290,235.24</u>
	<u>\$ 12,422,031.19</u>

Note 3: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance July 1, 2022		\$ 2,917,555.00
Increased by:		
Interest Earnings	\$ 28,620.53	
Deposits:		
Approved at June 29, 2023 Board Meeting	<u>881,529.47</u>	
		<u>910,150.00</u>
Ending Balance June 30, 2023		<u>\$ 3,827,705.00</u>

The June 30, 2023 LRFP balance of local support costs of uncompleted projects at June 30, 2023 is \$4,406,250.00.

Note 4: MAINTENANCE RESERVE ACCOUNT

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance July 1, 2022		\$ 1,434,118.00
Increased by:		
Interest Earnings	\$ 14,068.47	
Deposits:		
Approved at June 29, 2023 Board Meeting	<u>118,470.53</u>	
		<u>132,539.00</u>
Ending Balance June 30, 2023		<u>\$ 1,566,657.00</u>

The June 30, 2023 maximum maintenance reserve amount is \$1,566,657.00

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

Description	Governmental Funds			Total Governmental Funds	Internal Service Funds		Total Internal Service Funds	Total Governmental Activities
	General Fund	Special Revenue Fund	Capital Projects Fund		Security	Superintendent Services		
Federal Awards		\$ 1,139,792.45		\$ 1,139,792.45				\$ 1,139,792.45
State Awards	\$ 63,069.63		\$ 70,265.47	133,335.10				133,335.10
Other	9,615.00			9,615.00				9,615.00
Provided Services	74,330.00			74,330.00	\$ 20,632.87		\$ 20,632.87	94,962.87
Total	\$ 147,014.63	\$ 1,139,792.45	\$ 70,265.47	\$ 1,357,072.55	\$ 20,632.87	\$ -	\$ 20,632.87	\$ 1,377,705.42

Description	Proprietary Funds				Total Business-Type Activities	Total
	Food Service Fund	Food Service Restaurant Fund	Drive to the Future Fund	Adult Education Fund		
Federal Awards	\$ 16,331.80				\$ 16,331.80	\$ 1,156,124.25
State Awards	883.83				883.83	134,218.93
Other	2,245.00		\$ 2,433.84		4,678.84	99,641.71
Total	\$ 19,460.63	\$ -	\$ 2,433.84	\$ -	\$ 21,894.47	\$ 1,399,599.89

Note 6: INVENTORY

Inventory recorded at June 30, 2023 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 6,659.56
Supplies	6,138.99
Commodities	5,228.43
Total	\$ 18,026.98

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,236,795.00			\$ 1,236,795.00
Construction in Progress	363,536.45	\$ 2,060,560.07		2,424,096.52
Total Capital Assets not being Depreciated	<u>1,600,331.45</u>	<u>2,060,560.07</u>	<u>\$ -</u>	<u>3,660,891.52</u>
Capital Assets, being Depreciated:				
Site Improvements	6,900,507.05	1,095,457.00		7,995,964.05
Buildings and Improvements	79,088,729.00	23,307.11		79,112,036.11
Building - Financed Purchase	1,990,000.00			1,990,000.00
Machinery and Equipment	7,042,870.23	1,016,123.61	(137,656.03)	7,921,337.81
Total Capital Assets, being Depreciated	<u>95,022,106.28</u>	<u>2,134,887.72</u>	<u>(137,656.03)</u>	<u>97,019,337.97</u>
Total Capital Assets, Cost	<u>96,622,437.73</u>	<u>4,195,447.79</u>	<u>(137,656.03)</u>	<u>100,680,229.49</u>
Less Accumulated Depreciation:				
Site Improvements	(566,968.90)	(213,709.85)		(780,678.75)
Buildings and Improvements	(7,521,224.61)	(1,582,454.37)		(9,103,678.98)
Building - Financed Purchase		(102,500.00)		(102,500.00)
Machinery and Equipment	(3,141,958.05)	(697,916.67)	123,958.95	(3,715,915.77)
Total Accumulated Depreciation	<u>(11,230,151.56)</u>	<u>(2,596,580.89)</u>	<u>123,958.95</u>	<u>(13,702,773.50)</u>
Total Capital Assets, being Depreciated, Net	<u>83,791,954.72</u>	<u>(461,693.17)</u>	<u>(13,697.08)</u>	<u>83,316,564.47</u>
Governmental Activities Capital Assets, Net	<u>\$ 85,392,286.17</u>	<u>\$ 1,598,866.90</u>	<u>\$ (13,697.08)</u>	<u>\$ 86,977,455.99</u>
Business-Type Activities:				
Machinery and Equipment	\$ 257,133.46	\$ 5,149.98	\$ -	\$ 262,283.44
Less Accumulated Depreciation	(82,837.82)	(31,505.53)		(114,343.35)
Business-Type Activities Capital Assets, Net	<u>\$ 174,295.64</u>	<u>\$ (26,355.55)</u>	<u>\$ -</u>	<u>\$ 147,940.09</u>

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

Unallocated	<u>\$ 2,596,580.89</u>
Business-Type Activities:	
Food Service	\$ 8,433.25
Drive to the Future	<u>23,072.28</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 31,505.53</u>

Note 8: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Financed Purchases	\$ 1,990,000.00	\$ -	\$ (70,000.00)	\$ 1,920,000.00	\$ 65,000.00
Net Pension Liability	2,345,374.00	2,742,373.00	(1,520,107.00)	3,567,640.00	
Compensated Absences	224,472.55	9,656.21	(22,454.64)	211,674.12	832.50
Governmental Activities					
Long-term Liabilities	<u>\$ 4,559,846.55</u>	<u>\$ 2,752,029.21</u>	<u>\$ (1,612,561.64)</u>	<u>\$ 5,699,314.12</u>	<u>\$ 65,832.50</u>

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

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations for business-type activities:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due within</u> <u>One Year</u>
Business-Type Activities:					
Other Liabilities:					
Compensated Absences	\$ 40,776.20	\$ -	\$ (20,472.61)	\$ 20,303.59	\$ -
Total Business-Type Activities	<u>\$ 40,776.20</u>	<u>\$ -</u>	<u>\$ (20,472.61)</u>	<u>\$ 20,303.59</u>	<u>\$ -</u>

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

Financed Purchases - The School District's payments on financed purchases are budgeted and paid from the general fund on an annual basis.

As of June 30, 2023, the School District is financing one (1) administration building with a total cost of \$1,990,000.00. The agreement is for a term of fifteen (15) years with an interest rate of 2.34%. The final maturity of the financed purchase is December 15, 2036.

The following is a schedule of the remaining future minimum payments under the financed purchases, and the present value of the net minimum payments at June 30, 2023:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 65,000.00	\$ 44,167.50	\$ 109,167.50
2025	65,000.00	42,646.50	107,646.50
2026	65,000.00	41,125.50	106,125.50
2027	70,000.00	39,546.00	109,546.00
2028	70,000.00	37,908.00	107,908.00
2029-2033	375,000.00	163,975.50	538,975.50
2034-2037	1,210,000.00	87,750.00	1,297,750.00
Total	<u>\$ 1,920,000.00</u>	<u>\$ 457,119.00</u>	<u>\$ 2,377,119.00</u>

Financed purchases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

Note 8: LONG-TERM LIABILITIES (CONT'D)

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

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

Note 9: PENSION PLANS

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

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

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

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

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

Tier Definition

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

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

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

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

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

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

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

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 28.48% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2023 because of the 100.00% special funding situation with the State of New Jersey.

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

Teachers' Pension and Annuity Fund (Cont'd) - Based on the most recent TPAF measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$2,474,314.00, and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$659,058.88.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be 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 under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 18.17% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$298,115.00, and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$154,565.42.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2023 was .37% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$7,506.00.

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

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended June 30, 2023, employee contributions totaled \$2,158.78, and the School District recognized pension expense, which equaled the required contributions, of \$988.72. There were no forfeitures during the fiscal year.

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

Pension Liability - At June 30, 2023, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	30,502,539.00
	<u>\$ 30,502,539.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. For the June 30, 2022 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2022 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .0591198458%, which was an increase of .0036147762% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2022 measurement date, was \$820,909.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

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

Pension Liability - At June 30, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of \$3,567,640.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the School District's proportion was .0236402575%, which was an increase of .0038422225% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the School District recognized pension (benefit) expense of \$(62,859.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2022 measurement date.

For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2022 measurement date, was \$7,506.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Deferred Outflows and Inflows of Resources - At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 25,750.00	\$ 22,707.00
Changes of Assumptions	11,054.00	534,217.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	147,661.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	985,795.00	70,432.00
School District Contributions Subsequent to the Measurement Date	371,790.00	-
	<u>\$ 1,542,050.00</u>	<u>\$ 627,356.00</u>

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

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$371,790.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	
<u>Ending June 30,</u>	
2024	\$ (78,409.00)
2025	126,961.00
2026	166,534.00
2027	322,380.00
2028	5,438.00
	<u>\$ 542,904.00</u>

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

	<u>Deferred</u>	<u>Deferred</u>		<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>		<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>		<u>Resources</u>	<u>Resources</u>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

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

The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2021. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 5.65%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2022 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate (Cont'd) -

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 would 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 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.

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

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2022, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2022 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>35,764,875.00</u>	<u>30,502,539.00</u>	<u>26,069,682.00</u>
	<u>\$ 35,764,875.00</u>	<u>\$ 30,502,539.00</u>	<u>\$ 26,069,682.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2022, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 4,583,373.00</u>	<u>\$ 3,567,640.00</u>	<u>\$ 2,703,211.00</u>

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

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

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

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

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

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

General Information about the OPEB Plan (Cont'd)

Employees Covered by Benefit Terms - At June 30, 2022, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	364,817
	364,817

Total Non-Employer OPEB Liability

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2023 was \$24,397,411.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. For the June 30, 2022 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0481719938%, which was an increase of .0024701732% from its proportion measured as of June 30, 2021.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

* based on service years

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

Mortality Rates - 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 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.

Experience Studies - The actuarial assumptions used in the June 30, 2021 valuation, which was rolled forward to June 30, 2022, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2022 measurement date was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

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

Balance at June 30, 2022		\$ 27,424,589.00
Changes for the Year:		
Service Cost	\$ 1,719,122.00	
Interest Cost	646,558.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	1,771,856.00	
Changes in Assumptions	(6,544,824.00)	
Member Contributions	20,545.00	
Gross Benefit Payments	(640,435.00)	
Net Changes		(3,027,178.00)
Balance at June 30, 2023		\$ 24,397,411.00

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

Differences between expected and actual experience reflect an increase in liability for the measurement period from June 30, 2021 to June 30, 2022 due to changes in the census and premium and claims experience.

Changes in assumptions reflect a decrease in the liability for the measurement period from June 30, 2021 to June 30, 2022 is due to the combined effect of the discount rate change; and changes in the trend, and experience study.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the School District, using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 28,676,590.00	\$ 24,397,411.00	\$ 20,967,863.00

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 20,165,951.00	\$ 24,397,411.00	\$ 29,955,690.00

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

OPEB Expense - For the fiscal year ended June 30, 2023, the School District recognized \$1,800,561.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2022 measurement date.

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

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2023, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 4,355,906.00	\$ 7,448,812.00
Changes of Assumptions	4,222,574.00	8,303,546.00
Changes in Proportion	4,449,599.00	50,850.00
	<u>\$ 13,028,079.00</u>	<u>\$ 15,803,208.00</u>

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

Fiscal Year Ending June 30,	
2024	\$ (562,820.00)
2025	(562,820.00)
2026	(562,820.00)
2027	(391,604.00)
2028	32,839.00
Thereafter	<u>(727,904.00)</u>
	<u>\$ (2,775,129.00)</u>

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2023, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,605,719.00, \$36,151.00, \$694,013.00, and \$1,734.00, respectively.

Note 12: RISK MANAGEMENT

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

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

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

Fiscal Year Ended June 30,	School District Contributions	Employee Contributions	Interest Income	Claims Incurred	Ending Balance	
					Claims Payable	Restricted Fund Balance
2023	\$ 45,000.00	\$ 21,043.13	\$ 2,466.54	\$ 4,566.23	\$ 49,513.82	\$ 262,686.69
2022	45,000.00	19,125.17	459.71	-	33,036.92	215,220.15
2021	45,000.00	15,050.12	883.07	1,138.37	13,911.75	169,760.44

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

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

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

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

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

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

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

Note 12: RISK MANAGEMENT (CONT'D)

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report that can be obtained from:

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

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of several deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

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

Note 14: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2023, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$211,674.12 and \$20,303.59, respectively.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2023 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 3,070,933.59	\$ 46,349.44
Special Revenue		851,820.70
Capital Projects		2,141,111.45
Proprietary	46,586.44	78,238.44
	<u>\$ 3,117,520.03</u>	<u>\$ 3,117,520.03</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2024, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 16: CONTINGENCIES

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

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

Note 17: CONCENTRATIONS

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

Note 18: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2023 that are to continue into the subsequent fiscal years. These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
STEM Expansion	5/3/2022	\$ 159,166.29
STEM Expansion	6/9/2023	108,900.28
		<u>\$ 268,066.57</u>

Note 19: DEFICIT FUND BALANCES

The School District has a deficit unassigned fund balance of \$419,294.13 in the general fund as of June 30, 2023 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 budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general unassigned fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments 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. The School District deficit in the GAAP funds statements of \$419,294.13 is less than the June state aid payments.

Note 20: FUND BALANCES**RESTRICTED**

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

General Fund

For Capital Reserve Account - As of June 30, 2023, the balance in the capital reserve account is \$3,827,705.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2023, the balance in the maintenance reserve account is \$1,566,657.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$1,910,826.09. Additionally, \$1,201,174.00 of excess fund balance generated during 2021-2022 has been restricted and designated for utilization in the 2023-2024 budget.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 12). As a result, there exists at June 30, 2023 a restricted fund balance from employer contributions in the amount of \$262,686.89 for future unemployment claims.

Note 20: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****Special Revenue Fund**

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2023 is \$181,657.54.

