

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
(A COMPONENT UNIT OF THE COUNTY OF PASSAIC)
WAYNE, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS

**Passaic County Technical-Vocational Schools
(a component unit of the County of Passaic)
Wayne, New Jersey**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2021**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Passaic County Technical-Vocational Schools

(a component unit of the County of Passaic)

For The Fiscal Year Ended June 30, 2021

Prepared by

Passaic County Technical-Vocational Schools

Business Office

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N/A

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N/A

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N/A

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INTRODUCTORY SECTION



John F. Malello
Chief School Administrator

Richard Giglio
Business Administrator

January 28, 2022

To the Citizens and
Honorable President and
Members of the Board of Education
Passaic County Technical Institute
County of Passaic
Wayne, New Jersey

The Comprehensive Annual Financial Report of the Passaic County Technical Institute for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of 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 District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "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 applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.



PASSAIC COUNTY TECHNICAL INSTITUTE | DIANA C. LOBOSCO STEM ACADEMY

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1. **REPORTING ENTITY AND ITS SERVICES**

The Passaic County Technical Institute is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB Statement #14. All funds and account groups of the District are included in this report. The Passaic County Technical Institute Board of Education constitutes the District's reporting entity

The District is a county vocational school district that services eleven districts in the County of Passaic and approximately five out-of-county districts. The students are accepted through a point system based on criteria such as: elementary test results, attendance records, vocational aptitude, and administrative recommendations.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular and special needs vocational training, as well as a full academic component for regular and special needs students, and a STEM Academy which opened in September 2018. The District completed the 2020-2021 fiscal year with an enrollment of 4,168 students, which is 233 more students than the previous year's enrollment. This large increase was the result of the Diana C. Lobosco STEM Academy, which will eventually add an additional 1,200 students over four (4) years. The following details the changes in the student enrollment of the District over the last ten years.

| AVERAGE DAILY ENROLLMENT | | |
|---------------------------------|----------------------------------|------------------------------|
| <u>FISCAL YEAR</u> | <u>STUDENT ENROLLMENT</u> | <u>PERCENT CHANGE</u> |
| 2011-2012 | 3237.5 | .26 |
| 2012-2013 | 3244.5 | .22 |
| 2013-2014 | 3251.0 | .20 |
| 2014-2015 | 3331.6 | 2.48 |
| 2015-2016 | 3331.0 | .00 |
| 2016-2017 | 3444.0 | 3.40 |
| 2017-2018 | 3458.0 | .41 |
| 2018-2019 | 3707.0 | 7.20 |
| 2019-2020 | 3959.0 | 6.8 |
| 2020-2021 | 4190.9 | 5.59 |

The causes for the fluctuations in enrollment each year can vary, but are dependent on spacing for programs, enrollment interest in programs, returning to the home districts, or suspensions.

2. **ECONOMIC CONDITION AND OUTLOOK**

The Passaic County area has experienced a tremendous change from a dependence in the manufacturing industry to one of non-manufacturing services. Growth in retailing, wholesaling, finance and insurance has changed the economy from blue collar to white collar, from narrow to more diversified. Passaic County continues to attract large corporate employers. Additionally, many national and regional retail chains have chosen Passaic County in which to do business.

MAJOR INITIATIVES

3. A. STAFF DEVELOPMENT

During the 2020-2021 school year, the district amended its calendar and activities to provide two full-days of professional development due to the COVID-19 pandemic and a shift to remote/virtual learning in a hybrid format. The full range of the district's staff development program encompasses many on-line independent activities in which teachers have been engaged. These include graduate level courses with tuition reimbursement and virtual opportunities to attend conferences, seminars and meetings as well as an array of workshops. The focus of these activities is consistent with the New Jersey Student Learning Standards (NJSLS), New Jersey Professional Development Standards, The TEACHNJ Act of 2012 and subsequent amendments, School Improvement Panel, New Jersey Student Learning Assessment (NJSLA), the NJSLS-Science Standards and the requirement for 21st Century CTE programs. Over 10,000 hours of professional development were recorded in the district's professional development database during the school year 2020-2021. Our diverse faculty attended an equally diverse set of offerings ranging from pedagogical to career and technical training.

As a comprehensive vocational high school, our needs are unique and cross the spectrum from issues involving pedagogy, counseling, social and emotional learning, academic subjects, basic skills and ESL and a full range of vocational education areas. Our 424 teachers attended seminars and workshops designed to provide high quality and relevant professional development. Professional development is evaluated on a regular basis for alignment with individual Professional Growth Plans, TEACH NJ and NJSLA data. As required, teachers received the necessary training to administer and proctor the NJSLA ELA and Math, this assessment was postponed by an executive order of the Governor due to the COVID-19 pandemic.

PCTVS also continues a commitment to excellence in technology. The district implemented an Instructional Technology Coach (ITC) to provide direct support to teachers. The realization of the ITC position greatly improved our effort to enhance the technological proficiencies of our entire staff to maximize our large investment in educational technology. As "the magnet school for technology" in our county, we are proud to state that the courses offered are state-of-the-art and include options that integrate technology into the curriculum. The ITC was made available to faculty during school time, after school and during the summer. PCTVS offered extensive technology training in Canvas LMS, district technology platforms, and PowerSchool as well as on going in-service workshops related to virtual/remote or hybrid instruction in a one-to-one educational environment.

PCTVS funds allocated to outside seminars and release time are provided in the spirit of enhancing faculty teaching skills and pedagogy. Follow-up evaluation is conducted and documented for each conference attended by staff. Additionally, a survey is distributed to all staff who participate in district sponsored PD activities. Administration continues to

receive training for the Stronge Evaluation Model with all administrators receiving recertification through Inter-rater reliability activities.

In conclusion, staff development has turned a new page, both nationally and at Passaic County Technical Vocational Schools, where the administration and teaching staff have joined in an unprecedented alliance to provide staff development that meets the needs of teachers and students alike. The School Improvement Panel continues to guide leadership in identifying and addressing the needs of the school community.

Comprised of teachers and administrators, the School Improvement Panel has created a long-range professional development plan. It should be noted that PCTVS's professional development plan is distributed to the entire administrative team. It is an integral part of the planning process in developing professional improvement plans throughout the entire district. Survey results are carefully monitored and are the determining factor in planning PD activities committed to the goals of TEACHNJ.

B. COMMUNICATIONS

The Administration, Board of Education and staff of Passaic County Technical Vocational Schools remain committed to keeping an open line of communication with parents and the community. Communication continues to be a priority as PCTVS expands and enhances its programs and offerings to ensure that our students are well-prepared to compete in our global society. At the start of the 2020-2021 school year we welcomed 1183 Freshmen students to the PCTVS district high schools, Passaic County Technical-Vocational Schools and the Diana C. Lobosco STEM Academy, bringing our district's daytime student enrollment to more than 4225 students. We were pleased to begin the third year of our new state of the art STEM technology high school, the Diana C. Lobosco STEM Academy, with an additional 300 Freshmen students adding to the total STEM student population of 900. The goal is to accept 300 students in four consecutive years, bringing the total number of STEM Academy students to 1200 capacity in year. In addition, our adult and continuing education programs served over 770 adult students throughout the year. Therefore, it is essential that the PCTVS mission is effectively communicated to our newcomers, students, parents, prospective students, upperclassmen and staff, as well as to the greater community. Our communication efforts are many and varied. Due to the Covid-19 pandemic, certain traditional communication activities had to be redesigned for this school year to allow for a safe and healthy school environment for all. Prior to the opening of school, a specially designed "virtual" welcome orientation program was developed for our 1183 incoming freshmen and their parents/families from both PCTI and the DCL STEM Academy. The Virtual Welcome presentation made it possible for students and parents to become acclimated to the PCTVS experience in a safe format, while school policies, procedures and expectations were clearly outlined for all. In addition, a freshmen orientation program took place for 5 consecutive days in August which grouped students by their Career and Technical education program to further assist freshmen in making the transition to PCTVS a smooth and exciting experience. Parents are also encouraged to attend and actively participate in PTSO (Parent/Teacher/Student Organization) parent engagement meetings which were held virtually every other month and hosts a guest speaker from various district

administrative capacities to address the parents. A special annual Student Activities/Art Calendar was developed and presented to parents and staff in September containing valuable information about sports and school functions, PTSO meeting dates, school holidays and closures, school/staff contact information and more. Parents are encouraged to take part in school activities, many of which were communicated virtually this school year such as Financial Aide Workshops, Back-to-School Night, Open House and PTSO sponsored scholarship fundraising events. Activities such as our Saturday Academy and Saturday Stem Academy programs for 7th and 8th graders that usually run during the Summer, Fall and Spring semesters and exposes prospective students and parents to the many learning opportunities available at PCTVS were postponed due to Covid.

The PCTVS district website and publications also assist us in communicating with parents and the community on an ongoing basis. For the 2020-2021 school year, our district website was the center hub for all communication efforts in communicating PCTVS' Instructional Continuity Plan for hybrid learning. Additionally, information regarding programs, activities, events, student and staff spotlights and daily announcements to the school community are found on the district website. Our district publications, which include the PCTVS "TechLife" newsletter, as well as the district's annual report, district video, program brochures, media publications, press releases, social media venues and other informational publications also assist us in this regard. Our Open House was a virtual presentation this year and welcomed over 4000 parents and students virtually who were interested in a PCTVS Education. A special informational picture booklet detailing the many programs offered at PCTVS including the 13 schools and academies from which to choose, as well as academics, athletics, student activities and the application process, was designed by the Communications staff and available to visitors and guests. A special STEM Academy brochure is available to interested students and parents to acquaint them with the school and programs. Special Saturday campus tours for prospective students and parents are hosted on Saturdays and Wednesday evenings in October, November and December to give prospective students and families a more intimate look at the school and facilities. Throughout the year, a comprehensive communications packet is provided to all visitors and prospective students & parents and includes the many publications, annual report, newsletters, informational booklet and other interesting details about the school. Our "Tech Bullpen" school store provides PCTVS "Spirit-Wear" for students, staff and families to keep PCTVS spirit thriving. Our business and industry leaders and partners remain on our communications listings and play a key role in serving on our Business Partner Advisory Council. Their participation and interest in our school provides direction and vision enabling PCTVS to meet the challenges of the ever-changing workplace.

PCTVS continues to be an active and bustling campus as we continue to receive requests from hundreds of State, County, and other outside agencies during the year. At any given time of day or evening, weekdays and weekends, numerous functions are hosted on our campus.

Character education and patriotism are vital components to the district's culture and we remain very proud of our students, who continuously display a spirit of generosity, respect, and compassion for others. Students donate thousands of hours every year assisting in the community and take their personal and civic responsibilities most seriously, bringing to life the six pillars of character education: respect, responsibility, trustworthiness, caring, fairness and citizenship. Our outside entrance marquee and in-school monitors throughout

the campus serve as a daily reminder of activities & events and student & staff accomplishments, and display character building quotes as well. Our students continue to be ambassadors for our school and demonstrate the true ideals, traditions and expectations of our student body throughout the year. The extraordinary spirit of both students and staff gave birth to our communication campaigns, “Supercharged” Wellness, “Embracing Change”, “Attitude is Everything”, “It Starts with One: One Person, One School, One Community, One World”, “Like No Place Else”, “Can’t Stop the Feeling”, “We Are”, “PCT & I”, “Imagine” and the latest 2020-21 campaign “Return to Learn”. All have raised a heightened awareness among the entire school community focusing on positive values, attitudes, teamwork, school pride, environmental, and wellness themes.

C. CURRICULUM

The 2020-2021 school year continued with a new era in curriculum implementation at PCTVS. The district includes the Diana C. Lobosco STEM Academy’s three tracks of CTE programs along with PCTI’s ten schools and four academies. PCTI’s “Schools of” paradigm which is defined as “smaller schools-within-a-school” which operate as semi-autonomous, independent schools. At PCTVS, over 424 skilled and dedicated staff of professionals teach academics and technical skills and promote civic responsibility while delivering the curriculum in specialized career areas including:

- Academy of Finance
- Academy of Health & Medical Sciences
- Academy of Information Technology
- Academy of Criminal Justice
- School of Applied Engineering
- School of Cosmetology
- School of Automotive Technology
- School of Culinary Arts
- School of Education & Human Services
- School of Communication Arts
- School of Construction Technology
- School of Business Careers
- School of Performing Arts
- STEM Biomedical Sciences
- STEM Computer Science
- STEM Engineering

The challenging academic component of PCTVS includes many high-level courses. From Physics to Forensics, PCTVS students take advantage of a rigorous academic curriculum that prepares them for acceptance at some of the nation's finest four-year colleges and universities. Students can enroll in honors courses in English, Science, Mathematics and Social Studies. Advanced Placement courses in English, U.S. History, Calculus, Statistics, Physics, Macro Economics, Government and Politics, Spanish and Computer Science are also available to qualified students. Recognizing the value of preparing our students to

succeed in a global society we now include Japanese, Chinese and Arabic language studies in our curriculum.

Gifted and Talented, Bilingual/ESL, Special Needs and Basic Skills Improvement programs address the needs of the students with special learning requirements. The campus also serves as the North Jersey Regional Center for the Hearing Impaired. The numerous student activities at PCTVS also provide students with the opportunity to test their knowledge and skills in regional, state and national competitions. At PCTVS students are encouraged to enjoy "a total high school experience" which challenges them to Believe...Achieve...and Succeed...at all levels.

PCTVS's one-to-one initiative is in full implementation. A total of 4,397 students were issued Chrome books in the 2020-2021 school year. Chrome books played an essential role in administering the curriculum content, e-books and facilitating assessments during the pandemic. In the 2020-2021 School Year the district began the planning and implementation of our online curriculum platform Atlas. Extensive curriculum revisions were authored in 2020-2021. The curriculum is web-based with easy access available to the entire campus. The level of commitment to our long-range plan is evident in the progress shown toward updating all areas.

The district's "College Connections" program includes agreements with 12 colleges where both juniors and seniors earn college credit at a reduced fee. Students in Computer Science, Engineering - Project Lead The Way, Academy of Health & Medical Sciences, The Academy of Finance, Criminal Justice and Child Development can earn as many as 22 college credits by taking college courses provided by area colleges and universities. A collaborative effort with Seton Hall University's Project Acceleration will give over 200 of our students the opportunity to earn up to 22 college credits in Calculus, Computer Science, AP History, French, Spanish, Japanese, Sociology and Chemistry.

Agreements with SUNY and Seton Hall University's middle college program will give our students a head start at these prestigious institutions. On the career side, technical majors continue to offer the opportunity for internships and cooperative education placements in area businesses and firms. As a result of such programs, graduates are well prepared for the academic rigors of college and career readiness.

Assessment continues to be a priority at Passaic County Technical Vocational Schools. Student performance was as a requirement for graduation, was suspended by executive order during the COVID-19 pandemic. The curriculum is enhanced by providing after-school programs to assist students experiencing difficulties in Language Arts and Mathematics. In addition, Passaic County Technical-Vocational Schools continues to offer ACT prep classes to improve student performance and scores.

D. TECHNOLOGY

Passaic County Technical-Vocational Schools operates a truly "converged network," which is illustrated by our devotion to deliver all communication and data services either wirelessly or over a single set of wires. Technologies such as Telephony, Public Address,

Video distribution, Surveillance and Access Control have been unified and are delivered via IP to all corners of the campus. We continue to invest in state-of-the-art video surveillance and access control technologies to provide a safe environment for our students and staff. From any location on campus, our security staff can monitor the 200+ surveillance cameras or, for areas equipped with access control, perform a full lockdown.

Each PCTVS classroom has a wealth of technology that is typically seen only in corporate or university environments. The Technology Department constantly researches new and cutting-edge technologies to both enhance the district's technological prowess and provide our students with the highest in performance and reliability. In addition, our district has embraced the cloud for key business and instructional services to ensure that faculty, staff, and students can learn and work from anywhere.

During the 2020-2021 school year, the district operated with a hybrid model with roughly half our student population learning remotely and the other half in-person. The infrastructure and training put in place during the initial months of the pandemic allowed the district to seamlessly transition from in-person to hybrid and, when necessary, fully remote. Despite operating in completely uncharted territory, the district made important progress with the following accomplishments:

- 12.9" iPad Pro tablets with Apple Pencils deployed to the Graphic Arts Department to enable digital illustration instruction for remote students.
- 11" iPad Pro tablets with Apple Pencils deployed to the Math Department to facilitate hybrid instruction.
- Added additional capacity to the district's VDI systems to allow for additional simultaneous faculty and student virtual desktop sessions.
- Achieved Alyssa's Law Compliance which entails equipping each school building with at least one panic alarm that silently contacts law enforcement. Additional enhancements allow for any campus telephone activate the alarm if necessary.
- Enhanced the COVID-19 self-assessment feature within the TechLife district app with additional reporting capabilities for symptom tracking.
- Added a paperless forms capability to the district student information system (PowerSchool).
- Facilitated seamless hybrid instruction which consisted of over 1,500 virtual class meetings per-day via Webex.
- Conducted the first ever district virtual back to school night.
- Purchased over 400 laptops to refresh aging faculty devices.
- Replaced the entire fleet of district multi-function printers (copiers).

PCTVS considers there to be two fundamental equalizers in life today, one being education, and the other the Internet. PCTVS is dedicated to working to eliminate the barriers of time, distance, and socioeconomic status. In the past, these barriers have prevented many individuals from gaining access to educational opportunities. Technology is truly changing the way we work, live, play, and learn. Now, more so than ever, our investments in technology are helping to ensure a quality education for all our students.

E. FACILITY AND BUILDING RENOVATIONS

A bid was awarded in June 2020 for \$2,637,000 for the C-Wing Kitchen Renovation and another in June 2020 for \$1,132,700 for the I Department 2nd floor addition. The Kitchen was completed in September 2021 and the IT Department is expected to be completed in the Spring of 2022.

Diana C. Lobosco STEM Academy

On April 14, 2015, at its public meeting, the Board of Chosen Freeholders of the County of Passaic, adopted a resolution supporting the implementation of a new STEM Academy at PCTI and expressed the intention of issuing bonds as necessary to effectuate the implementation.

On August 16, 2016, The County authorized a bond ordinance providing an appropriation of \$30,000,000 for this project. On April 25, 2017 The County amended this bond ordinance and substituted in lieu thereof \$36,000,000 for the appropriation and debt authorization. PCTI anticipates receiving approximately 50% debt service aid on this project through special legislation under the Educational Facilities Construction and Financing Act.

Bids for the construction were awarded in the Spring of 2017, with the initial 300 students attending September 2018.

Biotechnology Facility

At the January 28, 2021 meeting of the Passaic County Technical-Vocational Schools (PCTVS), the Board approved the submission to the New Jersey Department of Education for a project submission for the Securing Our Children's Future Bond Act grant application for a Biotechnology facility in partnership with the Passaic County Community College (PCCC).

On February 9, 2021, the County Commissioners of the County of Passaic (County) at its public meeting adopted a resolution supporting the construction of a Biotechnology Facility in Partnership with the PCCC.

Total cost of the building is estimated at \$24,737,301. PCTVS has been awarded \$18,552,976 through the County Vocational School District Career and Technical Education grants, to be used for the construction of this facility. The County will match 25% of the total cost, which amounts to \$18,552,976.

Bids will be awarded in the Spring of 2022

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 estimates and judgments by management. As a recipient of federal and state financial assistance, the District also is

responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic 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 School Board of Estimates. 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 canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

6) **ACCOUNTING SYSTEM AND REPORTS**

This year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements-and Management's Discussion and Analysis- for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements-These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Fund financial statements-These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons-These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is located in the financial section of this report following the audit opinion and provides an assessment

of the School District finances for 2021 and a discussion of current issues that affect the outlook for the future.

7) **CASH MANAGEMENT**

The Cash Management policy of the District is guided by State statute that requires the District to deposit public funds in public depositories 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. The District's bank of record is Columbia Bank.

8) **DEBT ADMINISTRATION**

At June 30, 2021, the District does not have any debt service. All bonded long-term debt is included in the County of Passaic debt structure.

9) **RISK MANAGEMENT**

The Board carries various forms of insurance, including but not limited to general liability, automobile, property, computer, worker's compensation, excess liability, supplemental worker's compensation, and fidelity bonds. The District's agent of record is Balken Risk Management, Flemington, NJ

10) **OTHER INFORMATION**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm, Wielkottz, & Company, LLC, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations for Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." 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) **ACKNOWLEDGMENTS**


We would like to extend our appreciation to the Board of Education Commissioners of the Passaic County Technical Institute for their support in providing fiscal accountability to the taxpayers of the County of Passaic. It is through their contributions toward the development and maintenance of our financial operations that the preparation of this report could be possible.

We would be remiss if we did not recognize the efforts of our financial and accounting staff who, on a daily basis, maintain the integrity and efficiency of the financial information from which this report is derived. Their dedicated services are greatly appreciated.

Respectfully Submitted,



John Maiello
Chief School Administrator

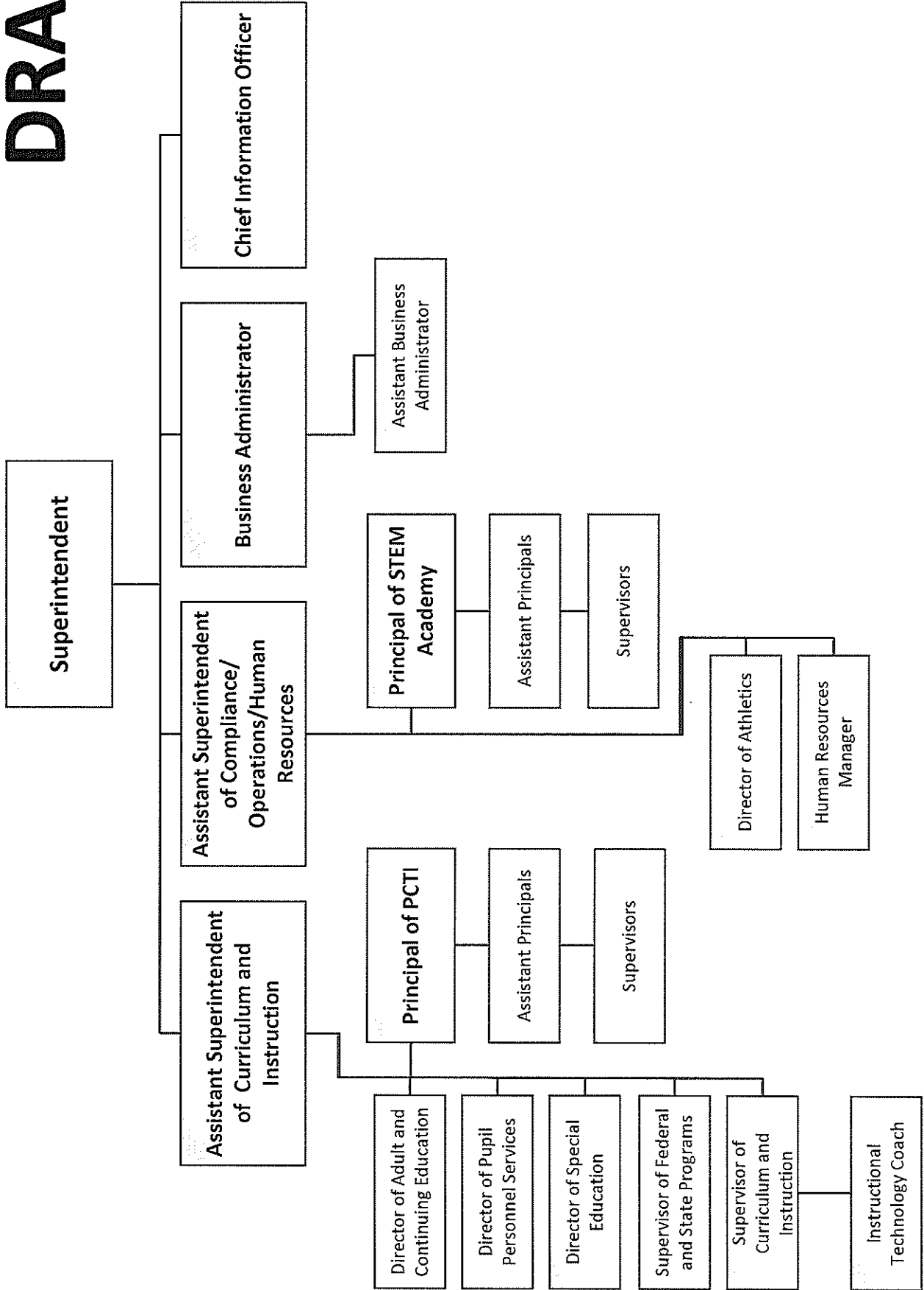


Richard J. Giglio
School Business Administrator



Mae Remer
Board Secretary

DRAFT



**PASSAIC COUNTY TECHNICAL INSTITUTE
BOARD OF EDUCATION**
Wayne, New Jersey

ROSTER OF OFFICIALS
June 30, 2021

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

| | |
|------------------------------------|-----------------|
| Michael Coscia, President | 2021 |
| Damaris M. Solomon, Vice President | 2019 - Holdover |
| Glenn L. Brown | 2018 - Holdover |
| Kesha Drakeford | Indefinite |

OTHER OFFICIALS

John F. Maiello, Chief School Administrator

Mae Remer, Board Secretary

Richard J. Giglio, School Business Administrator

Albert C. Buglione, Esq., Board Counsel

**PASSAIC COUNTY TECHNICAL INSTITUTE
BOARD OF EDUCATION**
Wayne, New Jersey

CONSULTANTS AND ADVISORS

ARCHITECT

Coppa Montalbano Architects
97 Lackawanna Avenue
Totowa, NJ 07512

ENGINEER

Coppa Montalbano Architects
97 Lackawanna Avenue
Totowa, NJ 07512

AUDIT FIRM

Wielkotz, & Company, LLC
401 Wanaque Avenue
Pompton Lakes, NJ 07442

ATTORNEY

Albert C. Buglione, Esq
401 Hamburg Turnpike, Suite 206
Wayne, NJ 07470

OFFICIAL DEPOSITORY

Columbia Bank
19-01 State Route 208
Fair Lawn, NJ 07410

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
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(973)-835-7900
office@w-cpa.com

Rockaway Office
100 Enterprise Drive
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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Trustees
Passaic County Technical-Vocational Schools
County of Passaic, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



Honorable President and
Members of the Board of Education
Page 2.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Passaic County Technical-Vocational Schools Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, in fiscal year 2021, the Board adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. As a result, prior year balances were restated (Note 18) to reflect the implementation of this Statement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Passaic County Technical-Vocational Schools Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

Honorable President and
Members of the Board of Education
Page 4.

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 and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022 on our consideration of the Passaic County Technical-Vocational Schools Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Passaic County Technical-Vocational Schools Board of Education's internal control over financial reporting and compliance.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 28, 2022



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

As management of the Passaic County Technical-Vocational Schools (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of Passaic County Technical-Vocational Schools for the fiscal year ended June 30, 2021.

