

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

Mays Landing, New Jersey
County of Atlantic

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

MAYS LANDING, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

Business Office –Lisa Mooney, Business Administrator/Board Secretary

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INTRODUCTORY SECTION

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT



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November 08, 2016

Honorable President and
Members of the Board of Education
Atlantic County Vocational School District
Mays Landing, New Jersey

Dear Board Members and Constituents
of Atlantic County Vocational School District:

The comprehensive annual financial report of the Atlantic County Vocational School District (District) for the fiscal year ended June 30, 2016, 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. 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, required supplemental information, and other supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200 "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and New Jersey State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The District is a component unit of the County of Atlantic within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Board of Education of the Special Services School District and the Vocational School District of the County of Atlantic, a component unit of the County of Atlantic, constitutes the District's reporting entity.

The District operates a comprehensive career and technical high school for students from twenty three municipalities in Atlantic County. Additionally, post-secondary students are served in both day and evening classes, on a tuition basis.

ECONOMIC CONDITION AND OUTLOOK: The economic forecast for the Atlantic County Institute of Technology has been positive due to the growth of the full time academy programs. The district had its largest freshman class enroll for the 2016-2017 school year and has reached capacity for enrollment with over 1500 students. Applications continue to exceed available space at ACIT with over 1000 applications submitted for the freshman class in 2016. The closing of the Trump Taj Mahal casino scheduled for the fall of 2016 will negatively impact the Atlantic County economy with over 8,000 residents unemployed as a result of this and prior casino closings. The new Gateway Project in Atlantic City is scheduled to begin in the fall of 2016 and is expected to bring economic growth to the area. The Gateway Project includes a Stockton University satellite campus, dorms and a parking garage. South Jersey Energy is also relocating its corporate offices to the Gateway Project. The third phase of development at the Walk in Atlantic City was completed with the opening of the Bass Pro Shop. The county's unemployment rate has dropped but the decline is largely a result of resident's relocating to other areas. Housing foreclosure rates continue to exceed national averages.

MAJOR INITIATIVES: The Atlantic County Vocational School District provides the most comprehensive technical education facilities in Atlantic County. The Atlantic County Institute of Technology (ACIT) is the school of choice for a diverse student body of over 1500 full time students from all over Atlantic County. ACIT offers nine Academy Programs and six Career Major Programs in a state-of-the-art facility that was recently renovated and expanded. Through these programs, students have the opportunity to complete an array of academic and career and technical courses to earn both a high school diploma and a technical certification. In 2016, ACIT added a new program, the Academy of Aviation Studies, which is a partnership with Atlantic Cape Community College and is funded in part through a New Jersey Department of Education grant. This new program which is housed on the Atlantic Cape campus will provide students with the opportunity to complete their high school diploma and Associate's Degree in Aviation. The success of the academic and career and technical programs at ACIT has been recognized with a National Blue Ribbon School designation, and by US News & World Report "America's Best High Schools," as a Bronze Level School.

In 2012, ACIT was completely transformed into a modern technical high school with the completion of a \$40 million addition and renovation project that included over 85,000 square feet of new construction and major renovations to over 125,000 square feet of the existing facility to provide the educational spaces to accommodate full time high school students. The project included a new library media center, gymnasium, general purpose classrooms, science and technology labs, a TV/Video production studio, a Performing Arts Center, and a restaurant which is operated by culinary students. A multipurpose athletic field was also constructed to support physical education and interscholastic JV and Varsity athletics. The technology infrastructure was upgraded to support the operational and educational needs of the district with wireless internet installed throughout the entire facility and interactive whiteboard technology provided in each instructional area.

As enrollment at ACIT has continued to increase, major renovations have been completed at the ACIT Annex, which has been renamed the South Wing, to transform the facility into a freshman building to accommodate approximately 460 students in the Class of 2020. This project which cost approximately \$700,000.00 has transformed the South Wing into a state-of-the-art facility with new labs being created for Physics, Engineering, Biology, Information Technology, and Health Sciences. A new main entrance and security vestibule were constructed, and new locker rooms were added. The video surveillance system and the technology infrastructure were completely updated.

As a comprehensive career technical high, ACIT continues to provide each student with the opportunity to reach his or her potential to become a productive and successful member of the community. This is accomplished by offering students an innovative curriculum that combines academic instruction, career technical education, internships, and structured work experiences designed to bridge the gap between classroom learning and workplace skills. Honors, Advanced Placement and Dual Credit Courses in English, history, the sciences, and math also are offered along with specialized instruction focusing on project-based learning. The academic curriculum is contextual, challenging and enhanced by the extensive use of

instructional technology by our faculty and students. All classrooms and technical lab areas are equipped with state-of-the art technology reflecting the current trends in each career area as well as advanced instructional technology including interactive whiteboards and wireless internet. The second phase of the Chromebook 1:1 program was completed this fall with every freshman and junior receiving a device so that 21st century learning activities can continue seamlessly from the classroom into the home.

The district also operates the Atlantic County Alternative High School (ACAHS) which is now located at the Atlantic County Special Services School. The ACAHS offers a supportive and non-traditional program for approximately 100 at-risk students from across Atlantic County. The curriculum is designed to meet individual student needs and learning styles through a personalized, problem- based, and blended learning instructional model.

In addition to the high school programs, ACIT provides post-secondary education for the adult learner with a full-time Practical Nursing Program and an Adult Evening School with approximately 500 adult students enrolled in both full and part-time career and technical programs

With our new and improved facility, we are able to provide students who attend ACIT with an exceptional academic and technical education as well as the opportunity to participate in athletics, music, and performing arts. These activities along with our existing co-curricular clubs and service organizations will continue to encourage student involvement, enhance school spirit, and provide an atmosphere for excellence.

At the Atlantic County Institute of Technology, our goal is to prepare students who are college and career ready as well as to provide the region's employers with skilled employees needed to make their businesses and organizations successful. We are proud of our success in meeting these goals.

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 the District management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control 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 Estimates. Annual appropriated budgets are adopted for the general fund and the special revenue 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

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

7) DEBT ADMINISTRATION: In accordance with the statutes governing Type I School Districts, the bonded debt is assumed by the County of Atlantic, New Jersey, and provision for amortization of principal and interest on the outstanding debt is included in the county budget.

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 1(J) and 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. New Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 1(J), Notes to the Financial Statements.

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.

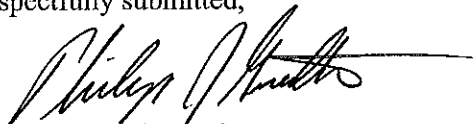
10) OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of the Holman Frenia Allison, PC. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and the New Jersey OMB Circular 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Board of Education of the Special Services School District and the Vocational School District of the County of Atlantic 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,

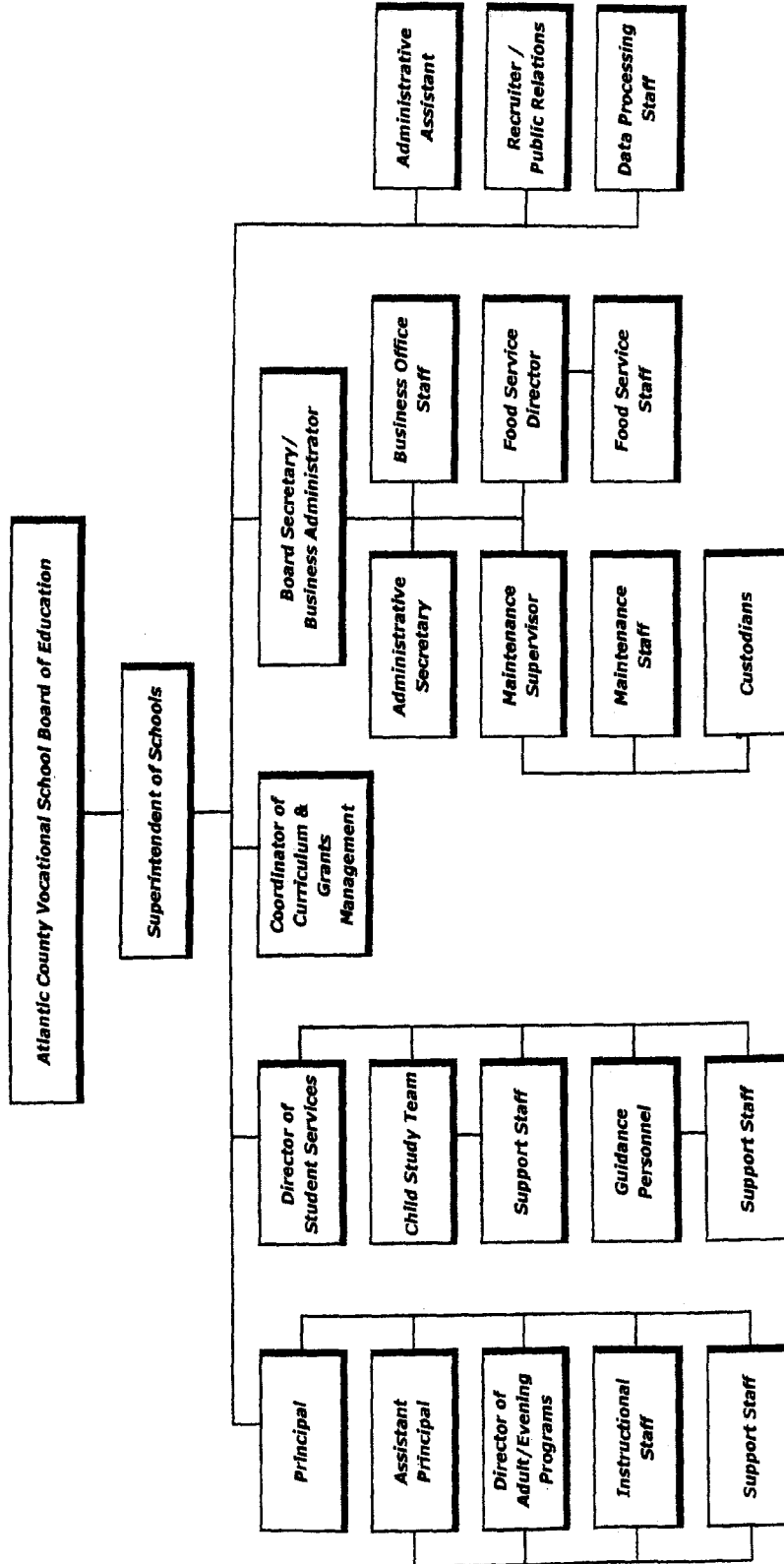


Philip J. Guenther, Ed.D.
Superintendent



Lisa Mooney, CPA
Business Administrator/Board Secretary

Atlantic County Vocational School District Organizational Chart



ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

**5080 Atlantic Avenue
Mays Landing, New Jersey 08330**

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Philip Munafo, President	2017
Augustus Harmon, Vice President	2019
Marilyn Gallagher	2019
Dr. Norman Hirschfeld	2018
Mark W. Ludwick	2017
Joseph F. Zondlo	2018
Ann "Sally" Williams	Ex-Officio
Dr. Richard Stepura, Executive County Superintendent	Ex-Officio

OTHER OFFICIALS

Philip J. Guenther, Ed. D., Superintendent

Lisa Mooney, CPA, Business Administrator/Board Secretary

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

**5080 Atlantic Avenue
Mays Landing, New Jersey 08330**

CONSULTANTS AND ADVISORS

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AUDIT FIRM

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OFFICIAL DEPOSITORY

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Mays Landing, New Jersey 08330

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
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David Miller
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Brigantine Towne Center
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Brigantine, New Jersey 08203

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Atlantic County Vocational School District
County of Atlantic
Mays Landing, New Jersey 08330

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 Atlantic County Vocational School District, County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2016, 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 Atlantic County Vocational School District, County of Atlantic, State of New Jersey, as of June 30, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions, 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 Atlantic County Vocational School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and 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 Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 08, 2016 on our consideration of the Atlantic County Vocational 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 Atlantic County Vocational School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Toms River, New Jersey
November 08, 2016

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the Atlantic County Vocational School District's (a component unit of the County of Atlantic) ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District decreased \$1,025,851 due to an excess of expenditures over revenues.
- The State of New Jersey reimbursed the District \$619,571 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed \$1,162,516 for TPAF pension and post-retirement medical contributions on-behalf of the district. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- During the fiscal year ended June 30, 2016, the District's governmental activities total expenditures exceeded total revenues by \$515,232. During the prior fiscal year, expenditures exceeded revenues by \$185,813.
- In the District's business-type activities, net position increased \$37,055.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
 - *Governmental fund* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the District operates like businesses, such as the food service area.
 - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

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

**Major Features of Atlantic County Vocational School District’s
Government-Wide and Fund Financial Statements
(Figure A-1)**

	Government- Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District except fiduciary funds.	The activities of the District that are not proprietary or fiduciary, such as food service and student activities.	Activities the District operates similar to private businesses such as food service and transportation enterprise.	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenses and Changes in Fund Balance	Statement of Net Position Statement of Activities Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of Asset and Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that will come due during the current year or soon thereafter; no capital assets or debt are included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of Inflow/Outflow Information	All revenues and expenses during the current year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the current year, regardless of when cash is received or paid.	All revenues and expenses during the current year, regardless of when cash is received or paid.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

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

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, vocational education, administration, and plant operations. County appropriations and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service, student-operated café and personal aide funds are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's governmental activities net position decreased between fiscal years 2016 and 2015 as a result of expenditures exceeding revenues. The expanded high school opened to students for the 2013 fiscal year which significantly increased the number of students attending the academy programs. Also, the State of New Jersey continues to defer the final two state aid payments to the subsequent year which has an effect on the revenue realized by the District. The business-type activities net position decreased due to an adjustment to fixed assets.

	Net Position					
	June 30, 2016			June 30, 2015		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Current and other assets	\$ 5,677,912	\$ 260,871	\$ 5,938,783	\$ 5,239,906	\$ 233,076	\$ 5,472,982
Capital assets, net	47,180,448	104,440	47,284,888	48,284,262	77,561	48,361,823
Total assets	<u>52,858,360</u>	<u>365,311</u>	<u>53,223,671</u>	<u>53,524,168</u>	<u>310,637</u>	<u>53,834,805</u>
Deferred outflow of resources	2,232,077	-	2,232,077	1,259,419	-	1,259,419
Long-term liabilities	8,840,521	-	8,840,521	6,844,360	-	6,844,360
Other liabilities	214,198	35,300	249,498	604,263	17,681	621,944
Total liabilities	<u>9,054,719</u>	<u>35,300</u>	<u>9,090,019</u>	<u>7,448,623</u>	<u>17,681</u>	<u>7,466,304</u>
Deferred inflow of resources	131,332	-	131,332	367,672	-	367,672
Invested in capital assets, net	47,180,448	104,440	47,284,888	48,284,262	77,561	48,361,823
Restricted	3,893,865	-	3,893,865	4,093,343	-	4,093,343
Unrestricted	(5,169,927)	225,571	(4,944,356)	(5,410,313)	215,395	(5,194,918)
	<u>\$ 45,904,386</u>	<u>\$ 330,011</u>	<u>\$ 46,234,397</u>	<u>\$ 46,967,292</u>	<u>\$ 292,956</u>	<u>\$ 47,260,248</u>

As required by New Jersey Statutes, the unrestricted net position, on the budgetary basis of accounting, of the District are not permitted to exceed 6% of total general fund expenditures, after reductions for On-Behalf TPAF pension and post-retirement and social security and assets acquired under capital leases. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2016, the District had excess surplus in the amount of \$1,702,301.

