

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF
CUMBERLAND COUNTY BOARD OF
VOCATIONAL EDUCATION
BRIDGETON, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Prepared by
Cumberland County Board of Vocational Education
Finance Department**

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
OUTLINE OF CAFR**

INTRODUCTORY SECTION

Letter of Transmittal	<u>Page</u>
Organizational Chart	
Roster of Officials	
Consultants and Advisors	

FINANCIAL SECTION

Independent Auditor's Report	1-3
Required Supplementary Information - Part I Management's Discussion and Analysis	
Basic Financial Statements	
A. District/Charter School-Wide Financial Statements:	
A-1 Statement of Net Position	4
A-2 Statement of Activities	5
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	6
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	7
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	8
Proprietary Funds:	
B-4 Statement of Net Position	9
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	10
B-6 Statement of Cash Flows	11
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	12
B-8 Statement of Changes in Fiduciary Net Position	13
Notes to Financial Statements	14-36
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	37-48
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
C-1b Education Jobs Fund Program – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	49
Notes to the Required Supplementary Information – Part II	
C-3 Budget-to-GAAP Reconciliations	50

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
OUTLINE OF CAFR
(Continued)**

		<u>Page</u>
Required Supplementary Information – Part III		
L.	Schedule Related to Accounting and Reporting for Pensions (GASB 68)	
L-1	Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	51
L-2	Schedule of District Contributions – PERS and TPAF	52
L-3	Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	53
Notes to the Required Supplementary Information – Part III		54
Other Supplementary Information		
D.	School Based Budget Schedules:	
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated By Resource Type – Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	55-56
E-2	Pre-School Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	57
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	58
F-2(a)	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Roof and HVAC Repairs and Upgrades, Door, and Hardware Upgrades	59
F-2(b)	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Water Well System	60
F-2(c)	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status–Budgetary Basis–New Cumberland County Technical Education Bldg.	61
G.	Proprietary Funds:	
Enterprise Fund:		
G-1	Combining Schedule of Net Position	62
G-2	Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	63
G-3	Combining Schedule of Cash Flows	64
Internal Service Fund:		
G-4	Combining Schedule of Net Position	65
G-5	Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	66
G-6	Combining Schedule of Cash Flows	67

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
OUTLINE OF CAFR
(Continued)**

	<u>Page</u>
H. Fiduciary Fund:	
H-1 Combining Statement of Fiduciary Net Position	68
H-2 Combining Statement of Changes in Fiduciary Net Position	69
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	70
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	71
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
 Statistical Section	
Financial Trends	
J-1 Net Position by Component	72
J-2 Changes in Net Position	73-74
J-3 Fund Balances – Governmental Funds	75
J-4 Changes in Fund Balances – Governmental Funds	76-77
J-5 General Fund Other Local Revenue by Source	78
 Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	N/A
J-7 Direct and Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers*	N/A
J-9 Property Tax Levies and Collections	79
 Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	N/A
J-11 Ratios of Net General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A
 Demographic and Economic Information	
J-14 Demographic and Economic Statistics	80
J-15 Principal Employers	N/A
 Operating Information	
J-16 Full-Time Equivalent District/Charter School Employees by Function/Program	81
J-17 Operating Statistics	82
J-18 School Building Information	83
J-19 Schedule of Required Maintenance Expenditures by School Facility	84
J-20 Insurance Schedule	85

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
OUTLINE OF CAFR
(Continued)**

SINGLE AUDIT SECTION

Page

K-1	Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	86-87
K-2	Report on Compliance For Each Major Program; Report on Internal Control Over Compliance	88-90
K-3	Schedule of Expenditures of Federal Awards, Schedule A	91
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	92-93
K-5	Notes to the Schedules of Awards and Financial Assistance	94-95
K-6	Schedule of Findings and Questioned Costs	96-97
K-7	Summary Schedule of Prior Audit Findings	98

INTRODUCTORY SECTION



December 12, 2016

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

Dear Board Members:

The comprehensive annual financial report of the Cumberland County Board of Vocational Education 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 Cumberland County Board of Vocational Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Revisions of 1996 and the U.S. Office of Management and Budget; the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with acceptable laws and regulations and findings and recommendations are included in the single audit section of this report.

- 1.) REPORTING ENTITY AND ITS SERVICES:** Cumberland County Board of Vocational Education is a component of Cumberland County within the criteria adopted by GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Cumberland County Board of Vocational Education and all its schools constitute the District's reporting entity.