Capital Projects Fund

The State of New Jersey Department of Education formally approved project #0995-030-18-1000 for the Cumberland County Board of Vocational Education project known as the Cumberland County Technical Education Center Addition and has qualified the project for State of NJ Debt Service support of approximately 71.52% of the cost as allowed by N.J.S.A. 18A:7G-9. On January 16, 2019, The Cumberland County Improvement Authority issued \$21,035,000.00 of county general obligation revenue bonds which were loaned to the County of Cumberland for the benefit of the School District to pay the costs for the project. On March 17, 2020 the Board of School Estimate approved the funding for the project. In addition, approval was granted for Cumberland County Board of Vocational Education to supplement the project with funds from the board of education's approved Capital Reserve Account in the amount of \$939,700.00 for security and technology infrastructures. Additionally, the State of New Jersey Department of Education formally approved project #0995-030-21-1000 for the Cumberland County Board of Vocational Education project known as the Cumberland County Technical Education Center CTE STEM Expansion and on December 13, 2021, the District was awarded a \$2,250,000.00 grant through the State of New Jersey Securing Our Children's Future Bond Act to pay the costs for the project. The remaining \$750,000.00 will be funded through the District's Capital Reserve funds. As of June 30, 2023, the restricted fund balance amount was \$26,120.97.

ASSIGNED

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

General Fund

Other Purposes - As of June 30, 2023, the School District had \$496,900.46 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2023, the fund balance of the general fund was a deficit of \$419,294.13 thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 19, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$419,294.13 is less than the last state aid payment.

Note 21: SUBSEQUENT EVENTS

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2024.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 General Fund
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
REVENUES:					
Local Sources:					
County Appropriations	\$ 2,744,000.00	\$ -	\$ 2,744,000.00	\$ 2,744,000.00	\$ -
Tuition	2,469,910.00		2,469,910.00	2,313,895.97	(156,014.03)
Interest Earned on Capital Reserve Funds	7,000.00		7,000.00	28,620.53	21,620.53
Interest Earned on Maintenance Reserve Funds	3,000.00		3,000.00	14,068.47	11,068.47
Interest on Investment				58,857.25	58,857.25
Other Revenue Local				50,000.00	50,000.00
Other Restricted Miscellaneous Revenues	81,100.00		81,100.00	2,466.54	(78,633.46)
Unrestricted Miscellaneous Revenues	45,822.00		45,822.00	114,713.78	68,891.78
Total - Local Sources	5,350,832.00	-	5,350,832.00	5,326,622.54	(24,209.46)
State Sources:					
Categorical Special Education Aid	479,308.00		479,308.00	479,308.00	
Equalization Aid	16,101,543.00		16,101,543.00	16,101,543.00	
Security Aid	160,459.00		160,459.00	160,459.00	
On-behalf TPAF Pension Contributions (non-budgeted)				2,605,719.00	2,605,719.00
On-behalf TPAF Non-Contributory Group Insurance (non-budgeted)				36,151.00	36,151.00
On-behalf TPAF Post-Retirement Medical Contributions (non-budgeted)				694,013.00	694,013.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				1,734.00	1,734.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				636,549.03	636,549.03
Total - State Sources	16,741,310.00	-	16,741,310.00	20,715,476.03	3,974,166.03
Total Revenues	22,092,142.00	-	22,092,142.00	26,042,098.57	3,949,956.57

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Grades 9-12 - Instruction:					
Salaries of Teachers	\$ 4,288,533.00	\$ (44,213.00)	\$ 4,244,320.00	\$ 4,171,634.11	\$ 72,685.89
Purchased Professional-Educational Services	76,500.00	39,000.00	115,500.00	110,670.62	4,829.38
Other Purchased services (400-500 Series)	951,459.10	(209,500.00)	741,959.10	405,714.25	336,244.85
General Supplies	387,046.09	(50.00)	386,996.09	335,878.19	51,117.90
Textbooks	153,053.19		153,053.19	94,823.99	58,229.20
Other Objects	500.00		500.00	50.00	450.00
Home Instruction:					
Salaries of Teachers	15,000.00	14,413.00	29,413.00	29,412.50	0.50
Other Purchased Services (400-500 Series)	19,805.00		19,805.00	2,130.30	17,674.70
General Supplies	250.00		250.00		250.00
Textbooks	250.00		250.00		250.00
Total Regular Programs - Instruction	<u>5,892,396.38</u>	<u>(200,350.00)</u>	<u>5,692,046.38</u>	<u>5,150,313.96</u>	<u>541,732.42</u>
Vocational Programs:					
Regular Vocational Programs - Instruction:					
Salaries of Teachers	1,773,728.00	(16,900.00)	1,756,828.00	1,722,198.69	34,629.31
Purchased Professional Service - Educational Services	31,000.00	25,000.00	56,000.00	51,926.88	4,073.12
Other Purchased Services (400-500 Series)	141,358.51		141,358.51	78,317.67	63,040.84
General Supplies	775,546.23		775,546.23	763,638.44	11,907.79
Textbooks	21,720.00		21,720.00	11,149.34	10,570.66
Other Objects	2,500.00		2,500.00		2,500.00
Total Regular Vocational Programs - Instruction	<u>2,745,852.74</u>	<u>8,100.00</u>	<u>2,753,952.74</u>	<u>2,627,231.02</u>	<u>126,721.72</u>

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Vocational Programs (Cont'd):					
Special Vocational Programs - Instruction:					
Salaries	\$ 455,093.00	\$ (156.80)	\$ 454,936.20	\$ 449,908.00	\$ 5,028.20
Other Salaries for Instruction	91,288.00	406.80	91,694.80	91,694.80	
Purchased Professional-Educational Services	17,200.00		17,200.00	12,155.00	5,045.00
Other Purchased Services (400-500 Series)	22,930.00	(2,900.00)	20,030.00	16,013.00	4,017.00
General Supplies	13,950.00	2,900.00	16,850.00	16,830.63	19.37
Textbooks	1,350.00	(250.00)	1,100.00	205.99	894.01
Total Special Vocational Programs- Instruction	601,811.00	0.00	601,811.00	586,807.42	15,003.58
Total Vocational Programs	3,347,663.74	8,100.00	3,355,763.74	3,214,038.44	141,725.30
School Sponsored Cocurricular Activities - Instruction:					
Salaries	47,550.00		47,550.00	44,383.18	3,166.82
Purchased Services (300-500 series)	122,968.00	2,900.00	125,868.00	117,865.26	8,002.74
Supplies and Materials	20,905.00		20,905.00	10,003.77	10,901.23
Other Objects	500.00	9,100.00	9,600.00	3,182.50	6,417.50
Total School Sponsored Cocurricular Activities - Instruction	191,923.00	12,000.00	203,923.00	175,434.71	28,488.29
School Sponsored Athletics - Instruction:					
Salaries	2,500.00		2,500.00	2,500.00	
Purchased Services (300-500 series)	3,500.00		3,500.00	3,000.00	500.00
Supplies and Materials	2,128.48		2,128.48	1,832.10	296.38
Other Objects	100,000.00		100,000.00	100,000.00	
Total School Sponsored Athletics - Instruction	108,128.48	-	108,128.48	107,332.10	796.38
Total Instruction	9,540,111.60	(180,250.00)	9,359,861.60	8,647,119.21	712,742.39
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	45,445.00	1,316.84	46,761.84	26,528.85	20,232.99
Purchased Professional and Technical Services	6,500.00	(3,700.00)	2,800.00	1,159.50	1,640.50
Other Purchased Services (400-500 Series)	20,300.00		20,300.00	17,654.50	2,645.50
Supplies and Materials	8,500.00	2,500.00	11,000.00	10,769.35	230.65
Other Objects	800.00	(116.84)	683.16	683.16	
Total Undist. Expend. - Attendance and Social Work Services	81,545.00	(0.00)	81,545.00	56,112.20	25,432.80

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Health Services:					
Salaries	\$ 360,049.00	\$ 3,500.00	\$ 363,549.00	\$ 337,799.85	\$ 25,749.15
Purchased Professional and Technical Services	13,860.00		13,860.00	255.00	13,605.00
Other Purchased Services	25,509.40	(3,500.00)	22,009.40	18,892.24	3,117.16
Supplies and Materials	19,077.75		19,077.75	8,597.32	10,480.43
Other Objects	1,000.00		1,000.00	594.00	406.00
	<u>419,496.15</u>	<u>-</u>	<u>419,496.15</u>	<u>366,138.41</u>	<u>53,357.74</u>
Total Undistributed Expenditures - Health Services					
Undistributed Expenditures -					
Speech, OT, PT and Related Services					
Purchased Professional - Educational Services	90,000.00	2,500.00	92,500.00	27,698.56	64,801.44
Supplies and Materials	300.00		300.00		300.00
	<u>90,300.00</u>	<u>2,500.00</u>	<u>92,800.00</u>	<u>27,698.56</u>	<u>65,101.44</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Related Services					
Undistributed Expenditures - Other Support Services -					
Students - Regular:					
Salaries of Other Professional Staff	787,766.00	(85,166.92)	702,599.08	693,386.42	9,212.66
Salaries of Secretarial and Clerical Assistants	46,445.00	206.92	46,651.92	43,447.07	3,204.85
Unused Vacation Payment to Terminated/Retired Staff		5,417.17	5,417.17	5,417.17	
Other Purchased Services (400-500 Series)	12,200.00		12,200.00	5,005.83	7,194.17
Supplies and Materials	12,000.00	(90.00)	11,910.00	7,105.74	4,804.26
Other Objects	2,000.00		2,000.00	250.00	1,750.00
	<u>860,411.00</u>	<u>(79,632.83)</u>	<u>780,778.17</u>	<u>754,612.23</u>	<u>26,165.94</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Regular					
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	176,778.00	250.00	177,028.00	176,817.38	210.62
Purchased Professional - Educational Services	15,750.00	(250.00)	15,500.00		15,500.00
Other Purchased Services (400-500 series)	17,675.00		17,675.00	15,261.74	2,413.26
Supplies and Materials	2,420.00		2,420.00	430.00	1,990.00
Other Objects	800.00		800.00	680.00	120.00
	<u>213,423.00</u>	<u>-</u>	<u>213,423.00</u>	<u>193,189.12</u>	<u>20,233.88</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Special					

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	\$ -	\$ 271,200.00	\$ 271,200.00	\$ 105,469.23	\$ 165,730.77
Other Salaries	41,250.00		41,250.00	24,891.25	16,358.75
Other Purchased Services (400-500 series)	1,800.00	950.00	2,750.00	2,724.00	26.00
Supplies and Materials		1,000.00	1,000.00	94.45	905.55
Other Objects		2,500.00	2,500.00	1,880.00	620.00
Total Undistributed Expenditures - Improvement of Instruction Services	43,050.00	275,650.00	318,700.00	135,058.93	183,641.07
Undistributed Expenditures - Educational Media Services / School Library:					
Other Purchased Services (400-500 series)	1,500.00		1,500.00	50.00	1,450.00
Supplies and Materials	17,500.00	(12,000.00)	5,500.00		5,500.00
Other Objects	1,250.00		1,250.00		1,250.00
Total Undistributed Expenditures - Educational Media Services / School Library	20,250.00	(12,000.00)	8,250.00	50.00	8,200.00
Undistributed Expenditures - Instructional Staff Training Services:					
Other Salaries	6,567.00		6,567.00	5,750.00	817.00
Other Purchased Services (400-500 series)	12,250.00	1,015.60	13,265.60	13,070.34	195.26
Supplies and Materials	1,000.00	(515.60)	484.40	138.56	345.84
Total Undistributed Expenditures - Instructional Staff Training Services	19,817.00	500.00	20,317.00	18,958.90	1,358.10
Undistributed Expenditures - Support Services - General Administration:					
Salaries	411,756.00	2,000.00	413,756.00	412,819.22	936.78
Salaries of Attorneys	36,400.00		36,400.00	35,899.84	500.16
Legal Services	52,318.00	52,119.00	104,437.00	104,436.54	0.46
Audit Fees	36,500.00		36,500.00	36,500.00	
Architectural/Engineering Service	88,913.60	(5,000.00)	83,913.60	37,520.10	46,393.50
Other Purchased Professional Services	14,835.00	(2,000.00)	12,835.00	4,735.00	8,100.00
Purchased Technical Service	6,000.00		6,000.00	3,287.86	2,712.14
Communications / Telephone	59,071.42	(10,000.00)	49,071.42	34,951.75	14,119.67
BOE Other Purchased Services	6,000.00		6,000.00	200.00	5,800.00
Other Purchased Services (400-500 series)	119,641.32	(37,119.00)	82,522.32	66,582.80	15,939.52
General Supplies	9,296.98		9,296.98	3,620.41	5,676.57
BOE In-House Training/Meeting Supplies	1,500.00		1,500.00	1,384.70	115.30
Miscellaneous Expenditures	6,395.00		6,395.00	4,154.50	2,240.50
BOE Membership Dues and Fees	22,140.00		22,140.00	19,224.25	2,915.75
Total Undistributed Expenditures - Support Services - General Administration	870,767.32	-	870,767.32	765,316.97	105,450.35

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	\$ 553,837.00	\$ (35,000.00)	\$ 518,837.00	\$ 497,835.60	\$ 21,001.40
Salaries of Secretarial and Clerical Assistants	156,097.00		156,097.00	144,359.64	11,737.36
Unused Vacation Payment to Terminated/Retired Staff - Normal Retirements		1,435.66	1,435.66	1,435.66	
Other Purchased Services (400-500 series)	100,378.04	(500.00)	99,878.04	57,681.33	42,196.71
Supplies and Materials	39,152.93		39,152.93	33,348.56	5,804.37
Other Objects	16,000.00		16,000.00	12,242.70	3,757.30
Total Undistributed Expenditures - Support Services - School Administration	865,464.97	(34,064.34)	831,400.63	746,903.49	84,497.14
Undistributed Expenditures - Central Services:					
Salaries	413,778.00	1,100.00	414,878.00	414,472.15	405.85
Purchased Professional Service	9,350.00		9,350.00	4,619.50	4,730.50
Purchased Technical Service	42,850.00	(6,100.00)	36,750.00	30,193.15	6,556.85
Miscellaneous Purchased Services	11,010.30		11,010.30	8,402.65	2,607.65
Supplies and Materials	7,710.00	5,000.00	12,710.00	12,241.00	469.00
Miscellaneous Expenditures	3,100.00		3,100.00	2,244.00	856.00
Total Undistributed Expenditures - Central Services	487,798.30	-	487,798.30	472,172.45	15,625.85
Undistributed Expenditures - Administration Information Technology:					
Salaries	118,304.00		118,304.00	115,601.04	2,702.96
Purchased Technical Services	160,200.00	17,000.00	177,200.00	176,927.31	272.69
Other Purchased Services	128,132.00		128,132.00	121,562.08	6,569.92
Supplies and Materials	39,930.00	(17,000.00)	22,930.00	13,923.85	9,006.15
Other Objects	1,500.00		1,500.00	1,500.00	1,500.00
Total Undistributed Expenditures - Administration Information Technology	448,066.00	-	448,066.00	428,014.28	20,051.72
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	318,853.00		318,853.00	314,034.39	4,818.61
Cleaning, Repair and Maintenance Services	299,760.43		299,760.43	276,201.45	23,558.98
General Supplies	55,000.00		55,000.00	8,687.16	46,312.84
Other Objects	4,000.00		4,000.00	325.00	3,675.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	677,613.43	-	677,613.43	599,248.00	78,365.43

