

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Toms River, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

TOMS RIVER, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

**Ocean County Vocational-Technical School District
Business Administrator's Office**

OUTLINE OF CAFR - GASB #34

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INTRODUCTORY SECTION

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Board of Education

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Board of Education

- Nina Anuario.....President
- Stephen Scaturro.....Vice President
- Thomas J. Dowd.....Member
- Ronald L. Rosetto.....Member
- Maureen C. Stankowitz.....Member

December 3, 2015

Honorable President and
Members of the Board of Education
Ocean County Vocational-Technical School District
Toms River, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Ocean County Vocational-Technical School District (District) for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 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 the Single Audit Act of 1984, as amended by the Single Audit Act of 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", the state Treasury Circular Letter(s) 04-04 and/or 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments" and State Treasury Circular Letter(s) 04-04 and/or 15-08. 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 recommendation, are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** Ocean County Vocational-Technical School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB 23 and GASB 34. All funds and account groups of the District are included in this report. The Ocean County Vocational-Technical Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. There are also opportunities in these classes for adult learners. These include instruction for vocational education. The District completed the 2014-2015 fiscal year with an enrollment of 2,903 students, which is 36 students more than the previous year's enrollment. The following details include the changes in secondary/post secondary student enrollment each year over the last twelve years. These figures do not

include our adult evening division enrollment which averages approximately 2,400 students within three semesters.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	2,903	1.26%
2013-14	2,867	10.40%
2012-13	2,597	.54%
2011-12	2,583	3.73%
2010-11	2,490	(1.97%)
2009-10	2,540	5.00%
2008-09	2,423	3.00%
2007-08	2,348	2.70%
2006-07	2,286	(6%)
2005-06	2,432	(3%)
2004-05	2,506	(1%)
2003-04	2,524	7%

- 2) ECONOMIC CONDITION AND OUTLOOK: The Ocean County Vocational-Technical Schools are located in Ocean County, New Jersey, which is situated in the center of the state.

The population in Ocean County has been increasing over the past few years with people relocating from New York and Philadelphia. Senior citizens are also attracted to the area's adult communities. Thus, in addition to the growing job market through business and industry, there is an even greater need for skilled individuals to work with health care service, construction related trades, service occupations and telecommunications.

It is the mission of the Ocean County Vocational Technical School to prepare students for job placement or further education leading to successful employment. Partnerships have been formed with business and colleges to improve education by keeping up with industry standards and advances in technology.

- 3) MAJOR INITIATIVES: Ocean County Vocational Technical School Assistant Superintendent Nancy Weber-Loeffert was honored by Soroptimist International of Toms River, as the 2014 Woman of Distinction. Mrs. Weber-Loeffert was selected as this year's recipient in recognition of her dedication to education and improving the lives of all students. She has and will continue to pave the way for students of all levels...all ages...and all abilities.

The Practical Nursing students who graduated in July 2014 have recorded a 95.38% pass rate on the National Council Licensure Examination for Practical Nurses (NCLEX-PN), far surpassing the 73% average pass rate for the State of New Jersey as well as the 84.63% national average pass rate.

One hundred Ocean County Vocational Technical School (OCVTS) students were recognized by the Ocean County Board of Chosen Freeholders for their outstanding achievements during 2014-2015 competitions. The students had all won their respective contests which entitled them to advance to national competitions.

Front Row Theatricals, of Toms River was chosen as the Business Partner of the Year for 2014-2015. Owners Debi Bilotta and Kathy Stewart were honored for their dedication to the theatrical ventures of the Performing Arts Academy.

OCVTS was recognized as the Business Partner of the Year by the Toms River-Ocean County Chamber of Commerce at the chamber's annual awards dinner. The award was presented in recognition of the innovative partnership with the OCVTS New Home Construction Program and Northern Ocean Habitat for Humanity. Working together, the OCVTS New Home Construction Program was developed as a 10 month accelerated construction trades training program for adult students providing real-world experience and hands-on skills. Last year, the students, under rigorous supervision, built a 2-story house for a family selected by Northern Ocean Habitat for Humanity. Fifteen adults graduated from the New Home Construction Program and all have been offered and/or are working in the construction field here in Ocean County.

OCVTS Academy Admissions received over 500 applications for MATES and the Performing Arts Academy for students entering the ninth grade in September 2014. Ultimately each academy will accept 75 students for their incoming freshman class.

One hundred and twenty Ocean County Vocational School (OCVTS) students competed at the New Jersey SkillsUSA Championships held in Somerset, New Jersey in May. SkillsUSA is a national organization which provides quality educational experiences for students in leadership, teamwork, citizenship and character development. The students competed in over 52 different career-skills events against other high school and post-secondary students from all regions of New Jersey. OCVTS students received an astounding 53 medals overall; 25 gold, 20 silver and 8 bronze. Twenty-one of the gold medal recipients traveled to Louisville, Kentucky in June for the National SkillsUSA Conference.

The Ocean County Vocational Technical School's Apprenticeship Trades Certificate Awards Ceremony was held for 34 students who completed their four-year journey in their chosen trade. The OCVTS Apprenticeship programs require students to attend 576 hours of trade-related classroom instruction while logging 8,000 hours of on-the-job training with an employer who sponsors the student, over the course of four years. The graduates received certificates of completion for Ocean County Vocational Technical School as well as the New Jersey Department of Labor.

Thirty-four students that had successfully completed the Adult Accelerated Training Programs were recognized at a graduation ceremony in June. The students completed the New Home Construction, the Ocean County Center for Culinary Arts and Automotive Technology programs. Ocean County Vocational Technical School recognized a trend in the increase enrollment of adult students interested in re-training and re-entering the workforce and has focused on the development of innovative approaches to address the unique needs of adult learners. Accelerated training programs and flexibility in class hours provide more opportunities for students. Career training was made possible for many students through funding from Federal Financial Aid and Veterans Benefits.

OCVTS Business Administrator/Board Secretary Frank Frazee, of Lacey Township, was named School Business Administrator (SBA) of the Year by the New Jersey Association of School Business Officials (NJASBO). Mr. Frazee was honored at an award ceremony at NJASBO's Annual Conference; he also was among this year's six Distinguished Service Award winners drawn from across the state. Mr. Frazee has served as BA/Board Secretary for Ocean County Vocational Technical School since 1997. For the past decade, he also has served in the same position for the Island Heights School District. As a member of Ocean County ASBO, Frazee has served as president, chair of the scholarship committee, and chair of the convention. He also has served as the president of the New Jersey Society of Certified Public Accountants.

Over 930 students were recognized during graduation ceremonies at the seven OCVTS campuses. Students from over 30 shared-time and full-time programs at the Brick, Jackson, Lakehurst, MATES, Toms River, Waretown, and Little Egg Harbor centers received diplomas, certificates of completion and awards for outstanding achievements. Many of the students will now continue their education at two-year or four-year colleges or technical schools. Others will move directly into the workforce,

well prepared to meet the challenges and expectations of their chosen careers. This year Ocean County Vocational Technical School graduates, shared-time and full-time, were offered scholarships and awards which totaled over \$19,250,000. The generosity of the Ocean County Foundation for Vocational Technical Education and the Ocean County Vocational Technical Education Association, as well as over 275 scholarship sponsors, organizations, businesses and educational institutions will assist graduates as they pursue their educational and career objectives.

- 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 Board of school estimate. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

- 6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by GASB. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements: Note 1.
- 7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statement in relation to the prior year.
- 8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the

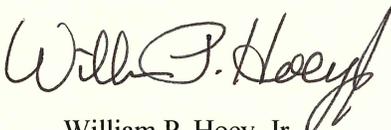
provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

- 10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. 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 the Single Audit Act of 1984, as amended by the Single Audit Act of 1996, and the related OMB Circular A-133 and State Treasury Circular Letter(s) 04-04 and/or 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



William P. Hoey, Jr.
Superintendent

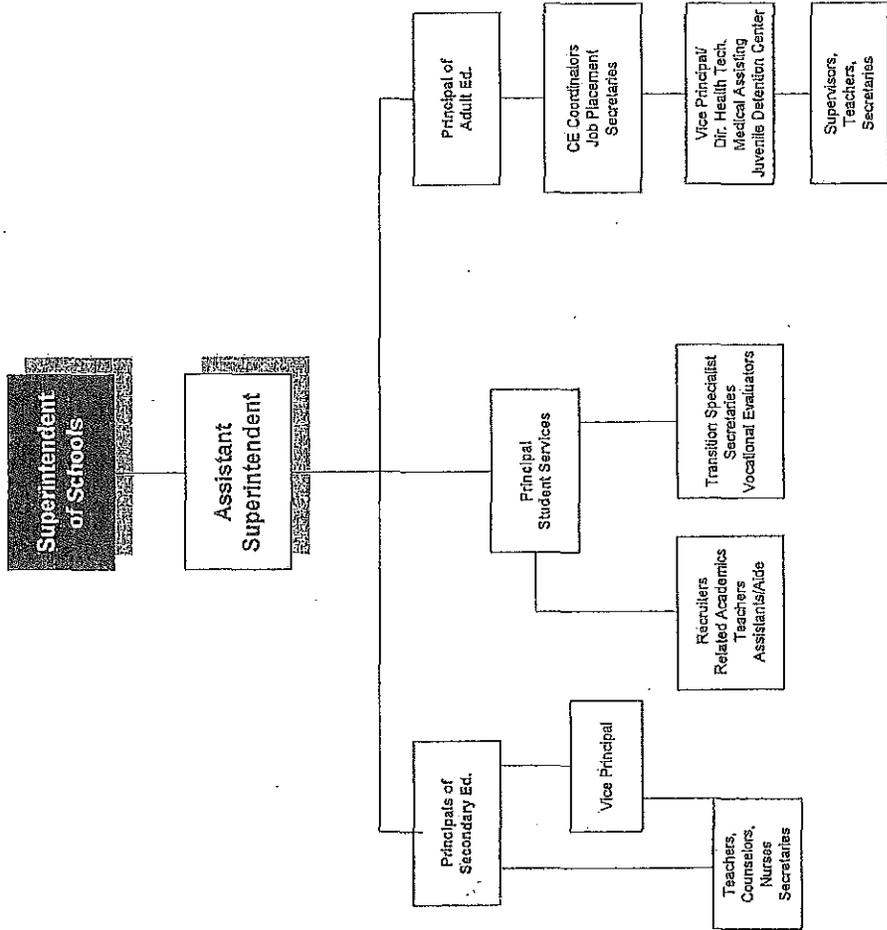


Frank J. Frazee, CPA
Business Administrator/Board Secretary

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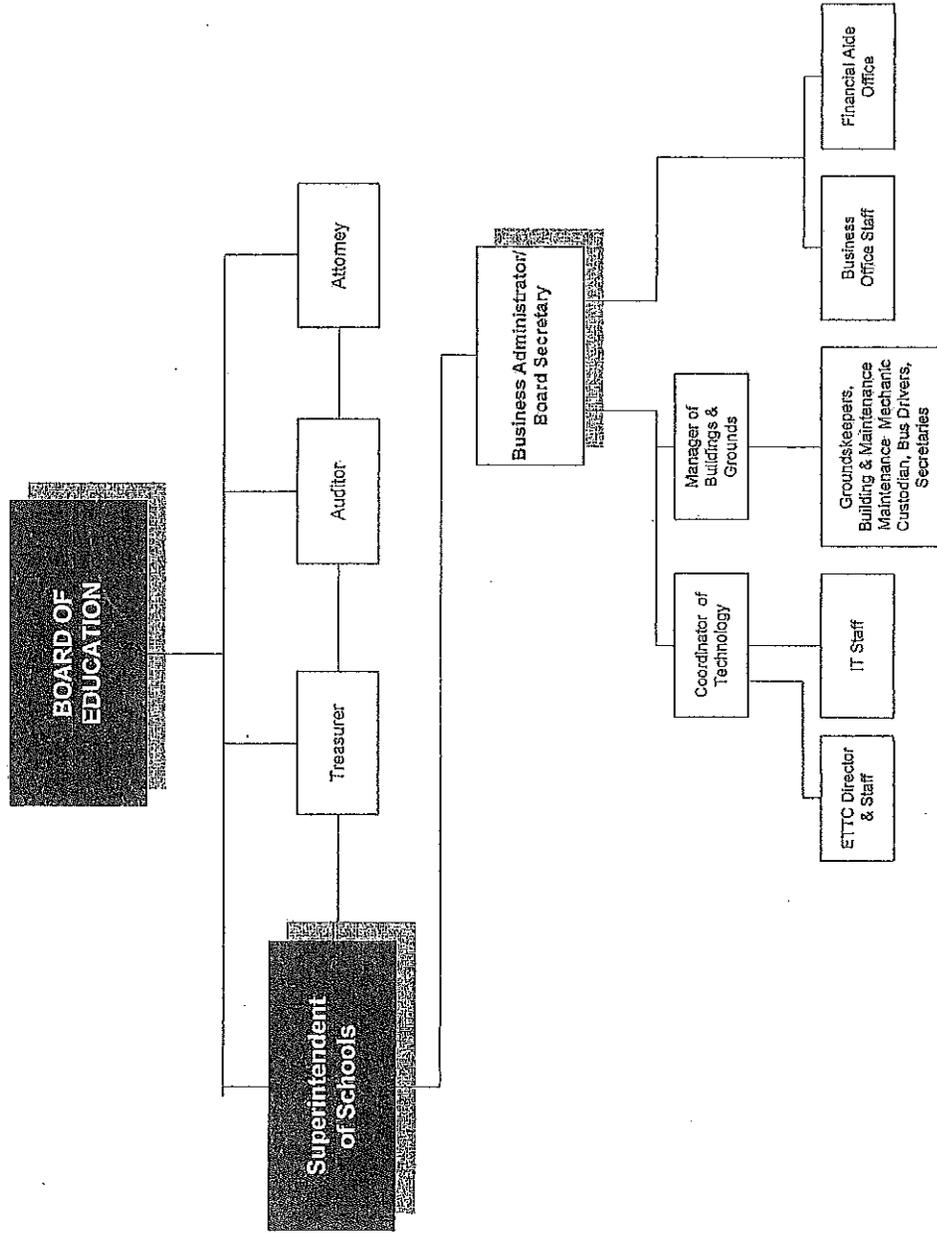
OCEAN COUNTY VOCATIONAL - TECHNICAL SCHOOLS

Administrative Organization Chart (A)



OCEAN COUNTY VOCATIONAL - TECHNICAL SCHOOLS

Administrative Organization Chart (B)



OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
137 Bey Lea Road
Toms River, New Jersey 08753

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Nina Anuario, President	2016
Stephen Scaturro, Vice President	2017
Thomas McMahon	By Statute
Ronald Rosetto	2015
Maureen C. Stankowitz	2017

OTHER OFFICIALS

William P. Hoey, Jr., Superintendent

Nancy Weber-Loeffert, Assistant Superintendent

Frank J. Frazee, Business Administrator/Board Secretary

Debra L. Ness, Treasurer

Robert C. Shea, Esq., Solicitor

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

137 Bey Lea Road
Toms River, New Jersey 08753

CONSULTANTS AND ADVISORS

ARCHITECTS

Yezzi Associates
Toms River, New Jersey

ATTORNEY

R.C. Shea & Associates
Robert C. Shea, Esq.
Toms River, New Jersey

AUDIT FIRM

Holman Frenia Allison, P.C.
Frank B. Holman, III, CPA, PSA
Toms River, New Jersey

FISCAL AGENT

Frank Frazee, School Business Administrator/Board Secretary

OFFICIAL DEPOSITORY

Wells Fargo
Toms River, New Jersey

FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Ocean County Vocational-Technical School District
County of Ocean
Toms River, New Jersey 08753

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 Ocean County Vocational-Technical School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Ocean County Vocational-Technical School District, County of Ocean, State of New Jersey, as of June 30, 2015, 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 financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ocean County Vocational-Technical School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of the Ocean County Vocational-Technical School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Ocean County Vocational-Technical School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Frank B. Holman, III
Certified Public Accountant
Public School Accountant, No. 783

Toms River, New Jersey
December 3, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

UNAUDITED

The Management's Discussion and Analysis (MD&A) of the Ocean County Vocational Technical School's Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2015. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found starting on Page 1 of the Introductory Section, and the School Board's financial statements found in the Financial Section starting on Page 27 and the notes thereto.