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

CCTEC Enrollment History

YEAR	Bridgeton		CRHS		Millville		Vineland		Other		HSTOT	Adult	Total
	FT	ST	FT	ST	FT	ST	FT	ST	STRIVE	other			
06-07	5	54	8	107	17	109	2	297		9	608	198	806
07-08	5	68	7	70	5	96	6	242	9	13	521	244	765
08-09	5	46	8	77	8	107	6	192	9	7	465	195	660
09-10	7	73	5	105	8	125	7	235	9	8	582	340	922
10-11	9	71	6	129	8	140	5	290	9	7	674	291	965
11-12	10	57	7	132	8	90	4	234	13	47	602	179	781
12-13	10	79	7	130	13	91	3	248	7	52	640	155	795
13-14	9	85	5	124	15	100	4	301	8	42	693	105	798
14-15	8	81	9	112	20	91	3	270	15	37	646	103	749
15-16	7	67	7	71	16	78	2	182	17	46	493	114	607

- 2.) **ECONOMIC CONDITION AND OUTLOOK:** As CCTEC and the County Freeholders broke ground in 2014 for the new Full Time High School, 2016 brought the official opening of the new facility and the enrollment of the class of 2020.

We continue to see high enrollment in all Health Science and Medicine Programs. The County as a whole has seen significant investment by the medical community thereby creating these types of jobs.

- 3.) **MAJOR INITIATIVES:** CCTEC embarked on a number of educational and other initiatives during the fiscal year. They include:
- a. The continuation of partnerships with Cumberland County College, Rutgers University, Rowan University and Ohio Technical College that enhance career pathways for all students.
 - b. The continuation of STRIVE's extended year program with a strong On the Job Training Program as a major component of the curriculum.
 - c. The collaboration with CTE professionals to assist in the development of curriculum.
 - d. The successful recruitment of teaching and support staff to facilitate the entrance of the class of 2020.

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

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

3400 College Drive, Vineland, NJ 08360

Office: 856.451.9000 | Fax: 856.451.8487 | www.CCTECnj.org

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as 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.) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2016 and the amount and percentage of increases in relation to prior year revenues.

Percent of Revenue	Amount	Total	Increase (Decrease) from 2015	Percent of Increase (Decrease)
Local Sources	\$4,006,187	43.11%	\$ (48,367.)	-1.19%
State Sources	4,830,202	51.98%	196,566.	4.24%
Federal Sources	<u>456,843</u>	<u>4.92%</u>	<u>(26,500.)</u>	<u>-5.31%</u>
Total	<u>\$9,293,232</u>	<u>100.00%</u>	<u>\$ 122,599.</u>	<u>1.34%</u>

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2016 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2015	Percent of Increase (Decrease)
Current Expense:				
Instruction	\$ 2,431,344.	29.10%	\$ (319,632.)	- 11.62%
Undistributed Expenditures	5,145,851.	61.60%	144,967.	2.90%
Capital Outlay	136,418.	1.63%	(67,157.)	- 32.99%
Special Schools	<u>640,220.</u>	<u>7.66%</u>	<u>60,081.</u>	<u>10.36%</u>
Total	<u>\$ 8,535,574.</u>	<u>100.00%</u>	<u>\$(181,741.)</u>	<u>4.74%</u>

8.) **DEBT ADMINISTRATION:** All bond indebtedness on behalf of the District is held by the Cumberland County Board of Chosen Freeholders and the Cumberland County Improvement Authority.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

3400 College Drive, Vineland, NJ 08360

Office: 856.451.9000 | Fax: 856.451.8487 | www.CCTECnj.org

- 9.) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements”, Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 10.) **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.
- 11.) **OTHER INFORMATION:**
- A) Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Triantos & Delp, CPA’s LLC was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was also designed to meet the requirements the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08. The auditor’s report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.
- 12.) **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Cumberland County Board of Vocational Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