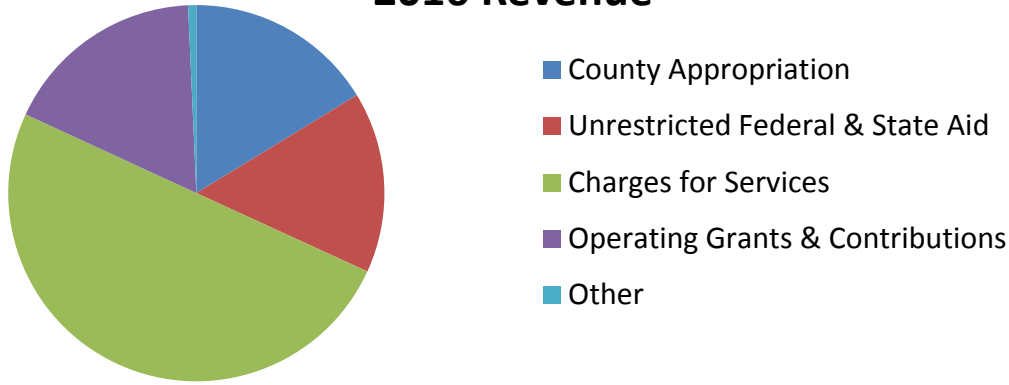
Changes in net position. The total revenue of the District increased \$1,693,416 due to an increase charges for services and operating grants & contributions related to pension payments made by the State of New Jersey on-behalf of the District.

Approximately 50.05% of the District's revenue comes from charges for services. The County of Atlantic levies property taxes on properties located in the County. This tax is collected by the various municipalities and remitted to the County on a quarterly basis. A portion of this tax levy is appropriated in the County's annual budget and remitted to the District on a monthly basis. The District expenses are primarily related to instruction, administration, and plant operations.

2016 Revenue

	2016		2015	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
County Appropriation	\$ 4,019,431	16.27%	\$ 4,019,431	17.47%
Unrestricted Federal & State Aid	3,843,858	15.56%	3,823,366	16.62%
Charges for Services	12,361,763	50.05%	10,880,468	47.29%
Operating Grants & Contributions	4,300,759	17.41%	3,553,246	15.44%
Other	173,885	0.71%	729,769	3.18%
	<u>\$ 24,699,696</u>	<u>100.00%</u>	<u>\$ 23,006,280</u>	<u>100.00%</u>

2016 Revenue



Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2016 and 2015 fiscal years.

	June 30, 2016			June 30, 2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program revenues:						
Charges for services	\$ 12,361,763	\$ 630,799	\$ 12,992,562	\$ 10,880,468	\$ 488,985	\$ 11,369,453
Operating grants & contributions	4,300,759	606,229	4,906,988	3,553,246	517,173	4,070,419
General revenues:						
County Appropriation	4,019,431	-	4,019,431	4,019,431	-	4,019,431
Federal and state aid not restricted to specific purposes	3,843,858	-	3,843,858	3,823,366	-	3,823,366
Other restricted income	76,151	-	76,151	74,472	-	74,472
Miscellaneous income	64,187	-	64,187	120,471	-	120,471
Bond proceeds	33,547	-	33,547	356,528	-	356,528
Transfer of capital assets	-	-	-	178,298	(178,298)	-
Total revenues	24,699,696	1,237,028	25,936,724	23,006,280	827,860	23,834,140
Expenses:						
Instructional services	7,615,963	-	7,615,963	7,410,595	-	7,410,595
Support services	18,146,639	1,199,973	19,346,612	15,778,498	1,007,214	16,785,712
Total expenses	25,762,602	1,199,973	26,962,575	23,189,093	1,007,214	24,196,307
Change in net position	\$ (1,062,906)	\$ 37,055	\$ (1,025,851)	\$ (182,813)	\$ (179,354)	\$ (362,167)

Business-Type Activities

Revenues of the District's business-type activities increased approximately 49% when compared to the previous fiscal year while expenditures increased 19% over the past fiscal year. Factors contributing to these results included:

- During the 2016 fiscal year the District saw significant increases in the number of meals served due to the increased enrollment.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$5,463,714 which is \$515,232 higher than the beginning of the year. The most significant changes are an increase in the tuition charges and an increase in the unallocated benefits.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue. The budgets are submitted to the County office and, as a Type I School District, are approved by the Board of School Estimates. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-Behalf TPAF Pension and Post-Retirement Medical Contributions, which are not budgeted, the District's actual revenue exceeded budgeted revenues by \$274,876. This is a result of receiving additional unbudgeted tuition revenue for the LPN, cosmetology, and Adult Night School programs. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-Behalf TPAF Pension and Post-Retirement Medical Contributions, actual expenditures were below budgeted appropriations by \$2,610,359. The most significant variances occurred in the areas of health benefits, salaries, energy and PERS retirement contributions. This is due to increased employee contributions for health benefits, a favorable health benefit renewal rate, rebidding of the energy contracts by the consortium and the receipt of unbudgeted grant funds. Audit exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the District had invested \$47.1 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of \$1,103,814 or 2.29%, over last year. Refer to Note 6 to the Financial Statements for more detailed information.

Long-Term Debt

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the County and provision for amortization of principal and interest on the outstanding debt is included in the County budget. Refer to the Note 8 to the Financial Statements for more detailed information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District continues to experience increased enrollment due to the phase-out of the shared time program and conversion to a comprehensive high school. In 2016/2017 the District's enrollment continues to increase and total enrollment has exceeded 1,500. Renovations and improvements are being made to the South Wing and that facility will function as a Freshman Campus beginning with the 2016/2017 school year. Future class sizes will be limited by the size of the graduating class as the facility has reached capacity. The casino industry in Atlantic City continues to experience closings. Showboat, Trump Plaza and Revel Casinos have all closed and Trump Taj Mahal has announced it will close in October 2016. Over 8,000 residents are out of work. A new Gateway Project in Atlantic City is scheduled to begin in the fall of 2016 and is expected to bring economic growth to the area. The Gateway Project includes a Stockton University satellite campus, dorms and a parking garage. South Jersey Energy is also relocating its corporate offices to the Gateway Project. The third phase of development at the Walk in Atlantic City was completed with the opening of the Bass Pro Shop. The county's unemployment rate has dropped but the decline is largely a result of resident's relocating to other areas. Housing foreclosure rates continue to exceed national averages.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, sending districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 5080 Atlantic Avenue, Mays Landing, New Jersey 08330.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL JUNE 30, 2016
Cash & Cash Equivalents	\$ 4,598,020	\$ 202,537	4,800,557
Accounts Receivable, Net	1,067,802	44,982	1,112,784
Due From Other Funds	12,090	-	12,090
Inventory	-	13,352	13,352
Capital Assets Not Being Depreciated (See Note 6):			
Land	78,120	-	78,120
Construction In Progress	57,941	-	57,941
Capital Assets, Net of Accumulated Depreciation	47,044,387	104,440	47,148,827
Total Assets	52,858,360	365,311	53,223,671
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	2,232,077	-	2,232,077
Total Deferred Outflow of Resources	2,232,077	-	2,232,077
Total Assets and Deferred Outflow of Resources	55,090,437	365,311	55,455,748
LIABILITIES			
Accounts Payable	210,733	23,210	233,943
Due to Other Funds	-	12,090	12,090
Unearned Revenues	3,465	-	3,465
Noncurrent Liabilities (See Note 8):			
Due Beyond One Year	8,840,521	-	8,840,521
Total Liabilities	9,054,719	35,300	9,090,019
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	131,332	-	131,332
Total Deferred Inflow of Resources	131,332	-	131,332
Total Liabilities and Deferred Inflows of Resources	9,186,051	35,300	9,221,351
NET POSITION			
Net Investment in Capital Assets	47,180,448	104,440	47,284,888
Restricted For:			
Capital Projects	57,941	-	57,941
Other Purposes	3,835,924	-	3,835,924
Unrestricted	(5,169,927)	225,571	(4,944,356)
Total Net Position	\$ 45,904,386	\$ 330,011	\$ 46,234,397

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION		TOTAL JUNE 30, 2016
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Governmental Activities:					
Instruction:					
Regular	\$ 4,242,790	\$ -	\$ 431,750	\$ (3,811,040)	\$ (3,811,040)
Special Education	478,575	-	-	(478,575)	(478,575)
Vocational	2,444,622	12,361,763	-	9,917,141	9,917,141
Other Instruction	449,976	-	-	(449,976)	(449,976)
Support Services:					
Student & Instruction Related Services	2,045,209	-	492,903	(1,552,306)	(1,552,306)
School Administrative Services	378,325	-	-	(378,325)	(378,325)
Other Administrative Services	1,125,358	-	-	(1,125,358)	(1,125,358)
Plant Operations and Maintenance	3,287,009	-	-	(3,287,009)	(3,287,009)
Pupil Transportation	478,062	-	-	(478,062)	(478,062)
Unallocated Benefits	7,895,006	-	3,376,106	(4,518,900)	(4,518,900)
Special Schools	1,400,071	-	-	(1,400,071)	(1,400,071)
Unallocated Depreciation	1,537,599	-	-	(1,537,599)	(1,537,599)
Total Governmental Activities	25,762,602	12,361,763	4,300,759	(9,100,080)	(9,100,080)
Business-Type Activities:					
Food Service	876,617	309,919	606,229	-	39,531
Personal Aides	323,356	320,880	-	-	(2,476)
Total Business-Type Activities	1,199,973	630,799	606,229	-	37,055
Total Primary Government	\$ 26,962,575	\$ 12,992,562	\$ 4,906,988	(9,100,080)	(9,063,025)
General Revenues:					
Taxes:					
County Appropriations				4,019,431	4,019,431
Federal & State Aid Unrestricted				3,843,858	3,843,858
Other Restricted Miscellaneous Revenue				76,151	76,151
Miscellaneous Income				64,187	64,187
Bond Proceeds				33,547	33,547
Total General Revenues				8,037,174	8,037,174
Change In Net Position				(1,062,906)	(1,025,851)
Net Position - Beginning				46,967,292	47,260,248
Ending Net Position				\$ 45,904,386	\$ 46,234,397

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

B. Fund Financial Statements

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Governmental Funds

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL JUNE 30, 2016
Cash & Cash Equivalents	\$ 3,398,971	\$ -	\$ -	\$ 3,398,971
Intergovernmental Accounts Receivable:				
Federal	-	129,225	-	129,225
State	31,783	5,742	90,762	128,287
Other	810,290	-	-	810,290
Interfund Receivable	105,805	-	-	105,805
Restricted Cash	1,199,049	-	-	1,199,049
Total Assets	\$ 5,545,898	\$ 134,967	\$ 90,762	\$ 5,771,627
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 136,660	\$ 74,073	\$ -	\$ 210,733
Unearned Revenues	3,465	-	-	3,465
Interfund Payable	-	60,894	32,821	93,715
Total Liabilities	140,125	134,967	32,821	307,913
Fund Balances:				
Restricted for:				
Capital Reserve	756,970	-	-	756,970
Maintenance Reserve	442,079	-	-	442,079
Excess Surplus	1,702,301	-	-	1,702,301
Excess Surplus Designated for Subsequent Year's Expenditures	934,574	-	-	934,574
Assigned for:				
Other Purposes	756,591	-	57,941	814,532
Unassigned	813,258	-	-	813,258
Total Fund Balances	5,405,773	-	57,941	5,463,714
Total Liabilities & Fund Balances	\$ 5,545,898	\$ 134,967	\$ 90,762	

Amounts reported for *governmental activities* in the Statement of Net Position (A-2) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$65,454,179 and accumulated depreciation is \$18,273,731.	47,180,448
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.	2,100,745
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. (Illustrative Note 8)	(8,840,521)
Net Position of Governmental Activities	\$ 45,904,386

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL JUNE 30, 2016
Revenues:				
County Appropriations	\$ 4,019,431	\$ -	\$ -	\$ 4,019,431
Tuition	12,361,763	-	-	12,361,763
Other Restricted Revenue	76,151	-	-	76,151
Miscellaneous	31,560	32,627	33,547	97,734
Total Local Sources	16,488,905	32,627	33,547	16,555,079
State Sources	5,472,457	20,861	96,459	5,589,777
Federal Sources	-	960,821	-	960,821
Total Revenues	21,961,362	1,014,309	130,006	23,105,677
Expenditures:				
Current Expense:				
Regular Instruction	3,811,040	431,750	-	4,242,790
Special Education	478,575	-	-	478,575
Vocational Education	2,444,622	-	-	2,444,622
Other Instruction	449,976	-	-	449,976
Support Services & Undistributed Costs:				
Student & Instruction Related Services	1,552,306	492,903	-	2,045,209
School Administrative Services	378,325	-	-	378,325
Other Administrative Services	456,423	-	-	456,423
Central Services	355,816	-	-	355,816
Administrative Information Technology	313,119	-	-	313,119
Plant Operations and Maintenance	3,164,303	-	-	3,164,303
Pupil Transportation	478,062	-	-	478,062
Unallocated Benefits	5,826,663	-	-	5,826,663
Special Schools	1,400,071	-	-	1,400,071
Capital Outlay	266,649	89,656	200,186	556,491
Total Expenditures	21,375,950	1,014,309	200,186	22,590,445
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	585,412	-	(70,180)	515,232
Other Financing Sources/(Uses):				
Transfer (from) Capital Reserve to Capital Projects Fund	(117,176)	-	117,176	-
Total Other Financing Sources/(Uses)	(117,176)	-	117,176	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	468,236	-	46,996	515,232
Fund Balances July 1,	4,937,537	-	10,945	4,948,482
Fund Balances June 30,	\$ 5,405,773	\$ -	\$ 57,941	\$ 5,463,714

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY VOCATIONAL 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, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 515,232

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:

Capital Outlays	556,491	
Adjustment to Fixed Assets	(122,706)	
Depreciation Expense	<u>(1,537,599)</u>	(1,103,814)

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	(1,594,019)	
State Share of Unfunded TPAF Pension Expense	1,594,019	
PERS District Pension Contribution - 2016	312,839	
Pension Expense	<u>(789,824)</u>	(476,985)

Repayment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Prior Year	674,811	
Current Year	<u>(672,150)</u>	2,661

Change in Net Assets of Governmental Activities \$ (1,062,906)