As described in Note 19 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$9,528,808, as indicated in Note 19 to the financial statements. Prior year balances reflected in MD&A have been updated, for comparison purposes, to reflect the change where indicated.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-15 and 2013-14 fiscal years include the following:

Net position decreased by \$474,947 for the year ending June 30, 2015 and decreased by \$(945,819) for the year ending June 30, 2014, respectively. The net decrease was composed of these elements:

	2015 Increase (Decrease)	2014 Increase (Decrease)
Invested in Capital Assets	\$ (544,561)	\$ (650,381)
Unrestricted	(214,123)	178,368
Restricted	283,737	(473,806)
Restricted-Capital Projects	<u>0</u>	<u>0</u>
Total	<u>\$ (474,947)</u>	<u>\$ (945,819)</u>

The amount “invested in capital assets” decreased due to depreciation of \$1,243,212 and \$1,207,751 less the purchase of capital assets in the amount of \$631,592 and \$564,233 for the years ended June 30, 2015 and 2014 respectively.

Total assets decreased by \$440,825 and \$1,045,468 and are attributed to the following elements:

	2015 Increase (Decrease)	2014 Increase (Decrease)
Cash & Cash Equivalents	\$ 662,019	\$ (698,959)
Receivables	(163,240)	303,872
Capital assets, Net of Accumulated Depreciation	<u>(544,561)</u>	<u>(650,381)</u>
Total	<u>\$ (45,782)</u>	<u>\$ (1,045,468)</u>

The cash balance increased in 2014-15 due to collection of receivables and an increase in accounts payable at year end. Receivables decreased in 2014-15 due to collection of federal and local receivables from prior year. The decrease in capital assets was due to depreciation and disposals.

Total liabilities increased/(decreased) by \$749,094 and \$(99,649) due to the following items:

	2015 Increase (Decrease)	2014 Increase (Decrease)
Accounts Payable	\$ 245,117	\$ (174,574)
Unearned Revenue	(48,410)	(11,492)
Other Current Liabilities	505,298	(4,731)
Noncurrent Liabilities Due in More Than a Year	<u>47,089</u>	<u>91,148</u>
Total	<u>\$ 749,094</u>	<u>\$ (99,649)</u>

In 2014-15 and 2013-14, the differences in the liability items are insignificant to the budget as a whole. The differences are due to timing issues and due to the recording of PERS pension payable in accordance with GASB Statement #68.

As reported in the Statement of Activities on Page 32 the cost of all of the School Board’s governmental activities, including a charge for depreciation of \$1,243,212 and \$1,207,751, was \$31,995,918 and \$30,628,859 for the years ended June 30, 2015 and 2014, respectively. Of this amount, \$4,561,218 and \$3,281,419 was paid through various federal, state and local entitlement grants (restricted) for fiscal years ended June 30, 2015 and 2014, respectively. Consequently, the net cost of \$27,434,700 and \$27,347,440, after taking into consideration these fees and subsidies, was paid by the County of Ocean (county tax aid), the State of New Jersey (state education aid and entitlement grants) and from other miscellaneous revenue for fiscal year ended June 30, 2015 and June 30, 2014, respectively.

Table I, below, takes the information from the Statement of Activities and rearranges them slightly in order to show total revenues for the year.

Table I
Changes in Net position
Year Ended June 30, 2015 and June 30, 2014

Revenues:	2015	2014
Program Revenues:		
Charges for Services	\$ 212,985	\$ 347,912
Federal, State & Local Aid-Restricted	4,572,108	3,293,320
General Revenues:		
County Appropriation	17,682,949	17,547,596
Federal & State Aid	5,306,864	5,446,443
Miscellaneous Income	1,120,198	739,010
Tuition	<u>2,850,196</u>	<u>2,735,385</u>
 Total Revenues	 <u>31,744,846</u>	 <u>30,109,666</u>
Functions/Program Expenses:		
Basic Skills/Remedial	3,046,659	2,946,244
Regular Vocational Programs-Instruction	5,969,783	5,723,492
Special Vocational Programs-Instruction	1,266,602	1,328,327
Sponsored Co-curricular Activities	226,796	211,045
Attendance & Social Work	506,732	506,045
Health Services	424,287	432,819
Other Support Services-Student-Regular	711,792	780,833
Other Support Services-Student-Special	295,591	299,808
Improvement of Instruction Services	7,897	4,148
Educational Media Services/School Library	156,045	108,162
Support Services - General Administration	809,548	813,927
Support Services - School Administration	1,718,525	1,696,007
Support Services – Central Services	611,732	627,381
Support Services – Information Technology	308,164	285,598
Required Maintenance for School Facilities	360,796	557,017
Operation & Maintenance of Plant	1,902,264	1,853,361
Care and Upkeep of Grounds	62,860	61,775
Security	52,147	51,151
Student Transportation Services	227,015	203,878
Unallocated Benefits-Employee Benefits	6,555,154	5,384,435
Unallocated Depreciation	1,243,212	1,207,751
Special Schools	5,532,317	5,545,655
Business-Type Activities	<u>208,086</u>	<u>426,626</u>
 Total Expenses	 <u>32,204,004</u>	 <u>31,055,485</u>
 Decrease in Net Position	 <u>\$ (459,158)</u>	 <u>\$ (945,819)</u>

USING THE ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities (Pages 32 and 33) provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. The School Board's financial statements start on Page 39. For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, such as the School Board's General Fund, Special Revenue Fund and Capital Project Fund. The remaining statement, Statement of Fiduciary Net Position, presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board's 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. 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 of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statement allows the School Board to demonstrate its stewardship over and accountability for resources received from the County of Ocean, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2015, it reported a combined fund balance of \$2,857,912, which is an increase of \$241,346. As the School Board completed the fiscal year ended June 30, 2014, it reported a combined balance of \$2,616,566, which was a decrease of \$137,477 from the prior year. The Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities on Page 41 presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The School Board's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

In June 2015, the General Fund finished the fiscal year approximately \$1,050,482 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$2,935,826 better than expected. The expenditure situation represents unbudgeted TPAF and Social Security. Also, there are encumbrances of \$953,862 which represent expenditures that were transferred to the 2015-2016 school year. The revenue situation arose because of the unbudgeted TPAF and social security.

In June 2014, the General Fund finished the fiscal year approximately \$1,350,625 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$2,661,754 better than expected. The expenditure situation represents unbudgeted TPAF and Social Security. Also, there are encumbrances of \$515,145 which represent expenditures that were transferred to the 2014-2015 school year. The revenue situation arose because of the unbudgeted TPAF and social security.

CAPITAL ASSETS

At June 30, 2015 and June 30, 2014, the School Board had approximately \$20.3 million and 21 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table II below shows the net book value of capital assets at the end of the 2015 and 2014 fiscal years.

**Table II
Capital Assets**

	2015	2014
Buildings & Improvements	\$34,309,210	\$34,120,679
Machinery & Equipment	13,177,530	12,748,969
Construction in Progress	<u>67,059</u>	<u>0</u>
Total Capital Assets	\$47,553,799	\$46,869,648
Accumulated Depreciation	<u>(27,131,486)</u>	<u>(25,902,774)</u>
Total Capital Assets, Net of Depreciation	<u>\$20,422,313</u>	<u>\$20,966,874</u>

During the year 2015, there were fixed asset purchases of \$698,651 and disposals of \$14,500. The majority of these purchases were for machinery and equipment.

During the year 2014, there were fixed asset purchases of \$564,233 and disposals of \$112,451. The majority of these purchases were for machinery and equipment.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

For the 2014-2015 school year, the School Board was able to sustain its budget through the county aid levy, state education aid and local revenue sources. Approximately 36% of the School Board’s revenue is from federal, state and local aid (restricted and not restricted), while 64% of total revenue is from county tax levy.

The \$(10,489,417) in unrestricted Net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities (compensated absences and the early retirement incentive loan), the School Board would be in a deficit of \$10,489,417. It would utilize the sale, at the fair market value, of the capital assets to pay all expenditures.

The School Board anticipates another increase in enrollment for the 2015-16 fiscal year, but due to the elective nature of its programs, the School Board cannot accurately forecast future enrollment. Beginning in September 2015 the sending schools will pay tuition on all full and shared time students that will attend OCVTS.

If the School Board were to experience a significant decrease in enrollment with no appreciable increase in county tax aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) propose a tuition plan for the sending school districts, or (c) increase tuition and other related fees for adult students.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Frank J. Frazee, School Business Administrator, at the Ocean County Vocational Technical School's Board of Education's office, 137 Bey Lea Road, Toms River, New Jersey 08753, or e-mail at ffrazee@mail.ocvts.org.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30 2015

ASSETS	TOTAL		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2015
Cash & Cash Equivalents	\$ 3,112,955	\$ 38,487	\$ 3,151,442
Intergovernmental Accounts:			
Receivable Other	194,832	-	194,832
Receivable State	97,200	30	97,230
Receivable Federal	-	651	651
Restricted Assets:			
Capital Reserve Account - Cash	96,206	-	96,206
Capital Assets, Net (Note 5):	<u>20,422,313</u>	<u>-</u>	<u>20,422,313</u>
Total Assets	<u>23,923,506</u>	<u>39,168</u>	<u>23,962,674</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	<u>1,050,545</u>	<u>-</u>	<u>1,050,545</u>
Total Deferred Outflow of Resources	<u>1,050,545</u>	<u>-</u>	<u>1,050,545</u>
Total Assets and Deferred Outflow of Resources	<u>24,974,051</u>	<u>39,168</u>	<u>25,013,219</u>
LIABILITIES			
Accounts Payable	424,902	-	424,902
Accrued Salaries & Wages	115,792	-	115,792
Unearned Revenue	102,587	-	102,587
PERS Pension Payable	455,533	-	455,533
Noncurrent Liabilities (Note 7):			
Due Beyond One Year	<u>11,530,871</u>	<u>-</u>	<u>11,530,871</u>
Total Liabilities	<u>12,629,685</u>	<u>-</u>	<u>12,629,685</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	<u>576,402</u>	<u>-</u>	<u>576,402</u>
Total Deferred Inflow of Resources	<u>576,402</u>	<u>-</u>	<u>576,402</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,206,087</u>	<u>-</u>	<u>13,206,087</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	20,422,313	-	20,422,313
Restricted for:			
Other Purposes	1,738,862	-	1,738,862
Capital Projects	96,206	-	96,206
Unrestricted	<u>(10,489,417)</u>	<u>39,168</u>	<u>(10,450,249)</u>
Total Net Position	<u>\$ 11,767,964</u>	<u>\$ 39,168</u>	<u>\$ 11,807,132</u>

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL JUNE 30, 2015
Governmental Activities:						
Current:						
Basic Skills/Remedial	\$ 3,046,659	\$ -	\$ -	\$ (3,046,659)	\$ -	\$ (3,046,659)
Regular Vocational Programs - Instruction	5,969,783	-	1,034,908	(4,934,875)	-	(4,934,875)
Special Vocational Programs - Instruction	1,266,602	-	-	(1,266,602)	-	(1,266,602)
Sponsored Cocurricular Activities	226,796	-	-	(226,796)	-	(226,796)
Support Services & Undistributed Costs:						
Attendance & Social Work	506,732	-	439,673	(67,059)	-	(67,059)
Health Services	424,287	-	-	(424,287)	-	(424,287)
Other Support Services - Student-Regular	711,792	-	-	(711,792)	-	(711,792)
Other Support Services - Student - Special	295,591	-	-	(295,591)	-	(295,591)
Improvement of Instruction Services	7,897	-	-	(7,897)	-	(7,897)
Educational Media Services/School Library	156,045	-	-	(156,045)	-	(156,045)
Support Services - General Administration	809,548	-	-	(809,548)	-	(809,548)
Support Services - School Administration	1,718,525	-	-	(1,718,525)	-	(1,718,525)
Support Services - Central Services	611,732	-	-	(611,732)	-	(611,732)
Support Services - Information Technology	308,164	-	-	(308,164)	-	(308,164)
Required Maintenance for School Facilities	360,796	-	-	(360,796)	-	(360,796)
Operation & Maintenance of Plant	1,902,264	-	-	(1,902,264)	-	(1,902,264)
Care and Upkeep of Grounds	62,860	-	-	(62,860)	-	(62,860)
Security	52,147	-	-	(52,147)	-	(52,147)
Student Transportation Services	227,015	-	-	(227,015)	-	(227,015)
Unallocated Benefits - Employee Benefits	6,555,154	-	3,086,637	(3,468,517)	-	(3,468,517)
Unallocated Depreciation	1,243,212	-	-	(1,243,212)	-	(1,243,212)
Special Schools	5,532,317	-	-	(5,532,317)	-	(5,532,317)
Total Governmental Activities	31,995,918	-	4,561,218	(27,434,700)	-	(27,434,700)