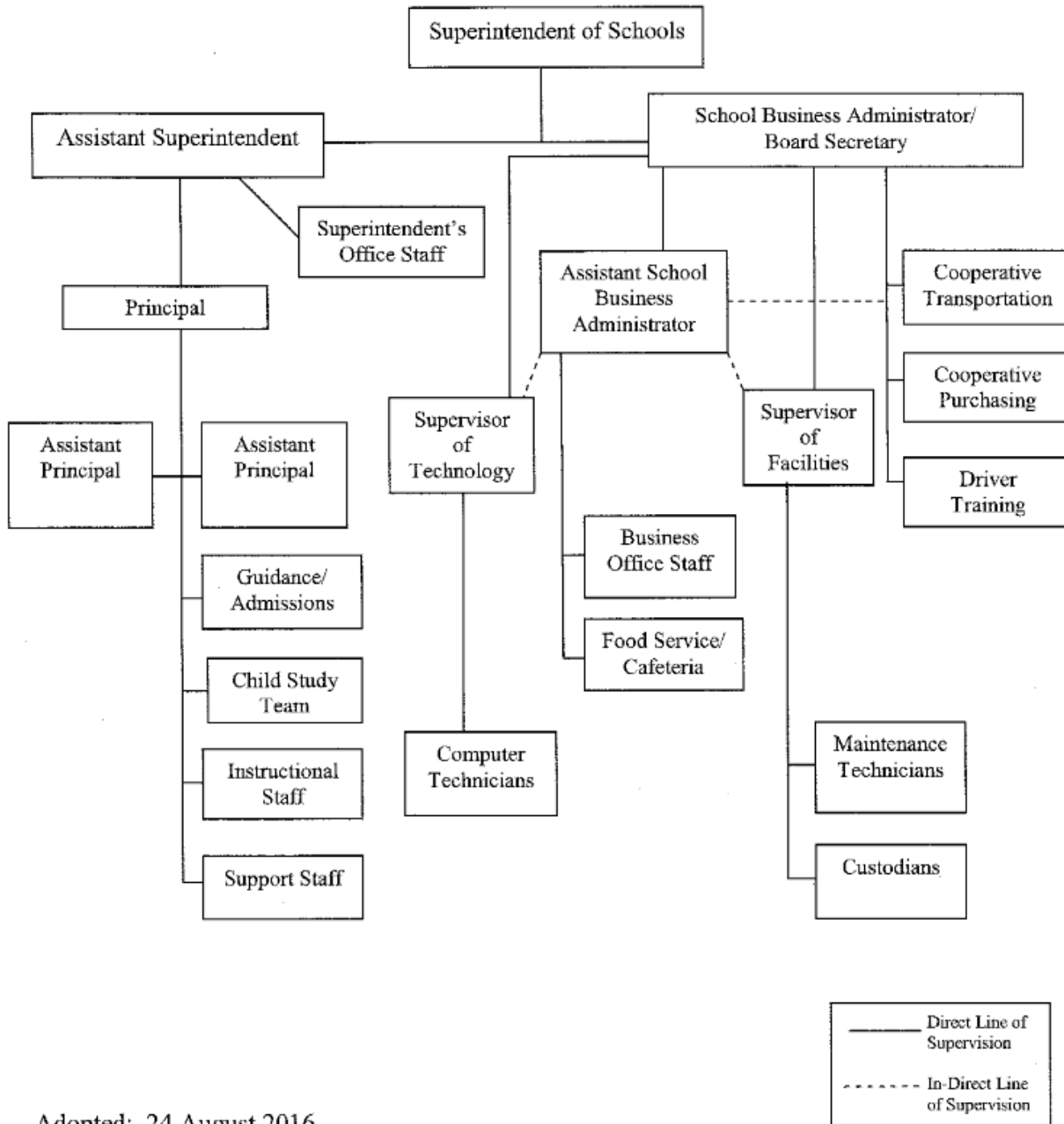


Dina Rossi Elliott, Ed. D.
Superintendent



Gene Mercoli
Business Administrator/Board Secretary

ORGANIZATIONAL CHART



Adopted: 24 August 2016

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

ROSTER OF OFFICIALS

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Daniel G. Vivarelli, Sr., President	2017
Carlos Villar, Vice President	2018
Ruth Hands	2019
Scott Groff	2016
Edward Lazarcheck	2017
Sheila McCann	2018
Peggy Nicolosi, Interim Executive County Superintendent	Permanent

Other Officials

Dina Rossi Elliott, Ed. D., Superintendent
Gene Mercoli, Board Secretary/Business Administrator
Mario Olsen, Assistant Superintendent
Megan Duffield, Assistant Business Administrator
Walter Pudelko, Treasurer

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Consultants and Advisors

AUDIT FIRM

Triantos & Delp, C.P.A.'s, LLC
645 South Main Road
Vineland, NJ 08360

ARCHITECT

Garrison Architects
713 Creek Road.
Bellmawr, NJ 08031

OFFICIAL DEPOSITORY

Cape Bank
Delsea Drive
Vineland, NJ 08360

BOARD SOLICITOR

Mitchell H. Kizner, Esq.
Flaster/Greenberg, P.C.
Commerce Center, Third Floor
1810 Chapel Avenue West
Cherry Hill, NJ 08002-4609

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

3400 College Drive, Vineland, NJ 08360

Office: 856.451.9000 | Fax: 856.451.8487 | www.CCTECnj.org

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on 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 Cumberland County Board of Vocational Education (a component unit of the County of Cumberland) in the County of Cumberland, in the 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 Board of Education'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 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. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 Cumberland County Board of Vocational Education (a component unit of the County of Cumberland) in the County of Cumberland, 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, Schedules Related to Accounting and Reporting for Pension, and Notes to the Required Supplemental Information on pages 37 through 53 and 54 be presented to supplement the basic financial statements. Such information, although not 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 response 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 Cumberland County Board of Vocational Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform Guidance)*, and schedule of expenditures of state awards as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying introductory information, statistical sections, combining and individual non-major fund financial statements are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual non-major fund financial statements, schedule of expenditures of federal awards, and schedule of expenditure of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual non-major fund financial statements, schedule of expenditures of federal awards, and schedule expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

The introductory informational and statistical section 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 December 12, 2016 on our consideration of the Cumberland County Board of Vocational Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cumberland County Board of Vocational Education's internal control over financial reporting and compliance.

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

December 12, 2016

REQUIRED SUPPLEMENTARY INFORMATION–PART I

MANAGEMENT'S DECISION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Cumberland County Board of Vocational Education's (CCBOVE) 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 statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district.