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 748,672.00	\$ (46,900.00)	\$ 701,772.00	\$ 603,820.94	\$ 97,951.06
Unused Vacation Payment to Terminated/Retired Staff - Normal Retirements		337.50	337.50	337.50	
Purchased Professional and Technical Services	17,200.00		17,200.00	6,154.00	11,046.00
Cleaning, Repair and Maintenance Services	149,695.85	20,000.00	169,695.85	155,428.12	14,267.73
Rentals	129,588.00	89.46	129,677.46	129,677.46	
Other Purchased Property Services	72,573.00	(89.46)	72,483.54	69,375.35	3,108.19
Insurance	118,500.00		118,500.00	109,506.38	8,993.62
Miscellaneous Purchased Services	9,910.00		9,910.00	5,883.83	4,026.17
General Supplies	311,051.30	(20,000.00)	291,051.30	229,871.85	61,179.45
Energy (Electricity)	641,014.27	(64,000.00)	577,014.27	519,403.00	57,611.27
Energy (Natural Gas)	207,500.00	120,860.00	328,360.00	204,092.44	124,267.56
Total Undistributed Expenditures - Custodial Service	2,405,704.42	10,297.50	2,416,001.92	2,033,550.87	382,451.05
Undistributed Expenditures - Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	2,500.00		2,500.00		2,500.00
Cleaning Repair and Maintenance	92,000.00	9,640.00	101,640.00	101,634.78	5.22
General Supplies	4,000.00	5,150.00	9,150.00	9,040.82	109.18
Other Objects	1,000.00	(150.00)	850.00		850.00
Total Undistributed Expenditures - Care and Upkeep of Grounds	99,500.00	14,640.00	114,140.00	110,675.60	3,464.40
Undistributed Expenditures - Security:					
Salaries	435,254.00	(19,500.00)	415,754.00	315,535.25	100,218.75
Purchased Professional and Technical Services	3,300.00		3,300.00	930.13	2,369.87
Cleaning Repair and Maintenance	165,897.36	33,500.00	199,397.36	186,225.95	13,171.41
General Supplies	23,298.71	3,000.00	26,298.71	17,666.67	8,632.04
Other Objects	10,430.82	2,000.00	12,430.82	10,616.91	1,813.91
Total Undistributed Expenditures - Security	638,180.89	19,000.00	657,180.89	530,974.91	126,205.98
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Other than Bet. Home & School)	45,000.00		45,000.00	25,602.79	19,397.21
Cleaning, Repair, & Maintenance Services	19,055.58		19,055.58	18,553.68	501.90
Contracted Services Other (Between Home and School) - Vendors	289,659.00	(3,700.00)	285,959.00	118,691.00	167,268.00
Miscellaneous Purchased Services - Transportation	40,500.00	(6,200.00)	34,300.00	26,598.07	7,701.93
General Supplies	5,800.00	21,700.00	27,500.00	27,392.59	107.41
Miscellaneous Expenditures	1,000.00	200.00	1,200.00	1,145.00	55.00
Total Undistributed Expenditures - Student Transportation Services	401,014.58	12,000.00	413,014.58	217,983.13	195,031.45

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Support Services - General Administration:					
Other Retirement Contributions - PERS	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 5,000.00	\$ -
Total Support Services - General Administration	5,000.00	-	5,000.00	5,000.00	-
Support Services - School Administration:					
Unused Sick Payment to Terminated/Retired Staff	-	1,435.66	1,435.66	1,435.66	-
Total Support Services - School Administration	-	1,435.66	1,435.66	1,435.66	-
Support Services - Central Services:					
Other Retirement Contributions - PERS	2,500.00		2,500.00	2,500.00	
Tuition Reimbursement	3,000.00		3,000.00		3,000.00
Total Support Services - Central Services	5,500.00	-	5,500.00	2,500.00	3,000.00
Total Allocated Benefits	10,500.00	1,435.66	11,935.66	8,935.66	3,000.00
Unallocated Benefits:					
Social Security Contributions	293,811.00		293,811.00	214,972.65	78,838.35
Other Retirement Contributions - PERS	376,274.00	(7,190.33)	369,083.67	298,115.00	70,968.67
Other Retirement Contributions - Regular	657.00		657.00	368.11	288.89
Unemployment Compensation	45,000.00		45,000.00		45,000.00
Workmen's Compensation	145,500.00		145,500.00	117,562.15	27,937.85
Health Benefits	3,122,084.00	(21,500.00)	3,100,584.00	2,335,376.64	765,207.36
Tuition Reimbursement	40,000.00		40,000.00	12,850.00	27,150.00
Other Employee Benefits	174,633.00		174,633.00	160,954.04	13,678.96
Unused Sick Payment to Terminated/Retired Staff	88,500.00	(1,435.66)	87,064.34		87,064.34
Total Unallocated Benefits	4,286,459.00	(30,125.99)	4,256,333.01	3,140,198.59	1,116,134.42
On-behalf Contributions (non-budgeted):					
On-behalf TPAF Pension Contributions (non-budgeted)				2,605,719.00	(2,605,719.00)
On-behalf TPAF Non-Contributory Group Insurance (non-budgeted)				36,151.00	(36,151.00)
On-behalf TPAF Post-Retirement Medical Contributions (non-budgeted)				694,013.00	(694,013.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				1,734.00	(1,734.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				636,549.03	(636,549.03)
Total On-behalf Contributions	-	-	-	3,974,166.03	(3,974,166.03)
Total Undistributed Expenditures	12,939,361.06	180,200.00	13,119,561.06	14,579,958.33	(1,460,397.27)

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Interest Earned on Maintenance Reserve	\$ 3,000.00	\$ -	\$ 3,000.00	\$ -	\$ 3,000.00
Total Current Expense	22,482,472.66	(50.00)	22,482,422.66	23,227,077.54	(744,654.88)
Capital Outlay:					
Interest Deposit to Capital Reserve	7,000.00		7,000.00		7,000.00
Equipment:					
Grades 9-12	76,305.26	14,196.00	90,501.26	90,501.26	
Vocational Programs-Regular Programs	386,546.64	244,459.66	631,006.30	375,070.48	255,935.82
Undistributed Expenditures - Central Services		10,799.67	10,799.67	10,799.67	
Undistributed Expenditures - Admin Info. Tech	42,200.00	40,710.21	82,910.21	80,891.46	2,018.75
Undistributed Expenditures -Custodial Equipment	83,531.40	(11,666.54)	71,864.86	48,022.60	23,842.26
Undistributed Expenditures -Upkeep of Grounds Equipment	1,286,121.46	(481,487.22)	804,634.24	804,634.24	
Undistributed Expenditures -Security Equipment	50,484.92	6,343.09	56,828.01	484.92	56,343.09
School Buses-Regular		139,964.60	139,964.60	139,964.60	
Undistributed Expenditures - Non Instructional Services		36,680.53	36,680.53	36,680.53	
Total Equipment	1,925,189.68	-	1,925,189.68	1,587,049.76	338,139.92
Facilities Acquisition and Constructing Services:					
Buildings	22,517.54		22,517.54	22,517.54	
Assessment for Debt Service on SDA Funding	19,288.00		19,288.00	19,288.00	
Total Facilities Acquisition and Constructing Services	41,805.54	-	41,805.54	41,805.54	-
Total Capital Outlay	1,973,995.22	-	1,973,995.22	1,628,855.30	345,139.92
Summer School - Instruction:					
Other Purchased Services (400-500 Series)	-	50.00	50.00	47.65	2.35
Total Summer School - Instruction	-	50.00	50.00	47.65	2.35
Total Expenditures	24,456,467.88	-	24,456,467.88	24,855,980.49	(399,512.61)

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 General Fund
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,364,325.88)	\$ -	\$ (2,364,325.88)	\$ 1,186,118.08	\$ 3,550,443.96
Fund Balance -- July 1	<u>9,332,740.03</u>		<u>9,332,740.03</u>	<u>9,332,740.03</u>	
Fund Balance -- June 30	<u>\$ 6,968,414.15</u>	<u>\$ -</u>	<u>\$ 6,968,414.15</u>	<u>\$ 10,518,858.11</u>	<u>\$ 3,550,443.96</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 3,827,705.00	
Maintenance Reserve				1,566,657.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,201,174.00	
Excess Surplus - Current Year				1,910,826.09	
Assigned Fund Balance:					
Year-End Encumbrances				496,900.46	
Unemployment Compensation				262,686.69	
Unassigned Fund Balance				<u>1,252,908.87</u>	
				10,518,858.11	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>1,672,203.00</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 8,846,655.11</u>	

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Special Revenue Fund
Required Supplementary Information - Part II
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 9,049.00	\$ 175,683.98	\$ 184,732.98	\$ 184,732.98	\$ -
Total - Local Sources	9,049.00	175,683.98	184,732.98	184,732.98	-
State Sources:					
SDA Emergent Needs	47,703.00		47,703.00	47,703.00	
Perkins Vocational Post-Secondary	82,045.00		82,045.00	82,045.00	
Total - State Sources	129,748.00	-	129,748.00	129,748.00	-
Federal Sources:					
Title I, Part A	447,479.00		447,479.00	439,322.85	(8,156.15)
Title II, Part A	44,585.00		44,585.00	44,585.00	
Title III	790.00		790.00	790.00	
Title IV	43,126.00		43,126.00	43,126.00	
Title V RLIS	37,626.04		37,626.04	25,132.41	(12,493.63)
I.D.E.A., Part B, Basic	289,245.00		289,245.00	268,309.00	(20,936.00)
I.D.E.A., Part B, ARP	5,314.72		5,314.72	5,314.72	
Perkins Vocational Secondary	104,823.00		104,823.00	104,823.00	
Perkins Vocational Secondary - Reserve	34,204.00		34,204.00	34,204.00	
Education Stabilization Fund:					
Cares Act - ESSER I	372.58		372.58	372.58	
CRRSA - ESSER II	805,327.58		805,327.58	805,327.58	
CRRSA - Mental Health	14,757.70		14,757.70	14,150.20	(607.50)
ARP ESSER	1,357,632.14		1,357,632.14	502,938.22	(854,693.92)
ARP ESSER - Accelerated Learning Coach and Educator Support	126,484.46		126,484.46	86,378.68	(40,105.78)
ARP ESSER - Evidence Based Summer Learning and Enrichment	40,000.00		40,000.00	1,594.84	(38,405.16)
ARP ESSER - Evidence Based Comprehensive Beyond the School Day	26,133.53		26,133.53	26,133.53	
ARP ESSER - NJTSS Mental Health Support Staffing	45,000.00		45,000.00		(45,000.00)
Total - Federal Sources	3,422,900.75	-	3,422,900.75	2,402,502.61	(1,020,398.14)
Total Revenues	3,561,697.75	175,683.98	3,737,381.73	2,716,983.59	(1,020,398.14)

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Special Revenue Fund
Required Supplementary Information - Part II
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 880,889.41	\$ (44,968.34)	\$ 835,921.07	\$ 547,900.01	\$ 288,021.06
Other Salaries for Instruction	36,334.00	(1,250.08)	35,083.92	35,083.92	
Purchased Professional and Technical Services	70,728.00	(37,780.04)	32,947.96	22,947.96	10,000.00
Purchased Professional - Educational Services	43,300.72	11,520.10	54,820.82	54,820.82	
Other Purchased Services (400-500 series)	105,807.70	18,031.80	123,839.50	107,253.71	16,585.79
Supplies and Materials	18,785.60	(5,489.00)	13,296.60	13,063.50	233.10
General Supplies	294,899.57	(112,320.12)	182,579.45	116,091.28	66,488.17
Other Objects	53,633.53	2,879.00	56,512.53	15,512.53	41,000.00
Miscellaneous Expenditures	6,473.00	1,718.64	8,191.64	8,191.64	
Total Instruction	1,510,851.53	(167,658.04)	1,343,193.49	920,865.37	422,328.12
Support Services:					
Personal Services - Salaries	346,594.47	47,544.86	394,139.33	330,146.83	63,992.50
Salaries of Other Professional Staff	31,315.00	880.73	32,195.73	32,195.73	
Salaries of Secretarial and Clerical Assistants	47,062.00	828.80	47,890.80	47,890.80	
Personal Services - Employee Benefits	714,071.44	23,188.96	737,260.40	529,405.30	207,855.10
Purchased Professional and Technical Services	43,300.00	(550.00)	42,750.00	32,040.55	10,709.45
Purchased Professional - Educational Services	65,000.00	(423.78)	64,576.22	63,640.22	936.00
Purchased Property Services	227,764.00	24,232.53	251,996.53	47,162.00	204,834.53
Other Purchased Services (400-500 series)	173,101.98	(46,512.96)	126,589.02	32,926.55	93,662.47
Travel	7,305.00	(2,300.00)	5,005.00	5,005.00	
Supplies and Materials	-	372.58	372.58	372.58	
General Supplies	89,519.33	(89,519.33)			
Other Objects	45,011.00	(28,931.03)	16,079.97		16,079.97
Student Activities	-	175,683.98	175,683.98	159,255.48	16,428.50
Total Support Services	1,790,044.22	104,495.34	1,894,539.56	1,280,041.04	614,498.52
Facilities Acquisition and Construction Services:					
Buildings		289,656.22	289,656.22	289,656.22	
Equipment	47,703.00		47,703.00	47,703.00	
Instructional Equipment	213,099.00	(50,809.54)	162,289.46	162,289.46	
Total Facilities Acquisition and Construction Services	260,802.00	238,846.68	499,648.68	499,648.68	-
Total Expenditures	3,561,697.75	175,683.98	3,737,381.73	2,700,555.09	1,036,826.64
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	16,428.50	\$ 16,428.50
Fund Balance, July 1				165,229.04	
Fund Balance, June 30				<u>\$ 181,657.54</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 181,657.54	
Total Fund Balance				<u>\$ 181,657.54</u>	