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Proprietary Funds

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2016**

ASSETS	FOOD SERVICE	PERSONAL AIDE FUND	<u>TOTAL</u> JUNE 30, 2016
Current Assets:			
Cash	\$ 202,537	\$ -	\$ 202,537
Accounts Receivable:			
Federal	31,328	-	31,328
State	459	-	459
Other	1,105	12,090	13,195
Inventory	13,352	-	13,352
	<u>248,781</u>	<u>12,090</u>	<u>260,871</u>
Total Current Assets			
Noncurrent Assets:			
Machinery and Equipment	215,920	-	215,920
Less: Accumulated Depreciation	(111,480)	-	(111,480)
	<u>104,440</u>	<u>-</u>	<u>104,440</u>
Total Noncurrent Assets			
	<u>353,221</u>	<u>12,090</u>	<u>365,311</u>
Total Assets			
 LIABILITIES			
Current Liabilities:			
Accounts Payable	21,880	-	21,880
Interfund Payable	-	12,090	12,090
Unearned Revenue	1,330	-	1,330
	<u>23,210</u>	<u>12,090</u>	<u>35,300</u>
Total Liabilities			
 NET POSITION			
Net Investment in Capital Assets	104,440	-	104,440
Unrestricted	225,571	-	225,571
	<u>\$ 330,011</u>	<u>\$ -</u>	<u>\$ 330,011</u>
Total Net Position			

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	FOOD SERVICE	PERSONAL AIDE FUND	TOTAL JUNE 30, 2016
Operating Revenues:			
Charges for Services:			
Daily Sales	\$ 231,290	\$ -	\$ 231,290
Misc	2,083	-	2,083
Special Functions	76,546	320,880	397,426
Total Operating Revenue	<u>309,919</u>	<u>320,880</u>	<u>630,799</u>
Operating Expenses:			
Cost of Sales	372,132	-	372,132
Salaries and Wages	336,176	169,962	506,138
Employee Benefits	121,206	153,394	274,600
General Supplies	14,189	-	14,189
Depreciation Expense	18,284	-	18,284
Miscellaneous	14,630	-	14,630
Total Operating Expenses	<u>876,617</u>	<u>323,356</u>	<u>1,199,973</u>
Operating Income/(Loss)	<u>(566,698)</u>	<u>(2,476)</u>	<u>(569,174)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	8,079	-	8,079
Federal Sources:			
School Breakfast Program	144,714	-	144,714
National School Lunch Program	400,878	-	400,878
National School Lunch Performance Based	9,206	-	9,206
Food Distribution Program	43,352	-	43,352
Total Nonoperating Revenue (Expenses)	<u>606,229</u>	<u>-</u>	<u>606,229</u>
Change in Net Position	39,531	(2,476)	37,055
Total Net Position - Beginning	<u>290,480</u>	<u>2,476</u>	<u>292,956</u>
Total Net Position - Ending	<u>\$ 330,011</u>	<u>\$ -</u>	<u>\$ 330,011</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

			TOTAL
	FOOD SERVICE	PERSONAL AIDE FUND	JUNE 30, 2016
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 311,974	\$ 327,490	\$ 639,464
Payments to Employees	(336,176)	(174,096)	(510,272)
Payments for Employee Benefits	(121,206)	(153,394)	(274,600)
Payments to Suppliers	(337,998)	-	(337,998)
	(483,406)	-	(483,406)
Net Cash Flows From Operating Activities			
Cash Flows From Noncapital Financing Activities:			
Cash Received From State & Federal Programs	575,483	-	575,483
	575,483	-	575,483
Net Cash Flows From Noncapital Financing Activities			
Net Increase/(Decrease) in Cash & Cash Equivalents	46,914	-	46,914
Balances - Beginning of Year	155,623	-	155,623
Balances - Ending of Year	\$ 202,537	\$ -	\$ 202,537

Reconciliation of Operating Income/(Loss) to Net Cash Flows From Operating Activities:

Operating Income (Loss)	\$ (566,698)	\$ (2,476)	\$ (569,174)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided Flows From Operating Activities:			
Depreciation Expense	18,284	-	18,284
Food Distribution Program	43,352	-	43,352
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	2,055	6,610	8,665
(Increase)/Decrease in Inventory	(2,152)	-	(2,152)
Increase/(Decrease) in Accounts Payable	20,788	(4,134)	16,654
	(483,406)	-	(483,406)
Net Cash Flows From Operating Activities			
	\$ (483,406)	\$ -	\$ (483,406)

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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Fiduciary Fund

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION INSURANCE	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	JUNE 30, 2016
Cash & Cash Equivalents	\$ 200,591	\$ 3,543	\$ 116,302	\$ 13,463	\$ 333,899
Total Assets	200,591	3,543	116,302	13,463	333,899
LIABILITIES					
Unemployment Claims Payable	17,416	-	-	-	17,416
Payroll Deductions & Withholdings	-	-	-	13,463	13,463
Due to Student Groups	-	-	116,302	-	116,302
Total Liabilities	17,416	-	116,302	13,463	147,181
NET POSITION					
Reserved	183,175	3,543	-	-	186,718
Total Net Position	\$ 183,175	\$ 3,543	\$ -	\$ -	\$ 186,718

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

	PRIVATE PURPOSE		TOTAL
	UNEMPLOYMENT COMPENSATION INSURANCE	SCHOLARSHIP	JUNE 30, 2016
Additions:			
Local Sources:			
Employee Salary Deductions	\$ 38,476	\$ -	\$ 38,476
Donations	-	6,106	6,106
Board Contribution	50,000	-	50,000
Total Operating Revenues	88,476	6,106	94,582
Other Sources:			
Interest on Investments	479	-	479
Total Additions	88,955	6,106	95,061
Deductions:			
Unemployment Claims	62,054	-	62,054
Miscellaneous	-	5,813	5,813
Total Deductions	62,054	5,813	67,867
Change in Net Position	26,901	293	27,194
Net Position - Beginning of the Year	156,274	3,250	159,524
Net Position - End of the Year	\$ 183,175	\$ 3,543	\$ 186,718

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Atlantic County Vocational School District is a Type I district located in the County of Atlantic, 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 purpose of the district is to educate students in grades 9 through 12. The Atlantic County Vocational School District had an approximate enrollment at June 30, 2016 of 1,489 full-time students.

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.

There were no additional entities required to be included in the reporting entity under the criteria as described above. The Atlantic County Vocational School District is a component unit of the County of Atlantic. The County reports on a regulatory basis of accounting which excludes component units.

B. Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units. The District had no component units as of for the year ended June 30, 2016.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

C. Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

D. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

E. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

F. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

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

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

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and Personal Aide Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the 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 the 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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Personal Aide Fund – This fund accounts for the revenues and expenses pertaining to the District’s personal aide operations.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust 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 the following private purpose trust funds:

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Agency Funds - 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 and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

H. 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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

H. Budgets/Budgetary Control (continued)

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

I. 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 assigned 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 District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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.

J. 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.

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.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

J. Cash and Cash Equivalents (continued)

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.

K. Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

L. Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

M. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

N. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

N. Capital Assets (continued)

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Buildings	20-50 Years
Machinery and Equipment	5-10 Years
Improvements	10-20 Years

O. 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.

P. Unearned Revenue

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

Q. Accrued Liabilities and Long-Term Obligations

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

R. Use of Estimates

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

S. Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

T. 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

T. Net Position (continued)

- 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.

U. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial*

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Reporting by Employers for Post-employment Benefits Other Than Pensions, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

V. 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.

W. 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.

X. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of November 8, 2016, which is the date the financial statements were available to be issued.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 2. Cash Deposits and Investments

A. Cash Deposits

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, student activity 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, 2016, the District’s bank balance of \$5,580,127 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Collateralized in the District’s Name	
Under GUDPA	4,951,250
Uninsured and Uncollateralized	<u>378,877</u>
Total	<u>\$ 5,580,127</u>

B. Investments

New Jersey statutes permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 2. Cash Deposits and Investments (continued)

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2016.

Note 3. Reserve Accounts

A. Capital Reserve Account

A capital reserve account was established by the Atlantic County Vocational School District on September 25, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). 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 appropriated 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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$	945,946
Increased by:		
Interest Earned		400
Board Resolution dated June 27, 2016		350,000
Budgeted Increase		84,000
Decreased by:		
Board Resolution dated April 25, 2016		(54,000)
Board Resolution dated May 23, 2016		(452,200)
Transfer to Capital Projects		<u>(117,176)</u>
Ending Balance, June 30, 2016	\$	<u>756,970</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$2,811,816. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Rang Facilities Plan.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3. Reserve Accounts (continued)

B. Maintenance Reserve Account

A maintenance reserve account was established by the Atlantic County Vocational School District on March 25, 2012, 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*) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. 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 capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$	441,979
Interest Earned		100
Ending Balance, June 30, 2016	\$	442,079

Note 4. Accounts Receivable

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds		Total
State Aid	\$ 31,783	\$ 5,742	\$ 90,762	\$ 459	\$	128,746
Federal Aid	-	129,225	-	31,328		160,553
Other	810,290	-	-	13,195		823,485
Total	\$ 842,073	\$ 134,967	\$ 90,762	\$ 44,982	\$	1,112,784

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2016, the District transferred \$506,200 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 6. Capital Assets

Capital assets activity for the year ended June 30, 2016 are shown below:

	June 30, 2015	Additions	Deletions	Transfers/ Adjustments	June 30, 2016
Governmental Activities:					
Capital assets that are not being depreciated:					
Land	\$ 78,120	\$ -	\$ -	\$ -	\$ 78,120
Construction in progress	739,035	-	-	(681,094)	57,941
Total capital assets not being depreciated	817,155	-	-	(681,094)	136,061
Capital assets being depreciated:					
Buildings and improvements	56,906,560	-	-	681,094	57,587,654
Land improvements	690,358	-	-	-	690,358
Machinery and equipment	6,610,520	433,785	(4,199)	-	7,040,106
Historical cost	64,207,438	433,785	(4,199)	681,094	65,318,118
Less: accumulated depreciation:					
Buildings and improvements	(10,801,505)	(1,287,045)	-	-	(12,088,550)
Land improvements	(149,050)	-	-	-	(149,050)
Machinery and equipment	(5,789,776)	(250,554)	4,199	-	(6,036,131)
Total accumulated depreciation	(16,740,331)	(1,537,599)	4,199	-	(18,273,731)
Total capital assets being depreciated, net	47,467,107	(1,103,814)	-	681,094	47,044,387
Governmental activities capital assets, net	\$ 48,284,262	\$ (1,103,814)	\$ -	\$ -	\$ 47,180,448

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 6. Capital Assets (continued)

	June 30, 2015	Additions	Transfers/ Adjustments	June 30, 2016
Business-Type Activities:				
Capital assets being depreciated:				
Equipment	\$ 170,757	\$ 45,163	\$ -	\$ 215,920
Less: accumulated depreciation:				
Equipment	(93,196)	(18,284)	-	(111,480)
Business-type activities capital assets, net	<u>\$ 77,561</u>	<u>\$ 26,879</u>	<u>\$ -</u>	<u>\$ 104,440</u>

Note 7. Interfund Receivables, Payables, and Transfers

The following interfund balances remained on the balance sheet at June 30, 2016:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 105,805	\$ -
Special Revenue Fund	-	60,894
Capital Projects Fund	-	32,821
Personal Aide Fund	-	12,090
	<u>\$ 105,805</u>	<u>\$ 105,805</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.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 3,116	\$ 81,183
Special Revenue Fund	-	3,116
Capital Projects Fund	74,731	-
Personal Aid Fund	4,134	-
Fiduciary Funds	2,318	-
	<u>\$ 84,299</u>	<u>\$ 84,299</u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8. Long-Term Obligations

During the fiscal year ended June 30, 2016 the following changes occurred in long-term obligations:

	Balance 6/30/2015	Issued	Retired/ Adjusted	Balance 6/30/2016	Due Within One Year
Governmental activities:					
Net pension liability	\$ 6,169,549	\$ 1,998,822	\$ -	\$ 8,168,371	\$ -
Compensated absences payable	674,811	-	2,661	672,150	-
Total	\$ 6,844,360	\$ 1,998,822	\$ 2,661	\$ 8,840,521	\$ -

During the fiscal year ended June 30, 2016 the business-type activities had no liabilities reported in the long-term obligations account group.

Note 9. 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/annrpts.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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 9. Pension Obligations (continued)

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

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 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.

Components of Net Pension Liability - At June 30, 2016, the District reported a liability of \$8,168,371 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. 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 July 1, 2014, to the measurement date of June 30, 2015. 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, 2015. The District's proportion measured as of June 30, 2015, was 0.03639%, which was an increase of 0.0034% from its proportion measured as of June 30, 2014.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 9. Pension Obligations (continued)

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

Collective Balances at June 30, 2016 and June 30, 2015

	<u>06/30/16</u> July 1, 2015	<u>06/30/15</u> July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 2,232,077	\$ 1,259,419
Deferred Inflows of Resources	\$ 131,332	\$ 367,672
Net Pension Liability	\$ 8,168,371	\$ 6,169,549
District's portion of the Plan's total Net Pension Liability	0.03639%	0.03295%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$789,824. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 194,869	\$ -
Changes of assumptions	\$ 877,218	\$ -
Net difference between projected and actual earnings on pension plan investments	-	131,332
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,159,990</u>	<u>-</u>
Total	<u>\$ 2,232,077</u>	<u>\$ 131,332</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 9. Pension Obligations (continued)

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

\$2,232,077 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	\$	406,564
2017		406,564
2018		406,564
2019		498,482
2020		382,570
Thereafter		-
Total	\$	2,100,744

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:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40%
	Based on Age
	Thereafter - 3.15-5.40%
	Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Note 9. Pension Obligations (continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 9. Pension Obligations (continued)

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

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 as of June 30, 2015, 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 (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	Decrease 3.90%	Discount 4.90%	Increase 5.90%
District's proportionate share of the net pension liability	\$ 10,152,286	\$ 8,168,731	\$ 6,505,071

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.

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 9. Pension Obligations (continued)

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

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 2015, 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.

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.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 9. Pension Obligations (continued)

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

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
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, 2014 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 (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 9. Pension Obligations (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' 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 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.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 9. Pension Obligations (continued)

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.

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 10. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf. 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 benefits changed from a pre-funding 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 employer paid 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

Note 11. 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.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 11. Risk Management (continued)

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:

Fiscal Year	District Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2015-2016	\$ 50,000	\$ 38,476	\$ 479	\$ 62,054	\$ 183,175
2014-2015	50,000	38,086	346	58,510	156,274
2013-2014	50,000	34,938	250	38,531	126,352

Note 12. Contingencies

State and Federal Grantor Agencies - 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, 2016 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.

Note 13. 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.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 14. Deferred Compensation

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

The Equitable
Frank J. Siracusa & Sons

Lincoln Investments
The Travelers

Note 15. 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.

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position 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, 2016 is \$672,150.

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, 2016 no liability existed for compensated absences in the proprietary fund types.

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance of \$1,702,301 at June 30, 2016.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 17. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(5,169,927) existed as of June 30, 2016 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 18. Fund Balance

General Fund – Of the \$5,405,773 General Fund fund balance at June 30, 2016, \$756,970 has been reserved in the Capital Reserve Account; \$442,079 has been reserved in the Maintenance Reserve Account; \$934,574 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$1,702,301 is restricted for current year excess surplus; \$756,591 has been reserved for encumbrances; and \$813,258 is unassigned.