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

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

Major Features of District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
	District-Wide 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 special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial	-Statement of net assets -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows	-Statement of fiduciary net assets statements -Statement of changes in fiduciary net assets
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/liability information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term; CCBOVE's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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

District-wide Statements

The district-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 assets includes all of the District'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 district-wide statements report the District's *net position* and how it has changed. Net position - the difference between the District's assets and deferred outflow of resources and liabilities and deferred inflow of resources - 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 position is improving or deteriorating, respectively.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

3400 College Drive, Vineland, NJ 08360

Office: 856.451.9000 | Fax: 856.451.8487 | www.CCTECnj.org

- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school building and other facilities.

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
 - 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 flow.
 - *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (student transportation).
 - *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (in thousands)

Net position. The District's *combined* net position is \$76,326 on June 30, 2016. Approximately 0% of the total net position is from business-type activities. The balance of the total net position, which is approximately 100%, are attributed to governmental activities.

Changes in net position. The District's total revenues are \$15,913 for the fiscal period ending June 30, 2016, Property taxes and state formula aid accounted for 42% of the District's revenue. 9% is derived from state and federal aid for specific programs, and the remainder, 49% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students 10%. The purely administrative activities of the District accounted for 24% of total costs. Salary increases due to contractual agreements for teachers and other educational staff are included in the instruction-related costs. Total revenues surpassed expenses, increasing net position approximately \$617 over last year, primarily in governmental type activities.

Governmental Activities

Revenues for the District's governmental activities amounted to \$15,866. Total expenses amounted to \$15,214. The increase in net position in governmental activities was \$652 for 2016.

Business-Type Activities

Revenues of the District's business-type activities amounted to \$47 and expenses were \$82. Factors contributing to these results included:

- The District netted a small profit from its food service restaurant program.
- The house construction fund donated two completed houses.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (in thousands)

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$18,926. Miscellaneous revenue and non-resident fees exceeded the amounts anticipated in the 2016 budget. The District charged tuition for secondary high school students. Anticipated secondary tuition revenue exceeded that of the budgeted amount. The District also controlled expenditures.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for the following purpose:

- Transfers between budgetary line accounts to prevent overruns.

The District's final budget anticipated utilizing \$1,201 in fund balance and \$19 of prior year encumbrances to fund the appropriation plan for this fiscal period. The general fund balance increased by \$936.

Actual expenditures for capital outlay amounted to \$98 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$38 was from the Special Revenue Fund and \$41,062 from the Capital Project Fund for the purpose of the New High School Project

CAPITAL ASSET AND DEBT ADMINISTRATION (in thousands)

Capital Assets

By the end of 2016, the District had invested \$66,899 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (more detailed information about capital assets can be found in Note 5 to the financial statements.) Total depreciation expense for the year was \$400 while building improvements and additions to equipment and furniture amounted to \$143. Additions to construction in progress was \$41,037.

Long-Term Debt

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District continues to monitor industry needs to ensure our technical programs produce a job-ready workforce. In conjunction with the Workforce Investment Board and Cumberland County College, the Cumberland County Board of Vocational Education will continue to work with the top five industry leaders in Cumberland County to identify trends and enhance our training programs.

- In April 2014 the Freeholders approved a \$70 million dollar bond to fund the local portion of the New High School Project. By the close of June 2016 the district was well underway in planning for the opening of this school in September. The district has accepted 240 freshman for the inaugural class of 2020. Having a fully functioning school in September has become the focus of all Administration and the Board.

Table A-1
Cumberland County Board of Vocational Education's Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2015-2016
	2015	2016	2015	2016	2015	2016	
Assets							
Capital Assets	\$ 60,516.	\$ 19,952.	\$ 80.	\$ 43.	\$ 60,596.	\$ 19,995.	-67.0%
Total Assets	\$ 80,184.	\$ 80,478.	\$ 80.	\$ 43.	\$ 80,264.	\$ 80,521.	207.7% 0.3%
Deferred Outflow of Resources	\$ 426.	\$ 988.	\$ 0.	\$ 0.	\$ 426.	\$ 988.	0.0%
Current Liabilities	\$ 764.	\$ 384.	\$ 76.	\$ 73.	\$ 840.	\$ 457.	-45.6%
Noncurrent Liabilities	3,632.	4,409.	0.	0.	3,632.	4,409.	21.4%
Total Liabilities	\$ 4,396.	\$ 4,793.	\$ 76.	\$ 73.	\$ 4,472.	\$ 4,866.	8.8%
Deferred Inflow of Resources	510.	317.	0.	0.	510.	317.	0.0%
Net Position							
Invested in Capital Assets	\$ 19,668.	\$ 60,526.	\$ 0.	\$ 0.	\$ 19,668.	\$ 60,526.	207.7%
Net of Related Debt	59,010.	18,900.	0.	0.	59,010.	18,900.	-68.0%
Restricted	(2,974.)	(3,070.)	4.	(30.)	(2,970.)	(3,100.)	4.4%
Unrestricted	\$ 75,704.	\$ 76,356.	\$ 4.	\$ (30.)	\$ 75,708.	\$ 76,326.	0.8%
Total Net Position							