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>PROGRAM REVENUES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS & CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
FUNCTIONS/PROGRAMS	EXPENSES	FOR SERVICES	CONTRIBUTIONS	TOTAL
				BUSINESS-TYPE ACTIVITIES
				GOVERNMENTAL ACTIVITIES
				JUNE 30, 2015
Business-Type Activities:				
Food Service	187,834	189,196	10,890	12,252
Enterprise Fund	20,252	23,789	-	3,537
Total Business-Type Activities	208,086	212,985	10,890	15,789
Total Primary Government	<u>\$ 32,204,004</u>	<u>\$ 212,985</u>	<u>\$ 4,572,108</u>	<u>(27,434,700)</u>
General Revenues:				
County Appropriation				17,682,495
Federal & State Aid Not Restricted				-
Tuition Received				5,306,864
Miscellaneous Income				2,850,196
Total General Revenues, Special Items, Extraordinary Items & Transfers				26,959,753
Change In Net Position				(474,947)
Net Position - Beginning (Restated - See Note 19)				12,242,911
Net Position - Ending				<u>\$ 11,767,964</u>
				<u>\$ 39,168</u>
				<u>\$ 11,807,132</u>

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B. Fund Financial Statements

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Governmental Funds

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL JUNE 30, 2015
ASSETS				
Cash & Cash Equivalents	\$ 3,032,975	\$ 79,980	\$ -	\$ 3,112,955
Cash - Capital Reserve Account	96,206	-	-	96,206
Interfund Receivable	73,475	-	-	73,475
Intergovernmental Accounts Receivable:				
Other	73,004	-	121,828	194,832
State	39,451	6,125	51,624	97,200
Total Assets	\$ 3,315,111	\$ 86,105	\$ 173,452	\$ 3,574,668
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 243,048	\$ 86,105	\$ 95,749	\$ 424,902
Interfund Payable	-	-	73,475	73,475
Accrued Salaries & Wages	115,792	-	-	115,792
Unearned Revenue	102,587	-	-	102,587
Total Liabilities	461,427	86,105	169,224	716,756
Fund Balances:				
Reserved for:				
Capital Reserve Account	96,206	-	-	96,206
Maintenance Reserve	535,000	-	-	535,000
Committed for:				
Other Purposes	733,995	-	-	733,995
Assigned for:				
Designated for Subsequent Year's Expenditures	250,000	-	-	250,000
Other Purposes	219,867	-	-	219,867
Unassigned:				
General Fund	1,018,616	-	4,228	1,022,844
Total Fund Balances	2,853,684	-	4,228	2,857,912
Total Liabilities & Fund Balances	\$ 3,315,111	\$ 86,105	\$ 173,452	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$47,486,740 and the accumulated depreciation is \$27,131,487.	20,422,313
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	474,143
PERS pension payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(455,533)
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	(11,530,871)

Net Position of Governmental Activities

\$ 11,767,964

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL JUNE 30, 2015
REVENUES:				
County Appropriation	\$ 17,664,646	\$ -	\$ 17,849	\$ 17,682,495
Tuition Charges	2,850,196	-	-	2,850,196
Miscellaneous	578,028	542,170	-	1,120,198
State Sources	7,901,020	169,907	51,624	8,122,551
Federal Sources	-	991,005	-	991,005
Total Revenues	<u>28,993,890</u>	<u>1,703,082</u>	<u>69,473</u>	<u>30,766,445</u>
EXPENDITURES:				
Current:				
Basic Skills/Remedial	3,046,659	-	-	3,046,659
Regular Vocational Programs - Instruction	4,934,875	1,034,908	-	5,969,783
Special Vocational Programs - Instruction	1,266,602	-	-	1,266,602
Sponsored Cocurricular Activities	226,796	-	-	226,796
Support Services & Undistributed Costs:				
Attendance & Social Work	67,059	439,673	-	506,732
Health Services	424,287	-	-	424,287
Other Support Services - Student - Regular	711,792	-	-	711,792
Other Support Services - Student - Special	295,591	-	-	295,591
Improvement of Instruction Services	7,897	-	-	7,897
Educational Media Services/School Library	156,045	-	-	156,045
Support Services - General Administration	809,548	-	-	809,548
Support Services - School Administration	1,718,525	-	-	1,718,525
Support Services - Central Services	611,732	-	-	611,732
Support Services - Information Technology	308,164	-	-	308,164
Required Maintenance for School Facilities	360,796	-	-	360,796
Operation & Maintenance of Plant	1,852,194	-	-	1,852,194
Care and Upkeep of Grounds	62,860	-	-	62,860
Security	52,147	-	-	52,147
Student Transportation Services	227,015	-	-	227,015
Unallocated Benefits - Employee Benefits	5,628,896	-	-	5,628,896
Special Schools	5,532,317	-	-	5,532,317
Capital Outlay	264,630	228,501	255,590	748,721
Total Expenditures	<u>28,566,427</u>	<u>1,703,082</u>	<u>255,590</u>	<u>30,525,099</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>427,463</u>	<u>-</u>	<u>(186,117)</u>	<u>241,346</u>
Net Change in Fund Balances	427,463	-	(186,117)	241,346
Fund Balance July 1	<u>2,426,221</u>	<u>-</u>	<u>190,345</u>	<u>2,616,566</u>
Fund Balance June 30	<u>\$ 2,853,684</u>	<u>\$ -</u>	<u>\$ 4,228</u>	<u>\$ 2,857,912</u>

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	241,346
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense		(1,243,212)
Capital Outlays		748,721
Adjustment in Capital Assets		(50,070)

District pension contributions are reported as expenditures in the governmental funds when made. However, 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.

Unfunded TPAF Pension Expense	(2,499,521)	
State Share of Unfunded TPAF Pension Expense	2,499,521	
Pension Expense - PERS Contribution - 2015	425,873	
Pension Expense	(550,516)	(124,643)

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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior Year	1,811,721	
Current Year	(1,858,810)	(47,089)

Change in Net Position of Governmental Activities	\$	(474,947)
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The accompanying Notes to Financial Statements are an integral part of this statement.

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Proprietary Funds

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
 PROPRIETARY FUND
 COMBINING STATEMENT OF NET POSITION
 AS OF JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUNDS		
ASSETS	FOOD SERVICE	ENTERPRISE FUND	JUNE 30, 2015
Cash	\$ 23,326	\$ 15,161	\$ 38,487
Intergovernmental Accounts Receivable:			
State	30	-	30
Federal	651	-	651
Total Assets	24,007	15,161	39,168
LIABILITIES			
Accounts Payable	-	-	-
Total Liabilities	-	-	-
NET POSITION			
Unrestricted	24,007	15,161	39,168
Total Net Position	\$ 24,007	\$ 15,161	\$ 39,168

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUND		
	FOOD SERVICE	ENTERPRISE FUND	JUNE 30, 2015
OPERATING REVENUES			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch & Breakfast Programs	\$ 45,020	\$ -	\$ 45,020
Fees for Services	144,176	23,789	167,965
Total Operating Revenue	189,196	23,789	212,985
OPERATING EXPENSES			
Salaries & Wages	33,115	-	33,115
Supplies & Materials	154,719	20,252	174,971
Total Operating Expenses	187,834	20,252	208,086
Operating Income	1,362	3,537	4,899
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	496	-	496
Federal Sources:			
National School Lunch Program	9,709	-	9,709
National School Performance Based Program	685	-	685
Total Nonoperating Revenues/(Expenses)	10,890	-	10,890
Net Income	12,252	3,537	15,789
Total Net Position - July 1	11,755	11,624	23,379
Total Net Position - June 30	\$ 24,007	\$ 15,161	\$ 39,168

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUND	TOTAL	
	FOOD SERVICE FUND	ENTERPRISE FUND	JUNE 30, 2015
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 189,196	\$ 23,789	\$ 212,985
Payments to Suppliers	(190,178)	(20,252)	(210,430)
Net Cash Flows from Operating Activities	(982)	3,537	2,555
Cash Flows From Noncapital Financing Activities:			
State Sources	533	-	533
Federal Sources	10,660	-	10,660
Net Cash Flows from Noncapital Financing Activities	11,193	-	11,193
Net Increase in Cash & Cash Equivalents	10,211	3,537	13,748
Balances - Beginning of Year	13,115	11,624	24,739
Balances - End of Year	\$ 23,326	\$ 15,161	\$ 38,487

Reconciliation of Operating Income to Net Cash Flows from Operating Activities:

Operating Income	\$ 1,362	\$ 3,537	\$ 4,899
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:			
Increase in Accounts Receivable	-	-	-
Increase/(Decrease) in Accounts Payable	(2,344)	-	(2,344)
Net Cash Flows from Operating Activities	\$ (982)	\$ 3,537	\$ 2,555

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

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Fiduciary Fund

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE			TOTAL
	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	AGENCY FUND	JUNE 30, 2015
Cash & Cash Equivalents	\$ 5,035	\$ 106,983	\$ 157,409	\$ 269,427
Total Assets	5,035	106,983	157,409	269,427
LIABILITIES				
Payroll Deductions & Withholdings	-	-	27,463	27,463
Payable - Quarterly Unemployment	-	9,169	-	9,169
Due to Student Groups	-	-	129,852	129,852
Due to Recipients	-	-	94	94
Total Liabilities	-	9,169	157,315	166,484
NET POSITION				
Reserved for Unemployment Claims	-	97,814	-	97,814
Reserved for Students	5,035	-	-	5,035
Total Net Position	\$ 5,035	\$ 97,814	\$ -	\$ 102,849

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIVATE PURPOSE		TOTAL
	SCHOLARSHIP TRUST	UNEMPLOYMENT TRUST	JUNE 30, 2015
ADDITIONS			
Contributions	\$ 23,825	\$ 25,956	\$ 49,781
Total Contributions	23,825	25,956	49,781
Total Additions	23,825	25,956	49,781
DEDUCTIONS			
Unemployment Claims	-	49,447	49,447
Hurricane Sandy Donations	-	-	-
Scholarship Payments	24,425	-	24,425
Total Deductions	24,425	49,447	73,872
Change in Net Position	(600)	(23,491)	(24,091)
Net Position, July 1	5,635	121,305	126,940
Net Position, June 30	\$ 5,035	\$ 97,814	\$ 102,849

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Ocean County Vocational-Technical School District (the District) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

A. Reporting Entity

The Ocean County Vocational-Technical School District is a Type I District located in the County of Ocean, State of New Jersey. As a Type I District, the School District functions independently through a Board of Education. The Board consists of appointed officials by the County Freeholders and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The District provides a full range of educational services appropriate to grade levels 9 through 12. The Ocean County Vocational-Technical School District has an approximate enrollment at June 30, 2015 of 2,400 students.

B. Component Units

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the District holds the corporate powers of the organization
- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units. However, the Ocean County Vocational-Technical School District is a component unit of the County of Ocean as described in Governmental Accounting Standards Board Statement No. 14. These financial statements would be either blended or discreetly present as part of the County's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities.

C. Government-Wide and Fund Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. report information of all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these government-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

C. Government-Wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net position is restricted when constraints placed on it is either externally imposed or is imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

E. Fund Accounting

The accounts of the Ocean County Vocational-Technical School District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

Governmental Funds

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

As required by the New Jersey Department of Education Ocean County Vocational-Technical School District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles 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, interest earnings 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).

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

E. Fund Accounting (continued)

Proprietary Fund

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund and Education Technology Training Center (ETTC) Fund.

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

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

Food Service Fund:	
Equipment	5-15 Years

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains a Scholarship and Unemployment Trust Fund as private purpose trusts.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

E. Fund Accounting (continued)

Fiduciary Fund (continued)

Agency Funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The District currently maintains Payroll funds, Student Activity funds and Pell Grant funds as Agency Funds.

F. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

G. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are approved by the County Superintendent. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

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

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

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

Exhibit C-3 presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

H. Encumbrances

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

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

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

I. Cash and Cash Equivalents

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. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey School Districts.

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

J. Short-Term Interfund Receivables/Payables

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

K. Capital Assets

General capital assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated capital assets are valued at their estimated fair market value on the date received. The general capital assets acquired or constructed were valued by an independent appraisal company. General capital assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

K. Capital Assets (continued)

General capital assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the government-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Machinery and Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years

L. Compensated Absences

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

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

M. Unearned Revenue

Unearned revenue in the general and special revenue fund represents cash, which has been received but not yet earned.

N. Long-Term Obligations

In government-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

O. Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Ocean County Vocational-Technical School District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

O. Fund Balance (continued)

- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

P. Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Q. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position reports 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.

In addition to liabilities, the statement of net position reports 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 periods and so will not be recognized as an inflow of resources (revenue) until that time.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

R. Pensions

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

S. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through December 3, 2015, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents and Investments

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2015, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	\$ 3,420,869
Money Market	96,206
Total Deposits & Investments	<u>\$ 3,517,075</u>
Reconciliation of Statements of Net Position:	
Governmental Activities	\$ 3,209,161
Business-Type Activities	38,487
Fiduciary Fund	269,427
Total Cash and Cash Equivalents	<u>\$ 3,517,075</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$2,944,401 was insured or collateralized as shown below:

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 2. Cash and Cash Equivalents and Investments (continued)

Insured Under FDIC	\$	250,000
Collateralized by securities held by Pledging financial institution		2,462,364
Uninsured and uncollateralized		<u>232,037</u>
Total	\$	<u>2,944,401</u>

Investment Interest Rate Risk – The District has not formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2015, are provided in the above schedule.

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- 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;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the School District;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer. At June 30, 2015, the Board of Education had no investments.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 3. Capital Reserve Account

A capital reserve account was established by the Ocean County Vocational-Technical School District by inclusion of \$2,744,550 on June 30, 1994 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Balance, July 1, 2014 & June 30, 2015	<u>\$96,206</u>
---------------------------------------	-----------------

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$33,367,800.

Note 4. Maintenance Reserve Account

A maintenance reserve account was established by the Ocean County Vocational-Technical School District by inclusion of \$86,610 on June 30, 2004 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A.18A:7G-9*) as amended by P.L. 2004, c. 73 (*S1701*). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C. 6A:23A-14.2*). EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility.