Capital Projects Fund – Of the \$57,941 Capital Projects Fund fund balance at June 30, 2016, the entire balance has been assigned to other purposes.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
County Appropriations	10-1210	\$ 4,019,431	\$ -	\$ 4,019,431	\$ 4,019,431	\$ -
Tuition from LEA's within State	10-1310	11,858,258	-	11,858,258	11,871,658	13,400
Tuition - Other	10-1320	289,000	-	289,000	490,105	201,105
Interest Earned	10-1510	11,000	-	11,000	9,921	(1,079)
Rental Fees	10-1910	5,000	-	5,000	12,748	7,748
Other Restricted Miscellaneous Revenue	10-1990	42,500	-	42,500	76,151	33,651
Miscellaneous	10-1990	25,000	-	25,000	8,891	(16,109)
Total Local Sources		16,250,189	-	16,250,189	16,488,905	238,716
State Sources:						
Categorical Special Education Aid	10-3132	448,112	-	448,112	448,112	-
Equalization Aid	10-3176	3,120,415	-	3,120,415	3,120,415	-
Categorical Security Aid	10-3177	63,177	-	63,177	63,177	-
Other State Aid	10-3190	2	-	2	2	-
Adult Education Program Aid	10-3191	-	-	-	36,160	36,160
PARCC Readiness Aid	10-3XXX	13,060	-	13,060	13,060	-
Per Pupil Growth Aid	10-3XXX	13,060	-	13,060	13,060	-
Nonbudgeted:						
TPAF Pension (On-Behalf)	10-3901	-	-	-	530,654	530,654
TPAF Post-Retirement Medical (On-Behalf)	10-3901	-	-	-	631,862	631,862
Reimbursed TPAF Social Security Contributions	10-3902	-	-	-	619,571	619,571
Total State Sources		3,657,826	-	3,657,826	5,476,073	1,818,247
Total Revenues		19,908,015	-	19,908,015	21,964,978	2,056,963
Expenditures:						
Current Expense:						
Regular Programs - Instruction:						
Salaries of Teachers:						
Grade 9-12	11-140-100-101	3,340,907	30,996	3,371,903	3,343,954	27,949
Regular Programs - Undistributed:						
Purchased Professional Education Services	11-140-100-320	7,200	-	7,200	6,220	980
Purchased Technical Services	11-140-100-340	11,120	-	11,120	9,086	2,034
Other Purchased Services	11-140-100-500	62,200	-	62,200	60,000	2,200
General Supplies	11-140-100-610	119,845	14,600	134,445	130,229	4,216
Textbooks	11-140-100-640	72,218	(17,600)	54,618	48,180	6,438
Other Objects	11-140-100-800	3,960	-	3,960	2,685	1,275
Total Regular Programs		3,617,450	27,996	3,645,446	3,600,354	45,092
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	28,000	1,000	29,000	27,150	1,850
Purchased Professional Education Services	11-150-100-320	2,500	1,000	3,500	2,960	540
Purchased Technical Services	11-150-100-340	4,000	-	4,000	3,998	2
Other Purchased Services	11-150-100-500	1,200	1,000	2,200	1,761	439
Total Regular Programs - Home Instruction		35,700	3,000	38,700	35,869	2,831
Resource Room - Instruction:						
Salaries of Teachers	11-213-100-101	-	180,000	180,000	174,029	5,971
General Supplies	11-213-100-610	-	5,000	5,000	788	4,212
Total Resource Room - Instruction		-	185,000	185,000	174,817	10,183
Current Expense (continued):						
Regular Vocational Programs - Instruction:						
Salaries of Teachers	11-310-100-101	2,279,039	(27,000)	2,252,039	2,130,892	121,147
Other Salaries for Instruction	11-310-100-106	11,700	-	11,700	-	11,700
Purchased Professional & Educational Services	11-310-100-320	50,000	-	50,000	35,810	14,190
Purchased Technical Services	11-310-100-340	15,900	-	15,900	14,649	1,251
Other Purchased Services	11-310-100-500	31,200	-	31,200	18,826	12,374
General Supplies	11-310-100-610	243,027	5,500	248,527	202,780	45,747
Textbooks	11-310-100-640	46,605	(19,500)	27,105	27,053	52
Other Objects	11-310-100-800	10,150	5,000	15,150	14,612	538
Total Regular Vocational Programs - Instruction		2,687,621	(36,000)	2,651,621	2,444,622	206,999
Special Vocational Programs - Instruction:						
Salaries of Teachers	11-320-100-101	825,373	(377,205)	448,168	430,782	17,386
Other Salaries for Instruction	11-320-100-106	5,000	42,545	47,545	46,223	1,322
General Supplies	11-320-100-610	2,750	-	2,750	1,570	1,180
Other Objects	11-320-100-800	500	-	500	-	500

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Special Vocational Programs - Instruction		833,623	(334,660)	498,963	478,575	20,388
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	67,100	-	67,100	64,600	2,500
Purchased Services	11-401-100-500	13,000	-	13,000	9,688	3,312
Supplies and Materials	11-401-100-600	1,000	-	1,000	-	1,000
Other Objects	11-401-100-800	11,000	-	11,000	8,661	2,339
Total School Sponsored Cocurricular Activities		92,100	-	92,100	82,949	9,151
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	158,720	(3,000)	155,720	148,627	7,093
Purchased Services	11-402-100-500	82,712	198	82,910	75,078	7,832
Supplies and Materials	11-402-100-600	70,783	(9,106)	61,677	57,186	4,491
Other Objects	11-402-100-800	11,995	1,412	13,407	12,552	855
Total School Sponsored Athletics - Instruction		324,210	(10,496)	313,714	293,443	20,271
Other Instructional Programs - Instruction						
Salaries	11-4XX-100-100	82,002	-	82,002	73,527	8,475
Supplies and Materials	11-4XX-100-600	3,500	-	3,500	57	3,443
Total Other Instructional Programs - Instruction		85,502	-	85,502	73,584	11,918
Total Instruction		7,676,206	(165,160)	7,511,046	7,184,213	326,833
Health Services:						
Salaries	11-000-213-100	209,974	-	209,974	209,344	630
Purchased Professional & Technical Services	11-000-213-300	2,000	-	2,000	2,000	-
Other Purchased Services	11-000-213-500	500	-	500	477	23
Supplies and Materials	11-000-213-600	9,000	2,887	11,887	10,528	1,359
Other Objects	11-000-213-800	500	103	603	603	-
Total Health Services		221,974	2,990	224,964	222,952	2,012
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	470,479	(2,550)	467,929	465,949	1,980
Salaries of Secretarial & Clerical Assistants	11-000-218-105	75,421	550	75,971	75,765	206
Other Salaries	11-000-218-110	7,500	-	7,500	7,066	434
Purchased Professional-Educational Services	11-000-218-320	-	1,000	1,000	820	180
Purchased Professional & Technical Services	11-000-218-390	17,750	-	17,750	8,728	9,022
Other Purchased Services	11-000-218-500	28,520	(1,000)	27,520	24,901	2,619
Supplies & Materials	11-000-218-600	15,600	-	15,600	13,637	1,963
Other Objects	11-000-218-800	2,000	-	2,000	1,860	140
Total Other Support Services - Students - Regular		617,270	(2,000)	615,270	598,726	16,544
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	148,935	(60,120)	88,815	84,310	4,505
Salaries of Secretarial & Clerical Assistants	11-000-219-105	-	20,000	20,000	17,294	2,706
Purchased Professional - Ed. Services	11-000-219-320	25,550	-	25,550	4,150	21,400
Other Purchased Services	11-000-219-500	750	-	750	663	87
Supplies & Materials	11-000-219-600	8,500	-	8,500	4,301	4,199
Other Objects	11-000-219-800	500	-	500	220	280
Total Other Support Services - Students - Special Services		184,235	(40,120)	144,115	110,938	33,177

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	383,803	(8,342)	375,461	370,211	5,250
Salaries Other Prof. Staff	11-000-221-104	42,060	(2,215)	39,845	39,525	320
Salaries of Secretarial & Clerical Assistants	11-000-221-105	81,315	(3,000)	78,315	75,299	3,016
Purchased Professional - Ed. Services	11-000-221-320	12,025	(4,000)	8,025	5,795	2,230
Other Purchased Services	11-000-221-500	17,500	(8,185)	9,315	8,815	500
Supplies & Materials	11-000-221-600	11,200	2,400	13,600	13,118	482
Other Objects	11-000-221-800	4,330	-	4,330	1,770	2,560
Total Improvement of Instruction Services		552,233	(23,342)	528,891	514,533	14,358
Educational Media Services/School Library:						
Salaries	11-000-222-100	67,904	10,299	78,203	71,388	6,815
Purchased Professional & Technical Services	11-000-222-300	2,250	251	2,501	2,501	-
Other Purchased Services	11-000-222-500	3,000	950	3,950	3,931	19
Supplies and Materials	11-000-222-600	21,000	255	21,255	21,196	59
Other Objects	11-000-222-800	-	245	245	245	-
Total Educational Media Services/School Library		94,154	12,000	106,154	99,261	6,893
Instructional Staff Training Services:						
Purchased Professional-Educational Services	11-000-223-320	5,250	-	5,250	840	4,410
Other Purchased Services	11-000-223-500	15,000	-	15,000	5,056	9,944
Total Instructional Staff Training Services		20,250	-	20,250	5,896	14,354
Support Services - General Administration:						
Salaries	11-000-230-100	230,084	3,500	233,584	233,084	500
Legal Services	11-000-230-331	30,000	4,087	34,087	34,087	-
Audit Fees	11-000-230-332	22,000	(2,200)	19,800	19,800	-
Architectural/Engineering Services	11-000-230-334	12,500	15,325	27,825	26,577	1,248
Other Purchased Professional Services	11-000-230-339	2,250	11,000	13,250	12,396	854
Purchased Technical Services	11-000-230-340	16,700	(887)	15,813	11,916	3,897
Communications/Telephone	11-000-230-530	74,560	(2,825)	71,735	47,463	24,272
Other Purchased Services	11-000-230-590	85,625	(26,404)	59,221	43,416	15,805
General Supplies	11-000-230-610	4,750	-	4,750	4,477	273
BOE In-House Training/Meeting Supplies	11-000-230-630	500	-	500	500	-
BOE Membership Dues & Fees	11-000-230-895	18,200	1,404	19,604	19,604	-
Miscellaneous Expenditures	11-000-230-890	3,500	-	3,500	3,103	397
Total Support Services - General Administration		500,669	3,000	503,669	456,423	47,246
Support Services - School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	229,817	-	229,817	229,817	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	75,632	-	75,632	75,219	413
Purchased Professional & Technical Services	11-000-240-300	3,500	(3,500)	-	-	-
Other Purchased Services	11-000-240-500	26,400	12,750	39,150	38,826	324
Supplies and Materials	11-000-240-600	30,000	(1,500)	28,500	26,086	2,414
Other Objects	11-000-240-800	4,500	4,000	8,500	8,377	123
Total Support Services - School Administration		369,849	11,750	381,599	378,325	3,274
Support Services - Central Services:						
Salaries	11-000-251-100	223,520	(5,990)	217,530	215,293	2,237
Purchased Professional Services	11-000-251-330	81,242	-	81,242	71,982	9,260
Purchased Technical Services	11-000-251-340	11,400	5,408	16,808	16,808	-
Other Purchased Services	11-000-251-500	5,850	4,250	10,100	9,740	360
Supplies and Materials	11-000-251-600	73,000	(22,088)	50,912	41,008	9,904
Miscellaneous Expenditures	11-000-251-890	500	500	1,000	985	15
Total Support Services - Central Services		395,512	(17,920)	377,592	355,816	21,776

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services - Information Technology:						
Salaries	11-000-252-100	208,262	(1,500)	206,762	205,626	1,136
Purchased Technical Services	11-000-252-340	81,115	8,591	89,706	72,974	16,732
Other Purchased Services	11-000-252-500	2,150	-	2,150	303	1,847
Supplies and Materials	11-000-252-600	30,000	18,218	48,218	34,216	14,002
Other Objects	11-000-252-800	250	-	250	-	250
Total Support Services - Information Technology		321,777	25,309	347,086	313,119	33,967
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	443,908	(47,098)	396,810	385,529	11,281
Unused Vacation	11-000-261-199	-	12,178	12,178	12,178	-
Cleaning, Repair & Maintenance Services	11-000-261-420	417,152	118,545	535,697	372,026	163,671
General Supplies	11-000-261-610	128,000	(5,824)	122,176	116,093	6,083
Other Objects	11-000-261-800	3,500	4,000	7,500	7,008	492
Total Required Maintenance for School Facilities		992,560	81,801	1,074,361	892,834	181,527
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-101	626,192	(8,310)	617,882	615,640	2,242
Unused Vacation	11-000-262-199	-	16,571	16,571	16,571	-
Purchased Professional & Technical Services	11-000-262-300	10,800	(5,000)	5,800	2,680	3,120
Cleaning, Repair & Maintenance Services	11-000-262-420	80,500	(38,725)	41,775	37,286	4,489
Rental of Land & Building	11-000-262-441	10,000	-	10,000	4,759	5,241
Other Purchased Property Services	11-000-262-490	38,000	-	38,000	34,723	3,277
Insurance	11-000-262-520	132,000	(23,000)	109,000	108,821	179
Miscellaneous Purchased Services	11-000-262-590	1,020	-	1,020	370	650
General Supplies	11-000-262-610	91,500	30,000	121,500	113,940	7,560
Energy (Natural Gas)	11-000-262-621	180,000	-	180,000	126,020	53,980
Energy (Electricity)	11-000-262-622	745,000	-	745,000	665,293	79,707
Energy (Oil)	11-000-262-624	5,000	-	5,000	758	4,242
Energy (Gasoline)	11-000-262-626	7,000	-	7,000	2,710	4,290
Other Objects	11-000-262-800	1,520	-	1,520	795	725
Total Other Operation & Maintenance of Plant Services		1,928,532	(28,464)	1,900,068	1,730,366	169,702
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	76,214	(17,644)	58,570	58,331	239
Purchased Professional & Technical Services	11-000-263-300	6,500	-	6,500	-	6,500
Cleaning, Repair & Maintenance Services	11-000-263-420	108,500	(55,507)	52,993	49,332	3,661
Supplies & Materials	11-000-263-600	17,850	-	17,850	15,189	2,661
Total Care & Upkeep of Grounds		209,064	(73,151)	135,913	122,852	13,061
Security:						
Salaries	11-000-266-100	305,434	25,644	331,078	331,078	-
Purchased Professional & Technical Services	11-000-266-300	78,440	4,868	83,308	83,308	-
Cleaning, Repair & Maintenance Services	11-000-266-420	2,500	(786)	1,714	-	1,714
Supplies & Materials	11-000-266-600	7,500	(3,575)	3,925	3,865	60
Total Security		393,874	26,151	420,025	418,251	1,774
Student Transportation Services:						
Management Fees - ESC Trans Prog.	11-000-270-350	18,000	(500)	17,500	17,500	-
Other Purchased Professional & Technical Services	11-000-270-390	250	-	250	111	139
Cleaning, Repair & Maintenance Services	11-000-270-420	4,250	-	4,250	2,220	2,030
Lease Purchase Payments	11-000-270-443	30,000	500	30,500	30,457	43
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	396,600	69,120	465,720	415,126	50,594
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	10,000	-	10,000	3,993	6,007
Supplies & Materials	11-000-270-615	14,000	-	14,000	8,655	5,345
Total Student Transportation Services		473,100	69,120	542,220	478,062	64,158