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 26,042,098.57	\$ 2,716,983.59
Differences - 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		(287,971.75)
Prior Year		174,483.88
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2022.	1,200,215.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2023.	<u>(1,672,203.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 25,570,110.57</u>	<u>\$ 2,603,495.72</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-series)	\$ 24,855,980.49	\$ 2,700,555.09
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(287,971.75)
Prior Year		174,483.88
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 24,855,980.49</u>	<u>\$ 2,587,067.22</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	<u>Measurement Date Ending June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's Proportion of the Net Pension Liability	0.0236402575%	0.0197980350%	0.0177177273%	0.0164110320%	0.0172422821%
School District's Proportionate Share of the Net Pension Liability	\$ 3,567,640.00	\$ 2,345,374.00	\$ 2,889,298.00	\$ 2,957,019.00	\$ 3,394,919.00
School District's Covered Payroll	\$ 1,520,224.00	\$ 1,447,940.00	\$ 1,322,052.00	\$ 1,191,928.00	\$ 1,221,112.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	234.68%	161.98%	218.55%	248.09%	278.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<u>Measurement Date Ending June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0183003286%	0.0302375415%	0.0191188693%	0.0185487233%	0.0204281583%
School District's Proportionate Share of the Net Pension Liability	\$ 4,260,024.00	\$ 5,674,686.00	\$ 4,291,803.00	\$ 3,472,828.00	\$ 3,904,227.00
School District's Covered Payroll	\$ 1,314,940.00	\$ 1,350,004.00	\$ 1,344,664.00	\$ 1,301,320.00	\$ 1,438,460.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	323.97%	420.35%	319.17%	266.87%	271.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Required Supplementary Information - Part III
Schedule of the School District's Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years

	<u>Fiscal Year Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 371,790.00	\$ 298,115.00	\$ 231,858.00	\$ 193,823.00	\$ 159,631.00
Contributions in Relation to the Contractually Required Contribution	<u>(371,790.00)</u>	<u>(298,115.00)</u>	<u>(231,858.00)</u>	<u>(193,823.00)</u>	<u>(159,631.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 2,046,391.00	\$ 1,926,382.00	\$ 1,458,670.00	\$ 1,393,458.00	\$ 1,307,542.00
Contributions as a Percentage of School District's Covered Payroll	18.17%	15.48%	15.90%	13.91%	12.21%

	<u>Fiscal Year Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 171,505.00	\$ 169,533.00	\$ 268,626.00	\$ 164,371.00	\$ 152,913.00
Contributions in Relation to the Contractually Required Contribution	<u>(171,505.00)</u>	<u>(169,533.00)</u>	<u>(268,626.00)</u>	<u>(164,371.00)</u>	<u>(152,913.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 1,195,910.00	\$ 1,230,908.00	\$ 1,346,813.00	\$ 1,309,954.00	\$ 1,329,956.00
Contributions as a Percentage of School District's Covered Payroll	14.34%	13.77%	19.95%	12.55%	11.50%

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

	Measurement Date Ending June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>30,502,539.00</u>	<u>26,684,167.00</u>	<u>28,447,526.00</u>	<u>23,318,586.00</u>	<u>19,407,724.00</u>
	<u><u>\$ 30,502,539.00</u></u>	<u><u>\$ 26,684,167.00</u></u>	<u><u>\$ 28,447,526.00</u></u>	<u><u>\$ 23,318,586.00</u></u>	<u><u>\$ 19,407,724.00</u></u>
School District's Covered Payroll	\$ 7,997,804.00	\$ 7,747,140.00	\$ 6,858,096.00	\$ 5,372,800.00	\$ 4,570,048.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	381.39%	344.44%	414.80%	434.01%	424.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%
	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>19,457,456.00</u>	<u>23,106,586.00</u>	<u>18,062,268.00</u>	<u>14,193,837.00</u>	<u>14,701,809.00</u>
	<u><u>\$ 19,457,456.00</u></u>	<u><u>\$ 23,106,586.00</u></u>	<u><u>\$ 18,062,268.00</u></u>	<u><u>\$ 14,193,837.00</u></u>	<u><u>\$ 14,701,809.00</u></u>
School District's Covered Payroll	\$ 3,561,312.00	\$ 3,444,324.00	\$ 3,168,512.00	\$ 3,100,296.00	\$ 2,746,568.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	546.36%	670.86%	570.06%	457.82%	535.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

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

This schedule is not applicable.

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

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Required Supplementary Information - Part III
 Notes to Required Supplementary Information - Part III
 For the Fiscal Year Ended June 30, 2023

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	4.25%
2021	7.00%	2016	3.22%
2020	5.40%	2015	4.13%
2019	5.60%	2014	4.68%
2018	4.86%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%
2018	5.66%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

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

	Measurement Date Ending June 30, <u>2022</u>	Measurement Date Ending June 30, <u>2021</u>	Measurement Date Ending June 30, <u>2020</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District			
Changes for the Year:			
Service Cost	\$ 1,719,122.00	\$ 1,805,440.00	\$ 768,803.00
Interest Cost	646,558.00	711,423.00	594,164.00
Changes in Benefit Terms		(29,190.00)	
Difference Between Expected and Actual Experience	1,771,856.00	(4,628,729.00)	7,271,885.00
Changes in Assumptions	(6,544,824.00)	27,056.00	5,494,729.00
Gross Benefit Payments	20,545.00	18,188.00	15,873.00
Member Contributions	(640,435.00)	(560,402.00)	(523,682.00)
Net Change in Total Non-Employer OPEB Liability	(3,027,178.00)	(2,656,214.00)	13,621,772.00
Total Non-Employer OPEB Liability - July 1	<u>27,424,589.00</u>	<u>30,080,803.00</u>	<u>16,459,031.00</u>
Total Non-Employer OPEB Liability - June 30	<u>\$ 24,397,411.00</u>	<u>\$ 27,424,589.00</u>	<u>\$ 30,080,803.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 9,801,250.00</u>	<u>\$ 8,347,839.00</u>	<u>\$ 7,967,918.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	248.92%	328.52%	377.52%

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

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Required Supplementary Information - Part IV
 Notes to Required Supplementary Information - Part IV
 For the Fiscal Year Ended June 30, 2023

Changes in Benefit Terms:

None.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included update in trend and experience study.

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Every Student Succeeds Act (E.S.S.A.)						I.D.E.A. Part B, Basic	Perkins Vocational Sec - Reserve	Perkins Vocational Secondary	Perkins Vocational Post-Secondary	NJSBAIG Safety Grant	Total Brought Forward
	Total	Title I - Part A	Title II - Part A	Title III	Title IV	Title V						
REVENUES:												
Federal Sources	\$ 2,402,502.61	\$ 439,322.85	\$ 44,585.00	\$ 790.00	\$ 43,126.00	\$ 25,132.41	\$ 268,309.00	\$ 34,204.00	\$ 104,823.00			\$ 1,442,210.35
State Sources	129,748.00									\$ 82,045.00		47,703.00
Local Sources	184,732.98										\$ 9,049.00	175,683.98
Total Revenues	2,716,983.59	439,322.85	44,585.00	790.00	43,126.00	25,132.41	268,309.00	34,204.00	104,823.00	82,045.00	9,049.00	1,665,597.33
EXPENDITURES:												
Instruction:												
Salaries of Teachers	547,900.01	198,321.94	29,153.86			21,025.00						299,399.21
Other Salaries for Instruction	35,083.92						35,083.92					-
Purchased Professional and Technical Services	22,947.96								22,947.96			-
Purchased Professional - Educational Services	54,820.82						54,820.82					-
Other Purchased Services (400-500 series)	107,253.71	6,610.00			7,720.00		14,138.00					78,785.71
Supplies and Materials	13,063.50	5,166.76				99.00				7,527.24		270.50
General Supplies	116,091.28				14,439.31		27,020.47		13,642.32			60,989.18
Other Objects	15,512.53				2,000.00							13,512.53
Miscellaneous Expenditures	8,191.64						6,111.64					2,080.00
Total Instruction	920,865.37	210,098.70	29,153.86	-	24,159.31	21,124.00	137,174.85	-	36,590.28	7,527.24	-	455,037.13
Support Services:												
Personal Services - Salaries	330,146.83			734.00	17,140.46							312,272.37
Salaries of Other Professional Staff	32,195.73	32,195.73										-
Salaries of Secretarial and Clerical Assistants	47,890.80						47,890.80					-
Personal Services - Employee Benefits	529,405.30	197,028.42	15,431.14	56.00	1,311.23	1,608.41	17,224.82					296,745.28
Purchased Professional and Technical Services	32,040.55								2,650.00	100.00		29,290.55
Purchased Professional - Educational Services	63,640.22						61,786.00					1,854.22
Purchased Property Services	47,162.00											47,162.00
Other Purchased Services (400-500 series)	32,926.55				515.00	2,400.00	4,232.53		11,915.02		9,049.00	4,815.00
Travel	5,005.00											5,005.00
Supplies and Materials	372.58											372.58
Student Activities	159,255.48											159,255.48
Total Support Services	1,280,041.04	229,224.15	15,431.14	790.00	18,966.69	4,008.41	131,134.15	-	14,565.02	100.00	9,049.00	856,772.48
Facilities Acquisition and Construction Services:												
Buildings	289,656.22											289,656.22
Equipment	47,703.00											47,703.00
Instructional Equipment	162,289.46							34,204.00	53,667.70	74,417.76		-
Facilities Acquisition and Construction Services	499,648.68	-	-	-	-	-	-	34,204.00	53,667.70	74,417.76	-	337,359.22
Total Expenditures	2,700,555.09	439,322.85	44,585.00	790.00	43,126.00	25,132.41	268,309.00	34,204.00	104,823.00	82,045.00	9,049.00	1,649,168.83
Excess of Revenues Over Expenditures	16,428.50	-	-	-	-	-	-	-	-	-	-	16,428.50
Fund Balance, July 1	165,229.04	-	-	-	-	-	-	-	-	-	-	165,229.04
Fund Balance, June 30	\$ 181,657.54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,657.54

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Education Stabilization Fund Section 1 - Elementary and Secondary Education										
	<u>Total Carried Forward</u>	<u>SDA Emergent Needs</u>	<u>I.D.E.A. Part B. Basic - ARP</u>	<u>ARP ESSER</u>	<u>Education Stabilization Fund (CARES Act)</u>	<u>CRRSA-ESSER II</u>	<u>CRRSA Act Mental Health</u>	<u>ARP - Accelerated Learning Coach and Educator Support</u>	<u>ARP - ESSER Summer</u>	<u>ARP - Evidence Based Comprehensive Beyond the School Day</u>	<u>Student Activity Fund</u>
REVENUES:											
Federal Sources	\$ 1,442,210.35		\$ 5,314.72	\$ 502,938.22	\$ 372.58	\$ 805,327.58	\$ 14,150.20	\$ 86,378.68	\$ 1,594.84	\$ 26,133.53	
State Sources	47,703.00	\$ 47,703.00									
Local Sources	175,683.98										\$ 175,683.98
Total Revenues	1,665,597.33	47,703.00	5,314.72	502,938.22	372.58	805,327.58	14,150.20	86,378.68	1,594.84	26,133.53	175,683.98
EXPENDITURES:											
Instruction:											
Salaries of Teachers	299,399.21			145,536.70		152,081.00		300.00	1,481.51		
Other Salaries for Instruction	-										
Purchased Professional and Technical Services	-										
Purchased Professional - Educational Services	-										
Other Purchased Services (400-500 series)	78,785.71					24,026.30	9,145.20	32,993.21		12,621.00	
Supplies and Materials	270.50		270.50								
General Supplies	60,989.18					34,300.21		26,688.97			
Other Objects	13,512.53									13,512.53	
Miscellaneous Expenditures	2,080.00		2,080.00								
Total Instruction	455,037.13	-	2,350.50	145,536.70	-	210,407.51	9,145.20	59,982.18	1,481.51	26,133.53	-
Support Services:											
Personal Services - Salaries	312,272.37			400.00		311,872.37					
Salaries of Other Professional Staff	-										
Salaries of Secretarial and Clerical Assistants	-										
Personal Services - Employee Benefits	296,745.28			135,860.16		160,748.84		22.95	113.33		
Purchased Professional and Technical Services	29,290.55			2,917.00				26,373.55			
Purchase Professional - Educational Services	1,854.22		1,854.22								
Purchase Property Services	47,162.00			47,162.00							
Other Purchased Services (400-500 series)	4,815.00		1,110.00	3,705.00							
Travel	5,005.00						5,005.00				
Supplies and Materials	372.58				372.58						
Student Activities	159,255.48										159,255.48
Total Support Services	856,772.48	-	2,964.22	190,044.16	372.58	472,621.21	5,005.00	26,396.50	113.33	-	159,255.48
Facilities Acquisition and Construction Services:											
Buildings	289,656.22			167,357.36		122,298.86					
Equipment	47,703.00	47,703.00									
Instructional Equipment	-										
Facilities Acquisition and Construction Services	337,359.22	47,703.00	-	167,357.36	-	122,298.86	-	-	-	-	-
Total Expenditures	1,649,168.83	47,703.00	5,314.72	502,938.22	372.58	805,327.58	14,150.20	86,378.68	1,594.84	26,133.53	159,255.48
Excess of Revenues Over Expenditures	16,428.50										16,428.50
Fund Balance, July 1	165,229.04										165,229.04
Fund Balance, June 30	\$ 181,657.54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,657.54

CAPITAL PROJECTS FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2023

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2023
			Prior Years	Current Year	
Cumberland County Technical Education Center Addition	03/17/20	\$ 939,700.00	\$ 913,579.03	\$ -	\$ 26,120.97
Cumberland County Technical Education Center STEM Expansion	03/25/21	3,000,000.00	334,705.40	2,060,560.07	604,734.53
Totals		<u>\$ 3,939,700.00</u>	<u>\$ 1,248,284.43</u>	<u>\$ 2,060,560.07</u>	<u>\$ 630,855.50</u>
Reconciliation to Governmental Fund Statement (GAAP):					
Unexpended Balance as of June 30, 2023					\$ 630,855.50
Grant Revenue Not Recognized on GAAP Basis					<u>(604,734.53)</u>
Fund Balance per Governmental Funds (GAAP)					<u>\$ 26,120.97</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