The management’s discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District’s financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$5,367,364.31. Net position of governmental activities increased \$4,933,766.95 while net position of business-type activity increased by \$433,597.66. These variances are primarily the result of increases in revenues and unexpended budget appropriations in 2020-21, capital project funding and decreased revenues of the business-type activities.
- General revenues accounted for \$115,774,057.69 in revenue or 95.05 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,025,024.44 or 4.95 percent of total revenues of \$121,799,082.13.
- The School District had \$114,966,327.92 in expenses related to governmental activities; only \$5,126,815.78 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$115,773,279.09 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Passaic County Technical-Vocational Schools’s basic financial statements. The Passaic County Technical-Vocational Schools’s basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Passaic County Technical-Vocational Schools's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Passaic County Technical-Vocational Schools's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Passaic County Technical-Vocational Schools is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Passaic County Technical-Vocational Schools that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Passaic County Technical-Vocational Schools include instruction, support services and special schools. The business-type activities of the Passaic County Technical-Vocational Schools include the food service program and student store.

Fund Financial Statements

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

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

USING THIS ANNUAL REPORT, (continued)

Governmental Funds

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

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

The Passaic County Technical-Vocational Schools maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, and capital projects fund which are all considered to be major funds.

The Passaic County Technical-Vocational Schools adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with their budgets.

Proprietary Funds

The Passaic County Technical-Vocational Schools maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Passaic County Technical-Vocational Schools uses enterprise funds to account for its food service program and student store.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

USING THIS ANNUAL REPORT, (continued)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Passaic County Technical-Vocational Schools's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District did not have any Fiduciary Funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

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

The School District's net positions were \$82,749,951.84 at June 30, 2021 and \$76,372,296.52 at June 30, 2020. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those net position items for day-to-day operations. Our analysis below focuses on the net position for 2021 compared to 2020 (Table 1) and change in net position (Table 2) of the School District.

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

**Net Position
June 30,**

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|------------------------|---------------------------------|-------------------|------------------------|------------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Current and Other Assets | 24,645,120.21 | 15,500,668.92 | 528,034.26 | 310,008.01 | 25,173,154.47 | 15,810,676.93 |
| Capital Assets | <u>90,227,948.01</u> | <u>89,970,035.49</u> | <u>233,937.98</u> | <u>255,832.84</u> | <u>90,461,885.99</u> | <u>90,225,868.33</u> |
| Total Assets | <u>114,873,068.22</u> | <u>105,470,704.41</u> | <u>761,972.24</u> | <u>565,840.85</u> | <u>115,635,040.46</u> | <u>106,036,545.26</u> |
| Deferred Outflows | <u>5,024,710.00</u> | <u>4,047,555.00</u> | — | — | <u>5,024,710.00</u> | <u>4,047,555.00</u> |
| Current Liabilities | 8,082,604.78 | 2,631,848.95 | 9,157.79 | 246,624.06 | 8,091,762.57 | 2,878,473.01 |
| Noncurrent Liabilities | <u>21,506,344.05</u> | <u>23,209,769.73</u> | — | — | <u>21,506,344.05</u> | <u>23,209,769.73</u> |
| Total Liabilities | <u>29,588,948.83</u> | <u>25,841,618.68</u> | <u>9,157.79</u> | <u>246,624.06</u> | <u>29,598,106.62</u> | <u>26,088,242.74</u> |
| Deferred Inflows | <u>8,311,692.00</u> | <u>7,623,561.00</u> | — | — | <u>8,311,692.00</u> | <u>7,623,561.00</u> |
| Net Position | | | | | | |
| Invested in Capital | | | | | | |
| Assets | 90,227,948.01 | 89,970,035.49 | 233,937.98 | 255,832.84 | 90,461,885.99 | 90,225,868.33 |
| Restricted | 7,991,529.91 | 5,621,837.68 | — | — | 7,991,529.91 | 5,621,837.68 |
| Unrestricted | <u>(16,222,340.53)</u> | <u>(19,538,793.44)</u> | <u>518,876.47</u> | <u>63,383.95</u> | <u>(15,703,464.06)</u> | <u>(19,475,409.49)</u> |
| Total Net Position | <u>81,997,137.39</u> | <u>76,053,079.73</u> | <u>752,814.45</u> | <u>319,216.79</u> | <u>82,749,951.84</u> | <u>76,372,296.52</u> |

The deficit in restricted and unrestricted net position represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills *today*, including all of our noncapital liabilities (compensated absences, unfunded pension obligations for example), we would have a deficit.

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2021 compared to 2020.

**Table 2
Changes in Net Position
Year Ended June 30,**

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---|--------------------------------|-----------------------|---------------------------------|---------------------|-----------------------|-----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services and Sales | 58,129.23 | | 340,104.90 | 908,513.81 | 398,234.13 | 908,513.81 |
| Operating Grants and Contributions | 5,068,686.55 | 4,119,055.61 | 558,103.76 | 1,022,961.66 | 5,626,790.31 | 5,142,017.27 |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| County taxes, levied for general purposes | 7,044,585.00 | 7,044,585.00 | | | 7,044,585.00 | 7,044,585.00 |
| Federal and State Aid not Restricted | 56,247,804.11 | 46,158,558.16 | | | 56,247,804.11 | 46,158,558.16 |
| Tuition Received | 48,670,244.42 | 48,493,004.41 | | | 48,670,244.42 | 48,493,004.41 |
| Investment Earnings | 11,223.42 | 11,030.17 | 778.60 | 2,126.93 | 12,002.02 | 13,157.10 |
| GED Revenue | 89,760.79 | 76,110.13 | | | 89,760.79 | 76,110.13 |
| Miscellaneous Income | 952,429.05 | 488,003.65 | | | 952,429.05 | 488,003.65 |
| Capital Projects Fund | | | | | | |
| By Passaic County | 980,098.87 | 3,412,156.00 | | | 980,098.87 | 3,412,156.00 |
| Transfers | (1,000,000.00) | (350,000.00) | 1,000,000.00 | 350,000.00 | 0.00 | 0.00 |
| Federal and State Aid- Capital Outlay | <u>1,777,133.43</u> | <u>531,389.00</u> | | | <u>1,777,133.43</u> | <u>531,389.00</u> |
| Total Revenues and Transfers | <u>119,900,094.87</u> | <u>109,983,892.13</u> | <u>1,898,987.26</u> | <u>2,283,602.40</u> | <u>121,799,082.13</u> | <u>112,267,494.53</u> |

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|-----------------------------------|--------------------------------|-----------------------|---------------------------------|---------------------|-----------------------|-----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Functions/Program Expenses | | | | | | |
| Instruction: | | | | | | |
| Regular | 25,013,513.80 | 22,838,321.01 | | | 25,013,513.80 | 22,838,321.01 |
| Other Special | | | | | | |
| Instruction | 4,898,217.62 | 4,997,012.59 | | | 4,898,217.62 | 4,997,012.59 |
| Vocational | 15,082,311.01 | 15,418,805.76 | | | 15,082,311.01 | 15,418,805.76 |
| Other Instruction | 2,509,399.82 | 3,034,607.14 | | | 2,509,399.82 | 3,034,607.14 |
| Support Services: | | | | | | |
| Student & Instruction | | | | | | |
| Related Services | 17,103,748.31 | 16,004,157.46 | | | 17,103,748.31 | 16,004,157.46 |
| School Administrative | | | | | | |
| Services | 3,071,296.82 | 2,966,027.84 | | | 3,071,296.82 | 2,966,027.84 |
| General Administrative | | | | | | |
| Services | 2,696,166.15 | 2,086,566.48 | | | 2,696,166.15 | 2,086,566.48 |
| Central Services and Admin. | | | | | | |
| Info. Tech. | 3,135,846.29 | 2,807,825.09 | | | 3,135,846.29 | 2,807,825.09 |
| Plant Operations and | | | | | | |
| Maintenance | 10,284,898.88 | 10,495,354.77 | | | 10,284,898.88 | 10,495,354.77 |
| Pupil Transportation | 1,720,352.58 | 1,712,991.43 | | | 1,720,352.58 | 1,712,991.43 |
| Unallocated Benefits | 23,312,543.56 | 16,420,589.49 | | | 23,312,543.56 | 16,420,589.49 |
| Special Schools | 1,362,170.48 | 1,336,457.07 | | | 1,362,170.48 | 1,336,457.07 |
| Capital Outlay- | | | | | | |
| Non-depreciable | 149,757.42 | (100,573.98) | | | 149,757.42 | (100,573.98) |
| Unallocated depreciation | 4,626,105.18 | 4,676,959.30 | | | 4,626,105.18 | 4,676,959.30 |
| Food Service | | | 1,394,755.93 | 2,423,571.35 | 1,394,755.93 | 2,423,571.35 |
| Student Store | | | <u>70,633.67</u> | <u>90,565.28</u> | <u>70,633.67</u> | <u>90,565.28</u> |
| Total Expenses and Transfers | <u>114,966,327.92</u> | <u>104,695,101.45</u> | <u>1,465,389.60</u> | <u>2,514,136.63</u> | <u>116,431,717.52</u> | <u>107,209,238.08</u> |
| Increase or (Decrease) in | | | | | | |
| Net Position | <u>4,933,766.95</u> | <u>5,288,790.68</u> | <u>433,597.66</u> | <u>(230,534.23)</u> | <u>5,367,364.61</u> | <u>5,058,256.45</u> |

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$116,431,717.52. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$7,044,585.00 because some of the cost was paid by those who benefitted from the programs \$398,234.13, by other governments and organizations who subsidized certain programs with grants and contributions \$5,626,790.31, and by miscellaneous sources \$108,729,472.69.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund and the special revenue fund. The capital projects fund is funded by the County of Passaic bond ordinances. Therefore, no budget is presented.

During the fiscal year ended June 30, 2021, the School District amended the budgets of these major governmental funds several times. The general fund was increased by \$1,962,567.00 for decrease in state aid and additional use of sources. The special revenue fund was increased by \$9,661,580.46 for increases in federal, state and local grants.

General Fund

The general fund actual revenue was \$106,102,703.79. That amount is \$17,635,539.79 above the final amended budget of \$88,467,164.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$17,049,780.24 for TPAF pension and social security reimbursements and \$585,759.55 for excesses in other anticipated revenues.

The actual expenditures of the general fund were \$102,158,347.56 including transfers which is \$6,647,911.95 above the final amended budget of \$95,510,435.61. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$17,049,780.24 for TPAF pension and social security reimbursements and \$10,401,868.29 of unexpended budgeted funds.

General fund had total revenues of \$106,102,703.79 and total expenditures of \$102,158,347.56 with an ending fund balance of \$18,743,471.67 on the budgetary basis of accounting.

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

Special Revenue Fund

The special revenue fund actual revenue was \$6,903,949.21. That amount is \$6,362,589.25 below the final amended budget of \$13,266,538.46. The variance between the actual revenues and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$6,904,483.36, which is \$6,362,055.10 below the final amended budget of \$13,266,538.46. The variance between the actual expenditures and the final budget was fully budgeted state and federal grant programs. Expenditures will be incurred in the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021 the School District had \$147,211,907.93 invested in sites, buildings, equipment and construction in progress. Of this amount \$56,750,021.94 in depreciation has been taken over the years. We currently have a net book value of \$90,461,885.99. Total additions for the year were \$4,884,017.70 the majority of which was for various technology, office equipment, facility improvements and for construction in progress for facility improvements. Table 3 shows fiscal year 2021 balances compared to 2020.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

| | <u>Governmental Activities</u> | | <u>Business Activities</u> | | <u>Total</u> | |
|-----------------------------------|--------------------------------|----------------------|----------------------------|-------------------|----------------------|----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Sites and Improvements | 2,653,331.29 | 2,796,551.79 | | | 2,653,331.29 | 2,796,551.79 |
| Buildings and Improvements | 71,950,929.61 | 74,378,304.03 | | | 71,950,929.61 | 74,378,304.03 |
| Furniture, Equipment and Vehicles | 11,209,019.14 | 11,226,407.30 | 233,937.98 | 255,832.94 | 11,442,957.12 | 11,482,240.24 |
| Construction in Progress | <u>4,414,667.97</u> | <u>1,568,772.37</u> | | | <u>4,414,667.97</u> | <u>1,568,772.37</u> |
| | <u>90,227,948.01</u> | <u>89,970,035.49</u> | <u>233,937.98</u> | <u>255,832.94</u> | <u>90,461,885.99</u> | <u>90,225,868.43</u> |

For more detailed information, please refer to the Notes to Basic Financial Statements.

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Debt Administration

At June 30, 2021, the District does not have any debt. All bonded long-term debt is included in the County of Passaic debt structure.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Many factors were considered by the District's administration during the development of the 2021/2022 budget. The primary factors were the District's projected student enrollment, State aid and the tuition rate, as well as salary and health benefit increases. Since PCTVS's student enrollment increased, a result of the Diana C. Lobosco Stem Academy expansion and State aid increased, because of the increased enrollment, we were able to reduce the tuition rate we charge to sending districts by \$250. For the 2020-2021 school year. The additional state aid also allowed the District to budget some overdue capital projects.

In addition, the District received additional aid through the Elementary Secondary School Emergency Relief (ESSER) Fund, The Coronavirus Relief Fund Grant (CRF), FEMA funding through the NJ Office of Emergency Management for reimbursement of cleaning supplies and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act ESSER II. These additional funds offset normal operating costs, permitted the District to budget for additional capital projects, fund both the capital projects and maintenance reserves by \$1,000,000 each and still was able to appropriate \$4,310,000 to the 2021/2022 budget to offset expenses.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Passaic County Technical-Vocational Schools's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Richard J. Giglio
School Business Administrator
Passaic County Technical-Vocational Schools
45 Reinhardt Road
Wayne, NJ 07470

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Statement of Net Position
June 30, 2021

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 11,687,388.63 | 275,160.00 | 11,962,548.63 |
| Receivables, net | 7,533,570.57 | 257,477.74 | 7,791,048.31 |
| Internal Balances | 100,000.00 | (100,000.00) | - |
| Inventory | | 95,396.52 | 95,396.52 |
| Restricted assets: | | | |
| Cash and Cash Equivalents | 5,324,161.01 | | 5,324,161.01 |
| Capital assets: | | | |
| Land and construction in progress | 4,414,667.97 | | 4,414,667.97 |
| Other capital assets, net | 85,813,280.04 | 233,937.98 | 86,047,218.02 |
| Total Assets | <u>114,873,068.22</u> | <u>761,972.24</u> | <u>115,635,040.46</u> |
| DEFERRED OUTFLOWS | | | |
| Deferred Outflows of Resources Related to PERS - Pension | <u>5,024,710.00</u> | | <u>5,024,710.00</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 4,059,214.22 | 9,157.79 | 4,068,372.01 |
| Payroll deductions and withholdings payable | 3,503,003.36 | | 3,503,003.36 |
| Unemployment Compensation claims payable | 34,155.10 | | 34,155.10 |
| Deposits payable | 2,000.00 | | 2,000.00 |
| Payable to federal government | 48,050.00 | | 48,050.00 |
| Unearned revenue | 436,182.10 | - | 436,182.10 |
| Noncurrent liabilities: | | | |
| Due beyond one year | 21,506,344.05 | | 21,506,344.05 |
| Total liabilities | <u>29,588,948.83</u> | <u>9,157.79</u> | <u>29,598,106.62</u> |
| DEFERRED INFLOWS | | | |
| Deferred Inflows of Resources Related to PERS - Pension | <u>8,311,692.00</u> | | <u>8,311,692.00</u> |
| NET POSITION | | | |
| Invested in capital assets | 90,227,948.01 | 233,937.98 | 90,461,885.99 |
| Restricted for: | | | |
| Capital projects | 5,002,605.26 | | 5,002,605.26 |
| Other purposes | 2,988,924.65 | | 2,988,924.65 |
| Unrestricted (Deficit) | <u>(16,222,340.53)</u> | <u>518,876.47</u> | <u>(15,703,464.06)</u> |
| Total net position | <u>81,997,137.39</u> | <u>752,814.45</u> | <u>82,749,951.84</u> |

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

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Statement of Activities
For the Year Ended June 30, 2021

| Functions/Programs | Expenses | Indirect Expenses Allocation | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | | |
|--|----------------|------------------------------|----------------------|------------------------------------|---|--------------------------|------------------|--|
| | | | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities | Total | |
| Governmental activities: | | | | | | | | |
| Instruction: | | | | | | | | |
| Regular | 20,880,470.11 | 4,133,043.69 | | 2,486,844.30 | (22,526,669.50) | | (22,526,669.50) | |
| Special education | 3,429,729.83 | 828,235.47 | | | (4,257,965.30) | | (4,257,965.30) | |
| Other special instruction | 516,352.92 | 123,899.40 | | | (640,252.32) | | (640,252.32) | |
| Vocational | 12,376,197.36 | 2,706,113.65 | | | (15,082,311.01) | | (15,082,311.01) | |
| Other instruction | 2,117,288.94 | 392,110.88 | | | (2,509,399.82) | | (2,509,399.82) | |
| Support services: | | | | | | | | |
| Student & instruction related services | 14,616,632.33 | 2,487,115.98 | 58,129.23 * | 2,581,842.25 * | (14,463,776.83) | | (14,463,776.83) | |
| School administrative services | 2,485,054.31 | 586,242.51 | | | (3,071,296.82) | | (3,071,296.82) | |
| General administrative services | 2,460,552.57 | 235,613.58 | | | (2,696,166.15) | | (2,696,166.15) | |
| Central Services & Admin. Info. Technology | 2,651,467.81 | 484,378.48 | | | (3,135,846.29) | | (3,135,846.29) | |
| Plant operations and maintenance | 9,320,674.66 | 964,224.22 | | | (10,284,898.88) | | (10,284,898.88) | |
| Pupil transportation | 1,720,352.58 | - | | | (1,720,352.58) | | (1,720,352.58) | |
| Unallocated benefits | 23,312,543.56 | - | | | (23,312,543.56) | | (23,312,543.56) | |
| Special schools | 1,153,191.61 | 208,978.87 | | | (1,362,170.48) | | (1,362,170.48) | |
| Capital outlay - non-depreciable | 149,757.42 | | | | (149,757.42) | | (149,757.42) | |
| Unallocated depreciation | 4,626,105.18 | | | | (4,626,105.18) | | (4,626,105.18) | |
| Total governmental activities | 101,816,371.19 | 13,149,956.73 | 58,129.23 | 5,068,686.55 | (109,839,512.14) | | (109,839,512.14) | |
| Business-type activities: | | | | | | | | |
| Food Service | 1,394,755.93 | | 273,332.62 | 558,103.76 | (663,319.55) | | (663,319.55) | |
| Student Store | 70,633.67 | | 66,772.28 | | (3,861.39) | | (3,861.39) | |
| Total business-type activities | 1,465,389.60 | | 340,104.90 | 558,103.76 | (567,180.94) | | (567,180.94) | |
| Total primary government | 103,281,760.79 | | 398,234.13 | 5,626,790.31 | (109,839,512.14) | | (110,406,693.08) | |
| General revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| County taxes, levied for general purposes | | | | | 7,044,585.00 | | 7,044,585.00 | |
| Federal and State aid not restricted | | | | | 56,247,804.11 | | 56,247,804.11 | |
| Tuition received | | | | | 48,670,244.42 | | 48,670,244.42 | |
| Investment earnings | | | | | 8,882.07 | | 8,882.07 | |
| Other restricted miscellaneous revenues | | | | | 2,341.35 | 778.60 | 2,341.35 | |
| GED revenue | | | | | 89,760.79 | | 89,760.79 | |
| Miscellaneous income | | | | | 952,429.05 | | 952,429.05 | |
| Capital Projects - funded by Passaic County | | | | | 980,098.87 | | 980,098.87 | |
| Transfers | | | | | (1,000,000.00) | 1,000,000.00 | - | |
| Federal and State aid - capital outlay | | | | | 1,777,133.43 | | 1,777,133.43 | |
| Total general revenues, special items, extraordinary items and transfers | | | | | 114,773,279.09 | 1,000,778.60 | 115,774,057.69 | |
| Change in Net Assets | | | | | 4,933,766.95 | 433,597.66 | 5,367,364.61 | |
| Net Position—Beginning (Restated) note 18 | | | | | 77,063,370.44 | 319,216.79 | 77,382,587.23 | |
| Net Position—ending | | | | | 81,997,137.39 | 752,814.45 | 82,749,951.84 | |

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

* Student activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions".

FUND FINANCIAL STATEMENTS

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS

Balance Sheet
Governmental Funds
June 30, 2021

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|---|
| ASSETS | | | | |
| Cash and cash equivalents | 11,687,388.63 | | | 11,687,388.63 |
| Interfund receivables | 709,109.10 | | | 709,109.10 |
| Receivables from other governments | 147,158.01 | 1,712,999.04 | 2,411,217.44 | 4,271,374.49 |
| Tuitions receivable | 3,176,936.13 | | | 3,176,936.13 |
| Other receivables | 85,259.95 | | | 85,259.95 |
| Restricted cash and cash equivalents | <u>5,017,342.67</u> | <u>306,818.34</u> | | <u>5,324,161.01</u> |
| Total assets | <u>20,823,194.49</u> | <u>2,019,817.38</u> | <u>2,411,217.44</u> | <u>25,254,229.31</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | 906,385.65 | 1,297,279.73 | 48,746.00 | 2,252,411.38 |
| Accrued salaries & benefits | 391,799.71 | 10,187.13 | | 401,986.84 |
| Interfund payables | | 346,120.08 | 262,989.02 | 609,109.10 |
| Intergovernmental loans payable | | | | - |
| Payable to federal government | | 48,050.00 | | 48,050.00 |
| Payroll deductions and withholdings payable | 3,503,003.36 | | | 3,503,003.36 |
| Unemployment Compensation claims payable | 34,155.10 | | | 34,155.10 |
| Deposits payable | 2,000.00 | | | 2,000.00 |
| Unearned revenue | <u>424,820.00</u> | <u>11,362.10</u> | | <u>436,182.10</u> |
| Total liabilities | <u>5,262,163.82</u> | <u>1,712,999.04</u> | <u>311,735.02</u> | <u>7,286,897.88</u> |
| Fund Balances: | | | | |
| Restricted for: | | | | |
| Maintenance reserve account | 1,408,940.16 | | | 1,408,940.16 |
| Capital reserve account | 2,903,122.84 | | | 2,903,122.84 |
| Excess surplus | 567,886.58 | | | 567,886.58 |
| Capital projects fund | | | 259,870.90 | 259,870.90 |
| Unemployment compensation | 705,279.57 | | | 705,279.57 |
| Scholarships | | 23,442.61 | | 23,442.61 |
| Student Activities | | 283,375.73 | | 283,375.73 |
| Committed to: | | | | |
| Other purposes | | | 1,839,611.52 | 1,839,611.52 |
| Assigned to: | | | | |
| Other purposes | 3,049,887.53 | | | 3,049,887.53 |
| Designated by the BOE for subsequent year's expenditures | 5,067,226.00 | | | 5,067,226.00 |
| Unassigned: | | | | |
| General fund | 1,858,687.99 | | | 1,858,687.99 |
| Total Fund balances | <u>15,561,030.67</u> | <u>306,818.34</u> | <u>2,099,482.42</u> | <u>17,967,331.43</u> |
| Total liabilities and fund balances | <u>20,823,194.49</u> | <u>2,019,817.38</u> | <u>2,411,217.44</u> | |

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 \$146,602,547.42 and the accumulated depreciation is \$56,374,599.41. 90,227,948.01

Accounts Payable for subsequent Pension payment is not a payable in the funds (1,404,816.00)

Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.
Deferred Outflows of Resources Related to PERS Pension Liability 5,024,710.00

Deferred Inflows of Resources Related to PERS Pension Liability (8,311,692.00)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7) (21,506,344.05)

Net position of governmental activities 81,997,137.39

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

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|---|
| REVENUES | | | | |
| Local Sources: | | | | |
| County Tax levy | 7,044,585.00 | | | 7,044,585.00 |
| Tuition from LEA's | 48,224,769.90 | | | 48,224,769.90 |
| Other Tuition | 445,474.52 | | | 445,474.52 |
| GED revenue | 89,760.79 | | | 89,760.79 |
| Interest Earned on Capital Reserve | 7,393.62 | | | 7,393.62 |
| Interest Earned on Maintenance Reserve | 1,488.45 | | | 1,488.45 |
| Other Restricted Miscellaneous Revenues | 2,341.35 * | | | 2,341.35 |
| Miscellaneous | <u>952,429.05</u> | <u>240,462.46</u> ** | | <u>1,192,891.51</u> |
| Total - Local Sources | 56,768,242.68 | 240,462.46 | - | 57,008,705.14 |
| State Sources | 48,507,869.24 | 345,418.04 | | 48,853,287.28 |
| Federal Sources | <u>254,581.87</u> | <u>6,318,068.71</u> | | <u>6,572,650.58</u> |
| Total Revenues | <u>105,530,693.79</u> | <u>6,903,949.21</u> | <u>-</u> | <u>112,434,643.00</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Regular Instruction | 18,393,091.66 | 2,487,378.45 | | 20,880,470.11 |
| Special education instruction | 3,429,729.83 | | | 3,429,729.83 |
| Other Special Instruction | 516,352.92 | | | 516,352.92 |
| Vocational Education | 12,376,197.36 | | | 12,376,197.36 |
| Other Instruction | 2,117,288.94 | | | 2,117,288.94 |
| Support Services and Undistributed Costs: | | | | |
| Student & Instruction Related Services | 11,976,660.85 | 2,639,971.48 *** | | 14,616,632.33 |
| School Administrative Services | 2,485,054.31 | | | 2,485,054.31 |
| General Administrative Services | 2,460,552.57 | | | 2,460,552.57 |
| Central Services & Admin. Info. Technolgy | 2,651,467.81 | | | 2,651,467.81 |
| Plant Operations and Maintenance | 9,320,674.66 | | | 9,320,674.66 |
| Pupil Transportation | 1,720,352.58 | | | 1,720,352.58 |
| Unallocated Benefits | 30,653,605.97 | | | 30,653,605.97 |
| Special Schools | 1,153,191.61 | | | 1,153,191.61 |
| Capital Outlay | 1,904,126.49 | 1,777,133.43 | 1,352,515.20 | 5,033,775.12 |
| Total Expenditures | <u>101,158,347.56</u> | <u>6,904,483.36</u> | <u>1,352,515.20</u> | <u>109,415,346.12</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>4,372,346.23</u> | <u>(534.15)</u> | <u>(1,352,515.20)</u> | <u>3,019,296.88</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Funded by Passaic County | | | 980,098.87 | 980,098.87 |
| Transfers out | <u>(1,000,000.00)</u> | | | <u>(1,000,000.00)</u> |
| Total other financing sources and uses | <u>(1,000,000.00)</u> | <u>-</u> | <u>980,098.87</u> | <u>(19,901.13)</u> |
| Net Change in Fund Balances | 3,372,346.23 | (534.15) | (372,416.33) | 2,999,395.75 |
| Fund Balance / (Deficit) —July 1 | 11,485,746.22 | | 2,471,898.75 | 13,957,644.97 |
| Prior Period Adjustments | <u>702,938.22</u> **** | <u>307,352.49</u> ***** | | <u>1,010,290.71</u> |
| Fund Balance / (Deficit) —July 1 (Restated) | 12,188,684.44 | 307,352.49 | 2,471,898.75 | 14,967,935.68 |
| Fund Balance / (Deficit) —June 30 | <u>15,561,030.67</u> | <u>306,818.34</u> | <u>2,099,482.42</u> | <u>17,967,331.43</u> |

* Includes interest earnings on the Unemployment Compensation Bank Account.