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Unallocated Benefits Employee Benefits:						
Group Insurance	11-xxx-xxx-210	600	-	600	468	132
Social Security Contributions	11-xxx-xxx-220	320,000	(2,500)	317,500	254,050	63,450
TPAF Contributions - ERIP	11-xxx-xxx-232	25,000	-	25,000	24,607	393
Other Retirement Contributions - PERS	11-xxx-xxx-241	390,000	-	390,000	299,815	90,185
Other Retirement Contributions - DCRP	11-xxx-xxx-249	5,000	2,500	7,500	7,375	125
Unemployment Compensation	11-xxx-xxx-250	50,000	-	50,000	50,000	-
Worker's Compensation	11-xxx-xxx-260	145,630	19,664	165,294	165,294	-
Health Benefits	11-xxx-xxx-270	3,890,000	(19,664)	3,870,336	3,095,255	775,081
Tuition Reimbursement	11-xxx-xxx-280	57,500	-	57,500	50,000	7,500
Other Employee Benefits	11-xxx-xxx-290	129,730	126	129,856	97,712	32,144
Total Unallocated Benefits - Employee Benefits		5,013,460	126	5,013,586	4,044,576	969,010
Nonbudgeted:						
TPAF Pension (On-Behalf)		-	-	-	530,654	(530,654)
TPAF Post-Retirement Medical (On-Behalf)		-	-	-	631,862	(631,862)
Reimbursed TPAF Social Security Contributions		-	-	-	619,571	(619,571)
Total Undistributed Expenditures		12,288,513	47,250	12,335,763	12,525,017	(189,254)
Total Expenditures - Current Expense		19,964,719	(117,910)	19,846,809	19,709,230	137,579
Capital Outlay:						
Equipment:						
Grades 9-12	12-140-100-730	14,200	16,000	30,200	30,154	46
Vocational Programs - Regular	12-310-100-730	-	20,715	20,715	-	20,715
School Sponsored & Other Instructional Programs	12-400-100-730	5,000	(4,000)	1,000	-	1,000
Undistributed Expenditures						
Central Services	12-000-251-730	5,000	(5,000)	-	-	-
Information Technology	12-000-252-730	32,000	34,690	66,690	42,263	24,427
Operation & Maintenance of Plant Services	12-000-261-730	18,200	2,135	20,335	20,103	232
Custodial Services	12-000-263-730	2,500	-	2,500	2,500	-
Upkeep of Grounds	12-000-262-730	20,000	24,365	44,365	33,172	11,193
School Buses	12-000-270-733	-	103,079	103,079	11,462	91,617
Special Schools	12-xxx-x00-730	7,000	-	7,000	2,371	4,629
Total Equipment		103,900	191,984	295,884	142,025	153,859
Facilities Acquisition & Construction Services:						
Architect/Engineering Services	12-000-400-334	-	54,000	54,000	47,250	6,750
Construction Services	12-000-400-450	-	455,700	455,700	77,374	378,326
Total Facilities Acquisition & Construction Services		-	509,700	509,700	124,624	385,076
Total Capital Outlay		103,900	701,684	805,584	266,649	538,935
Special Schools:						
Post-Secondary Programs - Instruction:						
Salaries of Teachers	13-330-100-101	286,272	(70)	286,202	236,865	49,337
Purchased Professional & Technical Services	13-330-100-300	-	9,000	9,000	8,775	225
Other Purchased Services	13-330-100-500	20,500	(13,200)	7,300	1,253	6,047
General Supplies	13-330-100-610	38,765	(16,000)	22,765	2,693	20,072
Textbooks	13-330-100-640	52,240	-	52,240	30,937	21,303
Total Post-Secondary Programs - Instruction		397,777	(20,270)	377,507	280,523	96,984

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Post Sec. Programs - Support Services:						
Salaries	13-330-200-100	44,481	70	44,551	44,551	-
Other Purchased Services	13-330-200-500		13,200	13,200	13,200	-
Other Objects	13-330-200-800	400	7,000	7,400	6,581	819
Total Other Special Schools - Support Services		44,881	20,270	65,151	64,332	819
Total Post-Secondary Programs		442,658	-	442,658	344,855	97,803
Other Special Schools - Instruction:						
Other Salaries for Instruction	13-4xx-100-101	637,925	60,320	698,245	677,404	20,841
Purchased Professional & Technical Services	13-4xx-100-300	26,500	(8,000)	18,500	14,225	4,275
General Supplies	13-4xx-100-61x	64,000	(35,715)	28,285	21,741	6,544
Textbooks	13-4xx-100-640	10,000	(4,000)	6,000	4,084	1,916
Other Objects	13-4xx-100-800	3,000	3,000	6,000	2,731	3,269
Total Other Special Schools - Instruction		741,425	15,605	757,030	720,185	36,845
Other Special Schools - Support Services:						
Salaries	13-4xx-200-100	138,117	6,730	144,847	144,838	9
ACAHS Purchased Edu Services	13-4xx-200-320	5,100	(2,500)	2,600	-	2,600
Other Purchased Services	13-4xx-200-500	8,000	1,500	9,500	8,558	942
General Supplies	13-4xx-200-61x	7,000	5,699	12,699	9,147	3,552
Other Objects	13-4xx-200-800	2,500	1,000	3,500	3,014	486
Total Other Special Schools - Support Services		160,717	12,429	173,146	165,557	7,589
Total Other Special Schools		902,142	28,034	930,176	885,742	44,434
Vocational Evening - Local - Instruction:						
Salaries of Teachers	13-629-100-101	60,000	7,226	67,226	66,458	768
General Supplies	13-629-100-610	9,000	(2,800)	6,200	6,139	61
Textbooks	13-629-100-640	16,000	(3,000)	13,000	12,895	105
Other Objects	13-629-100-8XX	-	1,000	1,000	606	394
Total Vocational Evening - Local - Instruction		85,000	2,426	87,426	86,098	1,328
Vocational Evening - Local - Support Services:						
Salaries	13-629-200-100	72,995	(2,176)	70,819	68,004	2,815
Purchased Professional & Technical Services	13-629-200-300	3,000	(250)	2,750	2,750	-
Other Purchased Services	13-629-200-500	9,000	9,000	18,000	12,622	5,378
Total Vocational Evening - Local Support Services		84,995	6,574	91,569	83,376	8,193
Total Vocational Evening - Local		169,995	9,000	178,995	169,474	9,521
Total Special Schools		1,514,795	37,034	1,551,829	1,400,071	151,758
Total Expenditures		21,583,414	620,808	22,204,222	21,375,950	828,272
Other Financing Sources/(Uses):						
Transfer (from) Capital Reserve to Capital Projects Fund		-	-	-	(117,176)	117,176
Interest Earned on Capital Reserve		(400)	-	(400)	-	(400)
Interest Earned on Maintenance Reserve		(100)	-	(100)	-	(100)
Transfer to Capital Reserve		(84,000)	-	(84,000)	-	(84,000)
Total Other Financing Sources/(Uses)		(84,500)	-	(84,500)	(117,176)	32,676

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBER	JUNE 30, 2016			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)	(1,759,899)	(620,808)	(2,380,707)	471,852	2,852,559
Fund Balances, July 1	5,303,325	-	5,303,325	5,303,325	-
Fund Balances, June 30	<u>\$ 3,543,426</u>	<u>\$ (620,808)</u>	<u>\$ 2,922,618</u>	<u>\$ 5,775,177</u>	<u>\$ 2,852,559</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 114,608
Budgeted withdrawal from Capital Reserve	<u>506,200</u>
	<u><u>\$ 620,808</u></u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve Account	\$ 756,970
Maintenance Reserve	442,079
Excess Surplus	1,702,301
Excess Surplus Designated for Subsequent Year's Expenditures	934,574
Assigned Fund Balance:	
Year-End Encumbrances	756,591
Unassigned Fund Balance	<u>1,182,662</u>
Subtotal	5,775,177
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(369,404)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 5,405,773</u></u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Federal Sources	\$ 651,935	\$ 308,886	\$ 960,821	\$ 860,638	\$ (100,183)
State Sources	-	20,861	20,861	121,044	100,183
Local Sources	-	32,627	32,627	32,627	-
Total Revenues	651,935	362,374	1,014,309	1,014,309	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	503,727	(217,592)	286,135	286,135	-
Instruction Purchased Services Other	-	15,020	15,020	15,020	-
Instruction Professional Services	-	500	500	500	-
Tuition	-	-	-	-	-
General Supplies	103,208	26,887	130,095	130,095	-
Miscellaneous	-	-	-	-	-
Total Instruction	606,935	(175,185)	431,750	431,750	-
Support Services:					
Salaries	-	165,043	165,043	165,043	-
Personal Services - Employee Benefits	-	154,103	154,103	154,103	-
Purchased Professional - Educational Services	45,000	77,546	122,546	122,546	-
Other Purchased Services (400-500 Series)	-	34,600	34,600	34,600	-
Travel	-	307	307	307	-
Supplies & Materials	-	16,054	16,054	16,054	-
Miscellaneous	-	250	250	250	-
Total Support Services	45,000	447,903	492,903	492,903	-
Facilities Acquisition & Construction Services:					
Construction Services	-	89,656	89,656	89,656	-
Non-Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	89,656	89,656	89,656	-
Total Expenditures	651,935	362,374	1,014,309	1,014,309	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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)	\$ 21,964,978	\$ 1,014,309
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	365,788	-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense	<u>(369,404)</u>	<u>-</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 21,961,362</u>	<u>\$ 1,014,309</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 21,375,950</u>	<u>\$ 1,014,309</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 21,375,950</u>	<u>\$ 1,014,309</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.036%	0.033%	0.028%
District's proportionate share of the net pension liability (asset)	\$ 8,168,371	\$ 6,169,549	\$ 5,406,898
District's covered-employee payroll	\$ 2,457,572	\$ 2,855,066	\$ 2,521,515
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	332.38%	216.09%	214.43%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	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.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 312,839	\$ 259,192	\$ 227,073
Contributions in relation to the contractually required contribution	<u>312,839</u>	<u>259,192</u>	<u>227,073</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	2,457,572	2,855,066	2,521,515
Contributions as a percentage of covered- employee payroll	12.73%	9.08%	9.01%

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

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.05505%	0.05210%	0.04400%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 34,797,055	\$ 27,845,391	\$ 22,280,764
District's covered-employee payroll	\$ 8,555,743	\$ 8,353,845	\$ 7,377,883
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	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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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Teachers Pension and Annuity Fund (TPAF)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. 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.

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)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. 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.

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 males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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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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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>NO CHILD LEFT BEHIND</u>		
	TITLE I, PART A	TITLE II PART A	IDEA PART B
Revenues:			
Federal Sources	\$ 418,641	\$ 26,754	\$ 261,334
State Sources	-	-	-
Local Sources	-	-	-
	<hr/>		
Total Revenues	<u>\$ 418,641</u>	<u>\$ 26,754</u>	<u>\$ 261,334</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 210,919	\$ -	\$ 55,222
Instruction Purchased Services	-	-	-
General Supplies	10,000	-	-
	<hr/>		
Total Instruction	<u>220,919</u>	<u>-</u>	<u>55,222</u>
Support Services:			
Salaries	23,376	12,800	93,457
Personal Services -			
Employee Benefits	103,865	979	45,021
Purchased Professional -			
Educational Services	36,516	12,975	56,140
Other Purchased Services			
(400-500 Series)	25,139	-	4,016
Travel	-	-	-
Supplies & Materials	8,576	-	7,478
Miscellaneous	250	-	-
	<hr/>		
Total Support Services	<u>197,722</u>	<u>26,754</u>	<u>206,112</u>
Facilities Acquisition & Construction			
Services:			
Instructional Equipment	-	-	-
	<hr/>		
Total Facilities Acquisition &			
Construction Services	-	-	-
	<hr/>		
Total Expenditures	<u>\$ 418,641</u>	<u>\$ 26,754</u>	<u>\$ 261,334</u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	CARL D. PERKINS			
	SECONDARY	SECONDARY RESERVE	POST SECONDARY	APPRENTICESHIP COORDINATOR
Revenues:				
Federal Sources	\$ 117,979	\$ 35,930	\$ -	\$ -
State Sources	-	-	100,183	20,861
Local Sources	-	-	-	-
Total Revenues	\$ 117,979	\$ 35,930	\$ 100,183	\$ 20,861
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -
Instruction Purchased Services	15,020	-	-	-
General Supplies	76,401	4,386	35,085	-
Total Instruction	91,421	4,386	35,085	-
Support Services:				
Salaries	-	13,590	-	18,820
Personal Services - Employee Benefits	-	1,039	-	1,439
Purchased Professional - Educational Services	-	16,915	-	-
Other Purchased Services (400-500 Series)	2,000	-	-	295
Travel	-	-	-	307
Supplies & Materials	-	-	-	-
Miscellaneous	-	-	-	-
Total Support Services	2,000	31,544	-	20,861
Facilities Acquisition & Construction Services:				
Instructional Equipment	24,558	-	65,098	-
Total Facilities Acquisition & Construction Services	24,558	-	65,098	-
Total Expenditures	\$ 117,979	\$ 35,930	\$ 100,183	\$ 20,861

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	21ST CCLC PROGRAM	IN SCHOOL YOUTH	ATLANTICARE	2016
Revenues:				
Federal Sources	\$ -	\$ -	\$ -	\$ 860,638
State Sources	-	-	-	121,044
Local Sources	17,100	14,727	800	32,627
	<hr/>			
Total Revenues	\$ 17,100	\$ 14,727	\$ 800	\$ 1,014,309
<hr/>				
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 6,314	\$ 13,680	\$ -	\$ 286,135
Instruction Purchased Services	500	-	-	15,520
General Supplies	3,423	-	800	130,095
	<hr/>			
Total Instruction	10,237	13,680	800	431,750
<hr/>				
Support Services:				
Salaries	3,000	-	-	165,043
Personal Services - Employee Benefits	713	1,047	-	154,103
Purchased Professional - Educational Services	-	-	-	122,546
Other Purchased Services (400-500 Series)	3,150	-	-	34,600
Travel	-	-	-	307
Supplies & Materials	-	-	-	16,054
Miscellaneous	-	-	-	250
	<hr/>			
Total Support Services	6,863	1,047	-	492,903
<hr/>				
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	-	-	89,656
	<hr/>			
Total Facilities Acquisition & Construction Services	-	-	-	89,656
<hr/>				
Total Expenditures	\$ 17,100	\$ 14,727	\$ 800	\$ 1,014,309
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F. Capital Projects Fund