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 289,980
Budgeted Withdrawal	(289,980)
Deposits:	
Resolution Dated June 18, 2015	276,000
Resolution Dated June 30, 2015	<u>259,000</u>
Ending Balance, June 30, 2015	<u>\$ 535,000</u>

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 5. Capital Assets

The following schedule is a summarization of the general capital assets by source for the fiscal year ended June 30, 2015:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ 67,059	\$ -	\$ 67,059
Total capital assets not being depreciated	<u>-</u>	<u>67,059</u>	<u>-</u>	<u>67,059</u>
Capital assets being depreciated:				
Buildings & Improvements	34,120,679	188,531	-	34,309,210
Machinery & Equipment	12,748,969	443,061	(14,500)	13,177,530
Total capital assets being depreciated	<u>46,869,648</u>	<u>631,592</u>	<u>(14,500)</u>	<u>47,486,740</u>
Less: accumulated depreciation	(25,902,774)	(1,243,212)	14,500	(27,131,486)
Total capital assets being depreciated, net	<u>20,966,874</u>	<u>(611,620)</u>	<u>-</u>	<u>20,355,254</u>
Total Governmental Activities capital assets, net	<u>\$ 20,966,874</u>	<u>\$ (544,561)</u>	<u>\$ -</u>	<u>\$ 20,422,313</u>

The District had no proprietary fund capital assets at June 30, 2015.

Note 6. Capital Projects

During the 2014-2015 school year the District received \$347,950 from the County of Ocean to fund upgrades and improvements of various facilities including mold remediation, windows, alarms and HVAC.

Note 7. Noncurrent Liabilities

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the long-term debt account group:

	Balance 06/30/14	Issued	Retired/ Adjusted	Balance 06/30/15	Due Within One Year
Governmental Activities:					
Net Pension Liability	\$ 9,528,808	\$ 143,253	\$ -	\$ 9,672,061	\$ -
Compensated Absences Payable	1,811,721	47,089	-	1,858,810	-
Total	<u>\$ 11,340,529</u>	<u>\$ 190,342</u>	<u>\$ -</u>	<u>\$ 11,530,871</u>	<u>\$ -</u>

As of June 30, 2015, the School District had no authorized but not issued bonds.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/15	\$ 298,111	100%	\$ 9,672,061
06/30/14	262,967	100%	9,528,808
06/30/13	276,355	100%	-0-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$9,672,061 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was 0.05517%, which was an increase of 0.00180 from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	<u>06/30/15</u> July 1, 2014	<u>06/30/14</u> July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 1,050,545	\$ 425,873
Deferred Inflows of Resources	\$ 576,402	\$ -
Net Pension Liability	\$ 9,672,061	\$ 9,528,808
District's portion of the Plan's total Net Pension Liability	0.05166%	0.04986%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$550,516. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 304,142	\$ -
Net difference between projected and actual earnings on pension plan investments	-	576,402
Changes in proportion and differences between District contributions and proportionate share of contributions	290,870	-
District contributions subsequent to the measurement date	<u>455,533</u>	<u>-</u>
Total	<u>\$ 1,050,545</u>	<u>\$ 576,402</u>

\$455,533 is 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, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		
2016	\$	(9,879)
2017		(9,879)
2018		(9,879)
2019		(9,879)
2020		(9,879)
Thereafter		<u>68,005</u>
Total	\$	<u>18,610</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2012 - 2.15-4.40%
	Based on Age
	Thereafter - 3.15-5.40%
	Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male or Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Discount Rate - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>4.39%</u> <u>1% Decrease</u>	<u>5.39%</u> <u>Current</u> <u>Discount Rate</u>	<u>6.39%</u> <u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 12,167,782	\$ 9,672,061	\$ 7,576,290

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 8. Pension Obligations (continued)

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

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Three-Year Trend Information for TPAF (Paid on behalf of the District)

Year Funding	Post-Retirement		Net Pension Obligation
	Medical & Annual Pension Cost (APC)	Percentage of APC Contributed	
06/30/15	\$ 1,519,164	100%	\$-0-
06/30/14	1,198,481	100%	-0-
06/30/13	1,454,643	100%	-0-

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

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based on Experience
Inflation rate	2.50%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%

Discount Rate - The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

C. Defined Contribution Retirement Program (DCRP)

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Note 8. Pension Obligations (continued)

C. Defined Contribution Retirement Program (DCRP) (continued)

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2015, the District did not apply forfeitures to reduce the District's pension expense.

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

Note 10. 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.

New Jersey Unemployment Compensation Insurance – The District has elected to fund their 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 School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 10. Risk Management (continued)

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2014-2015	\$ 25,956	\$ -	\$ 49,447	\$ 97,814
2013-2014	26,766	-	35,860	121,305
2012-2013	60,603	-	33,979	130,399

Note 11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 12. Economic Dependency

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

Note 13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 73,475	\$ -
Capital Projects Fund	<u>-</u>	<u>73,475</u>
Total	<u><u>\$73,475</u></u>	<u><u>\$ 73,475</u></u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 14: Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(10,489,417) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 15. Fund Balance

General Fund – Of the \$2,853,684 General Fund fund balance at June 30, 2015, \$96,206 has been restricted for the Capital Reserve Account; \$535,000 has been restricted for the Maintenance Reserve Account; \$733,995 has been committed for other purposes; \$219,867 has been assigned for other purposes; \$250,000 is unreserved-designated for subsequent year’s expenditures and \$1,018,616 is unassigned.

Capital Projects Fund – Of the \$4,228 Capital Projects Fund fund balance at June 30, 2015, the entire amount has been restricted for the Capital Projects.

The Ocean County Vocational-Technical School District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the Ocean County Vocational-Technical School District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Note 16. 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.

AXA Equitable	Fidelity
Lincoln	Met Life

Note 17. Compensated Absences

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 17. Compensated Absences (continued)

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$1,858,810.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the proprietary fund types.

Note 18. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by *P.L. 2004, c.73 (S1701)*, the designation for 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 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 District had no excess fund balance at June 30, 2015.

Note 19. Prior Period Adjustment/Restatement of Net Position

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

		<u>Governmental Activities</u>
Net Position as previously reported at June 30, 2014		\$ 21,771,719
Prior period adjustment - Implementation of GASB #68:		
Net Pension Liability (Measurement date as of June 30, 2013)	\$ (9,528,808)	
Pension Payable at June 30, 2015	(425,873)	
Deferred Outflows (District contributions made during fiscal year 2014)	<u>425,873</u>	
Total prior period adjustment		<u>(9,528,808)</u>
Net Position as restated, July 1, 2014		<u><u>\$ 12,242,911</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
County Appropriations	10-1200	\$ 17,664,646	\$ -	\$ 17,664,646	\$ 17,664,646	\$ -
Tuition	10-1320	2,549,509	-	2,549,509	2,850,196	300,687
Miscellaneous	10-1790	275,000	-	275,000	578,028	303,028
Total Local Sources		20,489,155	-	20,489,155	21,092,870	603,715
State Sources:						
Categorical Special Education Aid	10-3132	708,060	-	708,060	708,060	-
Equalization Aid	10-3176	2,014,757	-	2,014,757	2,014,757	-
Categorical Security Aid	10-3177	134,823	-	134,823	134,823	-
Adjustment Aid	10-3178	2,686,465	-	2,686,465	2,686,465	-
PARCC Readiness Aid	10-3196	13,780	-	13,780	13,780	-
Per Pupil Growth Aid	10-3196	13,780	-	13,780	13,780	-
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	587,116	587,116
On-Behalf TPAF Post-Retirement Medical		-	-	-	932,048	932,048
Reimbursed TPAF Social Security Contributions		-	-	-	812,947	812,947
Total State Sources		5,571,665	-	5,571,665	7,903,776	2,332,111
Total Revenues		26,060,820	-	26,060,820	28,996,646	2,935,826
Expenditures:						
Current Expense:						
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-140-100-101	2,998,386	(7,168)	2,991,218	2,990,956	262
General Supplies	11-140-100-610	59,500	(13,797)	45,703	45,703	-
Textbooks	11-140-100-640	10,000	1,100	11,100	10,000	1,100
Other Objects	11-140-100-800	2,500	-	2,500	-	2,500
Total Basic Skills/Remedial - Instruction		3,070,386	(19,865)	3,050,521	3,046,659	3,862
Regular Vocational Programs - Instruction:						
Salaries of Teachers	11-310-100-101	3,501,096	(14,600)	3,486,496	3,479,794	6,702
Other Salaries for Instruction	11-310-100-106	420,923	14,699	435,622	420,897	14,725
Purchased Professional & Educational Services	11-310-100-320	40,000	(13,193)	26,807	15,756	11,051
Purchased Technical Services	11-310-100-340	65,000	11,798	76,798	71,783	5,015
Travel	11-310-100-580	9,000	-	9,000	8,931	69
General Supplies	11-310-100-610	712,475	190,492	902,967	759,062	143,905
Textbooks	11-310-100-640	125,000	53,900	178,900	178,652	248
Total Regular Vocational Programs - Instruction		4,873,494	243,096	5,116,590	4,934,875	181,715
Special Vocational Programs - Instruction:						
Salaries of Teachers	11-320-100-101	1,151,512	(59,140)	1,092,372	1,086,318	6,054
Other Salaries for Instruction	11-320-100-106	14,000	(6,100)	7,900	7,573	327
Purchased Technical Services	11-320-100-340	4,000	-	4,000	2,365	1,635
Travel	11-320-100-580	750	-	750	-	750
General Supplies	11-320-100-610	139,800	145,851	285,651	169,931	115,720
Textbooks	11-320-100-640	7,600	(7,100)	500	415	85
Total Special Vocational Programs - Instruction		1,317,662	73,511	1,391,173	1,266,602	124,571
School Sponsored Cocurricular Activities:						
Other Objects	11-401-100-800	246,000	3,660	249,660	226,796	22,864
Total School Sponsored Cocurricular Activities		246,000	3,660	249,660	226,796	22,864

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Instruction		9,507,542	300,402	9,807,944	9,474,932	333,012
Undistributed Expenditures:						
Attendance & Social Work:						
Salaries	11-000-211-100	67,059	-	67,059	67,059	-
Total Attendance & Social Work		67,059	-	67,059	67,059	-
Health Services:						
Salaries	11-000-213-100	434,073	(27,003)	407,070	407,070	-
Purchased Professional Services	11-000-213-300	4,000	7,152	11,152	11,152	-
Other Purchased Services	11-000-213-500	-	-	-	-	-
Travel	11-000-213-580	150	44	194	194	-
Supplies and Materials	11-000-213-600	6,500	500	7,000	5,871	1,129
Total Health Services		444,723	(19,307)	425,416	424,287	1,129
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	630,116	(20,687)	609,429	607,714	1,715
Salaries of Secretarial & Clerical Assistants	11-000-218-105	37,125	275	37,400	37,400	-
Purchased Professional Services	11-000-218-320	20,000	(8,000)	12,000	12,000	-
Travel	11-000-218-580	2,200	(1,129)	1,071	946	125
Supplies & Materials	11-000-218-600	62,200	(7,867)	54,333	53,732	601
Total Other Support Services - Students - Regular		751,641	(37,408)	714,233	711,792	2,441
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	303,113	(56,029)	247,084	247,084	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	67,408	(23,522)	43,886	43,885	1
Supplies & Materials	11-000-219-600	6,500	-	6,500	4,622	1,878
Total Other Support Services - Students - Special Services		377,021	(79,551)	297,470	295,591	1,879
Improvement of Instruction Services:						
Other Purchased Services	11-000-221-500	15,000	(5,403)	9,597	7,897	1,700
Total Improvement of Instruction Services		15,000	(5,403)	9,597	7,897	1,700
Educational Media Services/School Library:						
Supplies and Materials	11-000-222-600	137,500	42,465	179,965	156,045	23,920
Total Educational Media Services/School Library		137,500	42,465	179,965	156,045	23,920
Support Services - General Administration:						
Salaries	11-000-230-100	334,291	39,270	373,561	371,753	1,808
Legal Services	11-000-230-331	70,000	(29,636)	40,364	30,187	10,177
Professional Services	11-000-230-339	50,000	99,428	149,428	30,928	118,500
Communications/Telephone	11-000-230-530	158,000	(2,932)	155,068	154,538	530
Travel	11-000-230-580	7,000	1,253	8,253	8,253	-
Other Purchased Services	11-000-230-590	186,000	(13,518)	172,482	172,269	213
General Supplies	11-000-230-610	16,000	(1,776)	14,224	12,709	1,515
Miscellaneous Expenditures	11-000-230-890	36,000	(6,431)	29,569	28,911	658
Total Support Services - General Administration		857,291	85,658	942,949	809,548	133,401

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services - Central Services:						
Salaries	11-000-251-100	473,924	3,234	477,158	476,995	163
Purchased Professional Services	11-000-251-330	79,250	22,930	102,180	83,229	18,951
Purchased Technical Services	11-000-251-340	21,500	(5,500)	16,000	15,174	826
Travel	11-000-251-580	5,500	-	5,500	5,450	50
Supplies and Materials	11-000-251-600	5,500	-	5,500	4,825	675
Miscellaneous Expenditures	11-000-251-890	31,000	(2,675)	28,325	26,059	2,266
Total Support Services - Central Services		616,674	17,989	634,663	611,732	22,931
Support Services - School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	883,182	-	883,182	883,182	-
Salaries of Other Professional Staff	11-000-240-104	106,319	(2,361)	103,958	103,958	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	521,783	(22,235)	499,548	499,548	-
Other Salaries	11-000-240-110	101,000	(15,294)	85,706	85,264	442
Purchased Professional & Technical Services	11-000-240-300	10,000	10,690	20,690	20,590	100
Other Purchased Services	11-000-240-500	7,000	3,219	10,219	10,219	-
Travel	11-000-240-580	2,000	-	2,000	1,976	24
Supplies and Materials	11-000-240-600	73,500	(8,514)	64,986	62,424	2,562
Other Objects	11-000-240-800	73,500	(21,498)	52,002	51,364	638
Total Support Services - School Administration		1,778,284	(55,993)	1,722,291	1,718,525	3,766
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	88,700	(9,172)	79,528	79,528	-
Cleaning, Repair & Maintenance Services	11-000-261-420	390,000	(44,793)	345,207	248,510	96,697
General Supplies	11-000-261-610	45,000	(7,587)	37,413	32,758	4,655
Total Required Maintenance for School Facilities		523,700	(61,552)	462,148	360,796	101,352
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	562,609	(3,579)	559,030	544,515	14,515
Cleaning, Repair & Maintenance Services	11-000-262-420	420,000	144,041	564,041	530,137	33,904
Rental of Land & Building	11-000-262-441	11,500	12,510	24,010	23,935	75
Other Purchased Property Services	11-000-262-490	58,400	(16,423)	41,977	28,032	13,945
Miscellaneous Purchased Services	11-000-262-590	10,000	(6,480)	3,520	3,520	-
General Supplies	11-000-262-610	189,500	38,978	228,478	220,510	7,968
Energy (Heat & Electricity)	11-000-262-620	687,000	(54,570)	632,430	501,545	130,885
Total Other Operation & Maintenance of Plant Services		1,939,009	114,477	2,053,486	1,852,194	201,292
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	62,860	-	62,860	62,860	-
Total Care & Upkeep of Grounds		62,860	-	62,860	62,860	-
Security:						
Cleaning, Repair & Maintenance Services	11-000-266-420	100,000	(47,484)	52,516	52,147	369
Total Security		100,000	(47,484)	52,516	52,147	369