** Special Revenue Fund now includes revenues from Scholarships and student activities.

*** Special Revenue Fund now includes expenditures from student activities.

**** Unemployment Fund Net Position as of June 30, 2020.

***** Scholarship and Student Activity Fund Net Position as of June 30, 2020.

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

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021**

| | | | | | | | | | |
|--|-----------------------------------|--------------------------------|----------------|--|--|-----------------------------|---------------------|------------|--|
| Total net change in fund balances - governmental funds (from B-2) | 2,999,395.75 | | | | | | | | |
| <p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p> | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Depreciation expense</td> <td style="width: 10%; text-align: right;">(4,626,105.18)</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Depreciable Capital outlays</td> <td style="text-align: right;"><u>4,884,017.70</u></td> <td style="text-align: right; vertical-align: bottom;">257,912.52</td> </tr> </table> | | Depreciation expense | (4,626,105.18) | | | Depreciable Capital outlays | <u>4,884,017.70</u> | 257,912.52 | |
| | Depreciation expense | (4,626,105.18) | | | | | | | |
| | Depreciable Capital outlays | <u>4,884,017.70</u> | 257,912.52 | | | | | | |
| <p>Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year , these amounts consist of:</p> | | | | | | | | | |
| Principal Payments on Unfunded Pension Obligations | 7,692.00 | | | | | | | | |
| <p>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 (+).</p> | | | | | | | | | |
| (Increase)/Decrease in compensated absences payable | 1,214,897.68 | | | | | | | | |
| <p>District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p> | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">District Pension Contributions</td> <td style="width: 10%; text-align: right;">1,294,245.00</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Less: Pension Expense</td> <td style="text-align: right;"><u>(840,376.00)</u></td> <td style="text-align: right; vertical-align: bottom;">453,869.00</td> </tr> </table> | | District Pension Contributions | 1,294,245.00 | | | Less: Pension Expense | <u>(840,376.00)</u> | 453,869.00 | |
| | District Pension Contributions | 1,294,245.00 | | | | | | | |
| | Less: Pension Expense | <u>(840,376.00)</u> | 453,869.00 | | | | | | |
| <p>Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements</p> | | | | | | | | | |
| Increase in On-behalf State Aid TPAF Pension | 3,248,404.00 | | | | | | | | |
| Increase in On-behalf TPAF Pension Expense | (3,248,404.00) | | | | | | | | |
| <p>Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post retirement medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements</p> | | | | | | | | | |
| Increase in On-behalf State Aid TPAF Post Retirement Medical Revenue | 4,236,949.00 | | | | | | | | |
| Increase in On-behalf State Aid TPAF Post Retirement Medical Expense | (4,236,949.00) | | | | | | | | |
| Change in net position of governmental activities | <u><u>4,933,766.95</u></u> | | | | | | | | |

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

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Statement of Net Position
Proprietary Funds
June 30, 2021

| | Business-type Activities - Enterprise Fund | | |
|--|---|--------------------------|--------------------------------------|
| | Food Service Program | Student Store | Total Enterprise Fund |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 147,845.82 | 127,314.18 | 275,160.00 |
| Accounts receivable: | | | |
| State | 1,967.60 | - | 1,967.60 |
| Federal | 250,146.81 | - | 250,146.81 |
| Other | 2,982.33 | 2,381.00 | 5,363.33 |
| Inventories | 29,250.52 | 66,146.00 | 95,396.52 |
| Total current assets | 432,193.08 | 195,841.18 | 628,034.26 |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Equipment | 609,360.51 | - | 609,360.51 |
| Less accumulated depreciation | (375,422.53) | - | (375,422.53) |
| Total capital assets (net of accumulated depreciation) | 233,937.98 | - | 233,937.98 |
| Total assets | 666,131.06 | 195,841.18 | 861,972.24 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 9,157.79 | - | 9,157.79 |
| Interfunds payable | 100,000.00 | - | 100,000.00 |
| Total current liabilities | 109,157.79 | - | 109,157.79 |
| Total liabilities | 109,157.79 | - | 109,157.79 |
| NET POSITION | | | |
| Invested in capital assets net of related debt | 233,937.98 | - | 233,937.98 |
| Unrestricted | 323,035.29 | 195,841.18 | 518,876.47 |
| Total net position | 556,973.27 | 195,841.18 | 752,814.45 |

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

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

| | Business-type Activities - Enterprise Fund | | |
|---|---|--------------------------|--------------------------------------|
| | Food Service Program | Student Store | Total Enterprise Fund |
| Operating revenues: | | | |
| Charges for services: | | | |
| Daily sales - non-reimbursable programs | 12,190.46 | - | 12,190.46 |
| Special functions | 261,142.16 | - | 261,142.16 |
| Miscellaneous | - | 66,772.28 | 66,772.28 |
| Total operating revenues | 273,332.62 | 66,772.28 | 340,104.90 |
| Operating expenses: | | | |
| Cost of sales - reimbursable programs | 373,502.77 | - | 373,502.77 |
| Cost of sales - non-reimbursable programs/special functions | 324,614.77 | 57,168.20 | 381,782.97 |
| Salaries | 473,866.34 | 12,132.35 | 485,998.69 |
| Employee benefits | 120,849.52 | 928.12 | 121,777.64 |
| Cleaning repair & maintenance | 32,088.43 | - | 32,088.43 |
| Purchased services | 33,521.25 | - | 33,521.25 |
| General supplies | 14,417.99 | 405.00 | 14,822.99 |
| Depreciation | 21,894.86 | - | 21,894.86 |
| Total Operating Expenses | 1,394,755.93 | 70,633.67 | 1,465,389.60 |
| Operating income (loss) | (1,121,423.31) | (3,861.39) | (1,125,284.70) |
| Nonoperating revenues (expenses): | | | |
| State sources: | | | |
| State school lunch program | 9,070.16 | | 9,070.16 |
| Federal sources: | | | |
| National school lunch program | 192,762.00 | | 192,762.00 |
| National school breakfast program | 99,214.60 | | 99,214.60 |
| Food distribution program | 40,832.94 | | 40,832.94 |
| Emergency Operational Cost Program Schools | 213,161.06 | | 213,161.06 |
| P-EBT Administrative Cost Reimbursement | 3,063.00 | | 3,063.00 |
| Interest and investment revenue | 404.75 | 373.85 | 778.60 |
| Total nonoperating revenues (expenses) | 558,508.51 | 373.85 | 558,882.36 |
| Income (loss) before contributions & transfers | (562,914.80) | (3,487.54) | (566,402.34) |
| Transfers in (out) - Operating Subsidy | 1,000,000.00 | | 1,000,000.00 |
| Change in net position | 437,085.20 | (3,487.54) | 433,597.66 |
| Total net position—beginning | 119,888.07 | 199,328.72 | 319,216.79 |
| Total net position—ending | 556,973.27 | 195,841.18 | 752,814.45 |

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

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

| | Business-type Activities - Enterprise Fund | | |
|---|---|--------------------------|--------------------------------------|
| | Food Service Program | Student Store | Total Enterprise Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | 270,350.29 | 65,635.28 | 335,985.57 |
| Payments to employees | (464,708.55) | (12,132.35) | (476,840.90) |
| Payments for employee benefits | (120,849.52) | (928.12) | (121,777.64) |
| Payments to suppliers | (564,000.25) | (43,320.58) | (607,320.83) |
| Net cash provided by (used for) operating activities | <u>(879,208.03)</u> | <u>9,254.23</u> | <u>(869,953.80)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| State Sources | 12,079.23 | | 12,079.23 |
| Federal Sources | 258,053.85 | | 258,053.85 |
| Operating subsidies and transfers to other funds | 1,000,000.00 | | 1,000,000.00 |
| Net cash provided by (used for) non-capital financing activities | <u>1,270,133.08</u> | <u>-</u> | <u>1,270,133.08</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest and dividends | 404.75 | 373.85 | 778.60 |
| Net cash provided by (used for) investing activities | <u>404.75</u> | <u>373.85</u> | <u>778.60</u> |
| Net increase (decrease) in cash and cash equivalents | 391,329.80 | 9,628.08 | 400,957.88 |
| Balances—beginning of year | (243,483.98) | 117,686.10 | (125,797.88) |
| Balances—end of year | <u>147,845.82</u> | <u>127,314.18</u> | <u>275,160.00</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | (1,121,423.31) | (3,861.39) | (1,125,284.70) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities | | | |
| Depreciation and net amortization | 21,894.86 | - | 21,894.86 |
| Food Distribution Program Donated Commodities | 40,832.94 | | 40,832.94 |
| (Increase) decrease in accounts receivable, net | (2,982.33) | (1,137.00) | (4,119.33) |
| (Increase) decrease in inventories | 75,218.72 | 15,486.00 | 90,704.72 |
| Increase (decrease) in accounts payable | 7,251.09 | (1,233.38) | 6,017.71 |
| Increase (decrease) in other current liabilities | 100,000.00 | - | 100,000.00 |
| Total adjustments | <u>242,215.28</u> | <u>13,115.62</u> | <u>255,330.90</u> |
| Net cash provided by (used for) operating activities | <u>(879,208.03)</u> | <u>9,254.23</u> | <u>(869,953.80)</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Passaic County Technical-Vocational Schools ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of officials appointed by the County of Passaic Board of Chosen Freeholders and the County Superintendent of Schools and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include a high school located in the Township of Wayne. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation: (continued)

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

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

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation: (continued)

General Fund - The General Fund is the general operating fund of the Board. 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 noninstructional equipment which are classified in the Capital Outlay subfund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds by the County of Passaic, lease purchases and other revenues.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation: (continued)

PROPRIETARY FUNDS, (continued)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund and School Store.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

C. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Measurement Focus: (continued)

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Basis of Accounting: (continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made supplemental budget appropriations in the general fund budget during the fiscal year in the amount of \$1,962,567 to make up for the reduction in State aid and the food service fund deficit. The special revenues fund was increased by \$9,661,580.46 for additional aid allotted to the District.

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

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

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

F. Encumbrances:

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

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in 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.

G. Cash, Cash Equivalents and Investments:

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

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

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

H. Tuition Revenues/Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

I. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

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

L. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value fo the asset or materially extend an asset’s life are not.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

L. Capital Assets: (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Governmental Activities Estimated Lives</u> | <u>Business-Type Activity Estimated Lives</u> |
|-----------------------------------|--|---|
| Sites and Improvements | 20 years | N/A |
| Buildings and Improvements | 7-50 years | N/A |
| Furniture, Equipment and Vehicles | 5-20 years | 5-20 years |

M. Compensated Absences:

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

O. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Accrued Liabilities and Long-term Obligations: (continued):

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 judgements, 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 due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

P. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. Accounting and Financial Reporting for Pensions: (continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

R. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

R. Fund Balances: (continued)

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

S. Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

T. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

U. Contributed Capital:

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

V. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

W. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation.

X. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Y. New Accounting Standards:

During fiscal year 2021, the District adopted the following GASB Statement:

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Y. New Accounting Standards: (continued)

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 92, *Omnibus*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. This Statement is effective for reporting periods beginning after December 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 93, *Replacement of Interbank Offering Rates*. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Y. New Accounting Standards: (continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2021, \$-0- of the District's bank balance of \$21,426,951.27 was exposed to custodial credit risk.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2021, consisted of accounts receivable, other, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

| | Governmental Fund Financial <u>Statements</u> | Enterprise Fund | District Wide Financial <u>Statements</u> |
|------------------------------------|---|----------------------------|---|
| State Aid | \$151,797.80 | \$1,967.60 | \$153,765.40 |
| Federal Aid | 1,708,359.25 | 250,146.81 | 1,958,506.06 |
| Passaic County | 2,411,217.44 | | 2,411,217.44 |
| Tuition | 3,176,936.13 | | 3,176,936.13 |
| Interfunds | 709,109.10 | | |
| Other | <u>85,259.95</u> | <u>5,363.33</u> | <u>90,623.28</u> |
| Gross Receivables | 8,242,679.67 | 257,477.74 | 7,791,048.31 |
| Less: Allowance for Uncollectibles | | | |
| Total Receivables, Net | <u><u>\$8,242,679.67</u></u> | <u><u>\$257,477.74</u></u> | <u><u>\$7,791,048.31</u></u> |

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 4. INTERFUND BALANCES AND ACTIVITY:

Balances due to/from other funds at June 30, 2021, consist of the following:

| | |
|---------------------|---|
| \$100,000.00 | Due to the General Fund from the Enterprise Fund representing short-term loans. |
| 346,120.08 | Due to the General Fund from the Special Revenue Fund representing short term loans. |
| <u>262,989.02</u> | Due to the General Fund from the Capital Projects Fund representing short term loans. |
| <u>\$709,109.10</u> | |

It is anticipated that all interfunds will be liquidated during the fiscal year.

There was an operating transfer to the Enterprise Fund of \$1,000,000.00 from the General Fund during the year ended June 30, 2021 for operating deficit.

NOTE 5. CAPITAL ASSETS:

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

| | <u>Balance 6/30/20</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance 6/30/21</u> |
|--|----------------------------|-----------------------|----------------------|----------------------------|
| Governmental Activities | | | | |
| Capital Assets, Not Being Depreciated | | | | |
| Construction in Progress | <u>\$1,568,772.37</u> | <u>\$2,912,311.60</u> | <u>(\$66,416.00)</u> | <u>\$4,414,667.97</u> |
| Total Capital Assets, Not Being Depreciated | <u>1,568,772.37</u> | <u>2,912,311.60</u> | <u>(66,416.00)</u> | <u>4,414,667.97</u> |
| Capital Assets Being Depreciated | | | | |
| Sites and Improvements | 3,817,825.60 | | | 3,817,825.60 |
| Buildings and Improvements | 105,850,293.71 | | | 105,850,293.71 |
| Furniture, Equipment and Vehicles | <u>30,535,703.61</u> | <u>1,971,706.10</u> | <u>12,350.43</u> | <u>32,519,760.14</u> |
| Total Capital Assets, Being Depreciated | <u>140,203,822.92</u> | <u>1,971,706.10</u> | <u>12,350.43</u> | <u>142,187,879.45</u> |
| Less Accumulated Depreciation: | | | | |
| Sites and Improvements | (1,021,273.81) | (143,220.50) | | (1,164,494.31) |
| Buildings and Improvements | (31,471,989.68) | (2,427,374.42) | | (33,899,364.10) |
| Furniture, Equipment and Vehicles | <u>(19,309,296.31)</u> | <u>(2,055,510.26)</u> | <u>54,065.57</u> | <u>(21,310,741.00)</u> |
| Total Accumulated Depreciation | <u>(51,802,559.80)</u> | <u>(4,626,105.18)</u> | <u>54,065.57</u> | <u>(56,374,599.41)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>88,401,263.12</u> | <u>(2,654,399.08)</u> | <u>66,416.00</u> | <u>85,813,280.04</u> |
| Governmental Activities Capital Assets, Net | <u>\$89,970,035.49</u> | <u>\$257,912.52</u> | <u>\$0.00</u> | <u>\$90,227,948.01</u> |

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 5. CAPITAL ASSETS: (continued)

| | <u>Balance</u> <u>6/30/20</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>6/30/21</u> |
|--------------------------------|----------------------------------|----------------------|-------------------|----------------------------------|
| Business-Type Activity | | | | |
| Furniture and Equipment | \$609,360.51 | \$ _____ | \$ _____ | \$609,360.51 |
| Totals | <u>609,360.51</u> | <u>0.00</u> | <u>0.00</u> | <u>609,360.51</u> |
| Less Accumulated Depreciation | | | | |
| Furniture and Equipment | <u>(353,527.67)</u> | <u>(21,894.86)</u> | _____ | <u>(375,422.53)</u> |
| Total Accumulated Depreciation | <u>(353,527.67)</u> | <u>(21,894.86)</u> | <u>0.00</u> | <u>(375,422.53)</u> |
| Business-Type Activity Capital | | | | |
| Assets, Net | <u>\$255,832.84</u> | <u>(\$21,894.86)</u> | <u>\$0.00</u> | <u>\$233,937.98</u> |

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated depreciation”.

NOTE 6. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the fiscal year ended June 30, 2021 were as follows:

| | <u>Balance</u> <u>June 30, 2020</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>June 30, 2021</u> | <u>Amounts</u> <u>Due Within</u> <u>One Year</u> |
|------------------------------|--|------------------|-------------------------|--|--|
| Unfunded Pension Obligations | \$7,692.00 | \$ _____ | (\$7,692.00) | \$0.00 | \$0.00 |
| Net Pension Liability - PERS | 19,774,003.00 | _____ | (480,836.00) | 19,293,167.00 | 0.00 |
| Compensated absences payable | <u>3,428,074.73</u> | _____ | <u>(1,214,897.68)</u> | <u>2,213,177.05</u> | <u>0.00</u> |
| | <u>\$23,209,769.73</u> | <u>\$0.00</u> | <u>(\$1,703,425.68)</u> | <u>\$21,506,344.05</u> | <u>\$0.00</u> |

NOTE 7. OPERATING LEASES:

The District has commitments to lease copiers, mailing equipment and computers under an operating lease that expires through 2026. Total operating lease payments made during the year ended June 30, 2021 were \$674,507.03. Future minimum lease payments are as follows:

| <u>Year</u> <u>Ending</u> | <u>Amount</u> |
|-------------------------------------|-----------------------|
| 6/30/22 | \$789,857.02 |
| 6/30/23 | 718,694.53 |
| 6/30/24 | 478,370.51 |
| 6/30/25 | 286,988.38 |
| 6/30/26 | <u>97,800.00</u> |
| Total future minimum lease payments | <u>\$2,371,710.44</u> |

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 8. DESCRIPTION OF FACILITY LEASING ARRANGEMENTS:

The District conducts the LPN Program from leased facilities. The lease expires on December 31, 2022.

Rental expense, under operating leases, was \$129,185.04 for the year ended June 30, 2021.

The following is a schedule, by year, of the total future minimum rental payments required under operating leases that have initial or remaining lease terms in excess of one year at June 30, 2021:

| Year | <u>Amount</u> |
|---------------|---------------|
| <u>Ending</u> | |
| 6/30/22 | \$131,768.74 |
| 6/30/23 | 75,036.23 |

NOTE 9. PENSION PLANS:

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are 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.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. PENSION PLANS: (continued)

The following represents the membership tiers for TPAF:

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

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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Benefits Provided

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

The following represents the membership tiers for PERS:

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

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. PENSION PLANS: (continued)

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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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

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

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

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

Contributions Requirements Fund Based Statements

The Board's contribution to PERS and DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

| <u>Year</u> | <u>PERS</u> | <u>DCRP</u> |
|---------------|----------------|-------------|
| <u>Ending</u> | | |
| 6/30/21 | \$1,294,245.00 | \$33,902.48 |
| 6/30/20 | 1,067,475.00 | 40,135.59 |
| 6/30/19 | 1,064,392.00 | 34,862.41 |

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. PENSION PLANS: (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

| <u>Year</u> <u>Ending</u> | <u>Pension</u> <u>Contributions</u> | <u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u> | <u>NCGI</u> <u>Premium</u> | <u>Long-Term</u> <u>Liability</u> |
|------------------------------|--|--|-------------------------------|--------------------------------------|
| 6/30/21 | \$10,447,791.00 | \$3,336,471.00 | \$198,783.00 | \$5,050.00 |
| 6/30/20 | 7,442,932.00 | 2,810,683.00 | 133,406.00 | 4,233.00 |
| 6/30/19 | 6,573,284.00 | 3,044,044.00 | 137,596.00 | 4,544.00 |

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,061,685.24 members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2021, the District had a liability of \$19,293,167.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the District's proportion was 0.118309385 percent, which was an increase of 0.0085665008 percent from its proportion measured as of June 30, 2019.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. PENSION PLANS: (continued)

For the year ended June 30, 2021, the District recognized pension expense of \$840,376.00. At June 30, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Changes of assumptions | \$625,892.00 | \$8,078,231.00 |
| Difference in actual and expected experience | 351,297.00 | 68,229.00 |
| Net difference between projected and actual earnings on pension plan investments | 659,456.00 | |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 1,983,249.00 | 165,232.00 |
| District contributions subsequent to the measurement date | <u>1,404,816.00</u> | <u> </u> |
| Total | <u>\$5,024,710.00</u> | <u>\$8,311,692.00</u> |

The \$1,404,816.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|----------------------|
| 2021 | \$(2,420,939) |
| 2022 | (2,207,161) |
| 2023 | (1,261,336) |
| 2024 | (510,063) |
| 2025 | <u>(110,316)</u> |
| | <u>(\$6,509,815)</u> |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

| | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
|---|----------------------|----------------------|
| Collective deferred outflows of resources | \$2,347,583,337 | \$3,149,522,616 |
| Collective deferred inflows of resources | 7,849,949,467 | 7,645,087,574 |
| Collective net pension liability | 16,435,616,426 | 18,018,482,972 |
| District's Proportion | 0.118309385% | 0.1097428842% |

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

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

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. PENSION PLANS: (continued)

Mortality Rates

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 based on Scale MP-2020.

Long-Term Rate of Return

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

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

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the collective 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:

| | <u>June 30, 2020</u> | | |
|--|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| District's proportionate share of the pension liability | \$24,286,878 | \$19,293,167 | \$15,055,866 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

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

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. PENSION PLANS: (continued)

or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2021 was as follows:

| | |
|---|----------------------|
| Net Pension Liability: | |
| District's proportionate share | \$ -0- |
| State's proportionate share associated with the District | <u>223,448,478</u> |
| | <u>\$223,448,478</u> |

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2020. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2020, the proportion of the TPAF net pension liability associated with the District was 0.3393357045%.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$13,894,978 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. PENSION PLANS: (continued)

Mortality Rates

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 Health 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 a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

Long-Term Expected Rate of Return

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

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

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 78% of the actuary determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 10. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 10. POST-RETIREMENT BENEFITS: (continued)

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new medicare advantage contracts. The Fiscal Year 2021 Appropriations Act includes \$1.775 billion as the State's contribution to fund “pay-as-you-go” PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.0 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2021 was as follows:

| | |
|---|----------------------|
| OPEB Liability: | |
| District's proportionate share | \$ -0- |
| State's proportionate share associated with the District | <u>161,309,953</u> |
| | <u>\$161,309,953</u> |

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 10. POST-RETIREMENT BENEFITS: (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | | |
|-------------------|--|--|
| Inflation rate | 2.50% | |
| | <u>TPAF/ABP</u> | <u>PERS</u> |
| Salary increases: | | |
| Through 2026 | 1.55 - 4.45% based on service years | 2.00 - 6.00% based on service years |
| Thereafter | 1.55 - 4.45% based on service years | 3.00 - 7.00% based on service years |

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 10. POST-RETIREMENT BENEFITS: (continued)

(a) *Health Care Trend Assumptions*

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

(b) *Discount Rate*

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

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

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2021, the board of education/board of trustees recognized on-behalf OPEB expense of \$7,573,420 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Passaic County Technical-Vocational Schools's proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 11. DEFERRED COMPENSATION:

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

| | |
|---------------|---------------------|
| Ameriprise | Lincoln Investment |
| MetLife | Grant American Life |
| AXA Equitable | Valic |

NOTE 12. RISK MANAGEMENT:

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

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

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s for the current and previous two years:

| <u>Fiscal Year</u> | <u>Interest Earnings/ District Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|--|-----------------------------------|------------------------------|---------------------------|
| 2020-2021 | \$2,341.35 | \$70,138.39 | \$35,983.29 | \$739,434.67 |
| 2019-2020 | 5,785.09 | 68,596.43 | 21,819.67 | 702,938.22 |
| 2018-2019 | 5,241.69 | 64,360.03 | 66,091.72 | 650,376.37 |

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 13. MAINTENANCE RESERVE ACCOUNT:

A maintenance reserve account was established by Board of Education resolution adopted June 30, 2012. The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

| | |
|---------------------------------|-----------------------|
| Beginning balance, July 1, 2020 | \$407,451.71 |
| Increase – Principal | 1,000,000.00 |
| Increase – Interest Earnings | <u>1,488.45</u> |
| Ending balance, June 30, 2021 | <u>\$1,408,940.16</u> |

NOTE 14. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Passaic County Technical and Vocational High Board of Education by inclusion of \$1.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

| | |
|---------------------------------|-----------------------|
| Beginning balance, July 1, 2020 | \$2,742,487.22 |
| Increase - Principal | 1,000,000.00 |
| Increase – Interest Earnings | <u>7,393.62</u> |
| | 3,749,880.84 |
| Budgeted Withdrawal | <u>846,758.00</u> |
| Ending balance, June 30, 2021 | <u>\$2,903,122.84</u> |

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 14. CAPITAL RESERVE ACCOUNT: (continued)

The balance in the capital reserve account at June 30, 2021 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District’s Long Range Facilities Plan.

NOTE 15. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$15,561,030.67 General Fund fund balance at June 30, 2021, \$3,049,887.53 is reserved for encumbrances; \$567,886.58 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$2,903,122.84 has been reserved in the Capital Reserve Account; \$1,408,940.16 has been reserved in the Maintenance Reserve Account; \$5,067,226.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2022; \$705,279.57 has been reserved for Unemployment Compensation claims; and \$1,858,687.99 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2021 is \$567,886.58.

NOTE 17. INVENTORY:

Inventory in the Enterprise Funds at June 30, 2021 consisted of the following:

| | |
|----------|--------------------|
| Food | \$12,004.78 |
| Supplies | <u>83,391.74</u> |
| | <u>\$95,396.52</u> |

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 18. RESTATEMENT

Net position for June 30, 2020 was restated to reflect the reclassification of the Unemployment Trust Fund net position from the Fiduciary Fund to the General Fund and reclassification of the Student Activity Fund and the Scholarship Fund to the Special Revenue Fund as per Governmental Accounting Standards Board ("GASB") number 84. This resulted in restatement of net position and/or fund balance as of June 30, 2020 as follows:

| | <u>Governmental Activities</u> | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|------------------------------------|-------------------------|---------------------------------|
| Net Position/Fund Balance at June 30, 2020 | \$76,053,079.73 | \$11,485,746.22 | \$0.00 |
| Prior Period Adjustment for Implementation of GASB #84 | <u>1,010,290.71</u> | <u>702,938.22</u> | <u>307,352.49</u> |
| Net Position/Fund Balance at June 30, 2020 - Restated | <u>\$77,063,370.44</u> | <u>\$12,188,684.44</u> | <u>\$307,352.49</u> |

NOTE 19. REVOLVING LINE OF CREDIT:

The Board entered into an agreement with Columbia Bank for a \$3,000,000.00 revolving line of credit. On June 25, 2020, this amount was increased to \$6,000,000.00. The line of credit is to be utilized for cash flow purposes. During the 2020-2021 school year, the Board did not utilize this line of credit.