Table A-2
Cumberland County Board of Vocational Education's
Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2015-2016
	2015	2016	2015	2016	2015	2016	
Revenues							
Program Revenues							
Charges for Services	\$ 7,850.	\$ 6,595.	\$ 33.	\$ 46.	\$ 7,883.	\$ 6,641.	-15.8%
Federal & State Categorical Grants	1,226.	1,324.	22.	14.	1,248.	1,338.	7.2%
General Revenues							
Property Taxes	2,000.	2,200.	0.	0.	2,000.	2,200.	10.0%
State Formula Aid	4,500.	4,551.	0.	0.	4,500.	4,551.	1.1%
Other	70,094.	1,196.	22.	(13.)	70,116.	1,183.	-98.3%
Total Revenues	\$85,670.	\$15,866.	\$ 77.	\$ 47.	\$85,747.	\$15,913.	-81.4%
Expenses							
Instruction - Related	\$ 3,069.	\$ 2,772.	\$ 0.	\$ 0.	\$ 3,069.	\$ 2,772.	-9.7%
Student Support Services	784.	845.	0.	82.	784.	927.	18.2%
Maintenance & Operations	869.	752.	0.	0.	869.	752.	-13.5%
Transportation	30.	34.	0.	0.	30.	34.	13.3%
Administration	1,382.	1,505.	0.	0.	1,382.	1,505.	8.9%
Other	10,265.	9,306.	146.	0.	10,411.	9,306.	-10.6%
Total Expenses	\$16,399.	\$15,214.	\$ 146.	\$ 82.	\$16,545.	\$15,296.	-7.5%
Increase/ (decrease) in Net Position	\$69,271.	\$ 652.	\$ (69.)	\$ (35.)	\$69,202.	\$ 617.	-99.1%

Table A-3
 Cumberland County Board of Vocational Education's Capital Assets
 (Net of Depreciation)
 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2015-2016
	2015	2016	2015	2016	2015	2016	
Land	\$ 1,343.	\$ 1,343.	\$ 0.	\$ 0.	\$ 1,343.	\$ 1,343.	0.0%
Construction in Progress	13,176.	54,213.	0.	0.	13,176.	54,213.	311.5%
Site Improvements	227.	190.	0.	0.	227.	190.	-16.3%
Buildings & Improvements	3,868.	3,698.	0.	0.	3,868.	3,698.	-4.4%
Machinery & Equipment	1,054.	1,003.	0.	79.	1,054.	1,082.	2.7%
Total	\$19,668.	\$ 60,447.	\$ 0.	\$ 79.	\$19,668.	\$ 60,526.	207.7%

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 4,745,172.	\$ 14,707.	\$ 4,759,879.
Receivables, Net	15,206,202.	28,183.	15,234,385.
Capital Assets, Net	60,525,733.	0.	60,525,733.
Total Assets	<u>80,477,107.</u>	<u>42,890.</u>	<u>80,519,997.</u>
DEFERRED OUTFLOWS OF RESOURCES:			
	<u>988,443</u>	<u>0.</u>	<u>988,443</u>
LIABILITIES:			
Accounts Payable	343,030.	0.	343,030.
Interfund Payable	(73,181.)	73,181.	0.
Unearned Revenue	57,208.	0.	57,208.
Noncurrent Liabilities:			
Due within One Year	56,656.	0.	56,656.
Due in More than One Year	117,035.	0.	117,035.
Net Pension Liability	4,291,803.	0.	4,291,803.
Total Liabilities	<u>4,792,551.</u>	<u>73,181.</u>	<u>4,865,732.</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>316,649.</u>	<u>0.</u>	<u>316,649.</u>
NET POSITION			
Invested in Capital Assets, net of related debt	60,525,733.	0.	60,525,733.
Restricted for:			
Capital Projects	15,148,453.	0.	15,148,453.
Other Purposes	3,752,488.	0.	3,752,488.
Unrestricted	(3,070,324.)	(30,291.)	(3,100,615.)
Total Net Position	<u>\$ 76,356,350.</u>	<u>\$ (30,291.)</u>	<u>\$ 76,326,059.</u>