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES FOR MANAGED CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2016

PROJECT TITLE	NUMBER	DATE	APPROPRIATION	EXPENDITURES		APPROPRIATIONS CANCELLED	UNEXPENDED BALANCE JUNE 30, 2016
				PRIOR YEARS	CURRENT YEAR		
Comprehensive HS Conversion	0120-010-07-1000	7/29/2008	\$ 40,849,524	\$ 40,815,977	\$ 16,980	\$ 16,567	\$ -
New AC Equipment and Controls	0120-010-14-1001	2/12/2014	39,120	3,000	36,120	-	-
Install New Digital Security Cameras	0120-010-14-1005	2/12/2014	108,500	500	50,059	-	57,941
Replace Exterior Siding and Doors	0120-010-14-1006	2/12/2014	308,750	290,508	18,242	-	-
Install New Digital Security Cameras	0120-010-14-1004	2/12/2014	79,285	500	78,785	-	-
Total			\$ 41,385,179	\$ 41,110,485	\$ 200,186	\$ 16,567	\$ 57,941

Reconciliation of Fund Balance, June 30, 2016

Unexpended Project Balances, June 30, 2016	\$ 57,941
Total Fund Balance (GAAP Basis) - June 30, 2016	<u>\$ 57,941</u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Revenues:	
State Sources - ROD Grant	\$ 89,162
County Appropriation	33,547
Transfer from Capital Reserve	<u>117,176</u>
Total Revenues	<u>239,885</u>
Expenditures:	
Purchased Professional & Technical Services	3,250
Construction Services	<u>196,936</u>
Total Expenditures	<u>200,186</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	39,699
Fund Balance - Beginning	<u>18,242</u>
Fund Balance - Ending	<u><u>\$ 57,941</u></u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
COMPREHENSIVE HIGH SCHOOL CONVERSION
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Appropriation	\$ 40,815,977	\$ 11,875	\$ 40,827,852	\$ 40,827,852
Transfer From Capital Reserve	-	5,105	5,105	5,105
Total Revenues	40,815,977	16,980	40,832,957	40,832,957
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	3,071,240	2,500	3,073,740	3,073,740
Construction Services	37,336,995	14,480	37,351,475	37,351,475
Other Costs	407,742	-	407,742	407,742
Total Expenditures	40,815,977	16,980	40,832,957	40,832,957
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-07-1000
Grant Date	N/A
Bond Authorization Date	July 29, 2008
Bonds Authorization	\$ 40,000,000
Bonds Issued	\$ 40,000,000
Original Authorized Cost	\$ 40,000,000
Additional Authorized Cost	\$ 849,524
Revised Authorized Cost	\$ 40,849,524
Percentage Increase Over Original Authorized Cost	2%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2011
Revised Target Completion Date	September 1, 2015

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
NEW AC EQUIPMENT AND CONTROLS FOR CLASSROOM 312
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 1,200	\$ 14,448	\$ 15,648	\$ 15,648
County Improvement Authorization	1,800	21,672	23,472	23,472
Total Revenues	3,000	36,120	39,120	39,120
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	3,000	-	3,000	3,000
Construction Services	-	36,120	36,120	36,120
Total Expenditures	3,000	36,120	39,120	39,120
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-14-1001
Grant Date	February 12, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 39,120
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 39,120
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	August 31, 2015
Revised Target Completion Date	August 31, 2015

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INSTALL NEW DIGITAL SECURITY CAMERAS AT MAIN HIGH SCHOOL BUILDING
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 200	\$ 43,200	\$ 43,400	\$ 43,400
Transfer from Capital Reserve	300	64,800	65,100	65,100
Total Revenues	500	108,000	108,500	108,500
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	500	-	500	2,500
Construction Services	-	50,059	50,059	106,000
Total Expenditures	500	50,059	50,559	108,500
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 57,941	\$ 57,941	\$ -

Additional Project Information:

Project Number	0120-010-14-1005
Grant Date	February 12, 2014
Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 108,500
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 108,500
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	46.60%
Original Target Completion Date	August 31, 2015
Revised Target Completion Date	August 31, 2016

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
REPLACE EXTERIOR SIDING AND DOORS AT ANNEX
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 123,500	\$ -	\$ 123,500	\$ 123,500
Transfer from Capital Reserve	185,250	-	185,250	185,250
Total Revenues	308,750	-	308,750	308,750
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	20,250	750	21,000	21,000
Construction Services	270,258	17,492	287,750	287,750
Total Expenditures	290,508	18,242	308,750	308,750
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 18,242	\$ (18,242)	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-14-1006
Grant Date	February 12, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 308,750
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 308,750
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	September 30, 2014
Revised Target Completion Date	August 31, 2015

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INSTALL NEW DIGITAL SECURITY CAMERAS AT ANEX BUILDING
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 200	\$ 31,514	\$ 31,714	\$ 31,714
Transfer from Capital Reserve	300	47,271	47,571	47,571
Total Revenues	500	78,785	79,285	79,285
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	500	-	500	2,500
Construction Services	-	78,785	78,785	76,785
Total Expenditures	500	78,785	79,285	79,285
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-14-1004
Grant Date	February 12, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 79,285
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 79,285
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	August 31, 2015
Revised Target Completion Date	August 31, 2015

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G. Proprietary Funds

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Enterprise Funds

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

ASSETS	FOOD SERVICE	PERSONAL AIDE FUND	2016
Current Assets:			
Cash	\$ 202,537	\$ -	\$ 202,537
Accounts Receivable:			
Federal	31,328	-	31,328
State	459	-	459
Other	1,105	12,090	13,195
Inventory	13,352	-	13,352
	<hr/>	<hr/>	<hr/>
Total Current Assets	248,781	12,090	260,871
Noncurrent Assets:			
Machinery and Equipment	215,920	-	215,920
Less: Accumulated Depreciation	(111,480)	-	(111,480)
	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	104,440	-	104,440
	<hr/>	<hr/>	<hr/>
Total Assets	353,221	12,090	365,311
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Current Liabilities:			
Accounts Payable	21,880	-	21,880
Interfund Payable	-	12,090	12,090
Unearned Revenue	1,330	-	1,330
	<hr/>	<hr/>	<hr/>
Total Liabilities	23,210	12,090	35,300
	<hr/>	<hr/>	<hr/>
NET POSITION			
Net Investment in Capital Assets	104,440	-	104,440
Unrestricted	225,571	-	225,571
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 330,011	\$ -	\$ 330,011
	<hr/>	<hr/>	<hr/>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	FOOD SERVICE	PERSONAL AIDE FUND	2016
Operating Revenues:			
Charges for Services:			
Daily Sales	\$ 231,290	\$ -	\$ 231,290
Misc	2,083	-	2,083
Special Functions	76,546	320,880	397,426
	<hr/>	<hr/>	<hr/>
Total Operating Revenue	309,919	320,880	630,799
	<hr/>	<hr/>	<hr/>
Operating Expenses:			
Cost of Sales	372,132	-	372,132
Salaries and Wages	336,176	169,962	506,138
Employee Benefits	121,206	153,394	274,600
General Supplies	14,189	-	14,189
Depreciation Expense	18,284	-	18,284
Miscellaneous	14,630	-	14,630
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	876,617	323,356	1,199,973
	<hr/>	<hr/>	<hr/>
Operating Income/(Loss)	(566,698)	(2,476)	(569,174)
	<hr/>	<hr/>	<hr/>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	8,079	-	8,079
Federal Sources:			
School Breakfast Program	144,714	-	144,714
National School Lunch Program	400,878	-	400,878
National School Lunch Performance Based	9,206	-	9,206
Food Distribution Program	43,352	-	43,352
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenue (Expenses)	606,229	-	606,229
	<hr/>	<hr/>	<hr/>
Change in Net Position	39,531	(2,476)	37,055
Total Net Position - Beginning	290,480	2,476	292,956
	<hr/>	<hr/>	<hr/>
Total Net Position - Ending	\$ 330,011	\$ -	\$ 330,011
	<hr/>	<hr/>	<hr/>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	FOOD SERVICE	PERSONAL AIDE FUND	2016
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 311,974	\$ 327,490	\$ 639,464
Payments to Employees	(336,176)	(174,096)	(510,272)
Payments for Employee Benefits	(121,206)	(153,394)	(274,600)
Payments to Suppliers	(337,998)	-	(337,998)
Net Cash Flows From Operating Activities	(483,406)	-	(483,406)
Cash Flows From Capital Financing Activities:			
Purchase of Equipment	(45,163)	-	(45,163)
Net Cash Provided by Capital Financing Activities	(45,163)	-	(45,163)
Cash Flows From Noncapital Financing Activities:			
Cash Received From State & Federal Programs	575,483	-	575,483
Net Cash Flows From Noncapital Financing Activities	575,483	-	575,483
Net Increase/(Decrease) in Cash & Cash Equivalents	46,914	-	46,914
Balances - Beginning of Year	155,623	-	155,623
Balances - Ending of Year	\$ 202,537	\$ -	\$ 202,537
Reconciliation of Operating Income/(Loss) to Net Cash Flows Operating Activities:			
Operating Income (Loss)	\$ (566,698)	\$ (2,476)	\$ (569,174)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided Flows From Operating Activities:			
Depreciation Expense	18,284	-	18,284
Food Distribution Program	43,352	-	43,352
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	2,055	6,610	8,665
(Increase)/Decrease in Inventory	(2,152)	-	(2,152)
Increase/(Decrease) in Accounts Payable	20,788	(4,134)	16,654
Increase/(Decrease) in Other Current Liabilities	965	-	965
Net Cash Flows From Operating Activities	\$ (483,406)	\$ -	\$ (483,406)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		2016
	UNEMPLOYMENT COMPENSATION INSURANCE	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	
Assets:					
Cash & Cash Equivalents	\$ 200,591	\$ 3,543	\$ 116,302	\$ 13,463	\$ 333,899
Total Assets	200,591	3,543	116,302	13,463	333,899
LIABILITIES					
Liabilities:					
Unemployment Claims Payable	17,416	-	-	-	17,416
Scholarships Payable	-	-	-	-	-
Payroll Deductions & Withholdings	-	-	-	13,463	13,463
Due to Student Groups	-	-	116,302	-	116,302
Total Liabilities	17,416	-	116,302	13,463	147,181
NET POSITION					
Reserved	\$ 183,175	\$ 3,543	\$ -	\$ -	\$ 186,718

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2016**

	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION INSURANCE	SCHOLARSHIP	2016
Additions:			
Local Sources:			
Employee Salary Deductions	\$ 38,476	\$ -	\$ 38,476
Donations	-	6,106	6,106
Board Contribution	50,000	-	50,000
Total Operating Revenues	88,476	6,106	94,582
Other Sources:			
Interest on Investments	479	-	479
Total Additions	88,955	6,106	95,061
Deductions:			
Unemployment Claims	62,054	-	62,054
Miscellaneous	-	5,813	5,813
Total Deductions	62,054	5,813	67,867
Change in Net Position	26,901	293	27,194
Net Position, July 1	156,274	3,250	159,524
Net Position, June 30	\$ 183,175	\$ 3,543	\$ 186,718

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 87,336	\$ 195,170	\$ 166,204	\$ 116,302
Total Assets	<u>\$ 87,336</u>	<u>\$ 195,170</u>	<u>\$ 166,204</u>	<u>\$ 116,302</u>
LIABILITIES				
Due to Student Groups	\$ 87,336	\$ 195,170	\$ 166,204	\$ 116,302
Total Liabilities	<u>\$ 87,336</u>	<u>\$ 195,170</u>	<u>\$ 166,204</u>	<u>\$ 116,302</u>

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 15,551	\$ 5,909,515	\$ 5,911,603	\$ 13,463
Total Assets	<u>\$ 15,551</u>	<u>\$ 5,909,515</u>	<u>\$ 5,911,603</u>	<u>\$ 13,463</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 15,551	\$ 5,909,515	\$ 5,911,603	\$ 13,463
Total Liabilities	<u>\$ 15,551</u>	<u>\$ 5,909,515</u>	<u>\$ 5,911,603</u>	<u>\$ 13,463</u>

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in Capital Assets	\$ 47,180,448	\$ 48,284,262	\$ 48,318,134	\$ 49,310,133	\$ 48,057,457	\$ 38,156,011	\$ 18,486,060	\$ 11,708,103	\$ 10,690,660	\$ 11,142,005
Restricted	3,893,865	4,093,343	4,202,792	3,815,380	3,588,036	2,256,793	453,811	310,023	341,660	269,784
Unrestricted	(5,169,927)	(5,410,313)	152,435	(68,597)	(305,556)	(285,079)	555,067	997,259	785,834	527,376
Total Governmental Activities	\$ 45,904,386	\$ 46,967,292	\$ 52,673,361	\$ 53,056,916	\$ 51,339,937	\$ 40,127,725	\$ 19,494,938	\$ 13,015,385	\$ 11,818,154	\$ 11,939,165
Business-Type Activities:										
Net Investment in Capital Assets	\$ 104,440	\$ 77,561	\$ 269,626	\$ 296,813	\$ 2,174	\$ 1,376	\$ 3,144	\$ 4,912	\$ 6,698	\$ 875
Unrestricted	225,571	215,395	202,684	179,541	193,715	180,563	104,843	70,425	90,214	120,737
Total Business-Type Activities	\$ 330,011	\$ 292,956	\$ 472,310	\$ 476,354	\$ 195,889	\$ 181,939	\$ 107,987	\$ 75,337	\$ 96,912	\$ 121,612
Government-Wide:										
Net Investment in Capital Assets	\$ 47,284,888	\$ 48,361,823	\$ 48,587,760	\$ 49,606,946	\$ 48,059,631	\$ 38,157,387	\$ 18,489,204	\$ 11,713,015	\$ 10,697,358	\$ 11,142,880
Restricted	3,893,865	4,093,343	4,202,792	3,815,380	3,588,036	2,256,793	453,811	310,023	341,660	269,784
Unrestricted	(4,944,356)	(5,194,918)	355,119	110,944	(111,841)	(104,516)	659,910	1,067,684	876,048	648,113
Total Government-Wide Net Position	\$ 46,234,397	\$ 47,260,248	\$ 53,145,671	\$ 53,533,270	\$ 51,535,826	\$ 40,309,664	\$ 19,602,925	\$ 13,090,722	\$ 11,915,066	\$ 12,060,777