NOTE 20. CONTINGENT LIABILITIES:

Litigation:

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters could have a material adverse effect on the financial position of the District.

Grants:

The Board received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Board at June 30, 2021.

**Passaic County Technical-Vocational Schools
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 21. OTHER MATTERS

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. During the year, the District has received grants from the federal government for increase expenditures related to the COVID-19 pandemic. The Board will continue to monitor the situation closely.

NOTE 22. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through January 28, 2022, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021**

| | <u>Original Budget</u> | <u>Budget Transfers/ Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|--|-------------------------|-----------------------|-------------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| County Tax Levy | 7,044,585.00 | | 7,044,585.00 | 7,044,585.00 | - |
| Tuition from LEA's | 48,042,854.00 | | 48,042,854.00 | 48,224,769.90 | 181,915.90 |
| Other Tuition | 516,360.00 | | 516,360.00 | 445,474.52 | (70,885.48) |
| GED Revenue | 112,380.00 | | 112,380.00 | 89,760.79 | (22,619.21) |
| Interest Earned on Capital Reserve | 8,000.00 | | 8,000.00 | 7,393.62 | (606.38) |
| Interest Earned on Maintenance Reserve | 4,520.00 | | 4,520.00 | 1,488.45 | (3,031.55) |
| Other Restricted Miscellaneous Revenues | | | - | 2,341.35 * | 2,341.35 |
| Unrestricted Miscellaneous Revenues | 571,818.00 | | 571,818.00 | 952,429.05 | 380,611.05 |
| Total - Local Sources | <u>56,300,517.00</u> | <u>-</u> | <u>56,300,517.00</u> | <u>56,768,242.68</u> | <u>467,725.68</u> |
| State Sources: | | | | | |
| Equalization Aid | 31,778,029.00 | (4,229,361.00) | 27,548,668.00 | 27,548,668.00 | - |
| Special Education Aid | 3,008,269.00 | | 3,008,269.00 | 3,008,269.00 | - |
| Security Aid | 1,332,417.00 | | 1,332,417.00 | 1,332,417.00 | - |
| School Security Grant | | 240,073.00 | 240,073.00 | 140,745.00 | (99,328.00) |
| On-behalf TPAF NCGI Premium (non-budgeted) | | | - | 198,783.00 | 198,783.00 |
| On-behalf TPAF Pension Contributions (non-budgeted) | | | - | 10,447,791.00 | 10,447,791.00 |
| On-behalf TPAF Post Retirement Medical (non-budgeted) | | | - | 3,336,471.00 | 3,336,471.00 |
| On-behalf TPAF LTDI (non-budgeted) | | | - | 5,050.00 | 5,050.00 |
| TPAF Social Security (Reimbursed - Non-Budgeted) | | | - | 3,061,685.24 | 3,061,685.24 |
| Total - State Sources | <u>36,118,715.00</u> | <u>(3,989,288.00)</u> | <u>32,129,427.00</u> | <u>49,079,879.24</u> | <u>16,950,452.24</u> |
| Federal Sources: | | | | | |
| FEMA - CARES | | | - | 157,989.29 | 157,989.29 |
| Medical Assistance Program - FFCRA/SEMI | | | - | 4,839.92 | 4,839.92 |
| Medical Assistance Program | 37,220.00 | | 37,220.00 | 91,752.66 | 54,532.66 |
| Total - Federal Sources | <u>37,220.00</u> | <u>-</u> | <u>37,220.00</u> | <u>254,581.87</u> | <u>217,361.87</u> |
| TOTAL REVENUES | <u>92,456,452.00</u> | <u>(3,989,288.00)</u> | <u>88,467,164.00</u> | <u>106,102,703.79</u> | <u>17,635,539.79</u> |
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Grade 9-12 - Instruction | | | | | |
| Salaries of Teachers | 17,518,283.00 | (238,294.00) | 17,279,989.00 | 17,098,204.54 | 181,784.46 |
| Other Salaries for Instruction | 429,600.00 | (412,000.00) | 17,600.00 | 16,017.18 | 1,582.82 |
| Purchased Professional-Educational Services | 39,175.00 | (11,000.00) | 28,175.00 | 3,308.00 | 24,867.00 |
| Purchased Technical Services | 12,000.00 | 238.00 | 12,238.00 | 12,238.00 | - |
| Other Purchased Services (400-500 series) | 757,325.00 | 221,238.22 | 978,563.22 | 662,447.50 | 316,115.72 |
| General Supplies | 585,367.00 | 58,825.00 | 644,192.00 | 363,013.13 | 281,178.87 |
| Textbooks | 426,390.00 | (73,647.00) | 352,743.00 | 200,439.48 | 152,303.52 |
| Other Objects | 53,800.00 | (2,100.00) | 51,700.00 | 10,070.06 | 41,629.94 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 90,000.00 | (18,000.00) | 72,000.00 | 745.80 | 71,254.20 |
| Purchased Professional-Educational Services | 22,000.00 | 12,012.00 | 34,012.00 | 26,607.97 | 7,404.03 |
| TOTAL REGULAR PROGRAMS - INSTRUCTION | <u>19,933,940.00</u> | <u>(462,727.78)</u> | <u>19,471,212.22</u> | <u>18,393,091.66</u> | <u>1,078,120.56</u> |
| SPECIAL EDUCATION - INSTRUCTION | | | | | |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 3,428,830.00 | (17,000.00) | 3,411,830.00 | 3,376,122.83 | 35,707.17 |
| Other Salaries for Instruction | 280,885.00 | (183,200.00) | 97,685.00 | 53,607.00 | 44,078.00 |
| Total Resource Room/Resource Center | <u>3,709,715.00</u> | <u>(200,200.00)</u> | <u>3,509,515.00</u> | <u>3,429,729.83</u> | <u>79,785.17</u> |
| TOTAL SPECIAL EDUCATION - INSTRUCTION | <u>3,709,715.00</u> | <u>(200,200.00)</u> | <u>3,509,515.00</u> | <u>3,429,729.83</u> | <u>79,785.17</u> |
| Basic Skills/Remedial - Instruction | | | | | |
| Salaries of Teachers | 467,653.00 | - | 467,653.00 | 419,840.07 | 47,812.93 |
| Other Purchased Services (400-500 series) | 4,288.00 | - | 4,288.00 | 859.17 | 3,428.83 |
| General Supplies | 10,500.00 | - | 10,500.00 | 882.89 | 9,617.11 |
| Textbooks | 2,000.00 | - | 2,000.00 | - | 2,000.00 |
| Other Objects | 13,800.00 | (2,700.00) | 11,100.00 | 965.00 | 10,135.00 |
| Total Basic Skills/Remedial - Instruction | <u>498,241.00</u> | <u>(2,700.00)</u> | <u>495,541.00</u> | <u>422,547.13</u> | <u>72,993.87</u> |
| Bilingual Education - Instruction | | | | | |
| Salaries of Teachers | 86,375.00 | 6,853.54 | 93,228.54 | 93,228.34 | 0.20 |
| Other Purchased Services (400-500 series) | 300.00 | - | 300.00 | - | 300.00 |
| General Supplies | 3,800.00 | - | 3,800.00 | 577.45 | 3,222.55 |
| Other Objects | 2,000.00 | - | 2,000.00 | - | 2,000.00 |
| Total Bilingual Education - Instruction | <u>92,475.00</u> | <u>6,853.54</u> | <u>99,328.54</u> | <u>93,805.79</u> | <u>5,522.75</u> |

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021**

| | <u>Original Budget</u> | <u>Budget Transfers/ Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|--|-------------------------|----------------------|-------------------------------------|
| Regular Vocational Programs - Instruction | | | | | |
| Salaries of Teachers | 11,458,248.00 | (6,536.00) | 11,451,712.00 | 10,453,442.46 | 998,269.54 |
| Other Salaries for Instruction | 141,836.00 | - | 141,836.00 | 139,276.38 | 2,559.62 |
| Purchased Professional-Educational Services | 14,200.00 | 3,000.00 | 17,200.00 | | 17,200.00 |
| Other Purchased Services (400-500 series) | 541,423.00 | 25,573.81 | 566,996.81 | 239,262.73 | 327,734.08 |
| General Supplies | 1,771,583.76 | 61,890.24 | 1,833,474.00 | 817,919.26 | 1,015,554.74 |
| Textbooks | 278,010.00 | 5,000.00 | 283,010.00 | 69,873.87 | 213,136.13 |
| Other Objects | 145,661.00 | (9,550.00) | 136,111.00 | 33,180.89 | 102,930.11 |
| Total Regular Vocational Programs - Instruction | <u>14,350,961.76</u> | <u>79,378.05</u> | <u>14,430,339.81</u> | <u>11,752,955.59</u> | <u>2,677,384.22</u> |
| Special Vocational Programs - Instruction | | | | | |
| Salaries of Teachers | 603,641.00 | 20,000.00 | 623,641.00 | 613,319.76 | 10,321.24 |
| Other Salaries for Instruction | - | 15,000.00 | 15,000.00 | | 15,000.00 |
| Other Purchased Services (400-500 series) | 5,544.00 | - | 5,544.00 | | 5,544.00 |
| General Supplies | 19,000.00 | - | 19,000.00 | 9,922.01 | 9,077.99 |
| Total Special Vocational Programs - Instruction | <u>628,185.00</u> | <u>35,000.00</u> | <u>663,185.00</u> | <u>623,241.77</u> | <u>39,943.23</u> |
| TOTAL VOCATIONAL PROGRAMS | <u>14,979,146.76</u> | <u>114,378.05</u> | <u>15,093,524.81</u> | <u>12,376,197.36</u> | <u>2,717,327.45</u> |
| School-Sponsored Cocurricular Activities - Instruction | | | | | |
| Salaries | 540,837.00 | - | 540,837.00 | 296,210.85 | 244,626.15 |
| Purchased Services (300-500 series) | 254,500.00 | (91,000.00) | 163,500.00 | 19,581.25 | 143,918.75 |
| Supplies and Materials | 106,557.48 | (72,192.00) | 34,365.48 | 9,268.22 | 25,097.26 |
| Other Objects | 7,732.95 | 22,332.00 | 30,064.95 | 27,572.27 | 2,492.68 |
| Total School-Sponsored Cocurricular Activities - Instruction | <u>909,627.43</u> | <u>(140,860.00)</u> | <u>768,767.43</u> | <u>352,632.59</u> | <u>416,134.84</u> |
| School-Sponsored Athletics - Instruction | | | | | |
| Salaries | 1,281,674.00 | - | 1,281,674.00 | 1,242,400.29 | 39,273.71 |
| Purchased Services (300-500 series) | 119,600.00 | (22,312.50) | 97,287.50 | 92,829.57 | 4,457.93 |
| Supplies and Materials | 301,663.55 | (4,300.62) | 297,362.93 | 258,680.91 | 38,682.02 |
| Other Objects | 203,751.40 | (104,409.03) | 99,342.37 | 85,622.37 | 13,720.00 |
| Total School-Sponsored Athletics - Instruction | <u>1,906,688.95</u> | <u>(131,022.15)</u> | <u>1,775,666.80</u> | <u>1,679,533.14</u> | <u>96,133.66</u> |
| Other Instructional Programs - Instruction | | | | | |
| Salaries | 124,981.00 | - | 124,981.00 | 85,123.21 | 39,857.79 |
| Total Other Instructional Programs - Instruction | <u>124,981.00</u> | <u>-</u> | <u>124,981.00</u> | <u>85,123.21</u> | <u>39,857.79</u> |
| TOTAL INSTRUCTION | <u>42,154,815.14</u> | <u>(816,278.34)</u> | <u>41,338,536.80</u> | <u>36,832,660.71</u> | <u>4,505,876.09</u> |
| Undistributed Expend. - Attend. & Social Work | | | | | |
| Salaries | 1,088,093.00 | - | 1,088,093.00 | 1,059,345.23 | 28,747.77 |
| Other Purchased Services (400-500 series) | 11,268.00 | 3,102.00 | 14,370.00 | 13,060.92 | 1,309.08 |
| Supplies and Materials | 10,500.00 | (242.00) | 10,258.00 | 2,695.32 | 7,562.68 |
| Total Undistributed Expend. - Attend. & Social Work | <u>1,109,861.00</u> | <u>2,860.00</u> | <u>1,112,721.00</u> | <u>1,075,101.47</u> | <u>37,619.53</u> |
| Undist. Expend. - Health Services | | | | | |
| Salaries | 740,559.00 | 76,631.00 | 817,190.00 | 797,734.96 | 19,455.04 |
| Purchased Professional and Technical Services | 34,088.00 | 27,612.00 | 61,700.00 | 49,345.00 | 12,355.00 |
| Other Purchased Services (400-500 series) | 2,736.00 | 90.00 | 2,826.00 | 2,826.00 | - |
| Supplies and Materials | 52,050.00 | 18,567.45 | 70,617.45 | 54,144.61 | 16,472.84 |
| Other Objects | 14,400.00 | - | 14,400.00 | 13,530.20 | 869.80 |
| Total Undistributed Expenditures - Health Services | <u>843,833.00</u> | <u>122,900.45</u> | <u>966,733.45</u> | <u>917,580.77</u> | <u>49,152.68</u> |
| Undist. Expend. - Guidance | | | | | |
| Salaries of Other Professional Staff | 3,281,092.00 | (522,411.00) | 2,758,681.00 | 2,744,349.05 | 14,331.95 |
| Salaries of Secretarial and Clerical Assistants | 407,286.00 | 7,900.00 | 415,186.00 | 389,723.20 | 25,462.80 |
| Other Salaries | 56,142.00 | - | 56,142.00 | 51,173.00 | 4,969.00 |
| Purchased Professional - Educational Services | - | 2,660.00 | 2,660.00 | 2,660.00 | - |
| Other Purchased Prof. and Tech. Services | 175,364.00 | (340.00) | 175,024.00 | 132,412.99 | 42,611.01 |
| Other Purchased Services (400-500 series) | 16,992.00 | 4,880.00 | 21,872.00 | 16,742.75 | 5,129.25 |
| Supplies and Materials | 60,852.04 | 31,300.00 | 92,152.04 | 57,578.95 | 34,573.09 |
| Other Objects | 3,000.00 | - | 3,000.00 | 640.00 | 2,360.00 |
| Total Undist. Expend. - Guidance | <u>4,000,728.04</u> | <u>(476,011.00)</u> | <u>3,524,717.04</u> | <u>3,395,279.94</u> | <u>129,437.10</u> |
| Undist. Expend. - Child Study Team | | | | | |
| Salaries of Other Professional Staff | 1,292,630.00 | (275,000.00) | 1,017,630.00 | 1,017,395.11 | 234.89 |
| Salaries of Secretarial and Clerical Assistants | 213,567.00 | (100.00) | 213,467.00 | 182,841.04 | 30,625.96 |
| Other Purchased Prof. and Tech. Services | 8,000.00 | 354.24 | 8,354.24 | 5,720.00 | 2,634.24 |
| Other Purchased Services (400-500 series) | 7,300.00 | 4,347.76 | 11,647.76 | 11,174.76 | 473.00 |
| Supplies and Materials | 5,000.00 | (2,602.00) | 2,398.00 | 671.17 | 1,726.83 |
| Total Undist. Expend. - Child Study Team | <u>1,526,497.00</u> | <u>(273,000.00)</u> | <u>1,253,497.00</u> | <u>1,217,802.08</u> | <u>35,694.92</u> |
| Undist. Expend. - Improvement of Instructional Services | | | | | |
| Salaries of Supervisor of Instruction | 2,259,236.00 | (260,709.00) | 1,998,527.00 | 1,959,168.60 | 39,358.40 |
| Salaries of Secretarial and Clerical Assistants | 563,944.00 | (106,537.00) | 457,407.00 | 454,460.52 | 2,946.48 |
| Salaries of Facilitators, Math & Literacy Coaches | 165,000.00 | (47,564.00) | 117,436.00 | 82,563.00 | 34,873.00 |
| Other Purch Prof. and Tech. Services | 34,000.00 | 9,000.00 | 43,000.00 | 40,000.00 | 3,000.00 |
| Other Purch Services (400-500) | 46,716.82 | (18,441.82) | 28,275.00 | 20,774.54 | 7,500.46 |
| Supplies and Materials | 15,440.00 | 5,668.82 | 21,108.82 | 10,737.19 | 10,371.63 |
| Other Objects | 24,258.00 | 2,535.00 | 26,793.00 | 18,424.77 | 8,368.23 |

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021**

| | <u>Original Budget</u> | <u>Budget Transfers/ Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|--|-------------------------|---------------|-------------------------------------|
| Total Undist. Expend. - Improvement of Inst. Services | 3,108,594.82 | (416,048.00) | 2,692,546.82 | 2,586,128.62 | 106,418.20 |
| Undist. Expend. - Educational Media Serv./Sch. Library | | | | | |
| Salaries | 229,097.00 | 5,500.00 | 234,597.00 | 234,416.49 | 180.51 |
| Salaries of Technology Coordinators | 1,392,393.00 | (5,500.00) | 1,386,893.00 | 1,325,997.30 | 60,895.70 |
| Purchased Professional and Technical Services | 1,175,863.00 | - | 1,175,863.00 | 956,815.79 | 219,047.21 |
| Other Purchased Services (400-500 series) | 41,618.00 | - | 41,618.00 | 17,279.33 | 24,338.67 |
| Supplies and Materials | 267,580.34 | 120,000.00 | 387,580.34 | 224,229.06 | 163,351.28 |
| Other Objects | 2,500.00 | - | 2,500.00 | 615.00 | 1,885.00 |
| Total Undist. Expend. - Educational Media Serv./Sch. Library | 3,109,051.34 | 120,000.00 | 3,229,051.34 | 2,759,352.97 | 469,698.37 |
| Undist. Expend. - Instructional Staff Training Serv. | | | | | |
| Purchased Professional - Educational Serv | 58,900.00 | - | 58,900.00 | 25,415.00 | 33,485.00 |
| Other Purchased Services (400-500 series) | 1,800.00 | - | 1,800.00 | - | 1,800.00 |
| Total Undist. Expend. - Instructional Staff Training Serv. | 60,700.00 | - | 60,700.00 | 25,415.00 | 35,285.00 |
| Undist. Expend. - Supp. Serv. - General Administration | | | | | |
| Salaries | 1,233,500.00 | (238,420.00) | 995,080.00 | 975,677.75 | 19,402.25 |
| Legal Services | 151,898.75 | 30,000.00 | 181,898.75 | 159,017.56 | 22,881.19 |
| Audit Fees | 51,500.00 | - | 51,500.00 | 51,000.00 | 500.00 |
| Architectural / Engineering Services | 80,000.00 | 530,000.00 | 610,000.00 | 480,377.50 | 129,622.50 |
| Other Purchased Professional Services | 18,000.00 | - | 18,000.00 | 12,285.00 | 5,715.00 |
| Purchased Technical Services | 12,000.00 | - | 12,000.00 | - | 12,000.00 |
| Communications/Telephone | 272,524.00 | (37,700.00) | 234,824.00 | 222,331.39 | 12,492.61 |
| BOE Other Purchased Services | 4,500.00 | - | 4,500.00 | 199.00 | 4,301.00 |
| Misc. Purchased Services (400-500 series) | 66,728.00 | 378,670.00 | 445,398.00 | 427,399.89 | 17,998.11 |
| General Supplies | 67,950.00 | (17,681.80) | 50,268.20 | 33,015.27 | 17,252.93 |
| Miscellaneous Expenditures | 92,863.00 | 16,000.00 | 108,863.00 | 74,154.86 | 34,708.14 |
| BOE Membership Dues and Fees | 25,400.00 | - | 25,400.00 | 25,094.35 | 305.65 |
| Total Undist. Expend. - Supp. Serv. - General Administration | 2,076,863.75 | 660,868.20 | 2,737,731.95 | 2,460,552.57 | 277,179.38 |
| Undist. Expend. - Support Serv. - School Administration | | | | | |
| Salaries of Principals/Assistant Principals/Prog. Directors | 1,880,459.00 | (16,455.96) | 1,864,003.04 | 1,862,193.90 | 1,809.14 |
| Salaries of Secretarial and Clerical Assistants | 529,630.00 | 35,811.09 | 565,441.09 | 565,441.09 | - |
| Other Purchased Services (400-500 series) | 38,554.00 | (12,954.13) | 25,599.87 | 15,504.78 | 10,095.09 |
| Supplies and Materials | 32,998.00 | (399.00) | 32,599.00 | 26,664.63 | 5,934.37 |
| Other Objects | 16,780.00 | 2,444.00 | 19,224.00 | 15,249.91 | 3,974.09 |
| Total Undist. Expend. - Support Serv. - School Administration | 2,498,421.00 | 8,446.00 | 2,506,867.00 | 2,485,054.31 | 21,812.69 |
| Undist. Expend. - Central Services | | | | | |
| Salaries | 1,742,663.00 | 90,643.00 | 1,833,306.00 | 1,798,950.60 | 34,355.40 |
| Purchased Professional Services | 383,200.00 | 163,000.00 | 546,200.00 | 543,613.25 | 2,586.75 |
| Purchased Technical Services | 17,000.00 | - | 17,000.00 | 16,830.00 | 170.00 |
| Miscellaneous Purchased Services (400-500 series) | 62,614.00 | 1,165.00 | 63,779.00 | 61,684.84 | 2,094.16 |
| Supplies and Materials | 24,060.25 | 1,754.61 | 25,814.86 | 11,919.90 | 13,894.96 |
| Miscellaneous Expenditures | 13,267.00 | - | 13,267.00 | 11,604.58 | 1,662.42 |
| Total Undist. Expend. - Central Services | 2,242,804.25 | 256,562.61 | 2,499,366.86 | 2,444,603.17 | 54,763.69 |
| Undist. Expend. - Admin. Information Technology | | | | | |
| Salaries | 205,999.00 | 2,000.00 | 207,999.00 | 206,864.64 | 1,134.36 |
| Total Undist. Expend. - Admin. Information Technology | 205,999.00 | 2,000.00 | 207,999.00 | 206,864.64 | 1,134.36 |
| Undist. Expend. - Required Maint. for School Facilities | | | | | |
| Salaries | 914,484.00 | (88,000.00) | 826,484.00 | 780,982.73 | 45,501.27 |
| Cleaning, Repair and Maintenance Services | 1,117,500.00 | 157,736.00 | 1,275,236.00 | 1,152,564.79 | 122,671.21 |
| General Supplies | 165,000.00 | 78,000.00 | 243,000.00 | 204,147.98 | 38,852.02 |
| Other Objects | 6,500.00 | - | 6,500.00 | 5,885.45 | 614.55 |
| Total Undist. Expend. - Required Maint. for School Facilities | 2,203,484.00 | 147,736.00 | 2,351,220.00 | 2,143,580.95 | 207,639.05 |
| Undist. Expend. - Custodial Services | | | | | |
| Salaries | 2,363,119.00 | 143,000.00 | 2,506,119.00 | 2,473,400.05 | 32,718.95 |
| Purchased Professional and Technical Services | 247,500.00 | 95,800.00 | 343,300.00 | 231,158.80 | 112,141.20 |
| Cleaning, Repair and Maintenance Services | 107,611.00 | (3,369.54) | 104,241.46 | 65,917.42 | 38,324.04 |
| Rental of Land & Building Other than Lease Purchase Agreement | 4,507.00 | 9,983.54 | 14,490.54 | 14,400.18 | 90.36 |
| Other Purchased Property Services | 76,000.00 | 169,598.87 | 245,598.87 | 245,598.87 | - |
| Insurance | 778,425.00 | (401,522.81) | 376,902.19 | 375,335.19 | 1,567.00 |
| Miscellaneous Purchased Services | 5,000.00 | (44.69) | 4,955.31 | 198.00 | 4,757.31 |
| General Supplies | 303,820.02 | 127,930.50 | 431,750.52 | 371,599.62 | 60,150.90 |
| Energy (Natural Gas) | 154,600.00 | 200,000.00 | 354,600.00 | 318,229.31 | 36,370.69 |
| Energy (Electricity) | 1,178,407.00 | (53,000.00) | 1,125,407.00 | 1,056,014.06 | 69,392.94 |
| Energy (Oil) | 210,000.00 | (210,000.00) | - | - | - |
| Energy (Gasoline) | 17,875.00 | - | 17,875.00 | 10,836.28 | 7,038.72 |
| Other Objects | 6,600.00 | 4,300.00 | 10,900.00 | 10,892.26 | 7.74 |
| Total Undist. Expend. - Custodial Service | 5,453,464.02 | 82,675.87 | 5,536,139.89 | 5,173,580.04 | 362,559.85 |
| Undist. Expend. - Care & Upkeep of Grounds | | | | | |
| Purchased Professional and Technical Services | 153,865.00 | 47,000.00 | 200,865.00 | 199,864.25 | 1,000.75 |
| General Supplies | 10,000.00 | (300.00) | 9,700.00 | 2,783.71 | 6,916.29 |
| Total Undist. Expend. - Care & Upkeep of Towns | 163,865.00 | 46,700.00 | 210,565.00 | 202,647.96 | 7,917.04 |