See Accompanying Notes to the Basic Financial Statements

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services		Operating Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental activities:						
Instruction:						
Vocational	\$ 2,759,056.	\$ 0.	\$ 0.	0.	\$ (2,759,056.)	\$ (2,759,056.)
Other instruction	12,574.	0.	0.	0.	(12,574.)	(12,574.)
Support services:						
Student & instruction related services	845,408.	0.	0.	0.	(845,408.)	(845,408.)
School administrative services	414,553.	0.	0.	0.	(414,553.)	(414,553.)
General and business administrative services	524,351.	0.	0.	0.	(524,351.)	(524,351.)
Central services	381,556.	0.	0.	0.	(381,556.)	(381,556.)
Admin info tech	184,788.	0.	0.	0.	(184,788.)	(184,788.)
Plant operations and maintenance	752,161.	0.	0.	0.	(752,161.)	(752,161.)
Pupil transportation	33,653.	0.	0.	0.	(33,653.)	(33,653.)
Employee benefits	2,731,937.	0.	1,324,100.	0.	(1,407,837.)	(1,407,837.)
Special schools	640,220.	601,219.	0.	0.	(39,001.)	(39,001.)
Internal service fund	5,914,868.	5,994,249.	0.	0.	79,381.	79,381.
NJ Debt service assessment	19,288.	0.	0.	0.	(19,288.)	(19,288.)
Total governmental activities	15,214,413.	6,595,468.	1,324,100.	0.	(7,294,845.)	(7,294,845.)
Business-type activities:						
Enterprise funds	82,395.	46,097.	14,190.	0.	0.	(22,108.)
Total business-type activities	82,395.	46,097.	14,190.	0.	0.	(22,108.)
Total primary government	\$ 15,296,808.	\$ 6,641,565.	\$ 1,338,290.	\$ 0.	\$ (7,294,845.)	\$ (7,316,953.)

51

General revenues:

Taxes:						
Property taxes, levied for general purposes, net					\$ 2,200,000.	\$ 2,200,000.
Federal and State aid not restricted					3,994,717.	3,994,717.
Federal and State aid restricted					555,898.	555,898.
Tuition received					1,061,040.	1,061,040.
Non-resident fees					76,000.	76,000.
Investment Earnings				17.	21,602.	21,602.
Miscellaneous Income					54,989.	54,989.
Transfers					(17,500.)	0.
Other source/use of funds					(30,000.)	(30,000.)
Total general revenues, special items, extraordinary items and transfers					7,946,729.	7,934,246.
Change in Net Position					651,884.	617,293.
Net Position—beginning				4,300.	75,704,466.	75,708,766.
Net Position—ending					76,356,350.	76,326,059.

See Accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 3,305,446.	\$ (127,557.)	\$ 1,503,332.	\$ 0.	\$ 4,681,221.
Due from other funds	1,960,725.	0.	0.	0.	1,960,725.
Receivables from other governments	55,948.	168,399.	13,948,298.	0.	14,172,645.
Total assets	\$ 5,322,119.	\$ 40,842.	\$ 15,451,630.	\$ 0.	\$ 20,814,591.
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 587.	\$ 0.	\$ 0.	\$ 0.	\$ 587.
Interfund payable	0.	0.	1,837,450.	0.	1,837,450.
Unearned revenue	9,544.	40,842.	0.	0.	50,386.
Total liabilities	10,131.	40,842.	1,837,450.	0.	1,888,423.
Fund Balances:					
Restricted for:					
Excess surplus-current year	1,686,189.	0.	0.	0.	1,686,189.
Excess surplus -- designated for subsequent year's expenditures	1,252,096.	0.	0.	0.	1,252,096.
Maintenance reserve	327,134.	0.	0.	0.	327,134.
Capital reserve	1,534,273.	0.	0.	0.	1,534,273.
Committed to:					
Other purposes	17,908.	0.	7,155,777.	0.	7,173,685.
Assigned to:					
Designated by BOE for subsequent year's expenditures	469,161.	0.	0.	0.	469,161.
Capital projects	0.	0.	6,458,403.	0.	6,458,403.
Unassigned:					
General fund	25,227.	0.	0.	0.	25,227.
Total Fund balances	5,311,988.	0.	13,614,180.	0.	18,926,168.
Total liabilities and fund balances	\$ 5,322,119.	\$ 40,842.	\$ 15,451,630.	\$ 0.	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$66,899,157. and the accumulated depreciation is \$6,452,198 (See Note 5). \$ 60,446,959.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7). (168,475.)

Internal service fund net position 685,228.

Pension related items:

Deferred outflow of items	\$ 905,835.	
Deferred inflow of items	(300,949.)	
Pension account payable	(158,609.)	
Net pension liability	<u>(3,979,807.)</u>	
Total pension related items		<u>(3,533,530.)</u>

Net assets of governmental activities \$ 76,356,350.