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular Educational Instruction	\$ 4,242,790	\$ 3,743,935	\$ 3,303,691	\$ 2,631,543	\$ 4,351,474	\$ 3,430,737	\$ 3,959,822	\$ 3,482,141	\$ 3,563,264	\$ 3,122,231
Special Educational Instruction	478,575	1,096,963	651,248	202,001	179,263	291,624	273,568	257,258	6,314	13,823
Vocational Instruction	2,444,622	2,178,746	2,162,094	1,945,370	1,373,524	1,210,601	1,754,228	1,777,019	1,503,460	1,665,728
Other Instruction	449,976	390,951	389,359	259,977	276,365	261,795	237,012	221,857	56,192	75,010
Support Services:										
Student & Instruction Related Services	2,045,209	1,904,057	1,520,744	1,174,901	1,269,454	1,135,526	1,077,885	918,897	900,149	991,635
General Administrative Services	378,325	391,674	350,863	329,374	1,251,827	1,277,501	1,210,658	1,306,280	1,368,219	1,277,003
School Administrative Services	1,125,358	979,367	1,031,846	1,015,782	437,510	402,616	349,873	337,100	352,642	342,875
Plant Operations & Maintenance	3,287,009	2,894,558	2,945,798	2,728,975	3,219,032	2,606,185	2,458,745	2,107,925	2,390,397	2,393,275
Pupil Transportation	478,062	354,622	271,252	254,536	326,939	108,903	111,662	51,260	79,285	59,651
Special Schools	1,400,071	1,335,515	1,297,355	1,251,696	1,421,358	1,156,001	1,368,185	1,494,080	1,975,820	1,995,533
Unallocated Depreciation	1,537,599	1,447,657	1,381,962	562,861	-	556,839	556,839	-	-	27,522
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Unallocated Benefits	7,895,006	6,471,048	4,227,611	3,738,559	-	-	-	-	-	-
Total Governmental Activities Expenses	25,762,602	23,189,093	19,533,823	16,095,575	14,106,746	12,438,328	13,358,477	12,496,400	12,195,742	11,964,286
Business-Type Activities:										
Food Service	876,617	786,837	704,575	605,559	443,253	315,890	391,800	399,678	379,535	209,914
L'Academie Café	-	3,128	-	-	-	-	-	-	-	-
Personal Aides	323,356	217,249	6,669	33,823	12,326	-	41	173	51	66
Total Business-Type Activities Expense	1,199,973	1,007,214	711,244	639,382	455,579	315,890	391,841	399,851	379,586	209,980
Total District Expenses	\$ 26,962,575	\$ 24,196,307	\$ 20,245,067	\$ 16,734,957	\$ 14,562,325	\$ 12,754,218	\$ 13,750,318	\$ 12,896,251	\$ 12,575,328	\$ 12,174,266
Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 12,361,763	\$ 10,880,468	\$ 8,986,914	\$ 7,120,722	\$ 6,162,637	\$ 4,071,130	\$ 4,210,065	\$ 3,411,327	\$ 2,887,084	\$ 2,405,426
Operating Grants & Contributions	4,300,759	3,553,246	1,993,333	1,552,505	1,373,005	3,822,622	1,578,212	1,401,501	1,933,317	2,068,761
Total Governmental Activities Program Revenues	16,662,522	14,433,714	10,980,247	8,673,227	7,535,642	7,893,752	5,788,277	4,812,828	4,820,401	4,474,187
Business-Type Activities:										
Charges for Services:										
Food Service	309,919	266,763	272,214	203,088	164,651	124,662	180,507	140,671	155,930	128,237
L'Academie Café	-	2,497	-	-	-	-	-	-	-	-
Personal Aides	320,880	219,725	215	20,118	12,915	-	6,598	9,690	7,825	8,449
Operating Grants and Contributions	606,229	517,173	434,771	368,071	290,077	142,446	120,699	99,631	71,828	56,419

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Business-Type Activities										
Program Revenues	1,237,028	1,006,158	707,200	591,277	467,643	267,108	307,804	249,992	235,583	193,105
Total District Program Revenues	\$ 17,899,550	\$ 15,439,872	\$ 11,687,447	\$ 9,264,504	\$ 8,003,285	\$ 8,160,860	\$ 6,096,081	\$ 5,062,820	\$ 5,055,984	\$ 4,667,292
Net (Expense)/Revenue:										
Governmental Activities	\$ (9,100,080)	\$ (8,755,379)	\$ (8,553,576)	\$ (7,422,348)	\$ (6,571,104)	\$ (4,544,576)	\$ (7,570,200)	\$ (7,683,572)	\$ (7,375,341)	\$ (7,490,099)
Business-Type Activities	37,055	(1,056)	(4,044)	(48,105)	12,064	(48,782)	(84,037)	(149,859)	(144,003)	(16,875)
Total Government-Wide Net Expense	\$ (9,063,025)	\$ (8,756,435)	\$ (8,557,620)	\$ (7,470,453)	\$ (6,559,040)	\$ (4,593,358)	\$ (7,654,237)	\$ (7,833,431)	\$ (7,519,344)	\$ (7,506,974)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes - County Appropriations	\$ 4,019,431	\$ 4,019,431	\$ 4,019,431	\$ 3,999,236	\$ 3,920,820	\$ 3,882,000	\$ 3,882,000	\$ 3,882,000	\$ 3,750,840	\$ 3,624,000
Federal & State Aid - Not Restricted	3,843,858	3,823,366	3,788,529	3,610,572	3,504,953	626,561	2,671,427	3,029,585	3,053,051	2,957,500
Miscellaneous Income	140,338	194,943	138,128	253,296	214,607	636,052	504,849	524,976	541,759	529,333
Special Items	-	-	-	-	(12,943)	-	-	-	-	-
Cancellation of Prior Year Receivables	-	-	-	-	-	-	-	-	-	(94,112)
Bond Proceeds	33,547	356,528	223,933	1,276,223	10,155,879	20,153,704	7,107,055	1,507,060	27,933	1,560,258
Transfers	-	178,298	-	-	-	(120,954)	(115,577)	(62,835)	(119,253)	(73,022)
Total Governmental Activities	8,037,174	8,572,566	8,170,021	9,139,327	17,783,316	25,177,363	14,049,754	8,880,786	7,254,330	8,503,957
Business-Type Activities :										
Investment Earnings	-	-	-	-	-	1,780	1,070	-	50	4
Transfers	-	(178,298)	-	-	-	120,954	115,577	-	119,253	73,022
Special Items	-	-	-	328,570	-	-	-	-	-	-
Total Business-Type Activities	-	(178,298)	-	328,570	-	122,734	116,647	-	119,303	73,026
Total Government-Wide	\$ 8,037,174	\$ 8,394,268	\$ 8,170,021	\$ 9,467,897	\$ 17,783,316	\$ 25,300,097	\$ 14,166,401	\$ 8,880,786	\$ 7,373,633	\$ 8,576,983
Change in Net Position:										
Governmental Activities	\$ (1,062,906)	\$ (182,813)	\$ (383,555)	\$ 1,716,979	\$ 11,212,212	\$ 20,632,787	\$ 6,479,554	\$ 1,197,214	\$ (121,011)	\$ 1,013,858
Business-Type Activities	37,055	(179,354)	(4,044)	280,465	12,064	73,952	32,610	(149,859)	(24,700)	56,151
Total District	\$ (1,025,851)	\$ (362,167)	\$ (387,599)	\$ 1,997,444	\$ 11,224,276	\$ 20,706,739	\$ 6,512,164	\$ 1,047,355	\$ (145,711)	\$ 1,070,009

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Restricted	\$ 3,835,924	\$ 4,082,398	\$ 3,911,897	\$ 4,353,713	\$ 3,138,674	\$ 2,061,346	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	155,099	195,447	-	-	-	-
Assigned	756,591	114,608	130,159	-	294,263	-	-	-	-	-
Unassigned	813,258	740,531	625,497	30,544	280,915	337,128	-	-	-	-
Reserved	-	-	-	-	-	-	1,317,004	1,676,081	1,302,400	992,416
Unreserved	-	-	-	-	-	-	334,006	303,539	442,240	438,411
Total General Fund	\$ 5,405,773	\$ 4,937,537	\$ 4,667,553	\$ 4,384,257	\$ 3,868,951	\$ 2,593,921	\$ 1,651,010	\$ 1,979,620	\$ 1,744,640	\$ 1,430,827
All Other Governmental Funds:										
Assigned, Reported in:										
Capital Project Fund	\$ 57,941	\$ 10,945	\$ 290,895	\$ -	\$ -	\$ 98,922	\$ -	\$ 5,302	\$ 43,651	\$ 57,097
Total All Other Governmental Funds	\$ 57,941	\$ 10,945	\$ 290,895	\$ -	\$ -	\$ 98,922	\$ -	\$ 5,302	\$ 43,651	\$ 57,097

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
County Appropriations	\$ 4,019,431	\$ 4,019,431	\$ 4,019,431	\$ 3,999,236	\$ 3,920,820	\$ 3,882,000	\$ 3,882,000	\$ 3,882,000	\$ 3,750,840	\$ 3,624,000
Tuition	12,361,763	10,880,468	8,986,914	7,120,722	5,644,715	3,595,520	3,793,099	2,933,201	2,392,692	1,907,500
Interest Earnings	-	-	-	-	517,922	475,610	416,966	478,126	494,392	497,926
Miscellaneous	173,885	551,471	362,061	1,529,519	247,390	670,893	554,952	582,438	758,691	745,006
State Sources	5,589,777	5,196,150	4,858,346	4,637,979	4,132,814	3,832,321	2,961,709	3,948,551	4,441,399	4,261,454
Federal Sources	960,821	979,766	923,516	525,098	712,361	582,021	1,237,827	425,093	328,037	549,134
Total Revenue	23,105,677	21,627,286	19,150,268	17,812,554	15,176,022	13,038,365	12,846,553	12,249,409	12,166,051	11,585,020
Expenditures:										
Instruction:										
Regular Instruction	4,242,790	3,743,935	3,303,691	2,631,543	3,339,398	2,581,770	2,738,063	3,087,879	3,132,428	2,730,673
Other Special Instruction	478,575	1,096,963	651,248	202,001	126,221	219,459	223,043	207,650	4,401	9,789
Vocational Instruction	2,444,622	2,178,746	2,162,094	1,945,370	995,292	911,027	1,189,920	1,527,234	1,245,576	1,378,321
Other Instruction	449,976	390,951	389,359	259,977	163,870	197,012	195,901	181,323	18,624	33,771
Support Services:										
Student & Instruction Related	2,045,209	1,904,057	1,520,744	1,174,901	1,001,429	854,530	912,017	785,008	771,310	871,146
General Administrative	378,325	391,674	350,863	329,374	400,363	412,165	487,793	521,739	559,621	503,483
School Administrative	456,423	438,341	443,993	429,229	319,512	302,985	288,624	274,877	272,118	272,457
Central Services	355,816	346,599	354,424	360,305	306,564	348,107	381,197	394,298	391,086	372,750
Administrative Information Technology	313,119	194,427	233,429	226,248	197,000	201,100	163,923	189,624	128,389	129,025
Plant Operations & Maintenance	3,164,303	3,089,387	2,945,798	2,728,975	2,296,611	1,961,261	2,233,247	1,892,799	1,891,083	1,840,341
Pupil Transportation	478,062	354,622	271,252	254,536	237,793	81,954	100,026	48,486	56,924	42,672
Unallocated Employee Benefits	5,826,663	5,015,019	4,261,864	3,687,556	3,204,269	2,960,107	2,756,669	1,457,076	1,625,521	1,563,791
Special Schools	1,400,071	1,335,515	1,297,355	1,251,696	1,019,909	869,938	1,147,188	1,262,493	1,578,799	1,591,535
Capital Outlay	556,491	1,040,658	389,963	1,815,537	10,856,697	20,226,790	7,349,026	1,603,955	89,488	1,937,288
Total Expenditures	22,590,445	21,520,894	18,576,077	17,297,248	24,464,928	32,128,205	20,166,637	13,434,441	11,765,368	13,277,042
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	515,232	106,392	574,191	515,306	(9,288,906)	(19,089,840)	(7,320,084)	(1,185,032)	400,683	(1,692,022)
Other Financing Sources/(Uses):										
Cancellation of Prior Year Receivables	-	-	-	-	(12,943)	-	-	(62,835)	-	(94,112)
Bond Proceeds	-	-	-	-	10,155,879	20,153,704	7,107,055	1,507,060	27,933	1,560,258
Transfers In	-	-	-	-	420,999	-	-	-	-	50,229
Transfers Out	-	-	-	-	-	(120,954)	(115,577)	-	(119,253)	(123,251)
Total Other Financing Sources/(Uses)	-	-	-	-	10,563,935	20,032,750	6,991,478	1,444,225	(91,320)	1,393,124
Net Change in Fund Balances	\$ 515,232	\$ 106,392	\$ 574,191	\$ 515,306	\$ 1,275,029	\$ 942,910	\$ (328,606)	\$ 259,193	\$ 309,363	\$ (298,898)

Source: District Records

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

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>TUITION</u>	<u>INTEREST</u>	<u>RENT</u>	<u>REFUND OF PRIOR YEAR REVENUE</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2016	\$12,361,763	\$ 9,921	\$ 12,748	\$ -	\$ 85,042	\$12,469,474
2015	10,880,468	7,751	7,646	-	138,131	11,033,996
2014	8,986,914	7,751	7,646	-	107,731	9,110,042
2013	7,120,722	7,619	35,705	-	234,913	7,398,959
2012	6,162,637	12,243	109,652	-	92,712	6,377,244
2011	4,071,130	-	106,052	-	530,419	4,707,601
2010	3,793,099	-	183,516	478,126	341,480	4,796,221
2015	2,933,201	-	183,516	-	820,606	3,937,323
2008	2,887,084	-	163,564	-	378,195	3,428,843
2007	2,405,426	-	194,104	-	335,229	2,934,759

Source: District Records

EXHIBITS 6 THROUGH 13 ARE NOT APPLICABLE

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL	PER CAPITA	UNEMPLOYMENT RATE (c)
		INCOME (IN THOUSANDS)	PERSONAL INCOME (b)	
2016	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2014	\$ 275,209	N/A	N/A	10.4%
2013	276,167	\$ 117,163,850	\$ 42,425	12.0%
2012	275,566	116,531,350	42,288	12.9%
2011	274,923	113,809,874	41,397	12.4%
2010	274,762	109,451,443	39,835	12.1%
2009	271,712	107,138,759	39,431	7.0%
2008	270,609	107,780,859	39,829	5.8%
2007	269,945	105,030,201	38,908	5.7%

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular Instruction	69.8	65.8	61.3	53.7	52.0	41.0	43.0	36.5	34.5	34.5
Special Education	34.2	33.8	8.7	12.5	12.5	-	-	-	-	-
Vocational Instruction	19.0	22.3	33.5	27.8	22.0	20.0	22.0	25.0	25.0	24.0
Adult/Continuing Education Programs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Support Services:										
Student & Instructional Related Services	21.0	20.0	16.5	15.4	14.5	13.5	9.0	10.0	9.5	8.0
General Administration Services	2.0	2.0	3.0	3.0	2.0	4.0	7.0	7.0	7.0	5.5
School Administration Services	6.0	6.0	6.0	4.3	3.5	5.5	9.0	9.0	8.5	12.0
Business Administrative Services	8.0	7.0	7.0	7.0	7.0	4.0	4.0	4.0	4.5	4.5
Plant Operations & Maintenance	30.5	30.0	29.0	25.0	21.0	19.0	15.0	17.0	18.0	17.0
Pupil Transportation	-	-	-	-	-	-	1.0	0.5	0.5	1.5
Other Support - Adult	2.0	2.0	2.5	3.3	2.0	1.0	1.0	2.0	2.0	-
Food Service	10.5	9.5	8.5	7.5	5.0	5.0	5.0	4.0	4.0	4.0
Total	205.0	200.4	178.0	161.5	143.5	115.0	118.0	117.0	115.5	114.0