Expenditures and Other Financing Uses

Architect/Engineer Services	\$ 24,565.40
Other Purchased Professional Services	70,210.58
Supplies and Materials	87,486.22
Construction Services	<u>1,878,297.87</u>
 Total Expenditures	 <u>2,060,560.07</u>
 Excess (Deficit) of Revenues over Expenditures	 (2,060,560.07)
 Fund Balance -- Beginning	 <u>2,691,415.57</u>
 Fund Balance -- Ending	 <u><u>\$ 630,855.50</u></u>
 Reconciliation to Governmental Fund Statement (GAAP):	
Unexpended Balance as of June 30, 2023	\$ 630,855.50
Grant Revenue Not Recognized on GAAP Basis	<u>(604,734.53)</u>
 Fund Balance per Governmental Funds (GAAP)	 <u><u>\$ 26,120.97</u></u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status -- Budgetary Basis
 Cumberland County Technical Education Center Addition
 From Inception and for the Fiscal Year Ended June 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from General Fund	\$ 939,700.00		\$ 939,700.00	\$ 939,700.00
Total Revenues	<u>939,700.00</u>	<u>\$ -</u>	<u>939,700.00</u>	<u>939,700.00</u>
Expenditures and Other Financing Uses				
Supplies and Materials	50,582.22		50,582.22	49,700.00
Equipment	<u>862,996.81</u>		<u>862,996.81</u>	<u>890,000.00</u>
Total Expenditures	<u>913,579.03</u>	<u>-</u>	<u>913,579.03</u>	<u>939,700.00</u>
Excess of revenues over expenditures	<u>\$ 26,120.97</u>	<u>\$ -</u>	<u>\$ 26,120.97</u>	<u>\$ -</u>
Encumbered			\$ -	
Designated for Subsequent Years Expenditures			<u>26,120.97</u>	
			<u>\$ 26,120.97</u>	
Project Number	0995-030-18-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 939,700.00			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 939,700.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	97%			

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status -- Budgetary Basis
 Cumberland County Technical Education Center STEM Expansion
 From Inception and for the Fiscal Year Ended June 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from General Fund (in lieu of Local Share)	\$ 750,000.00	\$ -	\$ 750,000.00	\$ 750,000.00
Grant Proceeds - Securing Our Children's Future Bond Act	<u>2,250,000.00</u>	<u>-</u>	<u>2,250,000.00</u>	<u>2,250,000.00</u>
Total Revenues	<u>3,000,000.00</u>	<u>-</u>	<u>3,000,000.00</u>	<u>3,000,000.00</u>
Expenditures and Other Financing Uses				
Legal Services				6,000.00
Architect/Engineer Services	167,563.60	24,565.40	192,129.00	248,500.00
Other Purchased Professional Services	23,007.42	70,210.58	93,218.00	105,500.00
Supplies and Materials	11,553.88	87,486.22	99,040.10	326,000.00
Equipment	17,249.61		17,249.61	18,000.00
Other Objects				223,000.00
Construction Services	<u>115,330.89</u>	<u>1,878,297.87</u>	<u>1,993,628.76</u>	<u>2,073,000.00</u>
Total Expenditures	<u>334,705.40</u>	<u>2,060,560.07</u>	<u>2,395,265.47</u>	<u>3,000,000.00</u>
Excess of revenues over expenditures	<u>\$ 2,665,294.60</u>	<u>\$ (2,060,560.07)</u>	<u>\$ 604,734.53</u>	<u>\$ -</u>
Encumbered			\$ 268,066.57	
Designated for Subsequent Years Expenditures			<u>336,667.96</u>	
			<u>\$ 604,734.53</u>	
Project Number	0995-030-21-1000			
Grant Date	12/13/2021			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 3,000,000.00			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 3,000,000.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	80%			

PROPRIETARY FUNDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Combining Statement of Net Position
Enterprise Funds
June 30, 2023

	<u>Food Service</u>	<u>Food Service Restaurant</u>	<u>Drive to the Future</u>	<u>Adult Education</u>	<u>Total</u>
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 265,445.61	\$ 33,182.76	\$ 460,351.30	\$ 73,994.39	\$ 832,974.06
Accounts Receivable:					
State	883.83				883.83
Federal	16,331.80				16,331.80
Other	2,245.00		2,433.84		4,678.84
Interfund Accounts Receivable:					
General Fund		6,295.44	12,000.00	28,054.00	46,349.44
Enterprise Fund - Food Service Fund		237.00			237.00
Inventories	18,026.98				18,026.98
Total Current Assets	<u>302,933.22</u>	<u>39,715.20</u>	<u>474,785.14</u>	<u>102,048.39</u>	<u>919,481.95</u>
Noncurrent Assets:					
Equipment	77,705.24		184,578.20		262,283.44
Less Accumulated Depreciation	(14,944.52)		(99,398.83)		(114,343.35)
Total Noncurrent Assets	<u>62,760.72</u>	<u>-</u>	<u>85,179.37</u>	<u>-</u>	<u>147,940.09</u>
Total Assets	<u>365,693.94</u>	<u>39,715.20</u>	<u>559,964.51</u>	<u>102,048.39</u>	<u>1,067,422.04</u>
LIABILITIES:					
Current Liabilities:					
Interfund Accounts Payable:					
Due General Fund	50,503.36		27,498.08		78,001.44
Due Enterprise Fund - Food Service Restaurant	237.00				237.00
Accounts Payable	25,306.75	165.00			25,471.75
Due Students, Net	4,844.46				4,844.46
Unearned Revenue			17,601.43		17,601.43
Total Current Liabilities	<u>80,891.57</u>	<u>165.00</u>	<u>45,099.51</u>	<u>-</u>	<u>126,156.08</u>
Noncurrent Liabilities:					
Compensated Absences Payable			20,303.59		20,303.59
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>20,303.59</u>	<u>-</u>	<u>20,303.59</u>
Total Liabilities	<u>80,891.57</u>	<u>165.00</u>	<u>65,403.10</u>	<u>-</u>	<u>146,459.67</u>
NET POSITION:					
Net Investment in Capital Assets	62,760.72		85,179.37		147,940.09
Unrestricted	222,041.65	39,550.20	409,382.04	102,048.39	773,022.28
Total Net Position	<u>\$ 284,802.37</u>	<u>\$ 39,550.20</u>	<u>\$ 494,561.41</u>	<u>\$ 102,048.39</u>	<u>\$ 920,962.37</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>	<u>Food Service Restaurant</u>	<u>Drive to the Future</u>	<u>Adult Education</u>	<u>Total</u>
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Reimbursable Programs					
School Lunch	\$ 205,258.50	\$ -	\$ -	\$ -	\$ 205,258.50
School Breakfast	27,734.00				27,734.00
Daily Sales - Non-Reimbursable Programs	205,892.36				205,892.36
Miscellaneous		2,360.00	445.11		2,805.11
Fees			82,559.76		82,559.76
Total Operating Revenues	<u>438,884.86</u>	<u>2,360.00</u>	<u>83,004.87</u>	<u>-</u>	<u>524,249.73</u>
OPERATING EXPENSES:					
Salaries and Fringe Benefits	297,141.33		110,677.79		407,819.12
Purchased Professional/Technical Services	57,130.11		3,982.78		61,112.89
Other Purchased Services	10,577.53		10.06		10,587.59
General Supplies	4,999.39	891.26	692.64		6,583.29
Depreciation	8,433.25		23,072.28		31,505.53
Cleaning, Repairs and Maintenance	38,700.10				38,700.10
Insurance	7,283.64				7,283.64
Miscellaneous	401.40				401.40
Cost of Sales - Reimbursable	418,685.46				418,685.46
Cost of Sales - Non Reimbursable	27,037.55				27,037.55
Total Operating Expenses	<u>870,389.76</u>	<u>891.26</u>	<u>138,435.55</u>	<u>-</u>	<u>1,009,716.57</u>
Operating Income / (Loss)	<u>(431,504.90)</u>	<u>1,468.74</u>	<u>(55,430.68)</u>	<u>-</u>	<u>(485,466.84)</u>
NONOPERATING REVENUES (EXPENSES):					
State Sources:					
State School Lunch Program	11,752.53				11,752.53
State School Breakfast Program	6,504.00				6,504.00
Federal Sources:					
School Breakfast Program	82,811.00				82,811.00
National School Lunch Program	243,777.69				243,777.69
National School Lunch Program - HHFKA	8,454.48				8,454.48
National School Lunch Program - Supply Chain Assistance	35,955.43				35,955.43
Food Distribution Program	35,133.97				35,133.97
Interest and Investment Revenue	2,855.19		5,513.61		8,368.80
Cancellation of Uncollectible Accounts Receivable				(3,414.00)	(3,414.00)
Total Nonoperating Revenues (Expenses)	<u>427,244.29</u>	<u>-</u>	<u>5,513.61</u>	<u>(3,414.00)</u>	<u>429,343.90</u>
Change in Net Position	<u>(4,260.61)</u>	<u>1,468.74</u>	<u>(49,917.07)</u>	<u>(3,414.00)</u>	<u>(56,122.94)</u>
Net Position - July 1	<u>289,062.98</u>	<u>38,081.46</u>	<u>544,478.48</u>	<u>105,462.39</u>	<u>977,085.31</u>
Net Position -- June 30	<u>\$ 284,802.37</u>	<u>\$ 39,550.20</u>	<u>\$ 494,561.41</u>	<u>\$ 102,048.39</u>	<u>\$ 920,962.37</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>	<u>Food Service Restaurant</u>	<u>Drive to the Future</u>	<u>Adult Education</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 447,991.37	\$ 2,360.00	\$ 74,441.01	\$ -	\$ 524,792.38
Payments to Employees	(246,637.97)		(131,150.39)		(377,788.36)
Payments to Suppliers	<u>(616,941.84)</u>	<u>(11,921.87)</u>	<u>(4,685.48)</u>		<u>(633,549.19)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(415,588.44)</u>	<u>(9,561.87)</u>	<u>(61,394.86)</u>		<u>(486,545.17)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
State Sources	18,466.38				18,466.38
Federal Sources	<u>476,796.89</u>				<u>476,796.89</u>
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>495,263.27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>495,263.27</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of Capital Assets	<u>(5,149.98)</u>				<u>(5,149.98)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(5,149.98)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,149.98)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and Dividends	<u>2,855.19</u>		<u>5,513.61</u>		<u>8,368.80</u>
Net Cash Provided by (Used in) Investing Activities	<u>2,855.19</u>	<u>-</u>	<u>5,513.61</u>	<u>-</u>	<u>8,368.80</u>
Net Increase (Decrease) in Cash and Cash Equivalents	77,380.04	(9,561.87)	(55,881.25)	-	11,936.92
Cash and Cash Equivalents -- July 1	<u>188,065.57</u>	<u>42,744.63</u>	<u>516,232.55</u>	<u>73,994.39</u>	<u>821,037.14</u>
Cash and Cash Equivalents -- June 30	<u>\$ 265,445.61</u>	<u>\$ 33,182.76</u>	<u>\$ 460,351.30</u>	<u>\$ 73,994.39</u>	<u>\$ 832,974.06</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating Income (Loss)	<u>\$ (431,504.90)</u>	<u>\$ 1,468.74</u>	<u>\$ (55,430.68)</u>	<u>\$ -</u>	<u>\$ (485,466.84)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	8,433.25		23,072.28		31,505.53
(Increase) Decrease in Accounts Receivable, net	(2,245.00)		(2,433.84)		(4,678.84)
(Increase) Decrease in Interfunds Receivable	10,764.00	666.50	(12,000.00)		(69.50)
(Increase) Decrease in Inventories	(12,526.34)				(12,526.34)
(Increase) Decrease in Prepaid Expenses	587.51				587.51
Increase (Decrease) in Accounts Payable	(39,600.32)	(696.50)			(40,296.82)
Increase (Decrease) in Interfund Payable	50,503.36	(11,000.61)	(3,008.81)		36,493.94
Increase (Decrease) in Other Current Liabilities			8,878.79		8,878.79
Increase (Decrease) in Accrued Salaries Benefits			<u>(20,472.60)</u>		<u>(20,472.60)</u>
Total Adjustments	<u>15,916.46</u>	<u>(11,030.61)</u>	<u>(5,964.18)</u>	<u>-</u>	<u>(1,078.33)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (415,588.44)</u>	<u>\$ (9,561.87)</u>	<u>\$ (61,394.86)</u>	<u>\$ -</u>	<u>\$ (486,545.17)</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	<u>Security</u>	Superintendent and Payroll <u>Services</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 1,132,680.64	\$ -	\$ 1,132,680.64
Accounts Receivable:			
Other	<u>20,632.87</u>	<u> </u>	<u>20,632.87</u>
Total Current Assets	<u>1,153,313.51</u>	<u>-</u>	<u>1,153,313.51</u>
Total Assets	<u>1,153,313.51</u>	<u>-</u>	<u>1,153,313.51</u>
NET POSITION:			
Unrestricted	<u>1,153,313.51</u>	<u> </u>	<u>1,153,313.51</u>
Total Net Position	<u><u>\$ 1,153,313.51</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,153,313.51</u></u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2023

	<u>Security</u>	<u>Superintendent and Payroll Services</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Fees	\$ 624,682.35	\$ 45,100.00	\$ 669,782.35
Total Operating Revenues	<u>624,682.35</u>	<u>45,100.00</u>	<u>669,782.35</u>
OPERATING EXPENSES:			
Salaries and Fringe Benefits	<u>368,283.51</u>	<u>45,100.00</u>	<u>413,383.51</u>
Total Operating Expenses	<u>368,283.51</u>	<u>45,100.00</u>	<u>413,383.51</u>
Operating Income / (Loss)	<u>256,398.84</u>	<u>-</u>	<u>256,398.84</u>
Change in Net Position	256,398.84	-	256,398.84
Net Position -- July 1	<u>896,914.67</u>	<u>-</u>	<u>896,914.67</u>
Net Position -- June 30	<u>\$ 1,153,313.51</u>	<u>\$ -</u>	<u>\$ 1,153,313.51</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023