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 2,200,000.	\$ 0.	\$ 0.	\$ 0.	\$ 2,200,000.
Tuition charges	1,061,040.	0.	0.	0.	1,061,040.
Non-resident fees	76,000.	0.	0.	0.	76,000.
Interest earned	12,939.	0.	6,337.	0.	19,276.
Miscellaneous-restricted	601,219.	0.	0.	0.	601,219.
Miscellaneous-unrestricted	52,376.	2,613.	0.	0.	54,989.
Total local sources	4,003,574.	2,613.	6,337.	0.	4,012,524.
State sources	4,731,147.	99,055.	0.	0.	4,830,202.
Federal sources	0.	456,843.	0.	0.	456,843.
Total revenues	8,734,721.	558,511.	6,337.	0.	9,299,569.
EXPENDITURES:					
Current:					
Vocational instruction	2,053,227.	365,543.	0.	0.	2,418,770.
Other instruction	12,574.	0.	0.	0.	12,574.
Support services:					
Student & instruction related services	751,190.	78,205.	0.	0.	829,395.
School administrative services	390,533.	0.	0.	0.	390,533.
Other administrative services	508,338.	0.	0.	0.	508,338.
Central services	381,556.	0.	0.	0.	381,556.
Admin info tech	184,788.	0.	0.	0.	184,788.
Plant operations and maintenance	748,159.	0.	0.	0.	748,159.
Pupil transportation	33,653.	0.	0.	0.	33,653.
Employee benefits	1,993,118.	76,311.	0.	0.	2,069,429.
Capital outlay	97,966.	38,452.	41,062,230.	0.	41,198,648.
Special schools	640,220.	0.	0.	0.	640,220.
Total expenditures	7,795,322.	558,511.	41,062,230.	0.	49,416,063.
Excess (deficiency) of revenues over exp.	939,399.	0.	(41,055,893.)	0.	(40,116,494.)
OTHER FINANCING SOURCES (USES):					
Transfers in	6,337.	0.	147,643.	0.	153,980.
Transfers out	(17,500.)	0.	(153,980.)	0.	(171,480.)
Total other financing sources and uses	(11,163.)	0.	(6,337.)	0.	(17,500.)
Net change in fund balance	928,236.	0.	(41,062,230.)	0.	(40,133,994.)
Fund balance - July 1	4,383,752.	0.	54,676,410.	0.	59,060,162.
Fund balance - June 30	\$ 5,311,988.	\$ 0.	\$ 13,614,180.	\$ 0.	\$ 18,926,168.

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Total net changes in fund balances - governmental funds (from B-2) \$ (40,133,994.)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	\$ (400,334.)	
	Capital outlays	<u>41,179,359.</u>	40,779,025.

Adjustment to fixed assets 0.

Repayment of bond principal 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.

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (12,346.)

Increase in net assets - internal service fund 81,692.

Increase in pension expense (650,163.)

Increase in on behalf pension payments 587,670.

Change in net assets of governmental activities \$ 651,884.

See Accompanying Notes to the Basic Financial Statements

PROPRIETARY FUNDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2016

	Total Enterprise Funds	Total Governmental Activities - Internal Service Fund
ASSETS:		
Current Assets:		
Cash and cash equivalents	\$ 14,707.	\$ 63,951.
Accounts receivable:		
Federal	719.	0.
State	10.	0.
Interfund	26,344.	33,681.
Other receivables	1,110.	941,232.
Due to Adult Student account	0.	8,000.
Other asset	0.	550.
Note Receivable	0.	0.
Total current assets	<u>42,890.</u>	<u>1,047,414.</u>
Noncurrent assets:		
Furniture, machinery & equipment	0.	149,806.
Less accumulated depreciation	0.	(71,032.)
Total noncurrent assets	<u>0.</u>	<u>78,774.</u>
Total assets	<u>\$ 42,890.</u>	<u>\$ 1,126,188.</u>
DEFERRED OUTFLOW OF RESOURCES:	<u>0.</u>	<u>82,608.</u>
LIABILITIES:		
Current Liabilities:		
Accounts payable	\$ 0.	\$ 172,227.
Pension account payable	0.	11,607.
Interfund payable	73,181.	0.
Prepaid benefits	0.	6,822.
Total current liabilities	<u>73,181.</u>	<u>190,656.</u>
Noncurrent liabilities		
Compensated absence	0.	5,216.
Net pension liability	0.	311,996.
Total noncurrent liabilities	<u>0.</u>	<u>317,212.</u>
Total liabilities	<u>73,181.</u>	<u>507,868.</u>
DEFERRED INFLOW OF RESOURCES:	<u>0.</u>	<u>15,700.</u>
NET POSITION:		
Invested in capital assets net of related debt	0.	78,774.
Unrestricted	(30,291.)	606,454.
Total net position	<u>\$ (30,291.)</u>	<u>\$ 685,228.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2016

	Total Enterprise Funds	Total Governmental Activities - Internal Service Fund
Operating revenues:		
Changes for services:		
Daily sales - Reimbursable	\$ 2,703.	\$ 0.
Daily Sales - Non-reimbursable	43,394.	0.
Fees	0.	5,994,249.
Total operating revenues	<u>46,097.</u>	<u>5,994,249.</u>
Operating expenses		
Cost of Sales - Reimbursable	23,941.	0.
Cost of Sales - Nonreimbursable	40,739.	0.
Salaries	2,158.	166,993.
Payroll taxes and fringe benefits	165.	73,513.
Pension expense	0.	6,638.
Other purchased services	10,850.	48,339.
Contracted services	0.	5,613,962.
General supplies	0.	172.
Depreciation	0.	5,251.
Miscellaneous	4,542.	0.
Total operating expenses	<u>82,395.</u>	<u>5,914,868.</u>
Operating income/(loss)	<u>(36,298.)</u>	<u>79,381.</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	180.	0.
Federal sources:		
National school breakfast program	3,706.	0.
National school lunch program	7,980.	0.
USDA commodities	2,324.	0.
Interest	17.	2,311.
Donation	(30,000.)	0.
Total nonoperation revenues (expenses)	<u>(15,793.)</u>	<u>2,311.</u>
Operating transfer in/(out):		
Operating transfer in	<u>17,500.</u>	<u>0.</u>
Change in net position	(34,591.)	81,692.
Total net position - beginning, restated	<u>4,300.</u>	<u>603,536.</u>
Total net position - ending	<u>\$ (30,291.)</u>	<u>\$ 685,228.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR YEAR ENDED JUNE 30, 2015