Source: District Records

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL / TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ENROLLMENT (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						VOCATIONAL	VOCATIONAL				
2016	1,489	\$21,109,301	14,177	5.18%	125	11.9:1	11.9:1	1,489	1,401	6.51%	94.09%
2015	1,445	19,475,659	13,478	-1.16%	124	12.4:1	12.4:1	1,398	1,320	15.63%	94.42%
2014	1,267	17,276,921	13,636	11.87%	158	12.4:1	12.4:1	1,209	1,165	1.68%	96.36%
2013	1,129	14,943,506	12,189	-10.41%	99	12.4:1	12.4:1	1,189	1,140	16.33%	95.88%
2012	1,054	13,013,006	13,605	1.89%	78	11.8:1	11.8:1	1,022	983	23.01%	96.15%
2011	854	11,402,616	13,352	-16.66%	72	11.8:1	11.8:1	831	798	3.84%	96.06%
2010	800	12,817,614	16,022	1.57%	68	12.0:1	12.0:1	800	761	6.10%	95.06%
2015	754	11,893,322	15,774	6.46%	61	14.5:1	14.5:1	754	733	-4.30%	97.18%
2008	788	11,675,880	14,817	-2.13%	60	13.1:1	13.1:1	788	752	5.32%	95.43%
2007	749	11,339,754	15,140	8.85%	56	13.4:1	13.4:1	748	715	6.58%	95.59%

Source: District Records

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Vocational School (1973)										
Square Feet	237,998	237,998	237,998	237,998	237,998	143,230	143,230	143,230	143,230	143,230
Capacity (Students)	1,314	1,314	1,314	1,314	1,314	412	412	412	412	412
Enrollment	1,416	1,387	1,192	1,040	931	774	717	804	653	675
Annex Building (2003)										
Square Feet	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130
Capacity (Students)	428	428	428	428	428	428	428	428	428	428
Enrollment	73	58	75	89	123	80	83	79	70	74

Number of Schools at June 30, 2016:
 High School = 1
 Other = 1

Source: District Records, ASSA

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

FISCAL YEAR	ATLANTIC COUNTY VOCATIONAL SCHOOL
2016	\$ 892,834
2015	821,423
2014	775,506
2013	693,574
2012	461,146
2011	359,838
2010	458,377
2015	496,539
2008	455,296
2007	411,544

Source: District records

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016**

	COVERAGE	DEDUCTIBLE
Commercial Package Policy:		
Property, Inland Marine & Automobile Physical Damage: Limit of Liability - Per Occurance	98,816,831	5,000
Public Official Bonds: Public Agency Compliance Officer	75,000	
Comprehensive General Liability Coverage: Limit	31,000,000	
Electronic Data Processing	822,000	1,000
Package Police Crime Coverage	1,000,000	1,000
Board Member Accident: Limit of Liability	100,000	
Aggregate	250,000	
Student Accident (Compulsory): Maximum Benefit	1,000,000	
Student Accident (Catastrophic): Maximum Benefit	5,000,000	25,000
Volunteer Accident: Maximum Benefit	250,000	
Boiler and Machinery	100,000,000	5,000
Automobile Liability	31,000,000	
Standard Worker's Compensation & Employer's Liability Policy:		
Workers Compensation - Coverage A	Statutory	
Employee Liability Agreement - Coverage B	2,000,000	
School Board Legal Liability:		
Coverage A	31,000,000	
Coverage B Each Occurance	100,000	5,000
Policy Period	300,000	5,000
Pollution Liability:		
Each Occurance	1,000,000	25,000
Policy Period	11,000,000	75,000
Cyber Risk Liability	2,000,000	20,000

Source: District records

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
Atlantic County Vocational School District
County of Atlantic
Mays Landing, New Jersey 08330

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 Atlantic County Vocational School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Atlantic County Vocational School District’s basic financial statements, and have issued our report thereon dated November 08, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Atlantic County Vocational 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 Atlantic County Vocational School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Atlantic County Vocational 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 Atlantic County Vocational 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, and federal and state awarding agencies and pass-through entities, 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.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Toms River, New Jersey
November 08, 2016



EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Atlantic County Vocational School District
County of Atlantic
Mays Landing, New Jersey 08330

Report on Compliance for Each Major Federal and State Program

We have audited Atlantic County Vocational School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2016. Atlantic County Vocational 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 Atlantic County Vocational 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *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 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements

referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Atlantic County Vocational 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 Atlantic County Vocational School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Atlantic County Vocational 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, 2016.

Report on Internal Control Over Compliance

Management of Atlantic County Vocational School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Atlantic County Vocational 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 the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Atlantic County Vocational School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Toms River, New Jersey
November 08, 2016

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2016

SCHEDULE A
Exhibit K-3

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2015	Cash Received	Total Budgetary Expenditures	Passed Through to Sub-recipients	Balance at June 30, 2016	
										Accounts Receivable	Unearned Revenue
U.S. Department of Education											
Passed-through State Department of Education											
Special Revenue Fund:											
Title I, Part A	84.010A	S010A150030	NCLB-xxxx-16	\$ 418,641	9/1/15	8/31/16	\$ 338,636	\$ (418,641)	\$ -	\$ (80,005)	\$ -
Title I, Part A Carryover	84.010A	S010A150030	NCLB-xxxx-15	518,957	9/1/14	8/31/15	53,772	-	-	-	-
Subtotal							392,408	(418,641)	-	(80,005)	-
Title II, Part A Improving Teacher Quality	84.367A	S367A150029	NCLB-xxxx-16	26,754	9/1/15	8/31/16	26,754	(26,754)	-	-	-
Special Education Cluster											
I.D.E.-A, Part B, Basic Regular	84.027	H027A150100	IDEA-xxxx-16	261,334	9/1/15	8/31/16	212,114	(261,334)	-	(49,220)	-
I.D.E.-A, Part B, Carryover	84.027	H027A150100	IDEA-xxxx-15	205,988	9/1/14	8/31/15	34,355	-	-	-	-
Subtotal							246,469	(261,334)	-	(49,220)	-
Total Special Education Cluster							246,469	(261,334)	-	(49,220)	-
Student Financial Assistance Cluster											
Carl D. Perkins - Secondary	84.048	V048A140030	PERK016015	117,979	9/1/15	8/31/16	117,979	(117,979)	-	-	-
Carl D. Perkins - Secondary Reserve	84.048	V048A140030	PERK016015	35,930	9/1/15	8/31/16	35,930	(35,930)	-	-	-
Subtotal							153,909	(153,909)	-	-	-
Total Perkins Cluster							153,909	(153,909)	-	-	-
Total Special Revenue Fund							819,540	(860,638)	-	(129,225)	-
Total U.S. Department of Education							819,540	(860,638)	-	(129,225)	-
U.S. Department of Agriculture											
Passed-through State Department of Agriculture											
Enterprise Fund:											
Food Distribution Program	10.565	16161NJ304N1099	N/A	43,352	7/1/15	6/30/16	43,587	(43,352)	-	-	235
Child Nutrition Cluster											
School Breakfast Program	10.553	16161NJ304N1099	N/A	144,714	7/1/15	6/30/16	137,424	(144,714)	-	(7,290)	-
School Breakfast Program	10.553	16161NJ304N1099	N/A	108,904	7/1/14	6/30/15	11,411	-	-	-	-
Subtotal							148,835	(144,714)	-	(7,290)	-
National School Lunch Program	10.555	16161NJ304N1099	N/A	400,878	7/1/15	6/30/16	377,357	(400,878)	-	(23,521)	-
National School Lunch Program	10.555	16161NJ304N1099	N/A	352,247	7/1/14	6/30/15	31,651	-	-	-	-
Subtotal							409,008	(400,878)	-	(23,521)	-
National School Lunch Program Performance B	10.555	16161NJ304N1099	N/A	9,206	7/1/15	6/30/16	8,689	(9,206)	-	(517)	-
National School Lunch Program Performance B	10.555	16161NJ304N1099	N/A	7,970	7/1/14	6/30/15	702	-	-	-	-
Subtotal							9,391	(9,206)	-	(517)	-
Total Child Nutrition Cluster							567,234	(554,798)	-	(31,328)	-
Total Enterprise Fund							610,821	(598,150)	-	(31,328)	235
Total U.S. Department of Agriculture							610,821	(598,150)	-	(31,328)	235
Total Federal Financial Assistance							1,430,361	(1,458,788)	\$ -	\$ (160,553)	\$ 235

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

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016

SCHEDULE B
Exhibit K-4

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Date to Grantor	Balance at June 30, 2015				Balance at June 30, 2016				MEMO
			From	To		Unearned Revenue (Accts Receivable)	Cash Received	Budgetary Expenditures Pass through Funds	Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education														
General Fund:														
Equalization Aid	16-495-034-5120-078	\$3,120,415	7/1/15	6/30/16	-	\$	3,120,415	\$	(3,120,415)	\$	-	\$	312,046	\$ 3,120,415
Special Education Categorical Aid	16-495-034-5120-089	\$448,112	7/1/15	6/30/16	-	-	448,112	-	(448,112)	-	-	-	44,812	448,112
Security Aid	16-495-034-5120-084	\$63,177	7/1/15	6/30/16	-	-	63,177	-	(63,177)	-	-	-	6,318	63,177
Additional Adjustment Aid	16-495-034-5120-085	\$2	7/1/15	6/30/16	-	-	2	-	(2)	-	-	-	-	2
Adult and Post-Graduate Program Aid	16-100-034-5120-510	\$36,160	7/1/15	6/30/16	-	-	36,160	-	(36,160)	-	-	-	3,616	36,160
Per Pupil Growth Aid	16-495-034-5120-097	\$13,060	7/1/15	6/30/16	-	-	13,060	-	(13,060)	-	-	-	1,306	13,060
PARCC Readiness Aid	16-495-034-5120-098	\$13,060	7/1/15	6/30/16	-	-	13,060	-	(13,060)	-	-	-	1,306	13,060
On Behalf TPAF Pension Contributions (Non-Budgeted)	16-495-034-5094-002	\$530,654	7/1/15	6/30/16	-	-	530,654	-	(530,654)	-	-	-	1,306	530,654
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	16-495-034-5094-001	\$631,862	7/1/15	6/30/16	-	-	631,862	-	(631,862)	-	-	-	31,783	631,862
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	16-495-034-5094-003	\$619,571	7/1/15	6/30/16	-	-	587,788	-	(619,571)	(31,783)	-	-	31,783	619,571
		407,527	7/1/14	6/30/15	-	-	28,641	-	-	-	-	-	-	577,812
Total General Fund							5,472,931		(5,476,073)	(31,783)			401,187	6,053,885
Special Revenue Fund:														
County Apprenticeship Coordinator Program	16-100-034-5062-032	19,000	7/1/15	6/30/16	-	-	15,119	-	(20,861)	(5,742)	-	-	5,742	20,861
County Apprenticeship Coordinator Program	15-100-034-5062-032	19,000	7/1/14	6/30/15	-	-	6,344	-	-	-	-	-	-	-
Perkins Grant - Post Secondary	16-100-034-5062-032	100,183	9/1/15	8/31/16	-	-	100,183	-	(100,183)	-	-	-	-	100,183
Total Special Revenue Fund							121,646		(121,044)	(5,742)			5,742	121,044
Capital Project Fund														
School Development Authority														
Renovation of Faculty Toilets	0120-010-15-1001	39,120		Completion			14,448	-	(14,448)	-	-	-	-	15,648
Digital Security Cameras at Main High School	0120-010-15-1005	108,500		Completion			43,200	-	(43,200)	-	-	-	-	43,400
Replace Exterior Siding and Doors at Annex	0120-010-15-1006	308,750		Completion			18,242	-	(18,242)	-	-	-	-	123,500
Digital Security Cameras at Annex	0120-010-15-1004	79,285		Completion			31,514	-	(31,514)	-	-	-	-	31,714
Total Capital Projects Fund							89,162		(107,404)	-			5,742	214,262
Enterprise Fund:														
State Department of Agriculture														
National School Lunch Program (State Share)	16-100-010-3350-023	8,079	7/1/15	6/30/16	-	-	7,620	-	(8,079)	(459)	-	-	-	8,079
National School Lunch Program (State Share)	15-100-010-3350-023	7,095	7/1/14	6/30/15	-	-	628	-	-	-	-	-	-	7,095
Total Enterprise Fund							8,248		(8,079)	(459)			-	15,174
Total State Financial Assistance							5,691,987		(5,712,600)	(37,984)			406,929	6,404,365
							(17,371)							
Less: Awards Not Subject to Major Program Determination:														
On-Behalf TPAF Pension Contributions									(530,654)					
On-Behalf TPAF Post-Retirement Medical									(631,862)					
Total for State Financial Assistance subject to Major Program Determination									(1,162,516)					

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

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of awards and 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 basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Atlantic County Vocational School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Atlantic County Vocational School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

Note 3. Relationship to Basic Financial Statements

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

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments 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 two state aid payments in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,616 for the general fund and \$0 for the special revenue fund. See Exhibit C-3 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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 5,472,457	\$ 5,472,457
Special Revenue Fund	960,821	20,861	981,682
Capital Projects Fund	-	200,186	200,186
Food Service Fund	<u>598,150</u>	<u>8,079</u>	<u>606,229</u>
Total	<u>\$ 1,558,971</u>	<u>\$ 5,701,583</u>	<u>\$ 7,260,554</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. 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, 2016.

Note 6. Federal and State Loans Outstanding

The Atlantic County Vocational School District had no loan balances outstanding at June 30, 2016.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT K-6

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
1. Material weakness(es) identified?	None Noted
2. Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Noncompliance material to basic financial statements noted?	None Noted

Federal Awards

Internal control over major programs:	
1. Material weakness(es) identified?	None Noted
2. Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance?	None Noted

Identification of major programs:

<u>CFDA Numbers(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	S010A150030	Title I, Part A

Dollar threshold to distinguish between Type A programs:	\$750,000
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Auditee qualified as low-risk?	Yes
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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT K-6

Section I - Summary of Auditor's Results

State Awards

Dollar threshold to distinguish between Type A programs:	\$750,000
Auditee qualified as low-risk?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
1. Material weakness(es) identified?	None Noted
2. Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular Letter 15-08	None Noted

Identification of major programs:

<u>GMIS Numbers(s)</u>	<u>Name of State Program</u>
16-495-034-5120-085	Adjustment Aid
16-495-034-5120-089	Categorical Special Education Aid
16-495-034-5120-078	Equalization Aid
16-495-034-5120-084	Categorical Security Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5120-097	Per Pupil Growth Aid

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings.

Section III - Federal Award & State Financial Assistance Findings & Questioned Costs

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

No Current Year Findings.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS & QUESTIONED
COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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*, United States OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, as applicable.

No Prior Year Findings.