	<u>Security</u>	<u>Superintendent and Payroll Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 615,743.97	\$ 45,100.00	\$ 660,843.97
Payments to Employees	<u>(368,283.51)</u>	<u>(45,100.00)</u>	<u>(413,383.51)</u>
Net Cash Provided by (Used in) Operating Activities	<u>247,460.46</u>	<u>-</u>	<u>247,460.46</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Interfund Activities	<u>15,000.00</u>	<u>-</u>	<u>15,000.00</u>
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>15,000.00</u>	<u>-</u>	<u>15,000.00</u>
Net Increase (Decrease) in Cash and Cash Equivalents	262,460.46	-	262,460.46
Cash and Cash Equivalents -- July 1	<u>870,220.18</u>	<u>-</u>	<u>870,220.18</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 1,132,680.64</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,132,680.64</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ 256,398.84	\$ -	\$ 256,398.84
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: (Increase) Decrease in Accounts Receivable, net	<u>(8,938.38)</u>	<u>-</u>	<u>(8,938.38)</u>
Total Adjustments	<u>(8,938.38)</u>	<u>-</u>	<u>(8,938.38)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 247,460.46</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 247,460.46</u></u>

STATISTICAL SECTION

Financial Trends Information

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

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

	For the Fiscal Year Ended June 30,									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015*	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 85,057,455.99	\$ 83,402,286.17	\$ 61,585,849.23	\$ 62,325,103.02	\$ 63,602,328.00	\$ 68,657,775.00	\$ 68,332,306.00	\$ 60,525,733.00	\$ 19,667,934.00	\$ 6,484,922.00
Restricted for:										
Unemployment Compensation	262,686.69	215,220.15	169,760.44							
Student Activities	181,657.54	165,229.04	126,331.86							
Other Purposes	8,532,483.06	7,790,197.20	7,220,573.44	6,514,937.32	5,906,454.00	7,752,984.00	9,702,927.00	18,900,941.00	59,010,485.00	3,163,512.00
Unrestricted (Deficit)	<u>(2,005,490.28)</u>	<u>(2,144,744.63)</u>	<u>(2,398,964.34)</u>	<u>(3,181,871.46)</u>	<u>(3,511,822.00)</u>	<u>(3,805,739.00)</u>	<u>(3,763,790.00)</u>	<u>(3,070,324.00)</u>	<u>(2,973,953.00)</u>	<u>535,819.00</u>
Total Governmental Activities Net Position	<u>\$ 92,028,793.00</u>	<u>\$ 89,428,187.93</u>	<u>\$ 66,703,550.63</u>	<u>\$ 65,658,168.88</u>	<u>\$ 65,996,960.00</u>	<u>\$ 72,605,020.00</u>	<u>\$ 74,271,443.00</u>	<u>\$ 76,356,350.00</u>	<u>\$ 75,704,466.00</u>	<u>\$ 10,184,253.00</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 147,940.09	\$ 174,295.64	\$ 29,724.31	\$ 40,227.60	\$ 50,731.00	\$ 57,768.00				
Unrestricted (Deficit)	<u>773,022.28</u>	<u>802,789.67</u>	<u>947,892.82</u>	<u>880,215.44</u>	<u>435,696.00</u>	<u>422,921.00</u>	<u>\$ 433,981.00</u>	<u>\$ (30,291.00)</u>	<u>\$ 4,300.00</u>	<u>\$ 73,011.00</u>
Total Business-type Activities Net Position	<u>\$ 920,962.37</u>	<u>\$ 977,085.31</u>	<u>\$ 977,617.13</u>	<u>\$ 920,443.04</u>	<u>\$ 486,427.00</u>	<u>\$ 480,689.00</u>	<u>\$ 433,981.00</u>	<u>\$ (30,291.00)</u>	<u>\$ 4,300.00</u>	<u>\$ 73,011.00</u>
Government-wide										
Net Investment in Capital Assets	\$ 85,205,396.08	\$ 83,576,581.81	\$ 61,615,573.54	\$ 62,365,330.62	\$ 63,653,059.00	\$ 68,715,543.00	\$ 68,332,306.00	\$ 60,525,733.00	\$ 19,667,934.00	\$ 6,484,922.00
Restricted for:										
Unemployment Compensation	262,686.69	215,220.15	169,760.44							
Student Activities	181,657.54	165,229.04	126,331.86							
Other Purposes	8,532,483.06	7,790,197.20	7,220,573.44	6,514,937.32	5,906,454.00	7,752,984.00	9,702,927.00	18,900,941.00	59,010,485.00	3,163,512.00
Unrestricted (Deficit)	<u>(1,232,468.00)</u>	<u>(1,341,954.96)</u>	<u>(1,451,071.52)</u>	<u>(2,301,656.02)</u>	<u>(3,076,126.00)</u>	<u>(3,382,818.00)</u>	<u>(3,329,809.00)</u>	<u>(3,100,615.00)</u>	<u>(2,969,653.00)</u>	<u>608,830.00</u>
Total Government-wide Net Position	<u>\$ 92,949,755.37</u>	<u>\$ 90,405,273.24</u>	<u>\$ 67,681,167.76</u>	<u>\$ 66,578,611.92</u>	<u>\$ 66,483,387.00</u>	<u>\$ 73,085,709.00</u>	<u>\$ 74,705,424.00</u>	<u>\$ 76,326,059.00</u>	<u>\$ 75,708,766.00</u>	<u>\$ 10,257,264.00</u>

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

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

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

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

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

	For the Fiscal Year Ended June 30,									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015*	2014
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 6,077,631.38	\$ 5,995,382.13	\$ 4,909,901.20	\$ 4,628,339.49	\$ 4,626,903.00	\$ 3,517,355.00	\$ 2,434,245.00			
Special Education				239,056.25	567,888.00	401,853.00	58,735.00			
Vocational	3,214,038.44	3,002,675.55	2,276,143.09	2,104,823.18	2,073,347.00	2,019,425.00	2,288,816.00	\$ 2,759,056.00	\$ 3,027,579.00	\$ 2,942,506.00
Other Instruction	282,766.81	223,787.66	181,365.17	220,714.89	95,718.00	65,197.00	37,527.00	12,574.00	40,887.00	36,444.00
Support Services:										
Instruction/Tuition	1,056,957.84	676,937.89	493,023.25	286,343.07						
Student & Instruction Related Services	1,654,961.63	1,262,233.59	1,163,456.04	1,021,912.96	1,272,301.00	956,995.00	947,806.00	845,408.00	783,790.00	584,216.00
School Administrative Services	746,903.49	808,572.24	779,653.98	630,399.68	691,866.00	605,111.00	518,000.00	414,553.00	424,343.00	528,425.00
General and Business Administrative Services	2,098,175.21	2,232,792.23	1,491,825.24	1,759,885.08	1,287,789.00	1,190,610.00	1,160,712.00	1,090,695.00	957,898.00	972,632.00
Plant Operations and Maintenance	3,204,449.38	2,716,773.68	1,843,181.33	1,782,967.27	1,921,645.00	1,627,896.00	1,504,534.00	752,161.00	868,942.00	911,892.00
Pupil Transportation	217,983.13	86,538.35	55,215.41	91,008.03	70,518.00	36,873.00	43,350.00	33,653.00	29,975.00	29,359.00
Unallocated Employee Benefits	6,042,620.85	5,604,614.16	6,299,633.09	4,313,785.20	4,624,537.00	3,867,567.00	4,117,943.00	2,731,937.00	2,571,914.00	1,800,964.00
Special Schools	47.65				78,027.00	34,391.00	526,649.00	640,220.00	580,139.00	571,799.00
Internal Service Fund					272,082.00	300.00	783,485.00	5,914,868.00	7,093,537.00	6,839,016.00
Unallocated Depreciation	2,596,580.89	2,187,706.55	1,724,343.60	1,694,803.18	169,538.00	188,535.00	165,673.00			
NJ Debt Service Assessment					19,288.00	19,288.00	19,288.00	19,288.00	19,288.00	19,288.00
Total Governmental Activities Expenses	27,193,116.70	24,798,014.03	21,217,741.40	18,774,038.28	17,771,447.00	14,531,396.00	14,606,763.00	15,214,413.00	16,398,292.00	15,236,541
Business-type Activities:										
Enterprise Funds										
	1,009,716.57	1,007,744.68	558,475.78	738,660.85	771,965.00	631,404.00	321,588.00	82,395.00	145,965.00	38,721.00
Total Business-type Activities Expenses	1,009,716.57	1,007,744.68	558,475.78	738,660.85	771,965.00	631,404.00	321,588.00	82,395.00	145,965.00	38,721.00
Total Government-wide Expenses	\$ 28,202,833.27	\$ 25,805,758.71	\$ 21,776,217.18	\$ 19,512,699.13	\$ 18,543,412.00	\$ 15,162,800.00	\$ 14,928,351.00	\$ 15,296,808.00	\$ 16,544,257.00	\$ 15,275,262.00
Program Revenues										
Governmental Activities:										
Charges for Services:										
Internal Service Fund	\$ 669,782.35	\$ 604,493.43	\$ 620,219.52	\$ 456,992.13	\$ 430,712.00	\$ 6,000.00	\$ 567,132.00	\$ 5,994,249.00	\$ 7,300,788.00	\$ 6,948,207.00
Special Schools					142,301.00		358,911.00	601,219.00	549,142.00	493,026.00
Instruction (Tuition)	175,683.98	141,214.46								
Operating Grants and Contributions	5,354,677.57	1,968,359.04	2,913,496.92	1,645,320.13	2,624,249.00	1,977,681.00	2,292,277.00	1,324,100.00	1,225,670.00	505,139.00
Capital Grants and Contributions	499,648.68	132,733.10								
Total Governmental Activities Program Revenues	6,699,792.58	2,846,800.03	3,533,716.44	2,102,312.26	3,197,262.00	1,983,681.00	3,218,320.00	7,919,568.00	9,075,600.00	7,946,372.00
Business-type activities:										
Charges for services:										
Food Service and Other Enterprise Funds	524,249.73	182,010.54	139,652.49	679,385.35	513,375.00	446,555.00	168,036.00	46,097.00	33,476.00	15,654.00
Operating Grants and Contributions:										
Food Service and Other Enterprise Funds	429,343.90	825,202.32	475,997.38	185,799.51	195,182.00	136,043.00	66,947.00	14,190.00	21,859.00	19,408.00
Total Business-type Activities Program Revenues	953,593.63	1,007,212.86	615,649.87	865,184.86	708,557.00	582,598.00	234,983.00	60,287.00	55,335.00	35,062.00
Total Government-wide Program Revenues	\$ 7,653,386.21	\$ 3,854,012.89	\$ 4,149,366.31	\$ 2,967,497.12	\$ 3,905,819.00	\$ 2,566,279.00	\$ 3,453,303.00	\$ 7,979,855.00	\$ 9,130,935.00	\$ 7,981,434.00
Net (Expense)/Revenue										
Governmental Activities										
	\$ (20,493,324.12)	\$ (21,951,214.00)	\$ (17,684,024.96)	\$ (16,671,726.02)	\$ (14,574,185.00)	\$ (12,547,715.00)	\$ (11,388,443.00)	\$ (7,294,845.00)	\$ (7,322,692.00)	\$ (7,290,169.00)
Business-type Activities										
	(56,122.94)	(531.82)	57,174.09	126,524.01	(63,408.00)	(48,806.00)	(86,605.00)	(22,108.00)	(90,630.00)	(3,659.00)
Total Government-wide Net (Expense) Revenue	\$ (20,549,447.06)	\$ (21,951,745.82)	\$ (17,626,850.87)	\$ (16,545,202.01)	\$ (14,637,593.00)	\$ (12,596,521.00)	\$ (11,475,048.00)	\$ (7,316,953.00)	\$ (7,413,322.00)	\$ (7,293,828.00)

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

	For the Fiscal Year Ended June 30,									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015*	2014
General Revenues and Other Changes in Net Position										
Governmental Activities:										
County Appropriations	\$ 2,744,000.00	\$ 2,688,000.00	\$ 2,634,000.00	\$ 2,582,000.00	\$ 2,530,000.00	\$ 2,420,000.00	\$ 2,310,000.00	\$ 2,200,000.00	\$ 2,000,000.00	\$ 2,000,000.00
Unrestricted grants and contributions	17,746,282.99	14,517,450.31	9,297,469.19	7,616,967.39	5,700,361.00	4,633,583.00	4,942,304.00	4,550,615.00	4,499,670.00	4,366,374.00
Tuition received	2,313,895.97	4,944,581.15	6,446,560.50	6,269,101.50	5,379,138.00	3,910,820.00	2,489,600.00	1,061,040.00	1,290,130.00	1,152,625.00
Investment earnings	104,012.79	459.71	45,174.73		43,494.00	20,245.00	23,062.00	21,585.00	18,161.00	14,180.00
Nonresident Fees					7,000.00		24,000.00	76,000.00	34,000.00	76,000.00
Miscellaneous income	199,434.52	234,069.25	134,203.97	348,378.67	198,420.00	48,573.00	97,370.00	54,989.00	169,394.00	101,293.00
Prior year Adjustments					(3,653,246.00)	(50,000.00)				
Bond Proceeds from Cumberland County									68,604,770.00	
Donated Capital Assets Received		22,325,484.89								
Loss on Disposal of Capital Assets	(13,697.08)	(34,194.01)		(3,635.66)	(2,177,042.00)	(9,696.00)	(32,078.00)			
Transfers				(20,500.00)	(62,000.00)	(92,233.00)	(550,722.00)	(17,500.00)	(21,906.00)	23,400.00
Total Governmental Activities	23,093,929.19	44,675,851.30	18,557,408.39	16,792,311.90	7,966,125.00	10,881,292.00	9,303,536.00	7,946,729.00	76,594,219.00	7,733,872.00
Business-type Activities										
Interest Earnings					7,146.00	3,281.00	155.00	17.00	13.00	15.00
Transfers				20,500.00	62,000.00	92,233.00	550,722.00	17,500.00	21,906.00	
Other								(30,000.00)		
Total Business-type Activities	-	-	-	20,500.00	69,146.00	95,514.00	550,877.00	(12,483.00)	21,919.00	15.00
Total Government-wide	\$ 23,093,929.19	\$ 44,675,851.30	\$ 18,557,408.39	\$ 16,812,811.90	\$ 8,035,271.00	\$ 10,976,806.00	\$ 9,854,413.00	\$ 7,934,246.00	\$ 76,616,138.00	\$ 7,733,887.00
Change in Net Position										
Governmental Activities	\$ 2,600,605.07	\$ 22,724,637.30	\$ 873,383.43	\$ 120,585.88	\$ (6,608,060.00)	\$ (1,666,423.00)	\$ (2,084,907.00)	\$ 651,884.00	\$ 69,271,527.00	\$ 443,703.00
Business-type Activities	(56,122.94)	(531.82)	57,174.09	147,024.01	5,738.00	46,708.00	464,272.00	(34,591.00)	(68,711.00)	(3,644.00)
Total Government-wide	\$ 2,544,482.13	\$ 22,724,105.48	\$ 930,557.52	\$ 267,609.89	\$ (6,602,322.00)	\$ (1,619,715.00)	\$ (1,620,635.00)	\$ 617,293.00	\$ 69,202,816.00	\$ 440,059.00