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Student Transportation Services:						
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-163	75,000	(13,793)	61,207	61,207	-
Cleaning, Repair & Maintenance Services	11-000-270-420	85,000	37,175	122,175	122,175	-
Miscellaneous Purchased Services - Transportation	11-000-270-593	50,000	(5,458)	44,542	43,633	909
Total Student Transportation Services		210,000	17,924	227,924	227,015	909
Support Services - Information Technology:						
Salaries	11-000-252-100	235,840	-	235,840	235,839	1
Travel	11-000-252-580	2,000	(201)	1,799	1,799	-
Supplies, Textbooks, and Materials	11-000-252-600	45,000	27,744	72,744	70,526	2,218
Total Support Services - Information Technology		282,840	27,543	310,383	308,164	2,219
Unallocated Benefits Employee Benefits:						
Social Security Contributions	11-xxx-xxx-220	275,000	(666)	274,334	274,334	-
Other Retirement Contributions - Regular	11-xxx-xxx-241	325,021	(26,910)	298,111	298,111	-
Other Retirement Contributions - DCRP	11-xxx-xxx-249	7,500	5,863	13,363	13,363	-
Workman's Compensation	11-xxx-xxx-260	140,000	(15,308)	124,692	124,150	542
Health Benefits	11-xxx-xxx-270	2,621,653	(254,927)	2,366,726	2,366,726	-
Tuition Reimbursement	11-xxx-xxx-280	100,000	(35,761)	64,239	64,239	-
Other Employee Benefits	11-xxx-xxx-290	120,000	35,862	155,862	155,862	-
Total Unallocated Benefits - Employee Benefits		3,589,174	(291,847)	3,297,327	3,296,785	542
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	587,116	(587,116)
On-Behalf TPAF Post-Retirement Medical		-	-	-	932,048	(932,048)
Reimbursed TPAF Social Security Contributions		-	-	-	812,947	(812,947)
Total Undistributed Expenditures		11,752,776	(292,489)	11,460,287	13,294,548	(1,834,261)
Total Expenditures - Current Expense		21,260,318	7,913	21,268,231	22,769,480	(1,501,249)
Capital Outlay:						
Increase in Capital Reserve Capital Equipment:						
Regular Programs - Instruction:						
Regular Vocational Programs	12-310-100-730	55,000	69,168	124,168	37,853	86,315
Special Education - Instruction:						
Special Vocational Programs	12-xxx-100-730	-	65,675	65,675	12,958	52,717
Operation & Maintenance of Plant Services	12-000-260-730	-	24,218	24,218	-	24,218
Required Maintenance for School Facilities	12-000-261-730	17,500	(11,525)	5,975	5,975	-
School Buses - Special	12-000-270-734	-	326,616	326,616	157,767	168,849
Other Objects	12-000-400-800	50,077	-	50,077	50,077	-
Total Equipment		122,577	474,152	596,729	264,630	332,099
Total Capital Outlay		122,577	474,152	596,729	264,630	332,099

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Special Schools:						
Post-Secondary Programs - Instruction:						
Salaries of Teachers	13-330-100-101	1,003,336	(86,031)	917,305	915,560	1,745
Other Salaries for Instruction	13-330-100-106	17,000	28,647	45,647	45,647	-
General Supplies	13-330-100-610	151,000	18,419	169,419	147,900	21,519
Textbooks	13-330-100-640	33,500	(21,743)	11,757	11,634	123
Total Post-Secondary Programs - Instruction		1,204,836	(60,708)	1,144,128	1,120,741	23,387
Post-Secondary Programs - Support Services:						
Salaries of Other Professional Staff	13-330-200-100	249,561	51,125	300,686	300,686	-
General Supplies	13-330-200-600	2,500	2	2,502	2,502	-
Other Objects	13-330-200-800	5,000	6,977	11,977	3,832	8,145
Total Post-Secondary Programs - Support Services		257,061	58,104	315,165	307,020	8,145
Total Post-Secondary Programs		1,461,897	(2,604)	1,459,293	1,427,761	31,532
Adult Education - Local - Support Services:						
Salaries of Teachers	13-602-200-100	7,800	180	7,980	7,980	-
Total Adult Education - Local - Support Services		7,800	180	7,980	7,980	-
Vocational Evening - Local - Instruction:						
Salaries of Teachers	13-629-100-101	285,000	(42,219)	242,781	240,418	2,363
General Supplies	13-629-100-610	50,000	13,532	63,532	63,454	78
Textbooks	13-629-100-640	4,000	-	4,000	3,414	586
Total Vocational Evening - Local - Instruction		339,000	(28,687)	310,313	307,286	3,027
Vocational Evening - Local - Support Services:						
Salaries	13-629-200-100	1,546,504	(62,918)	1,483,586	1,451,978	31,608
Personal Services - Employee Benefits	13-629-200-200	1,495,305	58,578	1,553,883	1,553,883	-
Purchased Professional & Technical Services	13-629-200-300	110,249	6,831	117,080	88,436	28,644
Other Purchased Services	13-629-200-500	167,300	(16,567)	150,733	149,635	1,098
Cleaning, Repair & Maintenance Services	13-629-200-xxx	171,100	74,356	245,456	231,274	14,182
Energy (Heat & Electricity)	13-629-200-xxx	226,000	(15,774)	210,226	209,529	697
Supplies and Materials	13-629-200-600	82,500	21,210	103,710	96,330	7,380
Other Objects	13-629-200-800	10,250	(1,525)	8,725	8,225	500
Total Vocational Evening - Local Support Services		3,809,208	64,191	3,873,399	3,789,290	84,109
Total Vocational Evening - Local		4,148,208	35,504	4,183,712	4,096,576	87,136
Total Special Schools		5,617,905	33,080	5,650,985	5,532,317	118,668
Total Expenditures		27,000,800	515,145	27,515,945	28,566,427	(1,050,482)

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures After Other Financing Sources/(Uses)	(939,980)	(515,145)	(1,455,125)	430,219	1,885,344
Fund Balances, July 1	2,975,631	-	2,975,631	2,975,631	-
Fund Balances, June 30	<u>\$ 2,035,651</u>	<u>\$ (515,145)</u>	<u>\$ 1,520,506</u>	<u>\$ 3,405,850</u>	<u>\$ 1,885,344</u>

RECAPITULATION OF BUDGET TRANSFERS

Rollover Encumbrances from Prior Year	<u>\$ 515,145</u>
	<u><u>\$ 515,145</u></u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve Account	\$ 96,206
Maintenance Reserve	535,000
Committed Fund Balance:	
Year-end Encumbrances	733,995
Assigned Fund Balance:	
Year-end Encumbrances	219,867
Unreserved - Designated for Subsequent Year Expenditures	250,000
Unassigned Fund Balance	<u>1,570,782</u>
Subtotal	3,405,850
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(552,166)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 2,853,684</u></u>

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 2015**

REVENUES	JUNE 30, 2015				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Local Sources	\$ 507,904	\$ 34,266	\$ 542,170	\$ 542,170	\$ -
State Sources	114,536	55,371	169,907	169,907	-
Federal Sources	809,419	181,586	991,005	991,005	-
Total Revenues	1,431,859	271,223	1,703,082	1,703,082	-
Expenditures:					
Instruction:					
Salaries of Teachers	625,848	(1,682)	624,166	624,166	-
Purchased Professional & Technical Services	597,087	(550,874)	46,213	46,213	-
Textbooks	400	838	1,238	1,238	-
General Supplies	20,000	343,291	363,291	363,291	-
Total Instruction	1,243,335	(208,427)	1,034,908	1,034,908	-
Support Services:					
Salaries - Program Director	20,000	98,161	118,161	118,161	-
Salaries of Secretarial & Clerical Assistants	36,025	-	36,025	36,025	-
Personal Services - Employee Benefits	107,799	76,081	183,880	183,880	-
Purchased Professional & Technical Services	-	54,775	54,775	54,775	-
Travel	400	(400)	-	-	-
Miscellaneous Purchased Services	800	(20)	780	780	-
Supplies & Materials	3,500	22,552	26,052	26,052	-
Miscellaneous	20,000	-	20,000	20,000	-
Total Support Services	188,524	251,149	439,673	439,673	-
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	228,501	228,501	228,501	-
Total Facilities Acquisition & Construction Services	-	228,501	228,501	228,501	-
Total Expenditures	1,431,859	271,223	1,703,082	1,703,082	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 28,996,646	\$ 1,703,082
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	549,410	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(552,166)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 28,993,890	\$ 1,703,082
	<hr/> <hr/>	<hr/> <hr/>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 28,566,427	\$ 1,703,082
	<hr/> <hr/>	<hr/> <hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 28,566,427	\$ 1,703,082
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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.052%	0.050%
District's proportionate share of the net pension liability (asset)	\$ 9,672,061	\$ 9,528,808
District's covered-employee payroll	\$ 3,834,629	\$ 3,849,411
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	252.23%	247.54%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

EXHIBIT L-2

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 425,873	\$ 375,668
Contributions in relation to the contractually required contribution	<u>425,873</u>	<u>375,668</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	3,834,629	3,849,411
Contributions as a percentage of covered-employee payroll	11.11%	9.76%

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.107%	0.106%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 57,362,420	\$ 53,396,894
District's covered-employee payroll	\$ 11,764,127	\$ 11,809,475
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**OCEAN COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Teachers' Pension and Annuity Fund (TPAF)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. 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.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	APPRENTICE COORDINATOR (CAC)	APPRENTICE COORDINATOR (NJ BUILD)	COUNTY FOUNDATION FOR VOC'L EDUCATION	OCEAN COUNTY JUVENILE DETENTION CENTER	HABITAT FOR HUMANITY
Revenues:					
State Sources	\$ 22,000	\$ 2,500	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	-
Other Sources	-	-	21,270	487,904	20,000
Total Revenues	\$ 22,000	\$ 2,500	\$ 21,270	\$ 487,904	\$ 20,000
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 320,921	\$ -
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional & Technical Services	-	-	-	-	-
Textbooks	-	-	-	1,238	-
General Supplies	-	-	17,462	-	20,000
Total Instruction	-	-	17,462	322,159	20,000
Support Services:					
Salaries of Supervisors of Instruction	22,000	2,500	-	20,000	-
Salaries of Secretarial & Clerical Assistants	-	-	-	36,025	-
Personal Services - Employee Benefit	-	-	-	85,884	-
Purchased Professional & Technical Services	-	-	-	-	-
Travel	-	-	-	-	-
Miscellaneous Purchased Services	-	-	-	780	-
Supplies & Materials	-	-	-	3,056	-
Miscellaneous	-	-	-	20,000	-
Total Support Services	22,000	2,500	-	165,745	-
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	-	3,808	-	-
Total Facilities Acquisition & Construction Services	-	-	3,808	-	-
Total Expenditures	\$ 22,000	\$ 2,500	\$ 21,270	\$ 487,904	\$ 20,000

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	CARL D. PERKINS GRANT SECONDARY	CARL D. PERKINS GRANT SECONDARY RESERVE	CARL D. PERKINS GRANT POST- SECONDARY	N.C.L.B/IMPROVING AMERICA'S SCHOOLS	
				TITLE I	TITLE II-A
Revenues:					
State Sources	\$ -	\$ -	\$ 137,909	\$ -	\$ -
Federal Sources	432,483	61,193	-	190,681	22,427
Other Sources	-	-	-	-	-
Total Revenues	\$ 432,483	\$ 61,193	\$ 137,909	\$ 190,681	\$ 22,427
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 151,334	\$ -
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional & Technical Services	7,775	32,096	6,342	-	-
Textbooks	-	-	-	-	-
General Supplies	199,778	9,781	111,272	-	-
Total Instruction	207,553	41,877	117,614	151,334	-
Support Services:					
Salaries of Supervisors of Instruction	-	-	-	-	-
Salaries of Secretarial & Clerical Assistants	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	39,347	-
Purchased Professional & Technical Services	10,532	19,316	-	-	22,427
Travel	-	-	-	-	-
Miscellaneous Purchased Services	-	-	-	-	-
Supplies & Materials	10,000	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Support Services	20,532	19,316	-	39,347	22,427
Facilities Acquisition & Construction Services:					
Instructional Equipment	204,398	-	20,295	-	-
Total Facilities Acquisition & Construction Services	204,398	-	20,295	-	-
Total Expenditures	\$ 432,483	\$ 61,193	\$ 137,909	\$ 190,681	\$ 22,427

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	CASE GRANT	I.D.E.A. PART B	SAFETY GRANT	2015
Revenues:				
State Sources	\$ 7,498	\$ -	\$ -	\$ 169,907
Federal Sources	-	284,221	-	991,005
Other Sources	-	-	12,996	542,170
Total Revenues	\$ 7,498	\$ 284,221	\$ 12,996	\$ 1,703,082
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ 151,911	\$ -	\$ 624,166
Other Salaries for Instruction	-	-	-	-
Purchased Professional & Technical Services	-	-	-	46,213
Textbooks	-	-	-	1,238
General Supplies	4,998	-	-	363,291
Total Instruction	4,998	151,911	-	1,034,908
Support Services:				
Salaries of Supervisors of Instruction	-	73,661	-	118,161
Salaries of Secretarial & Clerical Assistants	-	-	-	36,025
Personal Services - Employee Benefits	-	58,649	-	183,880
Purchased Professional & Technical Services	2,500	-	-	54,775
Travel	-	-	-	-
Miscellaneous Purchased Services	-	-	-	780
Supplies & Materials	-	-	12,996	26,052
Miscellaneous	-	-	-	20,000
Total Support Services	2,500	132,310	12,996	439,673
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	-	-	228,501
Total Facilities Acquisition & Construction Services	-	-	-	228,501
Total Expenditures	\$ 7,498	\$ 284,221	\$ 12,996	\$ 1,703,082