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

| | <u>Original Budget</u> | <u>Budget Transfers/ Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|--|-------------------------|----------------------|-------------------------------------|
| Undist. Expend. - Security | | | | | |
| Salaries | 1,010,864.00 | (155,905.04) | 854,958.96 | 738,477.55 | 116,481.41 |
| Purchased Professional and Technical Services | 1,130,850.00 | 13,100.00 | 1,143,950.00 | 1,045,812.19 | 98,137.81 |
| General Supplies | 26,414.00 | (250.00) | 26,164.00 | 15,030.97 | 11,133.03 |
| Other Objects | 5,000.00 | 250.00 | 5,250.00 | 1,545.00 | 3,705.00 |
| Total Undist. Expend. - Security | <u>2,173,128.00</u> | <u>(142,805.04)</u> | <u>2,030,322.96</u> | <u>1,800,865.71</u> | <u>229,457.25</u> |
| Total Undist. Expend. - Operation & Maint. Of Plant Services | <u>9,993,941.02</u> | <u>134,306.83</u> | <u>10,128,247.85</u> | <u>9,320,674.66</u> | <u>807,573.19</u> |
| Undist. Expend. - Student Transportation Services | | | | | |
| Cleaning, Repair and Maintenance Services | 25,000.00 | - | 25,000.00 | 7,501.03 | 17,498.97 |
| Contract Services (Other than Between Home & School)-Vendors | 1,552,662.00 | (303,223.14) | 1,249,438.86 | 758,368.91 | 491,069.95 |
| Contract Services (Regular Students) - ESCs & CTSA's | 737,065.00 | 199,088.00 | 936,153.00 | 887,437.34 | 48,715.66 |
| Miscellaneous Purchased Services - Transportation | 47,652.00 | 187.62 | 47,839.62 | 47,839.62 | - |
| General Supplies | 40,000.00 | (1.62) | 39,998.38 | 13,758.21 | 26,240.17 |
| Transportation Supplies | 10,000.00 | - | 10,000.00 | 3,823.12 | 6,176.88 |
| Other Objects | 4,000.00 | - | 4,000.00 | 1,624.35 | 2,375.65 |
| Total Undist. Expend. - Student Transportation Services | <u>2,416,379.00</u> | <u>(103,949.14)</u> | <u>2,312,429.86</u> | <u>1,720,352.58</u> | <u>592,077.28</u> |
| UNALLOCATED BENEFITS | | | | | |
| Social Security Contributions | 961,632.00 | 11,527.50 | 973,159.50 | 972,516.60 | 642.90 |
| Other Retirement Contributions - PERS | 1,286,481.00 | 11,962.90 | 1,298,443.90 | 1,298,443.90 | - |
| Other Retirement Contributions - ERIP | 8,135.00 | - | 8,135.00 | 8,134.29 | 0.71 |
| Other Retirement Contributions - Regular | 48,095.00 | - | 48,095.00 | 33,902.48 | 14,192.52 |
| Workmen's Compensation | 1,136,199.00 | (389,984.90) | 746,214.10 | 717,650.59 | 28,563.51 |
| Health Benefits | 11,449,231.00 | (1,342,895.18) | 10,106,335.82 | 9,735,974.09 | 370,361.73 |
| Tuition Reimbursement | 129,000.00 | - | 129,000.00 | 88,532.38 | 40,467.62 |
| Other Employee Benefits | 310,000.00 | 9,500.00 | 319,500.00 | 273,548.72 | 45,951.28 |
| Unused Sick Payment to Terminated/Retired Staff | 210,000.00 | 265,122.68 | 475,122.68 | 475,122.68 | - |
| TOTAL UNALLOCATED BENEFITS | <u>15,538,773.00</u> | <u>(1,434,767.00)</u> | <u>14,104,006.00</u> | <u>13,603,825.73</u> | <u>500,180.27</u> |
| On-behalf TPAF NCGI Premium (non-budgeted) | - | - | - | 198,783.00 | (198,783.00) |
| On-behalf TPAF Pension Contributions (non-budgeted) | - | - | - | 10,447,791.00 | (10,447,791.00) |
| On-behalf TPAF Post Retirement Medical (non-budgeted) | - | - | - | 3,336,471.00 | (3,336,471.00) |
| On-behalf TPAF LTDI (non-budgeted) | - | - | - | 5,050.00 | (5,050.00) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | - | - | - | 3,061,685.24 | (3,061,685.24) |
| TOTAL ON-BEHALF CONTRIBUTIONS | <u>-</u> | <u>-</u> | <u>-</u> | <u>17,049,780.24</u> | <u>(17,049,780.24)</u> |
| TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS | <u>15,538,773.00</u> | <u>(1,434,767.00)</u> | <u>14,104,006.00</u> | <u>30,653,605.97</u> | <u>(16,549,599.97)</u> |
| TOTAL UNDISTRIBUTED EXPENDITURES | <u>48,732,446.22</u> | <u>(1,395,831.05)</u> | <u>47,336,615.17</u> | <u>61,268,368.75</u> | <u>(13,931,753.58)</u> |
| TOTAL GENERAL CURRENT EXPENSE | <u>90,887,261.36</u> | <u>(2,212,109.39)</u> | <u>88,675,151.97</u> | <u>98,101,029.46</u> | <u>(9,425,877.49)</u> |
| CAPITAL OUTLAY | | | | | |
| Equipment | | | | | |
| Regular Programs - Instruction: | | | | | |
| Grades 9-12 | 85,924.00 | - | 85,924.00 | 3,386.63 | 82,537.37 |
| Special Education - Instruction: | - | - | - | - | - |
| Basic Skills/Remedial - Instruction | - | 2,700.00 | 2,700.00 | 2,667.00 | 33.00 |
| Vocational Programs: | | | | | |
| Vocational Programs - Regular Programs | 285,578.00 | (78,000.00) | 207,578.00 | 178,731.22 | 28,846.78 |
| Vocational Programs - Local - Instruction | - | 6,000.00 | 6,000.00 | 5,915.30 | 84.70 |
| Other Instructional Programs: | | | | | |
| School-Sponsored and Other Instructional Program | 326,600.00 | 50,500.00 | 377,100.00 | 45,850.00 | 331,250.00 |
| Undistributed: | | | | | |
| Undist.Expend.-Support Serv.-Inst. Staff | 238,049.19 | (219,870.00) | 18,179.19 | 16,188.48 | 1,990.71 |
| Undistributed Expenditures - General Admin. | - | 1,237,870.00 | 1,237,870.00 | 242,702.83 | 995,167.17 |
| Undistributed Expenditures - Central Services | - | 2,245.39 | 2,245.39 | 2,245.39 | - |
| Undistributed Expenditures - Req. Maint. For School Facilities | 416,529.00 | (156,000.00) | 260,529.00 | 90,682.50 | 169,846.50 |
| Undistributed Expenditures - Custodial Services | - | 117,400.00 | 117,400.00 | 80,880.70 | 36,519.30 |
| Undistributed Expenditures - Care and Upkeep of Grounds | - | 41,000.00 | 41,000.00 | - | 41,000.00 |
| Undistributed Expenditures - Security | 24,106.00 | 240,073.00 | 264,179.00 | 25,762.50 | 238,416.50 |
| Total Equipment | <u>1,376,786.19</u> | <u>1,243,918.39</u> | <u>2,620,704.58</u> | <u>695,012.55</u> | <u>1,925,692.03</u> |
| Facilities Acquisition and Construction Services | | | | | |
| Architectural/Engineering Services | - | - | - | - | - |
| Other Purchased Professional and Technical Services | 53,550.00 | 2,000.00 | 55,550.00 | 33,135.02 | 22,414.98 |
| Construction Services | 3,818,784.00 | (2,074,530.00) | 1,744,254.00 | 1,111,031.92 | 633,222.08 |
| Assesment for Debt Service on SDA Funding | 64,947.00 | - | 64,947.00 | 64,947.00 | - |
| Total Facilities Acquisition and Construction Services | <u>3,937,281.00</u> | <u>(2,072,530.00)</u> | <u>1,864,751.00</u> | <u>1,209,113.94</u> | <u>655,637.06</u> |
| TOTAL CAPITAL OUTLAY | <u>5,314,067.19</u> | <u>(828,611.61)</u> | <u>4,485,455.58</u> | <u>1,904,126.49</u> | <u>2,581,329.09</u> |

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

| | Original Budget | Budget Transfers/ Adjustments | Final Budget | Actual | Variance Final to Actual |
|--|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------------|
| SPECIAL SCHOOLS | | | | | |
| Post Secondary Programs - Instruction | | | | | |
| Salaries of Teachers | 482,035.00 | (1,659.86) | 480,375.14 | 477,875.02 | 2,500.12 |
| General Supplies | 8,000.00 | 7,623.44 | 15,623.44 | 3,725.97 | 11,897.47 |
| Textbooks | 8,000.00 | (4,766.01) | 3,233.99 | | 3,233.99 |
| Other Objects | - | 6,683.00 | 6,683.00 | 3,842.36 | 2,840.64 |
| Total Post Secondary Programs - Instruction | 498,035.00 | 7,880.57 | 505,915.57 | 485,443.35 | 20,472.22 |
| Post Secondary Programs - Support Services | | | | | |
| Salaries | 179,569.00 | 2,208.00 | 181,777.00 | 180,423.03 | 1,353.97 |
| Personal Services - Employee Benefits | 109,348.00 | (14,598.80) | 94,749.20 | 94,128.84 | 620.36 |
| Other Purchased Services (400-500 series) | 169,147.00 | 18,510.23 | 187,657.23 | 150,650.01 | 37,007.22 |
| Total Post Secondary Programs - Support Services | 458,064.00 | 6,119.43 | 464,183.43 | 425,201.88 | 38,981.55 |
| Total Post Secondary Programs | 956,099.00 | 14,000.00 | 970,099.00 | 910,645.23 | 98,435.32 |
| Other Special Schools - Instruction | | | | | |
| Salaries of Teachers | 9,750.00 | - | 9,750.00 | | 9,750.00 |
| Other Salaries for Instruction | 8,580.00 | - | 8,580.00 | | 8,580.00 |
| General Supplies | 1,500.00 | - | 1,500.00 | 463.98 | 1,036.02 |
| Total Other Special Schools - Instruction | 19,830.00 | - | 19,830.00 | 463.98 | 19,366.02 |
| Other Special Schools - Support Services | | | | | |
| Salaries | 22,000.00 | - | 22,000.00 | | 22,000.00 |
| Supplies and Materials | 18,000.00 | - | 18,000.00 | | 18,000.00 |
| Other Objects | 13,000.00 | - | 13,000.00 | | 13,000.00 |
| Total Other Special Schools - Support Services | 53,000.00 | - | 53,000.00 | - | 53,000.00 |
| Total Other Special Schools | 72,830.00 | - | 72,830.00 | 463.98 | 72,366.02 |
| Accred. Even./Adult H.S./Post-Grad.-Supp. Service | | | | | |
| Salaries | 300.00 | - | 300.00 | 192.36 | 107.64 |
| Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service | 300.00 | - | 300.00 | 192.36 | 107.64 |
| Total Accred. Even./Adult H.S./Post-Grad. | 300.00 | - | 300.00 | 192.36 | 107.64 |
| Adult Education-Local-Instruction | | | | | |
| Salaries of Teachers | 10,741.00 | (10,609.90) | 131.10 | 131.10 | - |
| Other Salaries for Instruction | 600.00 | 296.94 | 896.94 | 896.94 | - |
| General Supplies | 2,144.06 | 5,713.50 | 7,857.56 | 7,782.69 | 74.87 |
| Total Adult Education-Local-Instruction | 13,485.06 | (4,599.46) | 8,885.60 | 8,810.73 | 74.87 |
| Adult Education-Local -Support Serv. | | | | | |
| Salaries | 46,659.00 | (5,430.54) | 41,228.46 | 27,716.16 | 13,512.30 |
| Personal Services - Employee Benefits | 1,430.00 | 10,030.00 | 11,460.00 | 11,405.77 | 1,405.23 |
| Total Adult Education-Local -Support Serv. | 48,089.00 | 4,599.46 | 52,688.46 | 37,770.93 | 14,917.53 |
| Total Adult Education-Local | 61,574.06 | - | 61,574.06 | 46,581.66 | 14,992.40 |
| Vocational Evening-Local-Instruction | | | | | |
| Salaries of Teachers | 77,000.00 | (9,553.00) | 67,447.00 | 49,434.00 | 18,013.00 |
| General Supplies | 6,600.00 | (329.00) | 6,271.00 | 4,249.07 | 2,021.93 |
| Other Objects | 200.00 | (200.00) | | | - |
| Total Vocational Evening-Local-Instruction | 83,800.00 | (10,082.00) | 73,718.00 | 53,683.07 | 20,034.93 |
| Vocational Evening-Local-Support Services | | | | | |
| Salaries | 40,185.00 | 11,582.00 | 51,767.00 | 45,341.80 | 6,425.20 |
| Personal Services - Employee Benefits | 7,160.00 | - | 7,160.00 | 6,532.72 | 627.28 |
| Other Purchased Services (400-500 series) | 1,500.00 | (1,500.00) | | | - |
| Total Vocational Evening-Local-Support Services | 48,845.00 | 10,082.00 | 58,927.00 | 51,874.52 | 7,052.48 |
| Total Vocational Evening-Local | 132,645.00 | - | 132,645.00 | 105,557.59 | 27,087.41 |
| Adult Education Testing Centers | | | | | |
| Salaries | 111,500.00 | (5,498.02) | 106,001.98 | 83,372.77 | 22,629.21 |
| Other Objects | 880.00 | 5,498.02 | 6,378.02 | 6,378.02 | - |
| Total Adult Education Testing Centers | 112,380.00 | - | 112,380.00 | 89,750.79 | 22,629.21 |
| TOTAL SPECIAL SCHOOLS | 1,335,828.06 | 14,000.00 | 1,349,828.06 | 1,153,191.61 | 196,636.45 |
| TOTAL EXPENDITURES | 97,537,156.61 | (3,026,721.00) | 94,510,435.61 | 101,158,347.56 | (6,647,911.95) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,080,704.61) | (962,567.00) | (6,043,271.61) | 4,944,356.23 | 10,987,627.84 |
| Other Financing Sources/(Uses): | | | | | |
| Operating Transfer Out: | | | | | |
| Transfer to Food Service Fund | | (1,000,000.00) | (1,000,000.00) | (1,000,000.00) | - |
| Total Other Financing Sources/(Uses): | - | (1,000,000.00) | (1,000,000.00) | (1,000,000.00) | - |

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021**

| | <u>Original Budget</u> | <u>Budget Transfers/ Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|--|-------------------------|-----------------------|-------------------------------------|
| Excess (Deficiency) of Revenues and Other Financing Sources | | | | | |
| Over (Under) Expenditures and Other Financing Sources (Uses) | (5,080,704.61) | (1,962,567.00) | (7,043,271.61) | 3,944,356.23 | 10,987,627.84 |
| Fund Balance, July 1 | 14,096,177.22 | | 14,096,177.22 | 14,096,177.22 | - |
| Prior Period Adjustment | | | | 702,938.22 ** | |
| Fund Balance, July 1 (Restated) | 14,096,177.22 | - | 14,096,177.22 | 14,799,115.44 | - |
| Fund Balance, June 30 | <u>9,015,472.61</u> | <u>(1,962,567.00)</u> | <u>7,052,905.61</u> | <u>18,743,471.67</u> | <u>10,987,627.84</u> |
| Recapitulation of excess (deficiency) of revenues under expenditures | | | | | |
| Adjustment for Prior Year Encumbrances | (783,224.61) | | (783,224.61) | (783,224.61) | - |
| Increase in Maintenance Reserve: | | | | | |
| Principal | | | | 1,000,000.00 | 1,000,000.00 |
| Interest | 4,520.00 | | 4,520.00 | 1,488.45 | (3,031.55) |
| Increase in Capital Reserve: | | | | | |
| Principal | | | | 1,000,000.00 | 1,000,000.00 |
| Interest | 8,000.00 | | 8,000.00 | 7,393.62 | (606.38) |
| Withdrawal from Capital Reserve | | (846,758.00) | (846,758.00) | (846,758.00) | - |
| Increase in Unemployment Compensation - Interest | | | | 2,341.45 | 2,341.45 |
| Budgeted Fund Balance | <u>(4,310,000.00)</u> | <u>(1,115,809.00)</u> | <u>(5,425,809.00)</u> | <u>3,563,115.42</u> | <u>8,988,924.42</u> |
| | <u>(5,080,704.61)</u> | <u>(1,962,567.00)</u> | <u>(7,043,271.61)</u> | <u>3,944,356.33</u> | <u>10,987,627.94</u> |
| Recapitulation: | | | | | |
| Restricted Fund Balance: | | | | | |
| Reserve for Excess Surplus | | | | 567,886.58 | |
| Maintenance Reserve | | | | 1,408,940.16 | |
| Capital Reserve | | | | 2,903,122.84 | |
| Unemployment Compensation | | | | 705,279.57 | audsum line # 90062 |
| Assigned Fund Balance: | | | | | |
| Year End Encumbrances | | | | 3,049,887.53 | |
| Designated for Subsequent Year's Expenditures | | | | 5,067,226.00 | |
| Unassigned Fund Balance | | | | <u>5,041,128.99</u> | |
| | | | | 18,743,471.67 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payment not recognized on GAAP basis | | | | <u>(3,182,441.00)</u> | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>15,561,030.67</u> | |

* Includes interest earnings on the Unemployment Compensation Bank Account

** Represents Unemployment Fund Net Position as of June 30, 2020.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2021

| | Original Budget | Budget Transfers/ Adjustments | Final Budget | Actual | Variance Final to Actual |
|--|---------------------|-------------------------------------|----------------------|---------------------|-----------------------------|
| REVENUES: | | | | | |
| Local Sources | | 249,729.46 | 249,729.46 | 240,462.46 | (9,267.00) |
| State Sources | 124,530.00 | 357,940.00 | 482,470.00 | 345,418.04 | (137,051.96) |
| Federal Sources | <u>3,480,428.00</u> | <u>9,053,911.00</u> | <u>12,534,339.00</u> | <u>6,318,068.71</u> | <u>(6,216,270.29)</u> |
| Total Revenues | <u>3,604,958.00</u> | <u>9,661,580.46</u> | <u>13,266,538.46</u> | <u>6,903,949.21</u> | <u>(6,362,589.25)</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 1,221,476.00 | 1,031,460.29 | 2,252,936.29 | 969,709.68 | 1,283,226.61 |
| Other Salaries for Instruction | 343,129.00 | (79,847.00) | 263,282.00 | 223,756.86 | 39,525.14 |
| Purchased Professional - Educational Services | 68,952.00 | 10,458.00 | 79,410.00 | 76,500.00 | 2,910.00 |
| Purchased Professional and Technical Services | | 287,183.42 | 287,183.42 | 262,435.96 | 24,747.46 |
| Other Purchased Services (400-500 series) | | 400,000.00 | 400,000.00 | - | 400,000.00 |
| General Supplies | 310,095.00 | 942,252.20 | 1,252,347.20 | 954,975.95 | 297,371.25 |
| Other Objects | | 9,670.00 | 9,670.00 | - | 9,670.00 |
| Total instruction | <u>1,943,652.00</u> | <u>2,601,176.91</u> | <u>4,544,828.91</u> | <u>2,487,378.45</u> | <u>2,057,450.46</u> |
| Support services: | | | | | |
| Salaries of Other Professional Staff | 17,000.00 | 284,312.36 | 301,312.36 | 190,682.44 | 110,629.92 |
| Other Salaries | 288,349.00 | 290,174.08 | 578,523.08 | 502,589.37 | 75,933.71 |
| Personal Services - Employee Benefits | 636,596.00 | 710,746.54 | 1,347,342.54 | 1,000,744.62 | 346,597.92 |
| Purchased Professional - Educational Services | 71,123.00 | 469,737.00 | 540,860.00 | 214,222.67 | 326,637.33 |
| Purchased Professional and Technical Services | 60,000.00 | - | 60,000.00 | 18,089.00 | 41,911.00 |
| Purchased Technical Services | | 370,000.00 | 370,000.00 | 50,150.50 | 319,849.50 |
| Other Purchased Services (400-500 series) | | 292,947.00 | 292,947.00 | 34,959.18 | 257,987.82 |
| Supplies & Materials | | 508,328.61 | 508,328.61 | 470,332.09 | 37,996.52 |
| Other Objects | | 24,906.00 | 24,906.00 | 24,424.00 | 482.00 |
| Scholarships Awarded | | 75,114.23 | 75,114.23 | 68,500.00 | 6,614.23 note 1 |
| Student Activities | | 58,129.73 | 58,129.73 | 65,277.61 | (7,147.88) note 1 |
| Total support services | <u>1,073,068.00</u> | <u>3,084,395.55</u> | <u>4,157,463.55</u> | <u>2,639,971.48</u> | <u>1,517,492.07</u> |
| Facilities acquisition and const. serv.: | | | | | |
| Buildings | | 2,525,000.00 | 2,525,000.00 | 396,867.00 | 2,128,133.00 |
| Instructional Equipment | 588,238.00 | 1,028,789.00 | 1,617,027.00 | 1,283,047.43 | 333,979.57 |
| Noninstructional Equipment | | 422,219.00 | 422,219.00 | 97,219.00 | 325,000.00 |
| Total facilities acquisition and const. serv. | <u>588,238.00</u> | <u>3,976,008.00</u> | <u>4,564,246.00</u> | <u>1,777,133.43</u> | <u>2,787,112.57</u> |
| Total Expenditures | <u>3,604,958.00</u> | <u>9,661,580.46</u> | <u>13,266,538.46</u> | <u>6,904,483.36</u> | <u>6,362,055.10</u> |
| Excess (Deficiency) of Revenues Over (Under) | | | | | |
| Expenditures and Other Financing Sources (Uses) | - | (0.00) | (0.00) | (534.15) | (534.15) |
| Fund Balance, July 1 | | | | | |
| Prior Period Adjustment | | | | <u>307,352.49</u> | |
| Fund Balance, July 1 (Restated) | | | | | |
| | | | | <u>307,352.49</u> | |
| Fund Balance, June 30 | | | | | |
| | | | | <u>306,818.34</u> | |
| Recapitulation: | | | | | |
| Restricted: | | | | | |
| Scholarships | | | | 23,442.61 | |
| Student Activities | | | | <u>283,375.73</u> | |
| Total Fund Balance | | | | <u>306,818.34</u> | |

note 1 - Not Required to budget for these funds.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Year Ended June 30, 2021

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

| | General Fund | Special Revenue Fund |
|---|-----------------|----------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" | | |
| from the budgetary comparison schedule | 106,102,703.79 | 6,903,949.21 |
| Difference - budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Add Prior Year Encumbrances | | |
| Less Current Year Encumbrances | | |
| 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). | | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | (3,182,441.00) | |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 2,610,431.00 | |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | 105,530,693.79 | 6,903,949.21 |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | 101,158,347.56 | 6,904,483.36 |
| Differences - budget to GAAP | NONE | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes. | | |
| Pension expense recognized for GAAP but not for budgetary purposes. | N/A | |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | 101,158,347.56 | 6,904,483.36 |

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
Last 10 Fiscal Years*

| <u>Fiscal Year Ending June30,</u> | <u>District's Proportion Share of the Net Pension Liability (Asset)</u> | <u>District's Proportion Share of the Net Pension Liability (Asset)</u> | <u>District's Covered Payroll -PERS Employee's</u> | <u>District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll</u> | <u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u> |
|---------------------------------------|---|---|--|--|---|
| 2015 | 0.1096570616% | \$ 20,530,801 | \$7,332,995 | 279.98% | 52.08% |
| 2016 | 0.1063552605% | 23,874,625 | 7,345,743 | 325.01% | 47.93% |
| 2017 | 0.1086570823% | 32,181,111 | 7,507,663 | 428.64% | 59.86% |
| 2018 | 0.1084756450% | 25,251,396 | 7,780,089 | 324.56% | 48.10% |
| 2019 | 0.1070088200% | 21,069,503 | 8,316,870 | 253.33% | 53.60% |
| 2020 | 0.1097428842% | 19,774,003 | 8,498,392 | 232.68% | 56.27% |
| 2021 | 0.1183093850% | 19,293,167 | 8,317,934 | 231.95% | 58.32% |

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

| Fiscal Year Ending June30, | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | District's PERS Covered- Employee Payroll | Contributions as a Percentage of PERS Covered- Employee Payroll |
|-------------------------------|---|---|--|--|--|
| 2015 | \$ 903,997 | \$ 903,997 | \$ - | \$7,332,995 | 12.33% |
| 2016 | 914,370 | 914,370 | - | 7,345,743 | 12.45% |
| 2017 | 965,294 | 965,294 | - | 7,507,663 | 12.86% |
| 2018 | 1,004,911 | 1,004,911 | - | 7,780,089 | 12.92% |
| 2019 | 1,064,392 | 1,064,392 | - | 8,316,870 | 12.80% |
| 2020 | 1,067,475 | 1,067,475 | - | 8,498,392 | 12.56% |
| 2021 | 1,294,245 | 1,294,245 | - | 8,317,934 | 15.56% |

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
Last 10 Fiscal Years*

| Fiscal Year Ending June30, | District's Proportion Share of the Net Pension Liability (Asset) | District's Proportion Share of the Net Pension Liability (Asset) | State's Proportionate Share of the Net Pension Liability Associated with the District (Asset) | District's Covered Payroll -TPAF Employee's | District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll | Plan Fiduciary Net Position as a percentage of the total Pension Liability |
|-------------------------------|--|--|---|---|---|--|
| 2015 | 0.3179694117% | \$ - | \$169,944,302 | \$32,784,464 | 0.00% | 33.64% |
| 2016 | 0.3156314236% | \$ - | 199,492,538 | 33,054,451 | 0.00% | 28.71% |
| 2017 | 0.3200753317% | \$ - | 251,791,635 | 34,678,218 | 0.00% | 28.75% |
| 2018 | 0.3212736727% | \$ - | 216,614,295 | 35,646,921 | 0.00% | 34.07% |
| 2019 | 0.3204537940% | \$ - | 203,865,821 | 38,090,491 | 0.00% | 26.49% |
| 2020 | 0.3342192359% | \$ - | 205,113,500 | 41,026,793 | 0.00% | 26.95% |
| 2021 | 0.3393357045% | \$ - | 223,448,478 | 43,038,296 | 0.00% | 24.60% |

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2021

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date to the current measurement date, resulting in a change in the discount rate from 6.28% to 7.00%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.50%) to the current measurement date (2.21%), resulting in a change in the discount rate from 5.60% to 5.40%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
Last 10 Fiscal Years*

| | 2021 | 2020 | 2019 | 2018 |
|---|-----------------------|----------------------|-----------------------|-----------------------|
| Total OPEB Liability | | | | |
| Service Costs | \$ 4,092,932 | \$ 3,870,331 | \$ 6,259,879 | \$ 7,507,606 |
| Interest on Total OPEB Liability | 3,454,258 | 4,140,396 | 4,861,704 | 4,144,840 |
| Difference between Expected & Actual Experiences | 31,070,113 | (15,165,384) | (22,774,633) | |
| Changes in Assumptions | 29,465,785 | 1,430,623 | (11,995,584) | (17,228,366) |
| Gross Benefit Payments | (2,808,273) | (2,945,380) | (2,795,152) | (3,031,442) |
| Contribution from the Member | 85,119 | 87,309 | 96,605 | 111,625 |
| Net Changes in total Share of OPEB Liability | 65,359,934 | (8,582,105) | (26,347,181) | (8,495,737) |
| Total OPEB Liability - Beginning | 95,950,019 | 104,532,124 | 130,879,305 | 139,375,042 |
| Total OPEB Liability - Ending | <u>\$ 161,309,953</u> | <u>\$ 95,950,019</u> | <u>\$ 104,532,124</u> | <u>\$ 130,879,305</u> |
| District's Proportionate Share of OPEB Liability | \$ - | \$ - | \$ - | \$ - |
| State's Proportionate Share of OPEB Liability | 161,309,953 | 95,950,019 | 104,532,124 | 130,879,305 |
| Total OPEB Liability - Ending | <u>\$ 161,309,953</u> | <u>\$ 95,950,019</u> | <u>\$ 104,532,124</u> | <u>\$ 130,879,305</u> |
| District's Covered Employee Payroll | <u>\$ 51,356,230</u> | <u>\$ 49,525,185</u> | <u>\$ 46,407,361</u> | <u>\$ 43,427,010</u> |
| Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll | 0% | 0% | 0% | 0% |

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Change in benefit terms None

Change in assumptions Assumptions used in calculating the OPEB liability are presented
in Note 10.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Supplementary Schedules