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

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

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

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

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

	For the Fiscal Year Ended June 30,									
	2023	2022	2021*	2020	2019	2018	2017	2016	2015	2014
General Fund										
Restricted	\$ 8,769,048.78	\$ 7,564,001.78	\$ 7,112,177.33	\$ 6,514,937.32	\$ 5,906,454.00	\$ 5,576,996.00	\$ 5,503,377.00	\$ 5,286,761.00	\$ 4,334,075.00	\$ 3,725,317.00
Assigned to:										
Other Purposes	496,900.46	590,908.88	978,460.43	429,265.39						
Unassigned (Deficit)	<u>(419,294.13)</u>	<u>(22,385.63)</u>	<u>197,578.99</u>	<u>227,602.60</u>	<u>254,772.00</u>	<u>210,984.00</u>	<u>215,970.00</u>	<u>25,227.00</u>	<u>49,677.00</u>	<u>41,276.00</u>
Total General Fund	<u>\$ 8,846,655.11</u>	<u>\$ 8,132,525.03</u>	<u>\$ 8,288,216.75</u>	<u>\$ 7,171,805.31</u>	<u>\$ 6,161,226.00</u>	<u>\$ 5,787,980.00</u>	<u>\$ 5,719,347.00</u>	<u>\$ 5,311,988.00</u>	<u>\$ 4,383,752.00</u>	<u>\$ 3,766,593.00</u>
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund	\$ 181,657.54	\$ 165,229.04	\$ 126,331.86	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	<u>26,120.97</u>	<u>441,415.57</u>	<u>278,156.55</u>	<u>-</u>	<u>-</u>	<u>2,175,988.00</u>	<u>4,199,550.00</u>	<u>13,614,180.00</u>	<u>54,676,410.00</u>	<u>(556,117.00)</u>
Total All Other Governmental Funds	<u>\$ 207,778.51</u>	<u>\$ 606,644.61</u>	<u>\$ 404,488.41</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,175,988.00</u>	<u>\$ 4,199,550.00</u>	<u>\$ 13,614,180.00</u>	<u>\$ 54,676,410.00</u>	<u>\$ (556,117.00)</u>

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

Source: District Records

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

	For the Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
County Appropriations	\$ 2,744,000.00	\$ 2,688,000.00	\$ 2,634,000.00	\$ 2,582,000.00	\$ 2,530,000.00	\$ 2,420,000.00	\$ 2,310,000.00	\$ 2,200,000.00	\$ 2,000,000.00	\$ 2,000,000.00
Tuition Charges	2,313,895.97	4,944,581.15	6,446,560.50	6,269,101.50	5,379,138.00	3,910,820.00	2,489,600.00	1,061,040.00	1,290,130.00	1,152,625.00
Non-resident Fees					7,000.00		24,000.00	76,000.00	34,000.00	76,000.00
Interest Earnings	104,012.79		58,336.14	83,091.66	42,787.00	20,245.00	19,783.00	19,276.00	15,893.00	12,382.00
Miscellaneous	164,713.78	221,024.96	122,938.60	258,488.44	340,721.00	48,573.00	456,281.00	656,208.00	718,538.00	594,319.00
State Sources	22,018,501.50	15,282,449.94	9,833,022.34	8,087,491.36	6,784,689.00	5,255,904.00	5,407,654.00	4,830,202.00	4,633,636.00	4,519,210.00
Federal Sources	2,289,014.74	1,406,090.51	933,746.77	671,191.16	452,297.00	467,605.00	415,392.00	456,843.00	482,443.00	352,303.00
Local Sources	184,732.98	154,718.46	132,899.64							
Total Revenue	29,818,871.76	24,696,865.02	20,161,503.99	17,951,364.12	15,536,632.00	12,123,147.00	11,122,710.00	9,299,569.00	9,174,640.00	8,706,839.00
Expenditures										
Instruction										
Regular Instruction	6,077,631.38	5,995,382.13	4,909,901.20	4,628,339.49	3,355,360.00	2,103,332.00	1,191,669.00			
Special Education Instruction				239,056.25	567,888.00	401,853.00	58,735.00			
Vocational Instruction	3,214,038.44	3,002,675.55	2,276,143.09	2,104,823.18	2,073,347.00	2,019,425.00	2,288,816.00	2,418,770.00	2,710,089.00	2,640,681.00
School Sponsored/Other Instruction	282,766.81	223,787.66	181,365.17	220,714.89	95,718.00	65,197.00	37,527.00	12,574.00	40,887.00	36,444.00
Support Services:										
Student & inst. Related Services	2,711,919.47	1,939,171.48	1,656,479.29	1,308,256.03	1,204,485.00	881,580.00	881,535.00	829,395.00	768,849.00	570,012.00
General Administration	784,604.97	792,718.53	535,884.39	902,195.63	586,286.00	480,129.00	495,370.00	508,338.00	389,990.00	445,732.00
School Administration Services	746,903.49	808,572.24	779,653.98	630,399.68	590,143.00	491,989.00	418,594.00	390,533.00	401,932.00	507,120.00
Central Services	472,172.45	453,101.87	411,914.45	328,668.63	341,843.00	391,254.00	413,616.00	381,556.00	356,019.00	324,276.00
Administration Information Technology	428,014.28	635,992.89	288,253.07	324,545.32	291,844.00	243,812.00	185,455.00	184,788.00	196,948.00	188,420.00
Plant Operations and Maintenance	3,274,449.38	2,716,773.68	1,843,181.33	1,782,967.27	1,904,691.00	1,609,042.00	1,487,966.00	748,159.00	865,208.00	908,342.00
Pubil Transportation	217,983.13	86,538.35	55,215.41	91,008.03	70,518.00	36,873.00	43,350.00	33,653.00	29,975.00	29,359.00
Other Support Services:										
Employee Benefits	7,123,300.28	6,282,833.55	4,887,625.23	3,944,895.12	3,633,705.00	2,905,111.00	2,460,390.00	2,069,429.00	1,991,963.00	1,792,442.00
Special Schools	47.65				78,027.00	34,391.00	526,649.00	640,220.00	580,139.00	571,799.00
Capital Outlay	4,169,776.05	3,702,852.61	986,985.85	414,415.29	312,477.00	2,308,088.00	9,525,208.00	41,198,648.00	13,575,818.00	1,123,265.00
Total Expenditures	29,503,607.78	26,640,400.54	18,812,602.46	16,920,284.81	15,106,332.00	13,972,076.00	20,014,880.00	49,416,063.00	21,907,817.00	9,137,892.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	315,263.98	(1,943,535.52)	1,348,901.53	1,031,079.31	430,300.00	(1,848,929.00)	(8,892,170.00)	(40,116,494.00)	(12,733,177.00)	(431,053.00)
Other Financing Sources (Uses)										
Proceeds from the Sale of Bonds									68,604,770.00	
Assets Acquired Under Leases and Financed Purchases		1,990,000.00								
Transfers/Cancellations					(2,177,042.00)	(50,000.00)				
Transfers In		750,000.00	939,700.00		18,179.00	38,837.00	438,341.00	6,337.00	4,007.00	23,400.00
Transfers Out		(750,000.00)	(939,700.00)	(20,500.00)	(74,179.00)	(94,837.00)	(553,442.00)	(23,837.00)	(25,914.00)	
Total Other Financing Sources (Uses)	-	1,990,000.00	-	(20,500.00)	(2,233,042.00)	(106,000.00)	(115,101.00)	(17,500.00)	68,582,863.00	23,400.00
Net Change in Fund Balances	\$ 315,263.98	\$ 46,464.48	\$ 1,348,901.53	\$ 1,010,579.31	\$ (1,802,742.00)	\$ (1,954,929.00)	\$ (9,007,271.00)	\$ (40,133,994.00)	\$ 55,849,686.00	\$ (407,653.00)

Source: District Records

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

	For the Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tuition	\$ 2,313,895.97	\$ 4,944,581.55	\$ 6,446,560.50	\$ 6,269,101.50	\$ 5,379,138.00	\$ 3,910,820.00	\$ 2,489,600.00	\$ 1,061,040.00	\$ 1,290,130.00	\$ 1,152,625.00
Non-Resident Fees					7,000.00	24,000.00	76,000.00	34,000.00	76,000.00	
Interest on Investments	104,012.79	23,350.16	58,336.14	83,091.66	29,554.00	13,732.00	19,783.00	12,939.00	11,896.00	12,382.00
Facility / Land Rent	7,950.00		4,210.00	10,952.75	6,278.00	3,628.00		12,000.00	12,000.00	
Prior Years' Refunds										35,976.00
Adult and Evening Fees					142,301.00		358,911.00	601,219.00	549,142.00	493,026.00
Insurance Claim	16,709.29			4,750.00	30,404.00				102,416.00	
Sale of Assets		76,378.32				22,251.00				
Atlantic City Electric	50,000.00	75,000.00	75,000.00	100,000.00	100,000.00					
E-Rate Reimbursement		18,765.14			42,394.00	20,846.00	31,601.00	32,293.00	40,086.00	2,027.00
Miscellaneous	124,775.23	27,530.94	43,728.60	38,265.69		562.00	65,769.00	8,083.00	9,146.00	61,275.00
	<u>\$ 2,617,343.28</u>	<u>\$ 5,165,606.11</u>	<u>\$ 6,627,835.24</u>	<u>\$ 6,506,161.60</u>	<u>\$ 5,737,069.00</u>	<u>\$ 3,971,839.00</u>	<u>\$ 2,989,664.00</u>	<u>\$ 1,803,574.00</u>	<u>\$ 2,048,816.00</u>	<u>\$ 1,833,311.00</u>

Source: District Records.

Revenue Capacity Information

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

Not Applicable

Debt Capacity Information

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

Not Applicable

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2023	Unavailable	Unavailable	Unavailable	Unavailable
2022	151,356	Unavailable	Unavailable	5.10%
2021	153,627	\$ 7,306,346,493.00	\$ 47,559.00	7.70%
2020	147,008	6,688,569,984.00	45,498.00	10.80%
2019	149,527	6,166,044,899.00	41,237.00	5.50%
2018	150,972	6,082,510,908.00	40,289.00	6.50%
2017	152,538	5,932,660,434.00	38,893.00	7.00%
2016	153,797	5,746,317,311.00	37,363.00	7.50%
2015	155,854	5,650,175,062.00	36,253.00	8.70%
2014	157,099	5,571,987,332.00	35,468.00	9.90%

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2011/2020 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Principal Non-Governmental Employers in Cumberland County
 Current Year and Nine Years Ago
 Unaudited

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,723	1	36.77%			
F & S Produce	1,272	2	12.56%			
Durand Glass Manufacturing	895	3	8.84%			
Walmart	850	4	8.40%			
WaWa	780	5	7.70%			
Shoprite	755	6	7.46%		Not Available	
Sheppard Bus Service	550	7	5.43%			
AJM Packaging	489	8	4.83%			
Northeast Precast	439	9	4.34%			
Americold/Agro Merchants	372	10	3.67%			
	<u>10,125</u>		<u>100.00%</u>	<u>-</u>		<u>0.00%</u>

Source: Individual Employers

Operating Information

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

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

<u>Function/Program</u>	For the Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction										
Regular	67.00	67.00	50.07	50.00	42.00	28.00	18.00			
Special Education	8.88	10.88	11.91	11.88	11.85	11.85	10.85			
Vocational	17.00	19.00	16.10	16.10	17.00	14.00	14.00	42.00	41.00	38.20
Support Services:										
General Administrative Services	8.00	10.00	8.00	8.00	9.00	9.00	10.00	10.00	9.00	8.00
School Administrative Services	33.50	24.00	19.00	21.20	19.10	15.10	14.10	9.00	8.00	9.00
Other Administrative Services	12.00	9.50	10.00	7.00	5.00	5.00	5.00	2.00	2.00	3.00
Administrative Information Technology	2.00	2.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Plant Operations and Maintenance	17.00	16.00	12.52	11.52	11.52	10.52	9.52	6.75	6.75	6.75
Special Schools Fund 13							4.80	7.00	6.50	8.00
Food Services										
Total	<u>165.38</u>	<u>158.38</u>	<u>128.60</u>	<u>126.70</u>	<u>116.47</u>	<u>94.47</u>	<u>87.27</u>	<u>78.75</u>	<u>75.25</u>	<u>74.95</u>

Source: District Personnel Records

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

Fiscal Year	District Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil / Teacher Ratio	Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						CCTEC				
2023	1,079	\$ 25,333,831.73	\$ 23,478.99	5.33%	88	12.26	1079.0	1015.6	5.31%	94.12%
2022	1,029	22,937,547.93	22,291.11	21.80%	93	11.06	1024.6	975.4	5.58%	95.19%
2021	974	17,825,616.61	18,301.45	5.00%	76	12.82	970.5	933.1	3.29%	96.15%
2020	947	16,505,869.52	17,429.64	-16.58%	74	12.78	939.5	912.1	33.64%	97.08%
2019	708	14,793,855.00	20,895.00	-0.93%	67	10.57	703.0	676.0	28.26%	96.16%
2018	553	11,663,988.00	21,092.00	1.34%	49	11.29	548.1	520.6	8.79%	94.98%
2017	504	10,489,672.00	20,813.00	24.87%	38	13.26	503.8	481.0	89.40%	95.47%
2016	493	8,217,415.00	16,668.00	18.22%	36	13.69	266.0	249.0	-16.40%	93.61%
2015	591	8,331,999.00	14,099.00	14.70%	31	24.53	318.2	293.4	-1.15%	92.21%
2014	652	8,014,627.00	12,292.00	2.02%	30	25.40	321.9	297.8	5.26%	92.51%

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

Sources: District records

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

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

	For the Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<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>Other</u>										
<u> CCTEC (1969)</u>										
Square Feet						120,330	120,330	120,330	120,330	120,330
Capacity (students)						505	505	505	505	505
Enrollment								493	591	652
 <u>High School</u>										
<u> CCTEC (2017)</u>										
Square Feet	273,891	250,720	202,000	202,000	202,000	202,000	202,000			
Capacity (students)	1,685	1,685	1,200	1,200	1,200	1,200	1,200			
Enrollment	1,079	1,029	974	947	708	553	504			