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F. Capital Projects Fund

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

PROJECT TITLE	APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2015
		PRIOR YEAR	CURRENT YEAR	
Waretown & Jackson Centers - ADA Bathrooms	\$ 82,107	\$ -	\$ 78,971	\$ 3,136
Waretown Center - Window Replacement	108,960	-	109,560	(600)
Brick Center - Security	138,183	-	26,809	111,374
MATES Center - Security	69,162	-	8,397	60,765
Toms River Center - Security	102,175	-	31,853	70,322
Waretown Center - Security	123,040	-	-	123,040
Jackson Center - Security	117,969	-	-	117,969
Total	<u>\$ 741,596</u>	<u>\$ -</u>	<u>\$ 255,590</u>	<u>\$ 486,006</u>

Reconciliation of Fund Balance, June 30, 2015

Unexpended Project Balances, June 30, 2015	<u>\$ 486,006</u>
Total Fund Balance (Budgetary Basis) - June 30, 2015	<u>486,006</u>
Less:	
Unexpended County Appropriations	(330,101)
Unexpended State Aid - ROD Grants	<u>(151,677)</u>
Total Fund Balance (GAAP Basis) - June 30, 2015	<u>\$ 4,228</u>

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues & Other Financing Sources:	
County Funding	\$ 347,950
State Sources - ROD Grants	<u>203,301</u>
 Total Revenues	 <u>551,251</u>
Expenditures & Other Financing Uses:	
Project Expenditures	<u>255,590</u>
 Total Expenditures	 <u>255,590</u>
 Excess/(Deficiency) of Revenues Over/(Under) Expenditures	 <u>295,661</u>
 Net Change in Fund Balance	 295,661
Fund Balance - Beginning	<u>190,345</u>
 Fund Balance - Ending	 <u><u>\$ 486,006</u></u>

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
WARETOWN AND JACKSON CENTERS ADA BATHROOMS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ 82,107	\$ -	\$ 82,107	\$ 82,107
Total Revenues	82,107	-	82,107	82,107
Expenditures & Other Financing Uses:				
Project Expenditures	-	78,971	78,971	82,107
Total Expenditures & Other Financing Uses	-	78,971	78,971	82,107
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 82,107	\$ (78,971)	\$ 3,136	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-040-14-2000 and 3790-020-14-2000
Grant Date	8/21/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$82,107
Additional Authorized Cost	\$82,107
Revised Authorized Cost	\$82,107
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
WARETOWN CENTER WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ 76,765	\$ -	\$ 76,765	\$ 76,765
State Sources - ROD Grants	-	24,800	24,800	24,800
Transfer from Capital Outlay	7,395	-	7,395	7,395
Total Revenues	84,160	24,800	108,960	108,960
Expenditures & Other Financing Uses:				
Project Expenditures	-	109,560	109,560	108,960
Total Expenditures & Other Financing Uses	-	109,560	109,560	108,960
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 84,160	\$ (84,760)	\$ (600)	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-040-14-1006
Grant Date	11/18/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$108,960
Additional Authorized Cost	\$108,960
Revised Authorized Cost	\$108,960
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
BRICK CENTER SECURITY
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ 24,078	\$ 70,832	\$ 94,910	\$ 94,910
State Sources - ROD Grants	-	43,273	43,273	43,273
Total Revenues	24,078	114,105	138,183	138,183
Expenditures & Other Financing Uses:				
Project Expenditures	-	26,809	26,809	138,183
Total Expenditures & Other Financing Uses	-	26,809	26,809	138,183
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 24,078	\$ 87,296	\$ 111,374	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-010-14-1001
Grant Date	5/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	138,183
Additional Authorized Cost	138,183
Revised Authorized Cost	138,183
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
MATES CENTER SECURITY
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ -	\$ 45,497	\$ 45,497	\$ 45,497
State Sources - ROD Grants	-	23,665	23,665	23,665
Total Revenues	-	69,162	69,162	69,162
Expenditures & Other Financing Uses:				
Project Expenditures	-	8,397	8,397	69,162
Total Expenditures & Other Financing Uses	-	8,397	8,397	69,162
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 60,765	\$ 60,765	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-070-14-1005
Grant Date	5/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$69,162
Additional Authorized Cost	\$69,162
Revised Authorized Cost	\$69,162
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
TOMS RIVER CENTER SECURITY
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ -	\$ 67,016	\$ 67,016	\$ 67,016
State Sources - ROD Grants		35,159	35,159	35,159
Total Revenues	-	102,175	102,175	102,175
Expenditures & Other Financing Uses:				
Project Expenditures	-	31,853	31,853	102,175
Total Expenditures & Other Financing Uses	-	31,853	31,853	102,175
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 70,322	\$ 70,322	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-030-14-1003
Grant Date	5/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	102,175
Additional Authorized Cost	102,175
Revised Authorized Cost	102,175
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
WARETOWN CENTER SECURITY
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ -	\$ 83,824	\$ 83,824	\$ 83,824
State Sources - ROD Grants		39,216	39,216	39,216
Total Revenues	-	123,040	123,040	123,040
Expenditures & Other Financing Uses:				
Project Expenditures	-	-	-	123,040
Total Expenditures & Other Financing Uses	-	-	-	123,040
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 123,040	\$ 123,040	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-040-14-1004
Grant Date	5/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	123,040
Additional Authorized Cost	123,040
Revised Authorized Cost	123,040
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
JACKSON CENTER SECURITY
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ -	\$ 80,781	\$ 80,781	\$ 80,781
State Sources - ROD Grants		37,188	37,188	37,188
Total Revenues	-	117,969	117,969	117,969
Expenditures & Other Financing Uses:				
Project Expenditures	-	-	-	117,969
Total Expenditures & Other Financing Uses	-	-	-	117,969
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 117,969	\$ 117,969	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-020-14-1002
Grant Date	5/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	117,969
Additional Authorized Cost	117,969
Revised Authorized Cost	117,969
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

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G. Proprietary Funds

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Enterprise Funds

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	FOOD SERVICE FUND	FUND	2015
Cash	\$ 23,326	\$ 15,161	\$ 38,487
Intergovernmental Accounts Receivable:			
State	30	-	30
Federal	651	-	651
	<hr/>		
Total Assets	24,007	15,161	39,168
	<hr/>		
 LIABILITIES			
Accounts Payable	-	-	-
	<hr/>		
Total Liabilities	-	-	-
	<hr/>		
 NET POSITION			
Unrestricted	24,007	15,161	39,168
	<hr/>		
Total Net Position	\$ 24,007	\$ 15,161	\$ 39,168
	<hr/> <hr/>		

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

ENTERPRISE FUND

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2015

	FOOD SERVICE FUND	ENTERPRISE FUND	2015
OPERATING REVENUES			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch & Breakfast Programs	\$ 45,020	\$ -	\$ 45,020
Fees for Services	144,176	23,789	167,965
	<hr/>		
Total Operating Revenue	189,196	23,789	212,985
<hr/>			
OPERATING EXPENSES			
Salaries & Wages	33,115	-	33,115
Supplies & Materials	154,719	20,252	174,971
	<hr/>		
Total Operating Expenses	187,834	20,252	208,086
<hr/>			
Operating Income	1,362	3,537	4,899
<hr/>			
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	496	-	496
Federal Sources:			
National School Lunch Program	9,709	-	9,709
National School Performance Based Program	685	-	685
	<hr/>		
Total Nonoperating Revenues/(Expenses)	10,890	-	10,890
<hr/>			
Net Income	12,252	3,537	15,789
Net Position - July 1	11,755	11,624	23,379
	<hr/>		
Net Position - June 30	\$ 24,007	\$ 15,161	\$ 39,168
	<hr/>		

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 SCHEDULE OF CASH FLOWS
 AS OF JUNE 30, 2015**

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	<u>ENTERPRISE FUND</u>		
	<u>FOOD</u>	<u>ENTERPRISE</u>	
	<u>SERVICE</u>	<u>FUND</u>	2015
	<u>FUND</u>	<u>FUND</u>	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 189,196	\$ 23,789	\$ 212,985
Payments to Suppliers	(190,178)	(20,252)	(210,430)
	<u>(982)</u>	<u>3,537</u>	<u>2,555</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	533	-	533
Federal Sources	10,660	-	10,660
	<u>11,193</u>	<u>-</u>	<u>11,193</u>
Net Increase in Cash & Cash Equivalents	10,211	3,537	13,748
Balances - Beginning of Year	13,115	11,624	24,739
	<u>\$ 23,326</u>	<u>\$ 15,161</u>	<u>\$ 38,487</u>

Reconciliation of Operating Income to Net Cash Flows from Operating Activities:

Operating Income	\$ 1,362	\$ 3,537	\$ 4,899
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:			
Increase/(Decrease) in Accounts Receivable	-	-	-
Increase/(Decrease) in Accounts Payable	(2,344)	-	(2,344)
	<u>(2,344)</u>	<u>-</u>	<u>(2,344)</u>
Total Adjustments	(2,344)	-	(2,344)
Net Cash Flows from Operating Activities	<u>\$ (982)</u>	<u>\$ 3,537</u>	<u>\$ 2,555</u>

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE			AGENCY		
	UNEMPLOYMENT SCHOLARSHIP	STUDENT COMPENSATION	ACTIVITY	PAYROLL	PELL GRANT	
Cash & Cash Equivalents	\$ 5,035	\$ 106,983	\$ 129,852	\$ 27,463	\$ 94	\$ 269,427
Total Assets	5,035	106,983	129,852	27,463	94	269,427
LIABILITIES						
Payroll Deductions & Withholdings	-	-	-	27,463	-	27,463
Payable - Quarterly Unemployment	-	9,169	-	-	-	9,169
Due to Student Groups	-	-	129,852	-	-	129,852
Due to Recipients	-	-	-	-	94	94
Total Liabilities	-	9,169	129,852	27,463	94	166,578
NET POSITION						
Reserved for Unemployment Claims	-	97,814	-	-	-	97,814
Reserved for Students	5,035	-	-	-	-	5,035
Total Net Position	\$ 5,035	\$ 97,814	\$ -	\$ -	\$ -	\$ 102,849

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

OPERATING REVENUES:	PRIVATE PURPOSE		2015
	SCHOLARSHIP	UNEMPLOYMENT TRUST	
Local Sources:			
Contributions	\$ 23,825	\$ 25,956	\$ 49,781
Total Operating Revenues	23,825	25,956	49,781
OPERATING EXPENSES:			
Unemployment Compensation	-	49,447	49,447
Scholarship Payments	24,425	-	24,425
Total Operating Expenses	24,425	49,447	73,872
Excess/(Deficit) of Revenue	(600)	(23,491)	(24,091)
Net Position, July 1	5,635	121,305	126,940
Net Position, June 30	\$ 5,035	\$ 97,814	\$ 102,849

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Vocational Schools:				
Brick	\$ 6,127	\$ 42,323	\$ 43,360	\$ 5,090
Jackson	4,951	9,000	9,165	4,786
Waretown	2,052	2,597	2,387	2,262
Toms River	21,754	11,903	8,924	24,733
MATES	22,248	56,770	51,518	27,500
Lakehurst	46,551	82,159	70,105	58,605
Adult Education	356	-	-	356
Miscellaneous	6,520	-	-	6,520
Total All Schools	\$ 110,559	\$ 204,752	\$ 185,459	\$ 129,852

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
PAYROLL AGENCY FUND AND PAYROLL FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 154,120	\$ 18,440,220	\$ 18,566,877	\$ 27,463
Total Assets	<u>\$ 154,120</u>	<u>\$ 18,440,220</u>	<u>\$ 18,566,877</u>	<u>\$ 27,463</u>
 LIABILITIES				
Payroll Deductions & Withholdings	\$ 154,120	\$ 18,440,220	\$ 18,566,877	\$ 27,463
Total Liabilities	<u>\$ 154,120</u>	<u>\$ 18,440,220</u>	<u>\$ 18,566,877</u>	<u>\$ 27,463</u>

**PELL GRANT AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 146	\$ 1,449,420	\$ 1,449,472	\$ 94
Total Assets	<u>\$ 146</u>	<u>\$ 1,449,420</u>	<u>\$ 1,449,472</u>	<u>\$ 94</u>
 LIABILITIES				
Due to Recipients	\$ 146	\$ 1,449,420	\$ 1,449,472	\$ 94
Total Liabilities	<u>\$ 146</u>	<u>\$ 1,449,420</u>	<u>\$ 1,449,472</u>	<u>\$ 94</u>

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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Financial Trends Information

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

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OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Invested in Capital Assets,										
Net of, Related Debt	\$ 20,422,313	\$ 20,966,874	\$ 21,617,255	\$22,274,579	\$ 22,980,492	\$23,975,694	\$ 23,848,359	\$ 24,072,363	\$23,498,661	\$ 21,527,317
Restricted	1,835,068	1,551,331	2,025,137	1,949,551	1,532,526	1,293,057	1,674,325	1,320,744	2,395,408	4,503,522
Unrestricted	(10,489,417)	(746,486)	(991,667)	(143,886)	183,599	(297,915)	(237,804)	314,813	87,927	(4,269)
Total Governmental Activities										
Net Position	\$ 11,767,964	\$ 21,771,719	\$ 22,650,725	\$24,080,244	\$ 24,696,617	\$24,970,836	\$ 25,284,880	\$ 25,707,920	\$25,981,996	\$ 26,026,570
Business-Type Activities:										
Unrestricted	\$ 39,168	\$ 23,379	\$ 90,192	\$ 56,817	\$ 42,381	\$ 30,495	\$ 22,721	\$ 22,713	\$ 21,675	\$ 5,899
Total Business-Type Activities										
Net Position	\$ 39,168	\$ 23,379	\$ 90,192	\$ 56,817	\$ 42,381	\$ 30,495	\$ 22,721	\$ 22,713	\$ 21,675	\$ 5,899
District-Wide:										
Invested in Capital Assets,										
Net of, Related Debt	\$ 20,422,313	\$ 20,966,874	\$ 21,617,255	\$22,274,579	\$ 22,980,492	\$23,975,694	\$ 23,848,359	\$ 24,072,363	\$23,498,661	\$ 21,527,317
Restricted	1,835,068	1,551,331	2,025,137	1,949,551	1,532,526	1,293,057	1,674,325	1,320,744	2,395,408	4,503,522
Unrestricted	(10,450,249)	(723,107)	(901,475)	(87,069)	225,980	(267,420)	(215,083)	337,526	109,602	1,630
Total District Net Position										
	\$ 11,807,132	\$ 21,795,098	\$ 22,740,917	\$24,137,061	\$ 24,738,998	\$25,001,331	\$ 25,307,601	\$ 25,730,633	\$26,003,671	\$ 26,032,469