SPECIAL REVENUE FUND

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS

Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2021

| | Total | Title I Part A Improving Basic Programs | Title II Part A Teacher and Principal Train/Recruiting | Title IV Student Support and Academic Enrichment | I.D.E.A. Part B Basic | Totals 2021 |
|---|--------------|--|--|---|--------------------------|----------------|
| REVENUES | | | | | | |
| Local Sources | 240,462.46 | | | | | 240,462.46 |
| State Sources | 345,418.04 | | | | | 345,418.04 |
| Federal Sources | 3,334,846.50 | 1,975,459.48 | 80,942.48 | 28,000.00 | 898,820.25 | 6,318,068.71 |
| Total Revenues | 3,920,727.00 | 1,975,459.48 | 80,942.48 | 28,000.00 | 898,820.25 | 6,903,949.21 |
| EXPENDITURES: | | | | | | |
| Instruction: | | | | | | |
| Salaries of Teachers | 78,649.54 | 891,060.14 | | | | 969,709.68 |
| Other Salaries for Instruction | 16,543.56 | | | | 207,213.30 | 223,756.86 |
| Purchased Professional - Educational Services | 76,500.00 | | | | | 76,500.00 |
| Purchased Professional and Technical Services | | 262,435.96 | | | | 262,435.96 |
| General Supplies | 901,353.72 | 23,968.48 | | | 29,653.75 | 954,975.95 |
| Textbooks | | | | | | |
| Other Objects | | | | | | |
| Total instruction | 1,073,046.82 | 1,177,464.58 | | | 236,867.05 | 2,487,378.45 |
| Support services: | | | | | | |
| Salaries of Other Professional Staff | 125,021.44 | 65,661.00 | | | | 190,682.44 |
| Other Salaries | 76,281.46 | 100,245.66 | 15,392.25 | | 310,670.00 | 502,589.37 |
| Personal Services - Employee Benefits | 33,668.47 | 627,117.24 | 1,177.51 | | 338,781.40 | 1,000,744.62 |
| Purchased Professional - Educational Services | 159,849.95 | | 54,372.72 | | | 214,222.67 |
| Purchased Professional and Technical Services | 8,089.00 | | 10,000.00 | | | 18,089.00 |
| Purchased Technical Services | 50,150.50 | | | | | 50,150.50 |
| Other Purchased Services (400-500 series) | 31,759.18 | 3,200.00 | | | | 34,959.18 |
| Supplies & Materials | 428,109.29 | 1,721.00 | | 28,000.00 | 12,501.80 | 470,332.09 |
| Other Objects | 24,374.00 | 50.00 | | | | 24,424.00 |
| Scholarships Awarded | 68,500.00 | | | | | 68,500.00 |
| Student Activities | 65,277.61 | | | | | 65,277.61 |
| Total support services | 1,071,080.90 | 797,994.90 | 80,942.48 | 28,000.00 | 661,953.20 | 2,639,971.48 |
| Facilities acquisition and const. serv.: | | | | | | |
| Construction Services | 396,867.00 | | | | | 396,867.00 |
| Instructional Equipment | 1,283,047.43 | | | | | 1,283,047.43 |
| Noninstructional Equipment | 97,219.00 | | | | | 97,219.00 |
| Total facilities acquisition and const. serv. | 1,777,133.43 | | | | | 1,777,133.43 |
| Total Expenditures | 3,921,261.15 | 1,975,459.48 | 80,942.48 | 28,000.00 | 898,820.25 | 6,904,483.36 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) | (534.15) | | | | | (534.15) |
| Fund Balance, July 1 Prior Period Adjustment | 307,352.49 | | | | | 307,352.49 |
| Fund Balance, July 1 (Restated) | 307,352.49 | | | | | 307,352.49 |
| Fund Balance, June 30 | 306,818.34 | | | | | 306,818.34 |

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2021

| | Total Brought Forward (Ex. E-1b) | Jets Flag Football Grant | County Vocational Partnership | CARES Emergency Relief Grant | CARES Emergency Relief ESSER II | Adult Basic Education | Coronavirus Relief Fund | Total Carried Forward |
|---|---|---------------------------------|--------------------------------------|-------------------------------------|--|------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | | | | | |
| Local Sources | 230,462.46 | 10,000.00 | | | | | | 240,462.46 |
| State Sources | 120,239.09 | | 225,178.95 | 1,337,570.50 | 669,969.18 | 153,072.00 | 403,416.00 | 345,418.04 |
| Federal Sources | 770,818.82 | | | | | | | 3,334,846.50 |
| Total Revenues | 1,121,520.37 | 10,000.00 | 225,178.95 | 1,337,570.50 | 669,969.18 | 153,072.00 | 403,416.00 | 3,920,727.00 |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | 10,220.00 | | | | | 68,429.54 | | 78,649.54 |
| Other Salaries for Instruction | - | | | | | 16,543.56 | | 16,543.56 |
| Purchased Professional - Educational Services | 76,500.00 | | | | | | | 76,500.00 |
| General Supplies | 289,336.03 | | | 561,413.69 | 42,604.00 | 8,000.00 | | 901,353.72 |
| Other Objects | - | | | | | | | - |
| Total instruction | 376,056.03 | - | - | 561,413.69 | 42,604.00 | 92,973.10 | - | 1,073,046.82 |
| Support services: | | | | | | | | |
| Salaries of Other Professional Staff | 4,160.00 | | | 71,350.00 | | 49,511.44 | | 125,021.44 |
| Other Salaries | - | 7,650.00 | 38,044.00 | 20,000.00 | | 10,587.46 | | 76,281.46 |
| Personal Services - Employee Benefits | 155.45 | | 2,911.00 | 30,602.02 | | | | 33,668.47 |
| Purchased Professional - Educational Services | - | | 159,849.95 | | | | | 159,849.95 |
| Other Purchased Professional Services | 7,000.00 | 1,089.00 | | | | | | 8,089.00 |
| Purchased Technical Services | - | | | 19,112.50 | | | 31,038.00 | 50,150.50 |
| Other Purchased Services (400-500 series) | - | 1,261.00 | | | 30,498.18 | | | 31,759.18 |
| Supplies & Materials | - | | 24,374.00 | 382,748.29 | | | 45,361.00 | 428,109.29 |
| Other Objects | - | | | | | | | 24,374.00 |
| Scholarships Awarded | 68,500.00 | | | | | | | 68,500.00 |
| Student Activities | 65,277.61 | | | | | | | 65,277.61 |
| Total support services | 145,093.06 | 10,000.00 | 225,178.95 | 523,812.81 | 30,498.18 | 60,098.90 | 76,399.00 | 1,071,080.90 |
| Facilities acquisition and const. serv.: | | | | | | | | |
| Construction Services | - | | | | 396,867.00 | | | 396,867.00 |
| Instructional Equipment | 503,686.43 | | | 252,344.00 | 200,000.00 | | 327,017.00 | 1,283,047.43 |
| Noninstructional Equipment | 97,219.00 | | | | | | | 97,219.00 |
| Total facilities acquisition and const. serv. | 600,905.43 | - | - | 252,344.00 | 596,867.00 | - | 327,017.00 | 1,777,133.43 |
| Total Expenditures | 1,122,054.52 | 10,000.00 | 225,178.95 | 1,337,570.50 | 669,969.18 | 153,072.00 | 403,416.00 | 3,921,261.15 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) | (534.15) | - | - | - | - | - | - | (534.15) |
| Fund Balance, July 1 | 307,352.49 | | | | | | | 307,352.49 |
| Prior Period Adjustment | | | | | | | | |
| Fund Balance, July 1 (Restated) | 307,352.49 | | | | | | | 307,352.49 |
| Fund Balance, June 30 | 306,818.34 | | | | | | | 306,818.34 |

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2021

| | Scholarship Fund | Student Activity Fund | NJ JUV DET - PEEP | NJSBA Safety Grant | Vocational Education | | | Total Carried Forward |
|---|------------------|-----------------------|-------------------|--------------------|----------------------|-------------------|----------------------|-----------------------|
| | | | | | Carl Perkins | Post-Secondary | Carl Perkins Reserve | |
| REVENUES | | | | | | | | |
| Local Sources | 75,114.23 | 58,129.23 | | 97,219.00 | | | 230,462.46 | |
| State Sources | | | 30,504.79 | | 89,734.30 | | 120,239.09 | |
| Federal Sources | | | | 636,473.62 | | | 770,818.82 | |
| Total Revenues | 75,114.23 | 58,129.23 | 30,504.79 | 97,219.00 | 89,734.30 | 134,345.20 | 1,121,520.37 | |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | | | 10,220.00 | | | | 10,220.00 | |
| Other Salaries for Instruction | | | | | | | | |
| Purchased Professional - Educational Services | | | | | 76,500.00 | | 76,500.00 | |
| Purchased Professional and Technical Services | | | | | | | | |
| Other Purchased Services (400-500 series) | | | 15,969.34 | | 13,234.30 | 127,991.20 | 289,336.03 | |
| General Supplies | | | | | | | | |
| Other Objects | | | | | | | | |
| Total instruction | - | - | 26,189.34 | - | 89,734.30 | 127,991.20 | 376,056.03 | |
| Support services: | | | | | | | | |
| Salaries of Other Professional Staff | | | 4,160.00 | | | | 4,160.00 | |
| Other Salaries | | | | | | | | |
| Personal Services - Employee Benefits | | | 155.45 | | | | 155.45 | |
| Purchased Professional - Educational Services | | | | | | | | |
| Other Purchased Professional Services | | | | | 7,000.00 | | 7,000.00 | |
| Purchased Technical Services | | | | | | | | |
| Other Purchased Services (400-500 series) | | | | | | | | |
| Supplies & Materials | | | | | | | | |
| Other Objects | | | | | | | | |
| Scholarships Awarded | 68,500.00 | | | | | | 68,500.00 | |
| Student Activities | | 65,277.61 | | | | | 65,277.61 | |
| Total support services | 68,500.00 | 65,277.61 | 4,315.45 | - | 7,000.00 | - | 145,093.06 | |
| Facilities acquisition and const. serv.: | | | | | | | | |
| Construction Services | | | | | | | | |
| Instructional Equipment | | | | | 497,332.43 | 6,354.00 | 503,686.43 | |
| Noninstructional Equipment | | | | 97,219.00 | | | 97,219.00 | |
| Total facilities acquisition and const. serv. | - | - | - | 97,219.00 | 497,332.43 | 6,354.00 | 600,905.43 | |
| Total Expenditures | 68,500.00 | 65,277.61 | 30,504.79 | 97,219.00 | 89,734.30 | 134,345.20 | 1,122,054.52 | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) | 6,614.23 | (7,148.38) | - | - | - | - | (534.15) | |
| Fund Balance, July 1 | 16,828.38 | * 290,524.11 | ** | | | | 307,352.49 | |
| Prior Period Adjustment | | | | | | | | |
| Fund Balance, July 1 (Restated) | 16,828.38 | 290,524.11 | | | | | 307,352.49 | |
| Fund Balance, June 30 | 23,442.61 | 283,375.73 | | | | | 306,818.34 | |

* Represents the scholarship net position balance as of June 30, 2020 per exhibit H-2.

** Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

CAPITAL PROJECTS FUND

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2021

| | |
|---|--------------|
| Revenues and Other Financing Sources | |
| Funded by Passaic County | 980,098.87 |
| Total Revenues | 980,098.87 |
| | |
| Expenditures and Other Financing Uses | |
| Purchased Professional and Technical Services | 1,875.00 |
| Construction Services | 1,335,437.39 |
| Equipment | 15,202.81 |
| Total Expenditures | 1,352,515.20 |
| | |
| Excess (deficiency) or Revenues over (under) Expenditures | (372,416.33) |
| | |
| Fund balance - Beginning | 2,471,898.75 |
| Fund balance - Ending | 2,099,482.42 |

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Capital Projects Fund
Summary Statement of Project Expenditures
For the Year Ended June 30, 2021

| Project Title/Issue | Date | Appropriations | Expenditures to Date | | Unexpended Balance June 30, 2021 |
|--|-------|----------------------|--|---------------------|-------------------------------------|
| | | | Prior Years | Current Year | |
| Construction | 09/10 | 722,713.24 | 708,661.24 | 14,052.00 | - |
| Equipment | 10/11 | 177,515.08 | 97,594.00 | | 79,921.08 |
| Construction | 11/12 | 333,083.25 | 333,083.25 | | |
| Equipment and Various Improvments | 12/13 | 951,308.00 | 793,218.66 | 158,089.00 | 0.34 |
| Equipment and Various Improvments | 13/14 | 979,308.00 | 417,703.00 | 561,605.00 | - |
| Equipment and Various Improvments | 14/15 | 979,308.00 | 291,891.00 | 585,816.39 | 101,600.61 |
| Equipment and Various Improvments | 15/16 | 979,308.00 | 164,652.69 | | 814,655.31 |
| Equipment and Various Improvments | 16/17 | 979,308.00 | 728,268.60 | | 251,039.40 |
| Professional Services/Supplies - STEM Addition | 16/17 | 6,000,000.00 | 5,510,996.33 | 17,750.00 | 471,253.67 |
| Construction Services - B/H Wing Addition | 16/17 | 1,899,333.00 | 1,534,199.61 | | 365,133.39 |
| Construction Services - STEM Addition | 16/17 | 30,000,000.00 | 29,968,918.57 | 15,202.81 | 15,878.62 |
| | | <u>44,001,184.57</u> | <u>40,549,186.95</u> | <u>1,352,515.20</u> | <u>2,099,482.42</u> |
| | | | <u>Analysis</u> | | |
| | | | Project Balance - June 30, 2021 | | 2,099,482.42 |
| | | | Unfunded Authorizations | | - |
| | | | Fund Balance (Deficit) - June 30, 2021 | | <u>2,099,482.42</u> |

PROPRIETARY FUNDS

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Combining Statement of Net Position
Enterprise Funds
June 30, 2021

| | Food Service Program | Student Store | Totals |
|--|---------------------------------|--------------------------|---------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 147,845.82 | 127,314.18 | 275,160.00 |
| Accounts receivable: | | | |
| State | 1,967.60 | | 1,967.60 |
| Federal | 250,146.81 | | 250,146.81 |
| Other | 2,982.33 | 2,381.00 | 5,363.33 |
| Inventories | 29,250.52 | 66,146.00 | 95,396.52 |
| Total current assets | 432,193.08 | 195,841.18 | 628,034.26 |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Equipment | 609,360.51 | | 609,360.51 |
| Less accumulated depreciation | (375,422.53) | | (375,422.53) |
| Total capital assets (net of accumulated depreciation) | 233,937.98 | - | 233,937.98 |
| Total assets | 666,131.06 | 195,841.18 | 861,972.24 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 9,157.79 | | 9,157.79 |
| Interfunds payable | 100,000.00 | | 100,000.00 |
| Total current liabilities | 109,157.79 | - | 109,157.79 |
| NET POSITION | | | |
| Invested in capital assets net of related debt | 233,937.98 | | 233,937.98 |
| Unrestricted | 323,035.29 | 195,841.18 | 518,876.47 |
| Total net position | 556,973.27 | 195,841.18 | 752,814.45 |

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2021

| | <u>Food Service Program</u> | <u>Student Store</u> | <u>Totals</u> |
|---|---------------------------------|--------------------------|--------------------------|
| Operating revenues: | | | |
| Charges for services: | | | |
| Daily sales - reimbursable programs | | | - |
| Daily sales - non-reimbursable programs | 12,190.46 | | 12,190.46 |
| Special functions | 261,142.16 | | 261,142.16 |
| Miscellaneous | | 66,772.28 | 66,772.28 |
| Total operating revenues | <u>273,332.62</u> | <u>66,772.28</u> | <u>340,104.90</u> |
| Operating expenses: | | | |
| Cost of sales - reimbursable programs | 373,502.77 | | 373,502.77 |
| Cost of sales - non-reimbursable programs/special functions | 324,614.77 | 57,168.20 | 381,782.97 |
| Salaries | 473,866.34 | 12,132.35 | 485,998.69 |
| Employee benefits | 120,849.52 | 928.12 | 121,777.64 |
| Cleaning repair & maintenance | 32,088.43 | | 32,088.43 |
| Purchased services | 33,521.25 | | 33,521.25 |
| General supplies | 14,417.99 | 405.00 | 14,822.99 |
| Depreciation | 21,894.86 | | 21,894.86 |
| Total Operating Expenses | <u>1,394,755.93</u> | <u>70,633.67</u> | <u>1,465,389.60</u> |
| Operating income (loss) | <u>(1,121,423.31)</u> | <u>(3,861.39)</u> | <u>(1,125,284.70)</u> |
| Nonoperating revenues (expenses): | | | |
| State sources: | | | |
| State school lunch program | 9,070.16 | | 9,070.16 |
| Federal sources: | | | |
| National school lunch program | 192,762.00 | | 192,762.00 |
| National school breakfast program | 99,214.60 | | 99,214.60 |
| Food distribution program | 40,832.94 | | 40,832.94 |
| Emergency Operational Cost Program Schools | 213,161.06 | | 213,161.06 |
| P-EBT Administrative Cost Reimbursement | 3,063.00 | | 3,063.00 |
| Interest and investment revenue | 404.75 | 373.85 | 778.60 |
| Total nonoperating revenues (expenses) | <u>558,508.51</u> | <u>373.85</u> | <u>558,882.36</u> |
| Income (loss) before contributions & transfers | <u>(562,914.80)</u> | <u>(3,487.54)</u> | <u>(566,402.34)</u> |
| Transfers in (out) Operating Subsidy | 1,000,000.00 | | 1,000,000.00 |
| Change in net position | 437,085.20 | (3,487.54) | 433,597.66 |
| Total net position—beginning | <u>119,888.07</u> | <u>199,328.72</u> | <u>319,216.79</u> |
| Total net position—ending | <u><u>556,973.27</u></u> | <u><u>195,841.18</u></u> | <u><u>752,814.45</u></u> |

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2021

| | <u>Food Service Program</u> | <u>Student Store</u> | <u>Totals</u> |
|---|---------------------------------|--------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | 270,350.29 | 65,635.28 | 335,985.57 |
| Payments to employees | (464,708.55) | (12,132.35) | (476,840.90) |
| Payments for employee benefits | (120,849.52) | (928.12) | (121,777.64) |
| Payments to suppliers | (564,000.25) | (43,320.58) | (607,320.83) |
| Net cash provided by (used for) operating activities | <u>(879,208.03)</u> | <u>9,254.23</u> | <u>(869,953.80)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| State Sources | 12,079.23 | | 12,079.23 |
| Federal Sources | 258,053.85 | | 258,053.85 |
| Operating subsidies and transfers to other funds | 1,000,000.00 | | 1,000,000.00 |
| Net cash provided by (used for) non-capital financing activities | <u>1,270,133.08</u> | <u>-</u> | <u>1,270,133.08</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest and dividends | 404.75 | 373.85 | 778.60 |
| Net cash provided by (used for) investing activities | <u>404.75</u> | <u>373.85</u> | <u>778.60</u> |
| Net increase (decrease) in cash and cash equivalents | 391,329.80 | 9,628.08 | 400,957.88 |
| Balances—beginning of year | (243,483.98) | 117,686.10 | (125,797.88) |
| Balances—end of year | <u>147,845.82</u> | <u>127,314.18</u> | <u>275,160.00</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | (1,121,423.31) | (3,861.39) | (1,125,284.70) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities | | | |
| Depreciation and net amortization | 21,894.86 | | 21,894.86 |
| Food Distribution Program Donated Commodities | 40,832.94 | | 40,832.94 |
| (Increase) decrease in accounts receivable, net | (2,982.33) | (1,137.00) | (4,119.33) |
| (Increase) decrease in inventories | 75,218.72 | 15,486.00 | 90,704.72 |
| Increase (decrease) in unearned revenue | | | - |
| Increase (decrease) in accounts payable | 7,251.09 | (1,233.38) | 6,017.71 |
| Increase (decrease) in other current liabilities | 100,000.00 | | 100,000.00 |
| Total adjustments | <u>242,215.28</u> | <u>13,115.62</u> | <u>255,330.90</u> |
| Net cash provided by (used for) operating activities | <u>(879,208.03)</u> | <u>9,254.23</u> | <u>(869,953.80)</u> |

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

| <u>Contents</u> | <u>Page</u> |
|--|---------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time. | J-1 to J-5 |
| Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax. | J-6 to J-9 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future. | J-10 to J-13 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place. | J-14 to J-15 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. | J-16 to J-20 |
| Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year. | |

PASSAIC COUNTY TECHNICAL-VOCAATIONAL SCHOOLS

Net Position by Component,
Last Ten Fiscal Years

(accrual basis of accounting)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Governmental activities | | | | | | | | | | |
| Invested in capital assets | 44,461,014.51 | 47,260,581.07 | 48,466,318.96 | 55,271,079.97 | 57,699,855.64 | 67,000,621.70 | 87,406,517.76 | 90,882,836.61 | 89,970,035.49 | 90,227,948.01 |
| Restricted | 600,425.28 | (919,441.58) | 281,369.18 | (6,064,608.81) | (7,614,143.30) | (8,939,381.64) | 5,404,063.60 | 677,971.06 | 5,621,837.68 | 7,991,529.91 |
| Unrestricted | 4,788,455.74 | 5,875,794.62 | 4,468,941.13 | (19,166,849.08) | (18,701,261.94) | (20,183,052.22) | (21,268,923.43) | (20,796,518.62) | (19,538,793.44) | (16,222,340.53) |
| Total governmental activities net position | 49,849,895.53 | 52,216,934.11 | 53,216,629.27 | 30,039,622.08 | 31,384,450.40 | 37,878,187.84 | 71,541,657.93 | 70,764,289.05 | 76,053,079.73 | 81,997,137.39 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets | 13,981.59 | 34,605.95 | 36,028.91 | 65,936.66 | 76,598.71 | 74,686.71 | 70,506.44 | 275,950.67 | 255,832.84 | 233,937.98 |
| Unrestricted | 309,940.17 | 342,666.13 | 396,060.23 | 379,493.11 | 434,841.17 | 617,411.73 | 422,239.16 | 273,800.35 | 63,383.95 | 518,876.47 |
| Total business-type activities net position | 323,921.76 | 377,272.08 | 432,089.14 | 445,429.77 | 511,439.88 | 692,098.44 | 492,745.60 | 549,751.02 | 319,216.79 | 752,814.45 |
| District-wide | | | | | | | | | | |
| Invested in capital assets | 44,474,996.10 | 47,295,187.02 | 48,502,347.87 | 55,337,016.63 | 57,776,454.35 | 67,075,308.41 | 87,477,024.20 | 91,158,787.28 | 90,225,868.33 | 90,461,885.99 |
| Restricted | 600,425.28 | (919,441.58) | 281,369.18 | (6,064,608.81) | (7,614,143.30) | (8,939,381.64) | 5,404,063.60 | 677,971.06 | 5,621,837.68 | 7,991,529.91 |
| Unrestricted | 5,098,395.91 | 6,218,460.75 | 4,865,001.36 | (18,787,355.97) | (18,266,420.77) | (19,565,640.49) | (20,846,684.27) | (20,522,718.27) | (19,475,409.49) | (15,703,464.06) |
| Total district net position | 50,173,817.29 | 52,594,206.19 | 53,648,718.41 | 30,485,051.85 | 31,895,890.28 | 38,570,286.28 | 72,034,403.53 | 71,314,040.07 | 76,372,296.52 | 82,749,951.84 |

Source: CARR Schedule A-1

GASB No. 63 became effective for the Fiscal Year Ended June 30, 2013 which required a change in language from net assets to net position. This required presentation did not impact any of the balances from the prior years.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | 21,291,808.61 | 20,467,890.21 | 21,072,951.27 | 21,799,677.27 | 21,445,928.38 | 18,637,048.45 | 18,724,273.07 | 21,130,651.69 | 22,838,321.01 | 25,013,513.80 |
| Special/other education | 480,960.70 | 430,175.73 | 689,654.32 | 660,575.21 | 460,477.05 | 4,387,434.59 | 4,793,215.30 | 4,997,012.59 | 4,898,217.62 | 4,898,217.62 |
| Vocational | 12,551,753.21 | 12,368,758.26 | 12,632,565.81 | 13,434,967.22 | 13,967,643.47 | 14,467,474.44 | 14,189,594.06 | 14,918,409.34 | 15,418,805.76 | 15,082,311.01 |
| Other instruction | 2,173,289.05 | 2,237,075.79 | 2,489,159.61 | 2,725,227.02 | 2,935,343.89 | 3,145,209.13 | 2,899,559.74 | 2,947,670.63 | 3,034,607.14 | 2,509,399.82 |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 12,555,309.08 | 11,779,029.44 | 11,424,054.33 | 11,922,617.95 | 12,300,377.76 | 13,753,524.33 | 13,776,283.93 | 14,870,831.26 | 16,004,157.46 | 17,103,748.31 |
| General administrative services | 1,653,901.37 | 1,557,423.86 | 1,937,001.67 | 1,620,371.28 | 2,280,495.68 | 1,853,333.48 | 1,746,608.99 | 1,940,363.06 | 2,086,566.48 | 2,696,166.15 |
| School administrative services | 2,225,154.09 | 2,157,662.66 | 2,183,444.88 | 2,195,343.44 | 2,084,488.10 | 2,018,897.51 | 2,083,996.66 | 2,462,774.00 | 2,966,027.84 | 3,071,296.82 |
| Central Services & Admin Info Technology | 1,877,837.73 | 2,106,942.84 | 2,275,130.59 | 2,451,295.32 | 2,320,268.16 | 2,229,399.92 | 2,024,199.14 | 2,429,826.03 | 2,807,825.09 | 3,135,846.29 |
| Plant operations & maintenance | 8,243,818.71 | 8,376,982.89 | 8,625,430.27 | 8,807,018.09 | 8,577,501.50 | 8,712,925.64 | 8,850,684.35 | 9,879,835.13 | 10,495,854.77 | 10,284,898.88 |
| Pupil transportation | 779,394.54 | 828,695.58 | 929,095.46 | 1,013,172.25 | 1,171,995.82 | 1,456,702.90 | 2,090,502.69 | 2,164,149.92 | 1,712,991.43 | 1,720,352.58 |
| Unallocated benefits | 4,752,865.16 | 6,699,112.03 | 5,483,835.30 | 14,370,882.56 | 17,471,581.94 | 24,060,923.12 | 27,776,763.55 | 20,149,851.69 | 16,420,589.49 | 23,312,543.56 |
| Special Schools | 1,291,237.51 | 1,262,795.89 | 1,273,680.82 | 1,391,593.22 | 1,400,843.71 | 1,466,110.22 | 1,483,449.08 | 1,493,336.80 | 1,336,457.07 | 1,362,170.48 |
| Capital Outlay - non-depreciable | 47,324.00 | 210,191.60 | 322,705.26 | 437,084.78 | 84,377.00 | 64,947.00 | 184,086.00 | 1,571,532.57 | (100,573.98) | 149,757.42 |
| Unallocated depreciation | 2,341,539.03 | 2,057,030.96 | 2,620,246.02 | 2,972,051.86 | 3,202,587.69 | 3,580,688.40 | 3,749,919.15 | 4,668,378.86 | 4,676,959.30 | 4,626,105.18 |
| Total governmental activities expenses | 72,266,192.79 | 72,559,767.74 | 73,958,955.61 | 85,801,877.47 | 89,701,910.15 | 99,834,619.13 | 104,373,135.71 | 105,260,208.15 | 104,695,101.45 | 114,966,327.92 |
| Business-type activities: | | | | | | | | | | |
| Food service | 1,745,638.79 | 1,719,577.21 | 1,798,065.33 | 1,972,723.83 | 2,048,140.89 | 2,091,352.90 | 2,290,055.33 | 2,740,579.02 | 2,423,571.35 | 1,394,755.93 |
| Student Store | 41,603.55 | 81,682.93 | 77,703.99 | 107,054.00 | 110,057.96 | 94,376.02 | 149,384.75 | 153,334.46 | 90,565.28 | 70,633.67 |
| Total business-type activities expense | 1,787,242.34 | 1,801,260.14 | 1,875,769.32 | 2,079,777.83 | 2,158,198.85 | 2,185,728.92 | 2,439,440.08 | 2,893,913.48 | 2,514,136.63 | 1,465,389.60 |
| Total district expenses | 74,053,435.13 | 74,361,027.88 | 75,834,724.93 | 87,881,655.30 | 91,860,109.00 | 102,020,348.05 | 106,812,575.79 | 108,154,121.63 | 107,209,238.08 | 116,431,717.52 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Operating grants and contributions | 3,595,129.25 | 3,430,987.06 | 3,698,336.59 | 3,565,207.58 | 3,448,226.13 | 3,187,375.50 | 3,320,758.76 | 3,424,996.09 | 4,119,055.61 | 5,068,686.55 |
| Charges for services | 3,595,129.25 | 3,430,987.06 | 3,698,336.59 | 3,565,207.58 | 3,448,226.13 | 3,187,375.50 | 3,320,758.76 | 3,424,996.09 | 4,119,055.61 | 5,126,815.78 |
| Total governmental activities program revenues | 7,190,258.50 | 6,861,974.12 | 7,396,673.18 | 7,130,415.16 | 6,896,452.26 | 6,374,751.00 | 6,641,517.52 | 6,869,992.18 | 8,238,111.22 | 10,195,502.33 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food service | 607,989.13 | 634,903.25 | 689,037.58 | 774,641.83 | 836,551.38 | 923,988.22 | 797,287.36 | 1,006,299.31 | 807,032.91 | 273,332.62 |
| Student Store | 58,675.80 | 102,466.39 | 101,141.85 | 132,141.32 | 120,154.60 | 133,780.30 | 165,959.71 | 170,912.67 | 101,480.90 | 66,772.28 |
| Operating grants and contributions | 1,151,788.14 | 1,116,616.02 | 1,140,087.70 | 1,186,027.55 | 1,267,110.19 | 1,308,186.97 | 1,275,888.86 | 1,441,142.24 | 1,022,961.66 | 558,103.76 |
| Total business type activities program revenues | 1,818,453.07 | 1,853,985.66 | 1,930,267.13 | 2,092,810.70 | 2,223,816.17 | 2,365,955.49 | 2,239,135.93 | 2,618,354.22 | 1,931,475.47 | 898,208.66 |
| Total district program revenues | 5,413,582.32 | 5,284,972.72 | 5,628,603.72 | 5,658,018.28 | 5,672,042.30 | 5,553,330.99 | 5,559,894.69 | 6,043,350.31 | 6,050,531.08 | 6,025,024.44 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | (68,671,063.54) | (69,128,780.68) | (70,260,619.02) | (82,236,669.89) | (86,253,684.02) | (96,647,243.63) | (101,052,376.95) | (101,835,212.06) | (100,576,045.84) | (109,839,512.14) |
| Business-type activities | 31,210.73 | 52,725.52 | 54,497.81 | 13,032.87 | 65,617.32 | 180,226.57 | (200,304.15) | (275,559.26) | (582,661.16) | (567,180.94) |
| Total district-wide net expense | (68,639,852.81) | (69,076,055.16) | (70,206,121.21) | (82,223,637.02) | (86,188,066.70) | (96,467,017.06) | (101,252,681.10) | (102,110,771.32) | (101,158,707.00) | (110,406,693.08) |