Number of Schools at June 30, 2023
 High School = 1

Source: District records -- June Monthly Enrollment Report

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

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

* School Facilities	For the Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Bridgeton Avenue						\$ 50,000.00	\$ 50,000.00	\$ 176,684.00	\$ 259,331.00	\$ 247,836.00
College Drive	\$ 599,248.00	\$ 666,337.33	\$ 342,225.72	\$ 353,458.62	\$ 486,250.00	137,108.00	112,989.00			
Total School Facilities	\$ 599,248.00	\$ 666,337.33	\$ 342,225.72	\$ 353,458.62	\$ 486,250.00	\$ 187,108.00	\$ 162,989.00	\$ 176,684.00	\$ 259,331.00	\$ 247,836.00

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

Source: District Records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Insurance Schedule

June 30, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Commerical Property Coverage		\$ 5,000
Blanket Building & Contents	\$ 70,262,040.00	
Extra Expense	50,000,000	
Valuable Papers and Records	10,000,000	
Demolition and Increased Cost of Construction	25,000,000	
Limited Builders Risk	10,000,000	
Fire Department Service Charge	10,000	
Arson Reward	10,000	
Pollutant Cleanup and Removal	250,000	
Accounts Receivable	250,000	
Flood	75,000,000	
Earthquake	50,000,000	
Terrorism	1,000,000	
Boiler & Machinery Equipment Breakdown		25,000
Combined Single Limit per Accident for Property Damage and Business Income	70,262,040	
Off-Premises Property Damage	1,000,000	
Extra Expense	10,000,000	
Service Interruption	10,000,000	
Perishable Goods	1,000,000	
Data Restoration	1,000,000	
Contingent Business Income	1,000,000	
Demolition	1,000,000	
Ordinance or Law	1,000,000	
Expediting Expense	1,000,000	
Hazardous Substances	1,000,000	
Newly Acquired Locations (120 days notice)	1,000,000	
Terrorism	Included	
Commercial General Liability Coverage		1,000
Bodily Injury & Property Damage, per Occurrence	11,000,000	
Products & Completed Operations	11,000,000	
Sexual Abuse	11,000,000	
Sexual Abuse - Annual NJSIG Aggregate	27,000,000	
Personal Injury & Advertising Injury – per occurrence/annual aggregate	11,000,000	
Employee Benefits Liability - per occurrence/annual aggregate	11,000,000	
Premises Medical Payments – per accident/limit per person	10,000/5,000	
Terrorism - per occurrence / annual NJSIG Aggregate	1,000,000	
Business Automobile Coverage		1,000
Bodily Injury and Property Damage	11,000,000	
Uninsured/Underinsured Motorists –Symbol 6 – Private Passenger Autos	1,000,000	
Uninsured/Underinsured Motorists –Symbol 6 – All Other Vehicles		
Bodily Injury Per Accident Person/Bodily Injury Per Accident/Property Damage		
Per Accident	15,000/30,000/5,000	
Person Injury Protection (including pedestrians)	250,000	
Medical Payments – private passenger vehicles/all other vehicles	10,000/5,000	
Terrorism – per occurrence/annual NJSIG aggregate	1,000,000	
Hired Car Physical Damage	110,000	
Garage Keepers	included	

(Continued)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Insurance Schedule

June 30, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Workers Compensation Coverage		
Workers Compensation	Statutory Limit	
Bodily Injury by Accident – Each Accident	\$ 3,000,000	
Bodily Injury by Disease – Each Employee	3,000,000	
Bodily Injury by Disease – Aggregate Limit	3,000,000	
School Leaders E&O Liability Coverage		
Coverage A – Educators Legal Liability / Employment Practices Liability		\$ 5,000
Limit of Liability - Each policy period	11,000,000	
Coverage B – Defense of an Administrative Law Proceedings		5,000
Limit of Liability – Each Claim	100,000	
Limit of Liability – Each Policy Period	300,000	
Pollution Legal Liability Coverage		50,000
Each Pollution Event Limit	1,000,000	
Aggregate Policy Limit	11,000,000	
Commercial Crime Coverage		500
Per Loss - Employee Dishonesty /Faithful Performance	100,000	
Forgery & Alteration	100,000	
Computer Fraud	100,000	
Money & Securities: IN/OUT	100,000	
Money Orders & Counterfeit paper Currency	100,000	
Electronic Data Processing Coverage	Included in property charge	
Hardware/Software		
Computer Virus		
Cyber Liability Coverage		5,000
Policy Aggregate Limit	1,000,000	
Cyber Deception Limit	100,000	
Public Official Bonds		
Megan Duffield - Board Secretary	175,000	
Christopher Russo - Treasurer	240,000	
Basic Student Accident Policy		
Accident Medical Expense Limit	1,000,000	
Accident Medical Coverage for Volunteer Workers	25,000	

Source: District records

SINGLE AUDIT SECTION

Exhibit K-1

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Cumberland County Board of Vocational Education School District, a component unit of the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

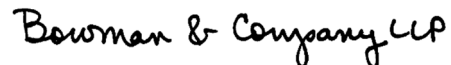
Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
November 27, 2023

Exhibit K-2**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB****INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the Cumberland County Board of Vocational Education School District's, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Cumberland County Board of Vocational Education School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 School District 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 School District'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 School District'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 School District'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 auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, 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 judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 School District'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 School District'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 State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the School District'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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *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 State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

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

Voorhees, New Jersey
November 27, 2023

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Table with columns: Federal Grantor / Pass-through Grantor / Program or Cluster Title, Federal Assistance Listing Number, Additional Award Identification, Federal FAIN Number, Pass-Through Entity Identifying Number, Program or Award Amount, Grant Period From - To, Balance, June 30, 2022 (Unearned Revenue, Due to Grantor, Carryover/Walkover Amount, Cash Received), Budgetary Expenditures (Pass-Through Funds, Direct Funds, Total Budgetary Expenditures), Passed-Through to Subrecipients, Adjustments (a), Repayment of Prior Years' Balances, Balance, June 30, 2023 (Unearned Revenue, Due to Grantor).

(a) see note 6 to the schedules of expenditures of federal awards and state financial assistance

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.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2023

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2022			Cash Received	Budgetary Expenditures	Passed-Through to Subrecipients	Adjustments (a)	Repayment of Prior Years' Balances	Balance, June 30, 2023			Memo Only	
				Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover / Walkover Amount						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2023	Cumulative Total Expenditures
General Fund:																
New Jersey Department of Education:																
State Aid - Public:																
Equalization Aid	495-034-5120-078	\$ 11,381,662.00	7/1/21 - 6/30/22	\$ (1,136,340.90)			\$ 1,136,340.90									\$ 11,381,662.00
Special Education Categorical Aid	495-034-5120-089	479,308.00	7/1/21 - 6/30/22	(47,853.93)			47,853.93									479,308.00
Security Aid	495-034-5120-084	160,459.00	7/1/21 - 6/30/22	(16,020.17)			16,020.17									160,459.00
Equalization Aid	495-034-5120-078	16,101,543.00	7/1/22 - 6/30/23				14,493,243.02	\$ 16,101,543.00				\$ (1,608,299.98)			\$ 1,608,299.98	16,101,543.00
Special Education Categorical Aid	495-034-5120-089	479,308.00	7/1/22 - 6/30/23				431,432.40	479,308.00				(47,875.60)			47,875.60	479,308.00
Security Aid	495-034-5120-084	160,459.00	7/1/22 - 6/30/23				144,431.58	160,459.00				(16,027.42)			16,027.42	160,459.00
Total State Aid - Public				(1,200,215.00)	\$ -	\$ -	16,269,922.00	16,741,310.00	\$ -	\$ -	\$ -	(1,672,203.00)	\$ -	\$ -	1,672,203.00	28,762,738.00
School Security Grant	N/A	45,520.00	7/1/20 - 6/30/21	(45,520.00)	-	-	45,520.00	-	-	-	-	-	-	-	-	45,520.00
Reimbursed TPAF Social Security Contributions:																
Reimbursed TPAF Social Security Contributions	495-034-5094-003	565,731.94	7/1/21 - 6/30/22	(27,834.77)			27,834.77									565,731.94
Reimbursed TPAF Social Security Contributions	495-034-5094-003	636,549.03	7/1/22 - 6/30/23				632,465.57	636,549.03				(4,083.46)				636,549.03
Total Reimbursed TPAF Social Security Contributions				(27,834.77)	-	-	660,300.34	636,549.03	-	-	-	(4,083.46)	-	-	-	1,202,280.97
On-Behalf TPAF Contributions (nonbudgeted):																
On-Behalf TPAF Pension Contribution - Normal Cost (non budgeted)	495-034-5094-002	2,605,719.00	7/1/22 - 6/30/23				2,605,719.00	2,605,719.00								2,605,719.00
On-Behalf TPAF Post-Retirement Medical (non budgeted)	495-034-5094-001	694,013.00	7/1/22 - 6/30/23				694,013.00	694,013.00								694,013.00
On-Behalf TPAF Long-Term Disability Insurance (non budgeted)	495-034-5094-004	1,734.00	7/1/22 - 6/30/23				1,734.00	1,734.00								1,734.00
On-Behalf TPAF Non-Contributory Insurance (non budgeted)	495-034-5094-004	36,151.00	7/1/22 - 6/30/23				36,151.00	36,151.00								36,151.00
Total On-Behalf TPAF Pension Contributions (non-budgeted)							3,337,617.00	3,337,617.00								3,337,617.00
Total General Fund				(1,273,569.77)	-	-	20,312,759.34	20,715,476.03	-	-	-	(1,676,286.46)	-	-	1,672,203.00	33,348,156.97
Special Revenue Fund:																
New Jersey Department of Education:																
Career and Technical Education - Basic Grants:																
Career and Technical Education - Basic Grants (Perkins)	100-034-5062-032	82,045.00	7/1/22 - 6/30/23				82,045.00	82,045.00								82,045.00
Total Career and Technical Education - Basic Grants (Perkins)							82,045.00	82,045.00								82,045.00
New Jersey School Development Authority (SDA):																
School Development Authority	N/A	47,703.00	7/1/22 - 6/30/23				47,703.00	47,703.00								47,703.00
Total School Development Authority							47,703.00	47,703.00								47,703.00
Total Special Revenue Fund							129,748.00	129,748.00								129,748.00
Capital Projects Fund:																
New Jersey Department of Education:																
Securing Our Children's Future Bond Act: STEM Expansion	588-034-5120-002	2,250,000.00	12/13/21 - Project End				1,575,000.00	1,645,265.47				(70,265.47)				1,645,265.47
Total Securing Our Children's Future Bond Act							1,575,000.00	1,645,265.47				(70,265.47)				1,645,265.47
Total Capital Project Fund							1,575,000.00	1,645,265.47				(70,265.47)				1,645,265.47
Enterprise Fund:																
New Jersey Department of Agriculture:																
Seamless Summer Lunch Program	100-010-3350-023	14,247.99	7/1/21 - 6/30/22	(1,093.68)			1,093.68									14,247.99
State School Lunch Program	495-010-3350-001	6,810.93	7/1/22 - 6/30/23				6,497.10	6,810.93				(313.83)				6,810.93
State School Reduced Lunch Program	495-010-3350-002	4,941.60	7/1/22 - 6/30/23				4,716.00	4,941.60				(225.60)				4,941.60
State School Reduced Breakfast Program	495-010-3350-002	2,193.30	7/1/22 - 6/30/23				2,085.60	2,193.30				(107.70)				2,193.30
Breakfast After the Bell	495-010-3350-004	4,310.70	7/1/22 - 6/30/23				4,074.00	4,310.70				(236.70)				4,310.70
Total Enterprise Fund				(1,093.68)			18,466.38	18,256.53				(683.83)				32,504.52
Total State Financial Assistance				\$ (1,274,663.45)	\$ -	\$ -	\$ 22,035,973.72	\$ 22,508,746.03	\$ -	\$ -	\$ -	\$ (1,747,435.76)	\$ -	\$ -	\$ 1,672,203.00	\$ 35,155,674.96
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:																
General Fund (Non-Cash Assistance):																
New Jersey Department of the Education:																
On-Behalf T.P.A.F. Pension Contribution - Normal Cost (non budgeted)	495-034-5094-002	2,605,719.00	7/1/22 - 6/30/23					\$ (2,605,719.00)								
On-Behalf T.P.A.F. Post-Retirement Medical (non budgeted)	495-034-5094-001	694,013.00	7/1/22 - 6/30/23					(694,013.00)								
On-Behalf T.P.A.F. Long-Term Disability Insurance (non budgeted)	495-034-5094-004	1,734.00	7/1/22 - 6/30/23					(1,734.00)								
On-Behalf T.P.A.F. Non-Contributory Insurance (non budgeted)	495-034-5094-004	36,151.00	7/1/22 - 6/30/23					(36,151.00)								
Total General Fund (Non-Cash Assistance)								(3,337,617.00)								
Total State Financial Assistance subject to Major Program Determination for State Single Audit								\$ 19,171,129.03								

(a) see note 6 to the schedules of expenditures of federal awards and state financial assistance

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.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$471,988.00 for the general fund and \$113,487.87 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 20,243,488.03	\$ 20,243,488.03
Special Revenue	2,289,014.74	129,748.00	2,418,762.74
Capital Projects	-	1,645,265.47	1,645,265.47
Food Service	406,132.57	18,256.53	424,389.10
	<u>2,695,147.31</u>	<u>22,036,758.03</u>	<u>24,731,905.34</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments	-	471,988.00	471,988.00
Encumbrances	113,487.87	-	113,487.87
	<u>113,487.87</u>	<u>471,988.00</u>	<u>585,475.87</u>
Total Awards and Financial Assistance Expended	<u>\$ 2,808,635.18</u>	<u>\$ 22,508,746.03</u>	<u>\$ 25,317,381.21</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2022-2023 and minor rounding adjustments.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2023, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? ___ yes x no

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

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? ___ yes x no

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

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425:		Education Stabilization Fund (ESF):
84.425D	S425D210027	Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	S425U210027	American Rescue Plan - Elementary and Secondary School Emergency Relief (ESSER) Fund

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

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes x no

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

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? ___ yes x no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	State Aid - Public: _____
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>588-034-5120-002</u>	<u>Securing Our Children's Future Bond Act</u>

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

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 2- Schedule of Financial Statement Findings

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

None.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

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

None.

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

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.