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ (3,046,659)	\$ (2,946,244)	\$ (2,827,260)	\$ (2,627,618)	\$ (2,590,278)	\$ (2,713,141)	\$ (2,663,650)	\$ (2,381,141)	\$ (2,127,538)	\$ (1,789,546)
Special Education	(1,266,602)	(1,328,327)	(1,439,906)	(1,375,274)	(1,356,206)	(1,525,494)	(1,472,442)	(1,266,441)	(1,200,688)	(1,169,431)
Other Special Education	(226,796)	(211,045)	(254,109)	(188,680)	(171,451)	(206,896)	(190,380)	(211,993)	(185,773)	(141,818)
Vocational	(5,969,783)	(5,723,492)	(5,577,705)	(5,447,967)	(5,355,192)	(5,809,188)	(5,091,878)	(4,860,667)	(4,636,374)	(4,523,274)
Support Services:										
School Administrative Services	(1,718,525)	(1,696,007)	(1,647,699)	(1,604,942)	(1,562,722)	(1,989,968)	(1,876,217)	(2,249,726)	(2,262,927)	(2,165,683)
General & Business Administrative Services	(1,729,444)	(1,726,906)	(1,670,243)	(1,516,129)	(1,540,499)	(1,582,146)	(1,505,196)	(1,528,959)	(1,499,679)	(1,284,371)
Plant Operations & Maintenance	(2,378,067)	(2,523,304)	(2,930,767)	(3,026,195)	(2,707,701)	(2,736,206)	(2,955,482)	(2,296,575)	(2,062,181)	(1,680,400)
Pupil Transportation	(227,015)	(203,878)	(217,048)	(217,739)	(247,656)	(276,162)	(249,708)	(187,089)	(189,943)	(159,108)
Business & Other Support Services	(8,657,498)	(7,516,250)	(7,753,528)	(7,028,409)	(6,366,957)	(5,843,482)	(5,423,635)	(5,910,327)	(5,649,113)	(4,801,557)
Special Schools	(5,532,317)	(5,545,655)	(5,152,877)	(4,827,816)	(4,640,294)	(4,853,142)	(4,491,531)	(4,533,579)	(4,378,610)	(4,197,593)
Unallocated Depreciation	(1,243,212)	(1,207,751)	(1,289,331)	(1,263,188)	(1,285,148)	(1,241,986)	(1,198,970)	(1,387,452)	(780,397)	(944,399)
Total Governmental Activities Expenses	(31,995,918)	(30,628,859)	(30,760,473)	(29,123,957)	(27,824,104)	(28,777,811)	(27,119,089)	(26,813,949)	(24,973,223)	(22,857,180)
Business-Type Activities:										
Food Service	(187,834)	(395,422)	(204,426)	(215,153)	(203,052)	(206,214)	(200,872)	(189,913)	(123,954)	(9,139)
Enterprise Fund	(20,252)	(31,204)	-	(1,042)	(2,015)			(3,696)	(15,858)	(79,715)
Total Business-Type Activities Expense	(208,086)	(426,626)	(204,426)	(216,195)	(205,067)	(206,214)	(200,872)	(193,609)	(139,812)	(88,854)
Total District Expenses	\$ (32,204,004)	\$ (31,055,485)	\$ (30,964,899)	\$ (29,340,152)	\$ (28,029,171)	\$ (28,984,025)	\$ (27,319,961)	\$ (27,007,558)	\$ (25,113,035)	\$ (22,946,034)
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 4,561,218	\$ 1,252,071	\$ 1,223,049	\$ 1,026,990	\$ 1,318,420	\$ 1,397,276	\$ 1,022,482	\$ 986,682	\$ 919,213	\$ 925,498
Total Governmental Activities Program Revenues	4,561,218	1,252,071	1,223,049	1,026,990	1,318,420	1,397,276	1,022,482	986,682	919,213	925,498
Business-Type Activities:										
Charges for Services and Operating Grants & Contributions:										
Food Service	200,086	350,941	232,801	227,405	204,410	213,988	200,880	194,597	125,018	8,960
Enterprise Fund	23,789	8,872	5,000	19,470	12,543	-	-	50	30,570	28,259

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Business Type Activities Program Revenues	223,875	359,813	237,801	246,875	216,953	213,988	200,880	194,647	155,588	37,219
Total District Program Revenues	\$ 4,785,093	\$ 1,611,884	\$ 1,460,850	\$ 1,273,865	\$ 1,535,373	\$ 1,611,264	\$ 1,223,362	\$ 1,181,329	\$ 1,074,801	\$ 962,717
Net/(Expense)/Revenue: Governmental Activities Business-Type Activities	\$ (27,434,700) 15,789	\$ (29,376,788) (66,813)	\$ (29,537,424) 33,375	\$ (28,096,967) 30,680	\$ (26,505,684) 11,886	\$ (27,380,535) 7,774	\$ (26,096,607) 8	\$ (25,827,267) 1,038	\$ (24,054,010) 15,776	\$ (21,931,682) (51,635)
Total District-Wide Net Expense	\$ (27,418,911)	\$ (29,443,601)	\$ (29,504,049)	\$ (28,066,287)	\$ (26,493,798)	\$ (27,372,761)	\$ (26,096,599)	\$ (25,826,229)	\$ (24,038,234)	\$ (21,983,317)
General Revenues & Other Changes in Net Position: Governmental Activities:										
County Appropriation	\$ 17,682,495	\$ 17,547,596	\$ 17,364,646	\$ 17,364,646	\$ 17,364,646	\$ 17,364,646	\$ 16,777,436	\$ 15,651,381	\$ 14,228,528	\$ 13,247,618
County Appropriation- Capital Project	-	-	-	-	-	-	-	18,983	-	-
Unrestricted Grants & Contributions	5,306,864	7,475,791	7,634,557	7,207,560	6,209,785	7,361,438	6,881,334	7,811,845	7,672,270	6,856,761
Tuition	2,850,196	2,735,385	2,155,175	2,263,407	1,951,231	1,657,083	1,316,804	1,196,693	1,094,074	909,035
Miscellaneous Income	1,120,198	739,010	953,527	628,737	705,803	683,324	697,993	874,289	1,014,564	1,344,891
Transfers	-	-	-	16,244	-	-	-	-	-	-
Total Governmental Activities	26,959,753	28,497,782	28,107,905	27,480,594	26,231,465	27,066,491	25,673,567	25,553,191	24,009,436	22,358,305
Business-Type Activities: Transfers	-	-	(16,244)	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	(16,244)	-	-	-	-	-	-	-
Total District-Wide	\$ 26,959,753	\$ 28,497,782	\$ 28,107,905	\$ 27,480,594	\$ 26,231,465	\$ 27,066,491	\$ 25,673,567	\$ 25,553,191	\$ 24,009,436	\$ 22,358,305
Change in Net Position: Governmental Activities Business-Type Activities	\$ (474,947) 15,789	\$ (879,006) (66,813)	\$ (1,429,519) 33,375	\$ (1,429,519) 17,131	\$ (616,373) 30,680	\$ (274,219) 11,886	\$ (314,044) 7,774	\$ (423,040) 8	\$ (274,076) 1,038	\$ (44,574) 15,776
Total District	\$ (459,158)	\$ (945,819)	\$ (1,396,144)	\$ (1,412,388)	\$ (585,693)	\$ (262,333)	\$ (306,270)	\$ (423,032)	\$ (273,038)	\$ (28,798)

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30.										
General Fund										
Reserved	\$ 631,206	\$ 386,186	\$ 782,816	\$ 2,553,153	\$ 2,026,811	\$ 743,057	\$ 1,674,325	\$ 1,416,913	\$ 1,340,025	\$ 1,653,636
Committed	733,995	474,273	220,203	-	-	-	-	-	-	-
Assigned	469,867	690,872	1,022,118	-	-	-	-	-	-	-
Unreserved	1,022,844	1,065,235	728,906	926,567	921,087	1,334,187	847,158	1,024,341	1,027,322	926,917
Total General Fund	\$ 2,857,912	\$ 2,616,566	\$ 2,754,043	\$ 3,479,720	\$ 2,947,898	\$ 2,077,244	\$ 2,521,483	\$ 2,441,254	\$ 2,367,347	\$ 2,580,553
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,007	\$ 1,149,976	\$ 1,582,440
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	(1,626)	(1,626)	(1,626)
Capital Projects Fund	4,228	-	-	-	-	-	-	5,202	-	1,398,227
Total All Other Governmental Funds	\$ 4,228	\$ -	\$ 346,583	\$ 1,148,350	\$ 2,979,041					

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
County Appropriation	\$ 17,682,495	\$ 17,547,596	\$ 17,364,646	\$ 17,364,646	\$ 17,364,646	\$ 17,364,646	\$ 16,777,436	\$ 15,670,364	\$ 14,228,528	\$ 13,247,618
Tuition Charges	2,850,196	2,735,385	2,155,175	2,263,407	1,951,231	1,657,083	1,316,804	1,196,693	1,094,074	909,035
Interest Earnings	-	-	-	3,149	6,060	7,978	41,726	205,283	340,435	315,028
Miscellaneous	1,120,198	739,010	953,527	625,588	699,743	675,346	656,267	669,006	674,129	7,173,839
State Sources	8,122,551	7,728,201	7,924,367	7,252,074	6,593,729	7,260,420	7,293,959	8,179,000	7,913,031	7,173,839
Federal Sources	991,005	999,661	919,811	982,476	934,476	1,498,294	603,857	619,527	678,452	608,420
Total Revenue	30,766,445	29,749,853	29,317,526	28,491,340	27,549,885	28,463,767	26,696,049	26,539,873	24,928,649	23,283,803
Expenditures:										
Instruction:										
Regular Instruction	3,046,659	2,946,244	2,827,260	2,627,618	2,590,278	2,713,141	2,663,650	2,381,141	2,127,538	1,789,546
Special Education Instruction	1,266,602	1,328,327	1,439,906	1,375,274	1,356,206	1,525,494	1,472,442	1,266,441	1,200,688	1,169,431
Other Special Instruction	226,796	211,045	254,109	188,680	171,451	206,896	190,380	211,993	185,773	141,818
Vocational Education	5,969,783	5,723,492	5,577,705	5,447,967	5,355,192	5,809,188	5,091,878	4,860,667	4,636,374	4,523,274
Support Services:										
Student & Instruction Related Services	2,102,344	938,864	921,717	716,255	722,290	774,732	714,968	702,086	724,475	731,683
School Administrative Services	1,718,525	1,696,007	1,647,699	1,604,942	1,562,722	1,989,968	1,876,217	1,961,556	1,936,714	1,768,336
General & Business Administration Services	1,729,444	2,006,878	2,093,207	1,872,405	1,811,286	1,605,576	1,627,972	1,523,444	1,502,387	1,284,371
Plant Operations & Maintenance	2,327,997	2,459,236	2,886,239	2,986,232	2,649,219	2,736,206	2,955,482	2,296,575	2,062,181	1,680,400
Pupil Transportation	227,015	203,878	217,048	217,739	247,656	276,162	249,708	187,089	189,943	159,108
Other Support Services	5,628,896	6,206,266	6,362,329	5,513,596	5,224,209	5,048,180	4,653,209	5,382,008	5,276,122	4,397,315
Special Schools	5,532,317	5,545,655	5,152,877	4,827,816	4,640,294	4,853,142	4,491,531	4,533,579	4,378,610	4,197,593
Capital Outlay	748,721	621,438	676,535	597,238	348,428	1,369,321	974,966	1,961,154	2,751,741	9,432,784
Total Expenditures	30,525,099	29,887,330	30,056,631	27,975,762	26,679,231	28,908,006	26,962,403	27,267,733	26,972,546	31,275,659
Excess (Deficiency) of Revenues Over/(Under) Expenditures	241,346	(137,477)	(739,105)	515,578	870,654	(444,239)	(266,354)	(727,860)	(2,043,897)	(7,991,856)
Other Financing Sources/(Uses):										
Transfers In	-	-	16,244	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	16,244	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ 241,346	\$ (137,477)	\$ (722,861)	\$ 515,578	\$ 870,654	\$ (444,239)	\$ (266,354)	\$ (727,860)	\$ (2,043,897)	\$ (7,991,856)

Source: District records
Note: Noncapital expenditures are total expenditures less capital outlay.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TOTAL
2015	\$ -	\$ 578,028	\$ 578,028
2014	-	159,618	159,618
2013	-	361,866	361,866
2012	3,149	183,624	186,773
2011	6,060	245,610	251,670
2010	7,978	191,553	199,531
2009	41,726	219,714	261,440
2008	205,283	202,268	407,551
2007	340,435	209,255	549,690
2006	315,028	385,761	700,789

Source: District records

EXHIBITS 6 THROUGH 13 ARE NOT APPLICABLE

Demographic and Economic Information

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

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PER CAPITA	
		PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2015	N/A	N/A	N/A
2014	586,301	N/A	7.2%
2013	583,412	43,214	8.5%
2012	580,709	43,016	10.3%
2011	578,990	42,121	10.0%
2010	577,651	40,689	10.1%
2009	573,678	40,612	9.7%
2008	569,662	41,347	6.0%
2007	565,525	40,368	4.5%
2006	561,748	38,094	5.0%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Per Capita Provided by the NJ Dept of Labor and Workforce Development

^c Unemployment data provided by the NJ Dept of Labor and Workforce Development

EXHIBIT J-15 NOT APPLICABLE

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Operating Information

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

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Vocational	130	133	134	131	131	132	130	120	126	119
Support Services:										
Student & Instruction Related										
Services	21	22	22	22	21	23	23	26	23	25
School Administrative Services	36	35	35	35	34	36	36	36	35	35
General & Business Administrative										
Services	4	4	4	4	4	5	5	5	5	5
Plant Operations & Maintenance	22	25	23	21	22	27	25	28	27	24
Business & Other Support Services	18	18	18	18	17	18	18	16	16	16
Total	231	237	236	231	229	241	237	231	232	224

Source: District Personnel Records

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	STAFF (b)	TEACHING HIGH SCHOOL	PUPIL/TEACHER RATIO SENIOR	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	2,072	\$ 29,776,378	\$ 14,371	-0.81%	13	13	13	1,321	1,249	1%	94.55%
2014	2,020	29,265,892	14,488	-13.21%	13	13	13	1,311	1,246	-23%	95.04%
2013	1,760	29,380,096	16,693	6.58%	13	13	13	1,666	1,544	0.26%	92.68%
2012	1,748	27,378,524	15,663	1.24%	13	13	13	1,662	1,565	9.59%	94.16%
2011	1,702	26,330,803	15,471	-2.08%	13	13	13	1,525	1,428	-5.28%	93.64%
2010	1,743	27,538,685	15,800	-1.57%	13	13	13	1,604	1,496	6.91%	93.27%
2009	1,619	25,987,436	16,052	-2.13%	14	14	14	1,507	1,404	4.13%	93.17%
2008	1,543	25,306,579	16,401	6.04%	13	13	13	1,451	1,356	4.23%	93.45%
2007	1,566	24,220,805	15,467	5.22%	14	14	14	1,396	1,301	-2.05%	93.19%
2006	1,423	20,917,377	14,699	16.53%	14	14	14	1,423	1,315	-15.59%	92.41%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEAR

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
High School:										
Brick Center (1972):										
Square Feet	85,870	85,870	85,870	85,870	85,870	85,870	85,870	85,870	85,870	85,870
Capacity (Students)	894	894	894	894	894	894	894	894	894	894
Enrollment	792	877	794	833	804	807	795	788	766	795
Jackson Center (1974):										
Square Feet	51,300	51,300	51,300	51,300	51,300	51,300	51,300	51,300	51,300	51,300
Capacity (Students)	454	454	454	454	454	454	454	454	454	454
Enrollment	345	355	366	348	358	339	366	281	279	295
Toms River Center (1975):										
Square Feet	56,725	56,725	56,725	56,725	56,725	56,725	56,725	56,725	56,725	56,725
Capacity (Students)	554	554	554	554	554	554	554	554	554	554
Enrollment	888	712	579	599	574	596	526	549	593	452
Waretown (1974):										
Square Feet	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Capacity (Students)	260	260	260	260	260	260	260	260	260	260
Enrollment	258	303	276	256	229	278	261	202	230	246
NLC (1994):										
Square Feet	61,506	61,506	61,506	61,506	61,506	61,506	61,506	61,506	61,506	61,506
Capacity (Students)	340	340	340	340	340	340	340	340	340	340
Enrollment	319	337	316	298	293	321	279	275	235	384
MATES (2006):										
Square Feet - 51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598
Capacity (Students)	250	250	250	250	250	250	250	250	250	250
Enrollment	274	266	266	249	232	220	227	205	183	-
Cuisine on the Green (2013):										
Square Feet - 4,200	4,200									
Capacity (Students)	18									
Enrollment	27									

Number of Schools at June 30, 2015:

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

SCHOOL FACILITIES	PROJECT #	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Brick Center	Required Maintenance	\$ 94,169	\$ 143,145	\$ 176,216	\$ 178,991	\$ 138,190	\$ 137,560	\$ 174,708	\$ 119,474	\$ 56,569	\$ 49,216
Jackson Center	Required Maintenance	57,786	87,839	108,132	109,836	84,798	84,412	107,207	73,314	19,864	30,194
Toms River Center	Required Maintenance	62,066	94,345	116,142	117,972	91,080	90,665	115,148	78,745	56,159	32,435
Ocean Center (Waretown)	Required Maintenance	25,683	39,039	48,059	48,816	37,688	37,516	47,648	32,584	9,285	13,419
Navy Lakehurst Center	Required Maintenance	56,376	85,696	105,495	107,157	82,730	82,353	104,592	71,526	52,403	20,524
Administration Building	Required Maintenance	6,292	9,565	11,775	11,960	9,234	9,192	11,674	7,983	23,606	3,289
Building 33-NAES	Required Maintenance	-	8,576	10,557	10,723	8,278	8,242	10,467	7,158	5,401	2,950
Building 487A-NAES	Required Maintenance	-	-	-	-	-	-	-	-	10,505	6,260
Student Services Center	Required Maintenance	3,210	4,880	6,007	6,102	4,711	4,690	5,956	4,073	1,445	1,679
Wet Lab/Bus Depot	Required Maintenance	-	-	-	-	-	-	-	-	-	448
MATES	Required Maintenance	55,215	83,932	103,323	104,950	81,027	80,657	102,438	70,053	38,224	-
Total		\$ 360,797	\$ 557,017	\$ 685,706	\$ 696,507	\$ 537,736	\$ 535,287	\$ 679,838	\$ 464,910	\$ 273,461	\$ 160,414

* 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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
School Package Policy (1):		
Building & Contents (All Locations)	\$ 78,282,059	\$ 5,000
Boiler & Machinery	100,000,000	5,000
Employee Dishonesty	250,000	1,000
General Automobile Liability	16,000,000	-
School Board Legal Liability	16,000,000	5,000
Employers Liability	16,000,000	
Professional Liability	16,000,000	
EDP	3,000,000	1,000
Pollution Liability	1,000,000	25,000
Workers' Compensation (1)	2,000,000	
Compulsory Student Accident Insurance (2)	5,000,000	
Volunteer Accident Coverage (3)	500,000	
Surety Bonds (4)		
Treasurer	250,000	N/A
Board Secretary	100,000	N/A
Boat Policy (5)		
Hull & Machinery	99,000	1,000
Protection & Indemnity	1,000,000	1,000
(1)	NJSIG	
(2)	National Union Fire Insurance Company of Pittsburgh, PA	
(3)	QBE Insurance Co.	
(4)	Hanoover Insurance Company	
(5)	Atlantic Specialty Insurance Co.	

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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
Ocean County Vocational-Technical School District
County of Ocean
Toms River, New Jersey 08753

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Ocean County Vocational-Technical School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Ocean County Vocational-Technical School District's basic financial statements, and have issued our report thereon dated December 03, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of 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 Ocean County Vocational-Technical School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Frank B. Holman, III.
Certified Public Accountant
Public School Accountant, No. 783

Toms River, New Jersey
December 3, 2015

EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR(S) 04-04 AND/OR 15-08**

Honorable President and Members
of the Board of Education
Ocean County Vocational-Technical School District
County of Ocean
Toms River, New Jersey 08753

Report on Compliance for Each Major Federal and State Program

We have audited Ocean County Vocational-Technical School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2015. Ocean County Vocational-Technical School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with 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 Ocean County Vocational-Technical School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 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 or state program occurred. An audit includes examining, on a test basis, evidence about Ocean County Vocational-Technical School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Ocean County Vocational-Technical School District's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, Ocean County Vocational-Technical School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Ocean County Vocational-Technical School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Ocean County Vocational-Technical School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 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 Ocean County Vocational-Technical School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of

OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Frank B. Holman, III.
Certified Public Accountant
Public School Accountant, No. 783

Toms River, New Jersey
December 3, 2015

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OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	JUNE 30, 2015	
							(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:								
National School Lunch Program	10.555	10,692	7/1/13-6/30/14	\$ (864)	\$ 864	\$ -	\$ -	\$ -
National School Lunch Program	10.555	9,709	7/1/14-6/30/15	-	9,100	(9,709)	(609)	-
National Performance Based Lunch	10.555	665	7/1/13-6/30/14	(53)	53	-	-	-
National Performance Based Lunch	10.555	685	7/1/14-6/30/15	-	643	(685)	(42)	-
Total U.S. Department of Agriculture				(917)	10,660	(10,394)	(651)	-
Special Revenue Fund:								
No Child Left Behind:								
Title I	84.010A	190,681	9/1/14-8/31/15	-	190,681	(190,681)	-	-
Title II-A	84.367	22,427	9/1/14-8/31/15	-	22,427	(22,427)	-	-
Vocational Education:								
Perkins Grant - Secondary	84.048A	480,433	7/1/13-6/30/14	(46,651)	46,651	-	-	-
Perkins Grant - Secondary	84.048A	432,483	7/1/14-6/30/15	-	432,483	(432,483)	-	-
Perkins Grant - Secondary Reserve	84.048A	65,071	7/1/13-6/30/14	(28,844)	28,844	-	-	-
Perkins Grant - Secondary Reserve	84.048A	61,193	7/1/14-6/30/15	-	61,193	(61,193)	-	-
IDEA, Part B	84.027	175,050	9/1/13-8/31/14	(28,463)	28,463	-	-	-
IDEA, Part B	84.027	284,221	9/1/14-8/31/15	-	284,221	(284,221)	-	-
Total Special Revenue Fund				(103,958)	1,094,963	(991,005)	-	-
Fiduciary Fund:								
Pell Grant	84.063	1,449,420	7/1/14-6/30/15	146	1,449,420	(1,449,472)	94	-
Total Fiduciary Fund				146	1,449,420	(1,449,472)	94	-
Total U.S. Department of Education				(103,812)	2,544,383	(2,440,477)	94	-
Total Federal Financial Assistance				\$ (104,729)	\$ 2,555,043	\$ (2,450,871)	\$ (557)	\$ -

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	DUE TO GRANTOR	JUNE 30, 2015		MEMO CUMULATIVE TOTAL
								UNEARNED REVENUE/ (ACCOUNTS RECEIVABLE)	BUDGETARY RECEIVABLE EXPENDITURES	
State Department of Education:										
General Fund:										
Categorical Special Education Aid	15-495-034-5120-089	\$708,060	7/1/14-6/30/15	\$ -	\$ 708,060	\$ (708,060)	\$ -	\$ -	\$ (70,806)	\$ 708,060
Equalization Aid	15-495-034-5120-078	2,014,757	7/1/14-6/30/15	-	2,014,757	(2,014,757)	-	-	(201,476)	2,014,757
Categorical Security Aid	15-495-034-5120-084	134,823	7/1/14-6/30/15	-	134,823	(134,823)	-	-	(13,482)	134,823
Adjustment Aid	15-495-034-5120-085	2,686,465	7/1/14-6/30/15	-	2,686,465	(2,686,465)	-	-	(263,646)	2,686,465
PARCC Readiness Aid	15-495-034-5120-098	13,780	7/1/14-6/30/15	-	13,780	(13,780)	-	-	(1,378)	13,780
Per Pupil Growth Aid	15-495-034-5120-097	13,780	7/1/14-6/30/15	-	13,780	(13,780)	-	-	(1,378)	13,780
On-Behalf TPAF Pension Contribution (Non-Budgeted)	15-495-034-5095-001	587,116	7/1/13-6/30/14	-	587,116	(587,116)	-	-	-	587,116
On-Behalf TPAF Post-Retirement Medical (Non-Budgeted)	15-495-034-5095-001	932,048	7/1/13-6/30/14	-	932,048	(932,048)	-	-	-	932,048
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	14-495-034-5095-002	830,867	7/1/13-6/30/14	(40,184)	40,184	-	-	-	-	-
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	15-495-034-5095-002	812,947	7/1/14-6/30/15	-	773,496	(812,947)	-	(39,451)	-	812,947
Total General Fund				(40,184)	7,904,509	(7,903,776)	-	(39,451)	(552,166)	7,903,776
Special Revenue Fund:										
Apprentice Coordinator Grant	WDP 01-14-0115	20,000	7/1/13-6/30/14	(5,000)	5,000	-	-	-	-	-
Apprentice Coordinator Grant (CAC)	WDP 01-15-0115	22,000	7/1/14-6/30/15	-	16,500	(22,000)	-	(5,500)	-	22,000
Apprentice Coordinator Grant (NJ Build)	WDP 01-15-0115	2,500	7/1/14-6/30/15	-	1,875	(2,500)	-	(625)	-	2,500
Perkins Grant - Post Secondary	14-100-034-5062-032	134,748	7/1/13-6/30/14	(3,912)	3,912	-	-	-	-	-
Perkins Grant - Post Secondary	15-100-034-5062-032	137,909	7/1/14-6/30/15	-	137,909	(137,909)	-	-	-	137,909
CASE Grant	15-100-010-3330-019	7,498	7/1/14-6/30/15	-	7,498	(7,498)	-	-	-	7,498
Total Special Revenue Fund				(8,912)	172,694	(169,907)	-	(6,125)	-	169,907
Capital Projects Fund:										
School Development Authority- Brick Center Security	G5-6121	43,273	Open	-	-	(10,724)	-	(10,724)	-	10,724
Marine Science Academy Security	G5-6149	23,665	Open	-	-	(3,359)	-	(3,359)	-	3,359
Toms River Center Security	G5-6122	35,159	Open	-	-	(12,741)	-	(12,741)	-	12,741
Ocean Center Windows	G5-6148	24,800	Open	-	-	(24,800)	-	(24,800)	-	24,800
Total Capital Projects Fund				-	-	(51,624)	-	(51,624)	-	51,624
State Department of Agriculture:										
Enterprise Fund:										
National School Lunch Program (State Share)	14-100-010-3350-023	544	7/1/13-6/30/14	(67)	67	-	-	-	-	-
National School Lunch Program (State Share)	15-100-010-3350-023	496	7/1/14-6/30/15	-	465	(496)	-	(31)	-	496
Total Enterprise Fund				(67)	532	(496)	-	(31)	-	496
Total State Financial Assistance				\$ (49,163)	\$ 8,077,735	\$ (8,125,803)	\$ -	\$ (97,231)	\$ (552,166)	\$ 8,125,803
Less: Awards Not Subject to New Jersey OMB Circular(s) 04-04 and/or 15-08:										
On-Behalf TPAF Pension Contribution						587,116				
On-Behalf TPAF Post-Retirement Medical						932,048				
Total State Financial Assistance Subject to New Jersey OMB Circular(s) 04-04 and/or 15-08						\$ (6,606,639)				

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015****Note 1. General**

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

Note 3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance related legal compliance 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:22-4.2*.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3. Relationship to Basic Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,756 for the General Fund and \$0 for the Special Revenue Fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	\$ -	\$ 7,901,020	\$ 7,901,020
Special Revenue Fund	991,005	169,907	1,160,912
Capital Projects Fund	-	51,624	51,624
Enterprise Fund	10,394	496	10,890
Fiduciary Fund	1,449,472	-	1,449,472
Total Financial Assistance	<u>\$ 2,450,871</u>	<u>\$ 8,123,047</u>	<u>\$ 10,573,918</u>

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.

5. Other

The amounts reported as TPAF Pension and Post-Retirement Medical Contributions represent the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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, 2015.

6. Federal and State Loans Outstanding

Ocean County Vocational-Technical School District had no loan balances outstanding at June 30, 2015.

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial statements noted?	None Reported

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with .510(a) of Circular A-133?	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.063	Pell Grant
84.048A	Federal Perkins Loan

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results (continued)

State Financial Assistance

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular(s) 04-04 and/or 15-08	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
15-495-034-5120-089	Categorical Special Education Aid
15-495-034-5120-078	Equalization Aid
15-495-034-5120-084	Categorical Security Aid
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5095-002	Reimbursed TPAF Social Security

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 or New Jersey OMB's Circular(s) 04-04 and/or 15-08.

No Current Year Findings

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, USOMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular(s) 04-04 and/or 15-08.

No Prior Audit Findings