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------------|---------------|---------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 |
| Unrestricted grants and contributions | 24,346,462.91 | 26,301,267.59 | 25,741,071.78 | 33,824,114.86 | 37,922,768.31 | 44,408,698.23 | 49,305,743.27 | 46,289,759.57 | 46,158,558.16 | 56,247,804.11 |
| Tuition Received | 39,644,580.90 | 37,166,748.45 | 37,681,707.34 | 37,997,988.48 | 39,442,372.71 | 41,980,870.89 | 40,143,238.64 | 44,931,165.47 | 48,493,004.41 | 48,670,244.42 |
| GED Revenue | 60,230.00 | 85,643.66 | 56,357.47 | 89,583.96 | 5,912.00 | 101,981.19 | 115,703.00 | 2,318.00 | 76,110.13 | 89,760.79 |
| Miscellaneous income | 411,164.65 | 399,749.00 | 322,684.55 | 475,906.58 | 788,925.97 | 587,034.23 | 524,068.50 | 731,310.14 | 499,033.82 | 963,652.47 |
| Special Item - Funded by Passaic County | | | | 979,000.00 | 2,000,000.00 | 8,150,991.00 | 37,015,174.00 | 1,600,000.00 | 3,412,156.00 | 980,098.87 |
| Special Item - Funds to Passaic County | | | | | | | | | | |
| Special Item - Insurance Proceeds | | | | | | | | | | |
| Transfers | | | | | | 330,068.56 | | | | |
| Federal and State Aid - capital outlay | 656,297.97 | 497,825.56 | 413,908.04 | 328,557.82 | 393,948.35 | 536,751.97 | 567,334.63 | 788,211.00 | (350,000.00) | (1,000,000.00) |
| Total governmental activities | 72,163,321.43 | 71,495,819.26 | 71,260,314.18 | 80,739,736.70 | 87,598,512.34 | 103,140,981.07 | 134,715,847.04 | 101,057,843.18 | 105,864,836.52 | 114,773,279.09 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 1,160.92 | 624.80 | 319.25 | 307.76 | 392.79 | 431.99 | 951.31 | 3,078.68 | 2,126.93 | 778.60 |
| Transfers | (102,712.17) | | | | | | | 329,486.00 | 350,000.00 | 1,000,000.00 |
| Total business-type activities | (101,551.25) | 624.80 | 319.25 | 307.76 | 392.79 | 431.99 | 951.31 | 332,564.68 | 352,126.93 | 1,000,778.60 |
| Total district-wide | 72,061,770.18 | 71,496,444.06 | 71,260,633.43 | 80,740,044.46 | 87,598,905.13 | 103,141,413.06 | 134,716,798.35 | 101,390,407.86 | 106,216,963.45 | 115,774,057.69 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | 3,492,257.89 | 2,367,038.58 | 999,695.16 | (1,496,933.19) | 1,344,828.32 | 6,493,737.44 | 33,663,470.09 | (777,368.88) | 5,288,790.68 | 4,933,766.95 |
| Business-type activities | (70,340.52) | 53,350.52 | 54,817.06 | 13,340.63 | 66,010.11 | 180,658.56 | (199,352.84) | 57,005.42 | (230,534.23) | 433,597.66 |
| Total district | 3,421,917.37 | 2,420,389.10 | 1,054,512.22 | (1,483,592.56) | 1,410,838.43 | 6,674,396.00 | 33,464,117.25 | (720,363.46) | 5,058,256.45 | 5,367,364.61 |

Source: CAFR Schedule A-2

GASB No. 63 became effective for the Fiscal Year Ended June 30, 2013 which required a change in language from net assets to net position. This required presentation did not impact any of the balances from the prior years.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|--------------|---------------|---------------|
| General Fund | | | | | | | | | | |
| Restricted | 1,723,961.54 | 1,000,001.00 | 4,005,494.38 | 4,008,770.88 | 1,597,746.91 | 1,599,327.66 | 1,909,267.07 | 1,138,908.76 | 2,949,938.93 | 5,585,229.15 |
| Committed | 1,250,145.66 | | | | | | | | | |
| Assigned | 5,732,676.46 | 8,276,038.75 | 4,784,779.35 | 3,509,691.25 | 4,502,488.65 | 4,870,832.14 | 4,783,859.88 | 5,343,833.84 | 6,409,033.61 | 8,117,113.53 |
| Unassigned | 2,220,902.81 | 1,617,684.88 | 2,289,435.56 | 1,800,999.91 | 2,501,362.04 | 2,298,256.67 | 2,323,785.46 | 2,057,862.96 | 2,126,773.68 | 1,858,687.99 |
| Total general fund | 10,927,686.47 | 10,893,724.63 | 11,079,709.29 | 9,319,462.04 | 8,601,597.60 | 8,768,416.47 | 9,016,912.41 | 8,540,605.56 | 11,485,746.22 | 15,561,030.67 |
| All Other Governmental Funds | | | | | | | | | | |
| Committed | 256,115.00 | 272,612.50 | 7,086,993.97 | 763,692.48 | 701,000.00 | 26,166,983.12 | 5,519,719.22 | 317,834.16 | 343,468.72 | 1,839,611.52 |
| Restricted, reported in: | | | | | | | | | | |
| Special revenue fund | | | | | | | | | | 306,818.34 |
| Capital projects fund | (1,905,836.38) | (2,192,055.08) | (9,811,190.79) | (9,837,143.79) | (9,819,872.45) | (36,612,674.66) | (2,024,922.69) | (778,771.86) | 2,128,430.03 | 259,870.90 |
| Total all other governmental funds | (1,649,721.38) | (1,919,442.58) | (2,724,196.82) | (9,073,451.31) | (9,118,872.45) | (10,445,691.54) | 3,494,796.53 | (460,937.70) | 2,471,898.75 | 2,406,300.76 |

Source: CAFR Schedule B-1

PASSAIC COUNTY TECHNICAL-VOCA TIONAL SCHOOLS
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------------|---------------|---------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|
| Revenues | | | | | | | | | | |
| Tax levy | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 | 7,044,585.00 |
| Tuition charges | 39,644,580.90 | 37,166,748.45 | 37,681,707.34 | 37,997,988.48 | 39,442,372.71 | 41,980,870.89 | 40,143,238.64 | 44,931,165.47 | 48,493,004.41 | 48,670,244.42 |
| Interest earnings | 30,606.86 | 24,929.63 | 10,977.76 | 3,276.50 | 1,452.65 | 1,580.75 | 2,957.17 | 11,641.69 | 11,030.17 | 11,223.42 |
| GED Testing fees | 60,230.00 | 85,643.66 | 56,357.47 | 89,583.96 | 5,912.00 | 101,981.19 | 115,703.00 | 2,318.00 | 76,110.13 | 89,760.79 |
| Miscellaneous | 414,211.56 | 473,554.81 | 326,092.29 | 539,018.08 | 808,118.32 | 609,063.31 | 558,225.83 | 745,349.45 | 488,303.65 | 1,192,891.51 |
| State sources | 23,697,073.16 | 26,330,010.58 | 25,784,836.86 | 26,355,072.90 | 28,331,953.85 | 29,172,438.15 | 32,397,438.69 | 38,609,562.29 | 43,271,665.75 | 48,853,287.28 |
| Federal sources | 4,867,163.20 | 3,801,334.19 | 4,054,094.05 | 3,858,239.36 | 3,794,175.94 | 3,631,835.72 | 3,706,983.47 | 4,080,150.37 | 4,326,691.02 | 6,572,650.58 |
| Total revenue | 75,758,450.68 | 74,926,806.32 | 74,958,650.77 | 75,887,764.28 | 79,428,570.47 | 82,542,355.01 | 83,969,131.80 | 95,424,772.27 | 103,711,390.13 | 112,434,643.00 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 16,782,997.87 | 17,110,904.19 | 17,722,212.17 | 18,436,384.67 | 17,931,254.73 | 15,167,340.28 | 15,507,960.42 | 17,487,988.23 | 19,014,025.28 | 20,880,470.11 |
| Special/other special instruction | 373,055.94 | 367,274.36 | 562,701.87 | 544,044.91 | 377,871.04 | 3,429,800.21 | 3,814,823.16 | 3,706,833.25 | 4,020,641.77 | 3,946,082.75 |
| Vocational education | 9,769,917.02 | 10,234,672.43 | 10,417,683.89 | 11,151,358.06 | 11,576,127.42 | 11,651,748.39 | 11,571,439.38 | 12,255,117.07 | 12,679,022.79 | 12,376,197.36 |
| Other instruction | 1,762,006.47 | 1,911,473.19 | 2,138,647.51 | 2,365,317.29 | 2,550,493.38 | 2,672,804.95 | 2,488,422.00 | 2,530,140.53 | 2,597,725.01 | 2,117,288.94 |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 10,047,629.75 | 10,053,671.06 | 9,669,468.50 | 10,165,856.43 | 10,418,296.27 | 11,306,909.07 | 11,483,075.61 | 12,490,078.57 | 13,538,560.46 | 14,616,632.33 |
| General administrative services | 1,401,210.76 | 1,386,002.99 | 1,757,382.97 | 1,790,734.69 | 2,089,662.34 | 1,619,242.90 | 1,533,784.87 | 1,728,958.05 | 1,861,926.75 | 2,460,552.57 |
| School Administrative services | 1,694,174.17 | 1,755,728.74 | 1,773,672.84 | 1,437,319.29 | 1,703,430.66 | 1,586,935.85 | 1,665,909.96 | 1,978,460.63 | 2,396,087.09 | 2,485,054.31 |
| Central Services & Admin. Info. Technology | 1,462,272.37 | 1,797,943.53 | 1,956,976.72 | 2,132,705.20 | 1,995,896.53 | 1,857,545.89 | 1,654,926.83 | 2,032,210.51 | 2,375,508.32 | 2,651,467.81 |
| Plant operations and maintenance | 7,171,641.92 | 7,584,320.36 | 7,853,711.22 | 8,060,250.09 | 7,794,409.45 | 7,768,633.25 | 7,956,381.45 | 8,909,236.71 | 9,531,985.16 | 9,320,674.66 |
| Pupil transportation | 779,394.54 | 828,695.58 | 929,095.46 | 1,013,172.25 | 1,171,995.82 | 1,456,702.90 | 2,090,502.69 | 2,164,149.92 | 1,712,991.43 | 1,720,352.58 |
| Unallocated employee benefits | 17,985,908.59 | 16,051,862.06 | 15,552,270.95 | 16,465,411.27 | 17,660,548.74 | 19,493,373.19 | 21,438,826.20 | 24,863,477.58 | 26,346,956.95 | 30,653,605.97 |
| Capital Schools | 1,048,556.75 | 1,081,151.75 | 1,094,907.08 | 1,199,814.22 | 1,206,129.31 | 1,225,976.45 | 1,249,368.01 | 1,264,446.02 | 1,136,553.81 | 1,153,191.61 |
| Total outlay | 2,244,609.63 | 5,066,789.12 | 4,148,689.17 | 10,213,897.65 | 5,715,740.36 | 12,616,332.90 | 24,339,901.21 | 9,716,230.28 | 3,663,584.20 | 5,033,775.12 |
| Total expenditures | 72,523,375.78 | 75,230,489.36 | 75,577,420.35 | 84,976,266.02 | 82,191,856.05 | 91,853,346.23 | 106,795,321.79 | 101,127,327.35 | 100,895,569.02 | 109,415,346.12 |
| Excess (Deficiency) of revenues over (under) expenditures | 3,235,074.90 | (303,683.04) | (618,769.58) | (9,088,501.74) | (2,763,285.58) | (9,310,991.22) | (22,826,189.99) | (5,702,555.08) | 2,815,821.11 | 3,019,296.88 |
| Other Financing sources (uses) | | | | | | | | | | |
| Funded by County of Passaic | | | | 979,000.00 | 2,000,000.00 | 8,150,991.00 | 37,015,174.00 | 1,600,000.00 | 3,412,156.00 | 980,098.87 |
| Returned to Passaic County | | | | | | | | | (350,000.00) | (1,000,000.00) |
| Transfers out | | | | | | | | (329,486.00) | 3,062,156.00 | (19,901.13) |
| Total other financing sources (uses) | | | | | | | | | | |
| Net change in fund balances | 3,235,074.90 | (303,683.04) | (618,769.58) | (8,109,501.74) | (763,285.58) | (1,160,000.22) | 14,188,984.01 | (4,432,041.08) | 5,877,977.11 | 2,999,395.75 |

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS

General Fund Other Local Revenue by Source
Last Ten Fiscal Years

| <u>Fiscal Year Ended June 30,</u> | <u>Tuition Charges</u> | <u>Facility Rental</u> | <u>Interest Income</u> | <u>Prior Year Refunds</u> | <u>Management Fee</u> | <u>GED Revenue</u> | <u>E-Rate</u> | <u>Miscellaneous</u> | <u>County Tax Levy</u> | <u>Total</u> |
|---------------------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|---------------------------|------------------------|---------------|----------------------|----------------------------|---------------|
| 2021 | 48,670,244.42 | 43,349.88 | 36,539.97 | 566,457.83 | 172,098.00 | 89,760.79 | 87,609.12 | 57,597.67 | 7,044,585.00 | 56,768,242.68 |
| 2020 | 48,493,004.41 | 85,750.00 | 75,871.14 | 44,358.36 | 191,040.00 | 76,110.13 | 77,523.36 | 24,490.96 | 7,044,585.00 | 56,112,733.36 |
| 2019 | 44,931,165.47 | 133,825.00 | 70,016.48 | 7,365.63 | 191,042.40 | 2,318.00 | 280,881.59 | 48,179.04 | 7,044,585.00 | 52,709,378.61 |
| 2018 | 40,143,238.64 | 122,900.00 | 16,134.02 | 51,371.48 | 191,042.40 | 115,703.00 | 98,264.61 | 44,355.99 | 7,044,585.00 | 47,827,595.14 |
| 2017 | 41,980,870.89 | 123,700.00 | 6,789.56 | 87,979.71 | 186,384.00 | 101,981.19 | 121,360.03 | 60,820.93 | 7,044,585.00 | 49,714,471.31 |
| 2016 | 39,442,372.71 | 118,025.00 | 8,559.26 | 7,041.78 | 181,848.00 | 5,912.00 | 431,519.90 | 41,932.03 | 7,044,585.00 | 47,281,795.68 |
| 2015 | 37,997,988.68 | 102,600.00 | 8,206.34 | 54,631.54 | 178,284.00 | 89,583.96 | 96,759.54 | 35,424.96 | 7,044,585.00 | 45,608,064.02 |
| 2014 | 37,681,707.34 | 113,175.00 | 10,977.76 | 7,755.94 | 178,284.00 | 56,357.47 | | 12,491.85 | 7,044,585.00 | 45,105,334.36 |
| 2013 | 37,166,748.45 | 123,111.00 | 24,929.63 | 7,959.66 | 174,792.00 | 85,643.66 | | 68,956.71 | 7,044,585.00 | 44,696,726.11 |
| 2012 | 39,644,580.90 | 118,265.76 | 30,606.86 | 61,419.21 | 171,360.00 | 60,230.00 | | 29,512.82 | 7,044,585.00 | 47,160,560.55 |

Source: District records.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Assessed Value and Actual Value of Taxable Property
For the County of Passaic
Last Ten Fiscal Years

| <u>Year Ended December 31,</u> | <u>Net Assessed Valuation</u> | <u>Estimated Actual Equalized Valuations</u> | <u>Percentage of Net Assessed to Estimated Valuations</u> |
|------------------------------------|-----------------------------------|--|---|
| 2020 | 37,312,690,201 | 52,529,894,433 | 71.03% |
| 2019 | 35,695,226,763 | 50,520,359,011 | 70.66% |
| 2018 | 35,277,783,535 | 48,221,396,964 | 73.16% |
| 2017 | 34,565,695,715 | 47,208,882,135 | 73.22% |
| 2016 | 34,661,046,937 | 46,597,274,203 | 74.38% |
| 2015 | 32,820,350,395 | 45,505,119,344 | 72.12% |
| 2014 | 35,314,594,449 | 46,694,641,422 | 75.63% |
| 2013 | 35,516,401,486 | 47,074,403,060 | 75.45% |
| 2012 | 36,091,527,559 | 49,831,673,730 | 72.43% |
| 2011 | 34,115,939,359 | 53,342,056,687 | 63.96% |

Source: Passaic County, Abstract of Ratables.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS

**County of Passaic Tax Rates
Per \$100 of Assessed Valuation
Last Ten Fiscal Years**

| <u>Year Ended December 31,</u> | <u>County</u> |
|------------------------------------|---------------|
| 2020 | 0.67634 |
| 2019 | 0.70285 |
| 2018 | 0.72793 |
| 2017 | 0.73056 |
| 2016 | 0.74076 |
| 2015 | 0.75096 |
| 2014 | 0.69675 |
| 2013 | 0.66647 |
| 2012 | 0.62558 |
| 2011 | 0.56694 |

Source: Passaic County Board of Taxation.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS

Schedule of Principal Taxpayers - County of Passaic

| Taxpayer | Current and Nine Years Ago | | | |
|-----------------------------|----------------------------|---------------|-------------------------------------|------------------------|
| | 2020 | | 2011 | |
| | Taxable Assessed Value | Rank Optional | % of District's Equalized Valuation | Taxable Assessed Value |
| Willow Brook Mall | 187,500,000 | 1 | 0.37% | 156,000,000 |
| St. Joseph's Hospital | 158,954,400 | 2 | 0.31% | |
| West Belt Fee Owners | 81,600,000 | 3 | 0.16% | |
| Inwood Owners Inc. | 61,650,000 | 4 | 0.12% | |
| Rose Manor Estates | 58,294,100 | 5 | 0.12% | 33,028,100 |
| Totowa VF LLC, c/o Vornado | 54,000,000 | 6 | 0.11% | |
| Theta Holdings Co., LLP | 50,055,000 | 7 | 0.10% | |
| North Jersey District Water | 49,045,900 | 8 | 0.10% | 59,146,200 |
| 201 Main Ave LLC | 48,000,000 | 9 | 0.10% | |
| Fidelity Syn. | 46,000,000 | 10 | 0.09% | |
| Wayne PSC, LLC | | | | 32,612,400 |
| Hoffman LaRoche | | | | 132,047,700 |
| Mt. View Crossing | | | | 31,970,400 |
| Toys "R" Us, Inc. | | | | 38,527,100 |
| Clifton Commons, LLC | | | | 40,863,500 |
| Castleton Assoc., LLC | | | | 35,026,800 |
| Public Service | | | | 32,535,600 |
| | <u>795,099,400</u> | | <u>1.57%</u> | <u>591,757,800</u> |
| | | | | <u>1.06%</u> |

Source: Passaic County Board of Taxation.

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS

**County School Tax Levies and Collections
Last Ten Years**

| <u>Fiscal Year Ended June 30,</u> | <u>Taxes Levied for the Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy^a</u> | | <u>Collections in Subsequent Years</u> |
|---|---|---|-------------------------------|--|
| | | <u>Amount</u> | <u>Percentage of Levy</u> | |
| 2021 | 7,044,585.00 | 7,044,585.00 | 100.00% | |
| 2020 | 7,044,585.00 | 7,044,585.00 | 100.00% | |
| 2019 | 7,044,585.00 | 7,044,585.00 | 100.00% | |
| 2018 | 7,044,585.00 | 7,044,585.00 | 100.00% | |
| 2017 | 7,044,585.00 | 7,044,585.00 | 100.00% | |
| 2016 | 7,044,585.00 | 7,044,585.00 | 100.00% | |
| 2015 | 7,044,585.00 | 7,044,585.00 | 100.00% | |
| 2014 | 7,044,585.00 | 7,044,585.00 | 100.00% | |
| 2013 | 7,044,585.00 | 7,044,585.00 | 100.00% | |
| 2012 | 7,044,585.00 | 7,044,585.00 | 100.00% | |

Source: Districts Records

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Governmental Activities | | | Business-Type Activities | | Percentage of Personal Income | Per Capita |
|----------------------------|--------------------------|-------------------------------|----------------|--------------------------------|----------------|-------------------------------|------------|
| | General Obligation Bonds | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | | |
| | | | | | | | |

NOT APPLICABLE

Exhibit J-11

PASSAIC COUNTY TECHNICAL-VOCAATIONAL SCHOOLS
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value of Property | Per Capita |
|----------------------------------|---------------------------------|------------|---|---|------------|
| | General Obligation Bonds | Deductions | | | |

NOT APPLICABLE

Exhibit J-12

PASSAIC COUNTY TECHNICAL-VOCA TIONAL SCHOOLS
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

| <u>Governmental Unit</u> | <u>Debt</u> <u>Outstanding</u> | <u>Estimated</u> <u>Percentage</u> <u>Applicable</u> | <u>Estimated Share</u> <u>of Overlapping</u> <u>Debt</u> |
|--------------------------|-----------------------------------|--|--|
|--------------------------|-----------------------------------|--|--|

NOT APPLICABLE

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Legal Debt Margin Information,
Last Ten Fiscal Years

NOT APPLICABLE

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS

**Demographic and Economic Statistics
Last Ten Years**

| <u>Year Ended June 30,</u> | <u>School District Population (1)</u> | <u>Personal Income in Thousands \$ (2)</u> | <u>Per Capita Income (3)</u> | <u>Unemployment Rate (4)</u> |
|--------------------------------|---|--|----------------------------------|----------------------------------|
| 2021 | 500,382 | | N/A | 12.60 |
| 2020 | 501,838 | | 53,139 | 4.30 |
| 2019 | 503,192 | | 50,071 | 5.10 |
| 2018 | 504,403 | | 48,204 | 5.70 |
| 2017 | 504,001 | | 47,726 | 6.10 |
| 2016 | 504,556 | | 47,110 | 6.90 |
| 2015 | 504,483 | | 45,765 | 8.10 |
| 2014 | 503,815 | | 43,395 | 9.90 |
| 2013 | 503,531 | | 42,806 | 11.30 |
| 2012 | 503,257 | | 42,087 | 11.10 |

Source:

- (1) U.S. Bureau of the Census, Population Division,
(Estimates July 1, 2011-2020)
- (2) Personal income of the District is not available.
- (3) U.S. Department of Commerce, County Information 2010-2019
- (4) N.J. Department of Labor.

Exhibit J-15

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Principal Employers,
Current Year and Nine Years Ago

| Employer | 2020 | | | 2011 | | |
|----------|-----------|-----------------|--------------------------------|-----------|-----------------|--------------------------------|
| | Employees | Rank (Optional) | Percentage of Total Employment | Employees | Rank (Optional) | Percentage of Total Employment |

NOT AVAILABLE

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | | | | |
| | | | | | | |

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

| <u>Function/Program</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | 171 | 172 | 166 | 169 | 172 | 169 | 170 | 198 | 237 | 229 |
| Regular | 39 | 42 | 52 | 48 | 37 | 31 | 32 | 50 | 64 | 62 |
| Other special education | 101 | 96 | 95 | 93 | 102 | 107 | 110 | 116 | 129 | 124 |
| Vocational | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Other instruction | | | | | | | | | | |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 93 | 90 | 91 | 90 | 92 | 99 | 101 | 108 | 113 | 122 |
| General administrative services | 8 | 8 | 9 | 9 | 7 | 9 | 8 | 8 | 9 | 8 |
| School administrative services | 16 | 17 | 17 | 15 | 14 | 13 | 16 | 17 | 14 | 19 |
| Business administrative services | 16 | 17 | 16 | 17 | 15 | 13 | 15 | 16 | 19 | 23 |
| Plant operations and maintenance | 77 | 75 | 70 | 70 | 68 | 68 | 70 | 75 | 70 | 69 |
| Pupil transportation | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Special Schools | 19 | 18 | 11 | 12 | 11 | 10 | 10 | 10 | 8 | 8 |
| Food Service | 13 | 12 | 15 | 16 | 14 | 21 | 17 | 20 | 19 | 21 |
| Total | 557 | 551 | 546 | 542 | 536 | 543 | 553 | 622 | 686 | 689 |

Source: District Personnel Records

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
 Operating Statistics
 Last Ten Fiscal Years

| Fiscal Year | Pupil/Teacher Ratio | | | | | | | | | |
|-------------|---------------------|-------------------------------------|----------------|-------------------|-----------------------------|--------------------|---|---|--------------------------------------|-------------------------------|
| | Fiscal Enrollment | Operating Expenditures ^a | Cost Per Pupil | Percentage Change | Teaching Staff ^b | Senior High School | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
| 2012 | 3,198 | 70,278,766 | 21,976 | 3.03% | 315 | 1:10 | 3,237.5 | 3,086.0 | -0.39% | 95.32% |
| 2013 | 3,110 | 70,163,700 | 22,561 | 2.66% | 306 | 1:10 | 3,244.5 | 3,086.5 | 0.22% | 95.13% |
| 2014 | 3,233 | 71,428,731 | 22,094 | -2.07% | 306 | 1:10 | 3,251.0 | 3,106.0 | 0.20% | 95.54% |
| 2015 | 3,317 | 74,762,368 | 22,539 | 2.02% | 313 | 1:09 | 3,331.6 | 3,183.5 | 2.48% | 95.55% |
| 2016 | 3,387 | 76,476,116 | 22,579 | 0.18% | 313 | 1:09 | 3,331.0 | 3,176.0 | -0.02% | 95.35% |
| 2017 | 3,428 | 79,237,013 | 23,115 | 2.37% | 310 | 1:11 | 3,444.0 | 3,280.0 | 3.39% | 95.24% |
| 2018 | 3,481 | 82,455,421 | 23,687 | 2.48% | 315 | 1:09 | 3,458.0 | 3,214.0 | 0.41% | 92.94% |
| 2019 | 3,684 | 91,411,097 | 24,813 | 4.75% | 360 | 1:10 | 3,707.0 | 3,547.0 | 7.20% | 95.68% |
| 2020 | 3,933 | 97,231,985 | 24,722 | -0.37% | 404 | 1:10 | 3,959.0 | 3,832.0 | 6.80% | 96.79% |
| 2021 | 4,168 | 104,291,820 | 25,022 | 1.21% | 436 | 1:10 | 4,190.9 | 4,060.1 | 5.86% | 96.88% |

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
School Building Information
Last Ten Fiscal Years**

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <u>District Building</u> | | | | | | | | | | |
| <u>High School</u> | | | | | | | | | | |
| Main, Rocco , T and Q Buildings and F-Wing | | | | | | | | | | |
| Square Feet | 430,424 | 430,424 | 430,424 | 430,424 | 448,844 | 442,034 | 442,034 | 442,034 | 442,034 | 442,034 |
| Capacity (students) | 3,016 | 3,016 | 3,016 | 3,016 | 3,016 | 3,016 | 3,016 | 3,016 | 3,016 | 3,016 |
| Enrollment | 3,198 | 3,110 | 3,233 | 3,317 | 3,387 | 3,428 | 3,481 | 3,404 | 3,405 | 3,378 |
| Diana C. Lobosco STEM Academy | | | | | | | | | | |
| Square Feet | | | | | | | | 118,000 | 118,000 | 118,000 |
| Capacity (students) | | | | | | | | 1,200 | 1,200 | 1,200 |
| Enrollment | | | | | | | | 280 | 530 | 790 |
| <u>Other</u> | | | | | | | | | | |
| Business Office | | | | | | | | | | |
| Square Feet | 2,871 | 2,871 | 2,871 | 5,608 | 5,608 | 5,608 | 5,608 | 5,608 | 5,608 | 5,608 |
| Athletic Center | | | | | | | | | | |
| Square Feet | 38,595 | 38,595 | 38,595 | 38,595 | 38,595 | 38,595 | 38,595 | 38,595 | 38,595 | 38,595 |
| Media Center | | | | | | | | | | |
| Square Feet | 8,310 | 8,310 | 8,310 | 8,310 | 8,310 | 8,310 | 8,310 | 8,310 | 8,310 | 8,310 |

Source: District records, ASSA

PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST EIGHT FISCAL YEARS

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

| School Facilities | Project# (s) | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Diana C. Lobosco STEM Academy | SP#3995-050-16-1000 | 416,642 | 435,952 | 350,377 | | | | | | | |
| Main Building | N/A | 919,192 | 961,792 | 772,998 | 1,043,522 | 1,038,553 | 1,120,210 | 1,101,860 | 981,302 | 989,300 | 928,671 |
| Rocco Building | N/A | 154,759 | 161,931 | 130,145 | 175,691 | 174,849 | 188,596 | 185,507 | 165,210 | 166,557 | 156,350 |
| T Building | N/A | 43,049 | 45,044 | 36,202 | 48,872 | 48,638 | 52,461 | 51,602 | 45,956 | 46,331 | 43,492 |
| Q Building | N/A | | | | | 0 | 29,117 | 28,640 | 25,506 | 25,714 | 24,138 |
| F Wing | N/A | 178,476 | 186,747 | 150,090 | 202,617 | 201,646 | 219,550 | 213,938 | 190,530 | 192,083 | 180,311 |
| HX Wing | N/A | 64,625 | 67,620 | 54,347 | 73,367 | 73,016 | 89,032 | | | | |
| Phase I Expansion | SP#3995-050-03-0921 | 201,167 | 210,490 | 169,172 | 227,969 | 226,876 | 258,577 | 240,707 | 214,370 | 216,117 | 202,872 |
| Athletic Center | SP#3995-050-03-0921 | 136,309 | 142,627 | 114,630 | 153,724 | 152,988 | 174,365 | 162,314 | 144,555 | 145,733 | 136,802 |
| Media Center | SP#3995-050-03-0921 | 29,362 | 30,723 | 24,692 | 33,098 | 32,940 | 37,542 | 34,948 | 31,124 | 31,377 | 29,454 |
| Grand Total | | 2,143,581 | 2,242,926 | 1,802,653 | 1,958,860 | 1,949,506 | 2,169,451 | 2,019,515 | 1,798,553 | 1,813,212 | 1,702,090 |

* 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

PASSAIC COUNTY TECHNICAL INSTITUTE AND VOCATIONAL HIGH SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2021

| | <u>Coverage</u> | <u>Deductible</u> |
|--|----------------------------|-------------------|
| School Package Policy - N.J. School Boards Association Insurance Group: | | |
| Property: | | |
| Blanket Building and Contents | \$ 206,317,212 | \$ 5,000 |
| Electronic Data processing | 7,750,000 | \$ 1,000 |
| Equipment Breakdown | 100,000,000 | \$ 5,000 |
| Liability: | | |
| Comprehensive General Liability | 16,000,000 | |
| Bodily Injury from Products & Completed Operations | 16,000,000 | |
| Sexual Abuse | 16,000,000 | |
| Premises Medical Payments | 10,000 | |
| Employee Benefits | 16,000,000 | |
| Crime: | | |
| Employee Dishonesty | 1,000,000 | 1,000 |
| Forgery or Alteration | 0 | 0 |
| Money Orders & Counterfeit Paper | 50,000 | 500 |
| Money & Securities | 50,000 | 500 |
| Computer Fraud | 1,000,000 | 1,000 |
| Automobile: | | |
| Comprehensive Automobile Liability | 16,000,000 | 1,000 |
| Uninsured/Underinsured Motorists | 1,000,000 | |
| Personal Injury Protection | 250,000 | |
| Medical payments | 10,000 | |
| Garagekeepers Liability | Included | |
| Physical Damage Coverage | Included | |
| Errors and Omissions - N.J. School Boards Association Insurance Group | 16,000 | 10,000 |
| NJUEP Excess Liability (Over \$11,000,000) Markel & Starstone National Ins. Co | 24,000,000 | |
| Public Official Bonds - Selective Insurance Co. | | |
| <u>Name</u> | <u>Position</u> | |
| Richard Giglio | Business Administrator | 10,000 |
| Rita Pascrell | Treasurer of School Monies | 400,000 |
| Storage Tank Liability - Zurich | Each Occurrence | 1,000,000 |
| | Aggregate | 2,000,000 |
| Student Accident Insurance - Bollinger Insurance | | |
| Maximum Benefit Blanket Athletic Coverage Including Football | 5,000,000 | |
| Workers Compensation - N.J. Schools Insurance Group | Statutory | |
| Employers Liability | 2,000,000 | |

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC
 CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and
 Members of the Board of Education
 Passaic County Technical-Vocational Schools
 County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Passaic County Technical-Vocational Schools, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Passaic County Technical-Vocational Schools Board of Education’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Passaic County Technical-Vocational Schools Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Passaic County Technical-Vocational Schools Board of Education’s internal control.



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

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

Compliance and Other Matters

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

Purpose of this Report

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

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey





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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

Honorable President and
Members of the Board of Education
Passaic County Technical-Vocational Schools
County of Passaic, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Passaic County Technical-Vocational Schools School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Passaic County Technical-Vocational Schools Board of Education’s major federal and state programs for the year ended June 30, 2021. The Passaic County Technical-Vocational Schools Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Passaic County Technical-Vocational Schools Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial



audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Passaic County Technical-Vocational Schools Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Passaic County Technical-Vocational Schools Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Passaic County Technical-Vocational Schools Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Passaic County Technical-Vocational Schools Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Passaic County Technical-Vocational Schools Board of Education's internal control over compliance.

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

in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 28, 2022

PASSAIC COUNTY VOCATIONAL-TECHNICAL SCHOOLS
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2021

| Federal Grant/Pass-Through Grantor Program Title | Federal CFDA Number | Federal FAIN Number | Grant or State Project Number | Grant Period | | Award Amount | Balance at June 30, 2020 | Carryover/ Adjustments | Cash Received | Budgetary Expenditures | Repayment of Prior Year's Balance | Balance at June 30, 2021 | | MEMO Cumulative Total Expenditures |
|---|---------------------|---------------------|-------------------------------|--------------|----------|--------------|--------------------------|------------------------|----------------|------------------------|-----------------------------------|--------------------------|------------------|------------------------------------|
| | | | | From | To | | | | | | | Accounts Receivable | Deferred Revenue | |
| U.S. Department of Education Passed-Through State Department of Education: | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | |
| Medical Assistance Program (SEMI) | 93.778 | 2005NJ5MAP | N/A | 07/01/20 | 06/30/21 | 91,752.66 | | 91,752.66 | (91,752.66) | | | | | 91,752.66 |
| Medical Assistance Program (FFCRA/SEMI) | 93.778 | 2005NJ5MAP | N/A | 01/01/20 | 12/31/20 | 4,839.92 | | 4,839.92 | (4,839.92) | | | | | 4,839.92 |
| U.S. Department of Homeland Security Passed-Through NJ State Police: | | | | | | | | | | | | | | |
| Coronavirus Pandemic | 97.036 | | N/A | 03/13/2020 | 12/31/20 | 157,989.29 | | 157,989.29 | (157,989.29) | | | | | 157,989.29 |
| Total General Fund | | | | | | | | | | | | | | |
| U.S. Department of Agriculture Passed-Through State Department of Education: | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| Non-Cash Assistance: | | | | | | | | | | | | | | |
| U.S.D.A. Commodities Program | 10.555 | 21INJ304N1099 | N/A | 07/01/20 | 06/30/21 | 40,912.94 | | 40,912.94 | (40,832.94) | | | 80.00 | | 40,832.94 |
| Cash Assistance: | | | | | | | | | | | | | | |
| Emergency Operational Cost Program | 10.555 | 202121H170341 | N/A | 07/01/20 | 06/30/21 | 213,161.06 | | 213,161.06 | (213,161.06) | | | | | 213,161.06 |
| School Breakfast Program | 10.553 | 21INJ304N1099 | N/A | 07/01/20 | 06/30/21 | 99,214.60 | | 82,064.25 | (99,214.60) | | | | | 99,214.60 |
| National School Lunch Program | 10.555 | 21INJ304N1099 | N/A | 07/01/20 | 06/30/21 | 192,762.00 | | 175,989.60 | (192,762.00) | | | | | 192,762.00 |
| P-EBT Administrative Cost | 10.649 | 202121S900941 | N/A | 07/01/20 | 06/30/21 | 3,063.00 | | 298,966.79 | (545,970.60) | | | 80.00 | | 545,970.60 |
| Total Enterprise Fund | | | | | | | | | | | | | | |
| U.S. Department of Education Passed-Through State Department of Education: | | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | | |
| Title I - Improving Basic Programs | 84.010 | S010A190030 | ESSA3995-20 | 07/01/19 | 09/30/20 | 2,388,167.00 | (516,589.78) | 516,589.78 | (1,975,459.48) | | | | | 1,975,459.48 |
| Title I - Improving Basic Programs | 84.010 | S010A200030 | ESSA3995-21 | 07/01/20 | 09/30/21 | 2,343,564.00 | (516,589.78) | 2,005,557.78 | (1,975,459.48) | | | (486,491.48) | | 1,975,459.48 |
| Title II-A - Teacher & Principal Training/Recruiting | 84.367 | S367A190029 | ESSA3995-20 | 07/01/19 | 09/30/20 | 160,000.00 | (2,000.00) | 16,985.69 | (14,985.69) | | | | | 56,485.69 |
| Title II-A - Teacher & Principal Training/Recruiting | 84.367 | S367A200029 | ESSA3995-21 | 07/01/20 | 09/30/21 | 89,316.00 | (2,000.00) | 60,519.00 | (65,956.79) | | | (5,437.79) | | 65,956.79 |
| Title III - English Language Acquisition | 84.365 | S565A200030 | ESSA3995-21 | 07/01/20 | 09/30/21 | 3,123.00 | | 77,504.69 | (80,942.48) | | | | | 12,244.28 |
| Title IV - Student Support & Academic Enrichment | 84.424 | S424A200031 | ESSA3995-21 | 07/01/20 | 09/30/21 | 28,000.00 | | 28,000.00 | (28,000.00) | | | | | 28,000.00 |
| Total U.S. Department of Education Passed-Through State Department of Education | | | | | | | | | | | | | | |
| Total Expenditures | | | | | | | | | | | | | | |
| Total Available | | | | | | | | | | | | | | |
| Total Balance Forward | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | |

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

PASSAIC COUNTY VOCATIONAL-TECHNICAL SCHOOLS
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year Ended June 30, 2021

| Federal Grant/Pass-Through Grantor Program Title | Federal CFDA Number | Federal FAIN Number | Grant or State Project Number | Grant Period | | Award Amount | Balance at June 30, 2020 | Carryover/ Adjustments | Cash Received | Budgetary Expenditures | Repayment of Prior Year's Balance | Balance at June 30, 2021 | | MEMO Cumulative Total Expenditures |
|--|---------------------|---------------------|-------------------------------|--------------|------------|--------------|--------------------------|------------------------|---------------|------------------------|-----------------------------------|--------------------------|------------------|------------------------------------|
| | | | | From | To | | | | | | | Accounts Receivable | Deferred Revenue | |
| I.D.E.A. Part B - Basic Regular | 84-027 | H027A190100 | IDEA3995-20 | 07/01/19 | 09/30/20 | 711,079.00 | (162,631.81) | | 166,499.00 | (3,867.19) | | | * 711,079.00 | |
| I.D.E.A. Part B - Basic Regular | 84-027 | H027A200100 | IDEA3995-21 | 07/01/20 | 09/30/21 | 928,557.00 | (162,631.81) | | 639,308.00 | (894,953.06) | | (255,645.06) | * 894,953.06 | |
| CARES Emergency Relief Grant | 84-425D | S425D200027 | N/A | 03/13/2020 | 09/30/2022 | 1,554,403.00 | (216,832.50) | | 1,312,373.00 | (1,337,570.50) | | (242,030.00) | * 1,554,403.00 | |
| CARES Learning Acceleration | 84-425D | S425D210027 | N/A | 03/13/2020 | 09/30/2023 | 386,732.00 | | | | | | | * 386,732.00 | |
| CARES Mental Health | 84-425D | S425D210027 | N/A | 03/13/2020 | 09/30/2023 | 45,000.00 | | | | | | | * 45,000.00 | |
| CARES Emergency Relief Grant - ESSER II | 84-425D | S425D210027 | N/A | 03/13/2020 | 09/30/2023 | 6,026,225.00 | | | | | | | * 6,026,225.00 | |
| Coronavirus Relief Fund Grant | 21-019 | SLT0228 | N/A | 03/13/2020 | 09/30/2021 | 403,416.00 | | | 403,416.00 | (403,416.00) | | | * 403,416.00 | |
| Vocational Education: | | | | | | | | | | | | | | |
| Carl Perkins | 84-048 | V048A200030 | PERK3995-21 | 07/01/20 | 06/30/21 | 636,544.00 | | | 636,473.62 | (636,473.62) | | | * 636,473.62 | |
| Carl Perkins - Reserve | 84-048 | V048A200030 | PERK3995-21 | 07/01/20 | 06/30/21 | 134,367.00 | | | 134,345.20 | (134,345.20) | | | * 134,345.20 | |
| State Department of Labor & Workforce Dev. Pass Thru Paterson Public Schools | | | | | | | | | | | | | | |
| Adult Basic Education | 17-258 | | | 07/01/19 | 06/30/20 | 157,000.00 | (58,024.00) | | 58,024.00 | | | | * 153,072.00 | |
| Adult Basic Education | 17-258 | | | 07/01/20 | 06/30/21 | 153,072.00 | (58,024.00) | | 104,286.00 | (153,072.00) | | (48,786.00) | * 153,072.00 | |
| Total Special Revenue Fund | | | | | | | (956,078.09) | | 5,565,787.29 | (6,318,068.71) | | (1,708,359.51) | * 5,943,674.66 | |
| TOTAL FEDERAL FINANCIAL AWARDS | | | | | | | (956,078.09) | | 6,119,335.95 | (7,121,684.18) | | 80.00 | * 6,747,290.13 | |

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

PASSAIC COUNTY VOCATIONAL-TECHNICAL SCHOOLS
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2021

| State Grantor/Program Title | Project Number | Grant or State | Grant Period | | Balance at June 30, 2020 | | Balance at June 30, 2021 | | Adjustment/ Repayment of Prior Year's Balance | Accounts Receivable | Deferred Revenue | Due To Grantor at | MEMO | |
|--|----------------|---------------------|--------------|----------|---|-------------------|----------------------------------|------------------|---|------------------------|---------------------|----------------------|----------------|---------------------------|
| | | | From | To | Deferred Revenue/ (Accts. Receivable) | Due To Grantor | Carryover/ Walkover Amount | Cash Received | | | | | | Budgetary Expenditures |
| State Department of Education: | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | |
| Equalization Aid | | 21-495-034-5121-078 | 07/01/20 | 06/30/21 | | 27,548,668.00 | 24,799,411.00 | (27,548,668.00) | | | | * | (2,749,257.00) | 27,548,668.00 |
| Special Education Categorical Aid | | 21-495-034-5121-089 | 07/01/20 | 06/30/21 | | 3,008,269.00 | 2,708,055.00 | (3,008,269.00) | | | | * | (300.214.00) | 3,008,269.00 |
| Security Aid | | 21-495-034-5121-084 | 07/01/20 | 06/30/21 | | 1,332,417.00 | 1,199,447.00 | (1,332,417.00) | | | | * | (132,970.00) | 1,332,417.00 |
| State Aid - Public Cluster | | | | | | | | | | | | | | |
| School Security Grant | | 20E00109 | 07/01/20 | 06/30/22 | | 240,073.00 | | (140,745.00) | | (140,745.00) | | * | | 140,745.00 |
| On-Behalf TPAF - Post Retirement Medical | | 21-495-034-5094-001 | 07/01/20 | 06/30/21 | | 3,336,471.00 | 3,336,471.00 | (3,336,471.00) | | | | * | | 3,336,471.00 |
| On-Behalf TPAF - Pension | | 21-495-034-5094-002 | 07/01/20 | 06/30/21 | | 10,447,791.00 | 10,447,791.00 | (10,447,791.00) | | | | * | | 10,447,791.00 |
| On-Behalf TPAF - Non-contributory Insurance | | 21-495-034-5094-004 | 07/01/20 | 06/30/21 | | 198,783.00 | 198,783.00 | (198,783.00) | | | | * | | 198,783.00 |
| On-Behalf TPAF - Long Term Disability | | 21-495-034-5094-004 | 07/01/20 | 06/30/21 | | 5,050.00 | 5,050.00 | (5,050.00) | | | | * | | 5,050.00 |
| Reimbursed TPAF - Social Security | | 20-495-034-5094-003 | 07/01/19 | 06/30/20 | | 2,903,560.18 | 145,587.56 | (145,587.56) | | | | * | | 2,903,560.18 |
| Reimbursed TPAF - Social Security | | 21-495-034-5094-003 | 07/01/20 | 06/30/21 | | 3,061,685.24 | 3,061,685.24 | (3,061,685.24) | | | | * | | 3,061,685.24 |
| Total General Fund | | | | | | (145,587.56) | 45,902,280.80 | (49,079,879.24) | | (140,745.00) | | * | (3,182,441.00) | 49,079,879.24 |
| Special Revenue Fund: | | | | | | | | | | | | | | |
| Vocational Education: | | | | | | | | | | | | * | | |
| Post Secondary - Perkins State Funds | | 21-100-034-5062-032 | 07/01/20 | 06/30/21 | | 89,741.00 | 89,734.30 | (89,734.30) | | | | * | | 89,734.30 |
| County PFR Grant | | 100-034-5062-032 | 3/1/2018 | 06/30/21 | | 486,852.00 | 273,229.00 | (225,178.95) | | | 48,050.05 | * | | 350,991.95 |
| NJ JUV DET - PEEP | | | 01/01/21 | 12/31/21 | | 114,000.00 | 25,865.00 | (30,504.79) | | (4,639.79) | | * | | 30,504.79 |
| State Department of Labor & Workforce Dev.: | | | | | | | | | | | | | | |
| Apprentice Coordinator | | WDP 01-18-0116 | 07/01/19 | 06/30/20 | | 21,222.00 | 5,650.00 | (5,650.00) | | | | * | | 21,222.00 |
| Pas Thru: NJ Community Development Corp: | | | | | | | | | | | | | | |
| School Based Youth Services Program | | | 07/01/07 | 06/30/08 | | 18,000.00 | | | | | | * | | |
| Total Special Revenue Fund | | | | | | | | (345,418.04) | | (4,639.79) | | * | | 492,453.04 |
| State Department of Agriculture: | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| National School Lunch Program (State Share) | | 21-100-010-3350-023 | 07/01/20 | 06/30/21 | | 9,070.16 | 7,102.56 | (9,070.16) | | (1,967.60) | | * | | 9,070.16 |
| Total Enterprise Fund | | | | | | | | (9,070.16) | | (1,967.60) | | * | | 9,070.16 |
| TOTAL STATE FINANCIAL ASSISTANCE | | | | | | | | (49,434,367.44) | | (147,352.39) | | * | (3,182,441.00) | 49,581,402.44 |
| Less On-Behalf TPAF Pension and Annuity Aid | | | | | | | | | | | | | | |
| On-Behalf TPAF - Post Retirement Medical | | 21-495-034-5094-001 | 07/01/20 | 06/30/21 | | 3,336,471.00 | 3,336,471.00 | (3,336,471.00) | | | | * | | 3,336,471.00 |
| On-Behalf TPAF - Pension | | 21-495-034-5094-002 | 07/01/20 | 06/30/21 | | 10,447,791.00 | 10,447,791.00 | (10,447,791.00) | | | | * | | 10,447,791.00 |
| On-Behalf TPAF - Non-contributory Insurance | | 21-495-034-5094-004 | 07/01/20 | 06/30/21 | | 198,783.00 | 198,783.00 | (198,783.00) | | | | * | | 198,783.00 |
| On-Behalf TPAF - Long Term Disability | | 21-495-034-5094-004 | 07/01/20 | 06/30/21 | | 5,050.00 | 5,050.00 | (5,050.00) | | | | * | | 5,050.00 |
| TOTAL FOR STATE FINANCIAL ASSISTANCE MAJOR PROGRAM DETERMINATION | | | | | | | | (55,446,272.44) | | (147,352.39) | | * | (3,182,441.00) | 35,693,307.44 |

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Passaic County Technical-Vocational Schools. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(572,010.00) for the general fund and \$0.00 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|------------------------|-----------------------|------------------------|------------------------|
| General Fund | \$254,581.87 | \$48,507,869.24 | \$48,762,451.11 |
| Special Revenue Fund | 6,318,068.71 | 345,418.04 | 6,663,486.75 |
| Enterprise Funds | <u>549,033.60</u> | <u>9,070.16</u> | <u>558,103.76</u> |
| Total Financial Awards | <u>\$7,121,684.18</u> | <u>\$48,862,357.44</u> | <u>\$55,984,041.62</u> |

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2021. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s financial statements and the amounts subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

The Passaic County Technical-Vocational Schools has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS - (APPLICABLE TO SCHOOL DISTRICTS ONLY)

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

| <u>Program</u> | <u>Total</u> |
|---|-----------------------|
| Title I, Part A: <i>Grants to Local Educational Agencies</i> | \$1,975,459.48 |
| Title II, Part A: <i>Improving Teacher Quality State Grants</i> | 80,942.48 |
| Title III: <i>English Language Acquisition State Grants</i> | <u>0.00</u> |
| Total | <u>\$2,056,401.96</u> |

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
2. Material weakness(es) identified? yes X no

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
2. Material weakness(es) identified? yes X no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance? yes X no

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>FEIN Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|-----------------------|---|
| <u>84.010</u> | <u>S010A200030</u> | <u>Title I - Improving Basic Programs</u> |
| <u>21.019</u> | <u>SLT0228</u> | <u>Coronavirus Relief Fund Grant</u> |
| <u>84.425D</u> | <u>S425D200027</u> | <u>CARES Emergency Relief Grant</u> |
| <u>84.425D</u> | <u>S425D210027</u> | <u>CARES Emergency Relief Grant-ESSR II</u> |

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

Auditee qualified as low-risk auditee? X yes no

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 1,063,388

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

2. Material weakness(es) identified? yes X no

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

21-495-034-5120-078
21-495-034-5120-089
21-495-034-5120-084
21-495-034-5095-003

State Aid Public Cluster:

Equalization Aid
Special Education Aid
Security Aid
TPAF Social Security

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II - Financial Statement Findings

None

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

No matters were reported.

**PASSAIC COUNTY TECHNICAL-VOCATIONAL SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Status of Prior Year Findings

There were no prior year audit findings.