	Total Enterprise Fund	Total Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 45,797.	\$ 6,529,602.
Payments to employees	0.	(166,617.)
Payment for employee benefits	0.	(75,288.)
Payments to suppliers	(82,953.)	(6,034,620.)
Net cash provided by (used for) operating activities	<u>(37,156.)</u>	<u>253,077.</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	187.	0.
Federal Sources	12,262.	0.
Interfund	17,500.	(154,000.)
Net cash provided by (used for) non-capital financing activities	<u>29,949.</u>	<u>(154,000.)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of equipment	0.	(84,026.)
Interest of investment	17.	2,311.
Net cash provided by financing activities	<u>17</u>	<u>(81,715)</u>
Net increase (decrease) in cash and cash equivalents	(7,190.)	17,362.
Balances - beginning of year	21,897.	46,589.
Balances - end of year	<u>\$ 14,707.</u>	<u>\$ 63,951.</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (36,298.)	\$ 79,381.
Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	0.	5,251.
Federal commodities	2,324.	0.
(Increase)/decrease in accts receivables, net	293.	538,735.
(Increase)/decrease in interfund receivables	(593.)	(5,231.)
(Increase)/decrease in deferred outflow of resources	0.	(53,948.)
(Increase)/decrease in pension accounts payable	0.	561.
Increase/(decrease) in prepaid benefits	0.	1,803.
Increase/(decrease) in compensated absences	0.	404.
Increase/(decrease) in accounts payable	(2,882.)	(373,903.)
Increase/(decrease) in deferred inflow of resources	0.	(18,598.)
Increase/(decrease) in net pension liability	0.	78,622.
Total adjustments	<u>(858.)</u>	<u>173,696.</u>
Net cash provided by (used for) oper activities	<u>\$ (37,156.)</u>	<u>\$ 253,077.</u>

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUNDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2016

	Unemployment Compensation Trust	Payroll/Agency Fund	Student Activity
ASSETS:			
Cash & Cash Equivalents	\$ 46,870.	\$ 6,377.	\$ 169,821.
Due from Agency	2,479.		
Total Assets	49,349.	6,377.	169,821.
DEFERRED OUTFLOW OF RESOURCES:			
LIABILITIES:			
Due to Student Groups	0.	0.	20,400.
Due to Internal Service Fund - Technology	0.	0.	8,000.
Unearned Revenue	0.	0.	32,140.
Interfund Payable	0.	838.	109,281.
Payroll Deductions and Withholdings	0.	3,060.	0.
Due to Unemployment	0.	2,479.	0.
Total Liabilities	0.	\$ 6,377.	\$ 169,821.
DEFERRED INFLOW OF RESOURCES:			
NET POSITION:			
Held in trust for unemployment claims	\$ 49,349.		

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ 7,990.
Other	0.
Board Contribution	0.
Total Contributions	<u> 7,990.</u>
Investment Earnings:	
Interest	218.
Net Investment Earnings	<u> 218.</u>
DEDUCTIONS:	
Unemployment Claims	24,327.
Other	0.
Total Deductions	<u> 24,327.</u>
 Change in Net Assets	 (16,119.)
 NET POSITION, JULY 1	 <u> 65,468.</u>
 NET POSITION, JUNE 30	 <u><u> \$ 49,349.</u></u>

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cumberland County Board of Vocational Education is a component unit of the County of Cumberland. The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials 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 financial statements of the Board of Education (Board) of the Cumberland County Board of Vocational Education (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Reporting Entity

The Cumberland County Board of Vocational Education is a Type I district located in the County of Cumberland, State of New Jersey. As a Type I District, the School District functions independently through a Board of Education. The board is comprised of seven (7) members elected to four (4) year terms, appointed by the Board of Chosen Freeholders, and the County Superintendent of Schools as an ex-officio member. 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 9th to 12th for vocational programs and operate the adult and continuing education programs. The Cumberland County Board of Vocational Education had an enrollment at June 30, 2016 of 493 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

Based on the aforementioned criteria, the District had no component units.

B. Basic Financial Statements – Governmental Wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general, special revenue, and capital projects activities are classified as governmental activities. The District's various enterprise and internal service funds are classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities column (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Basic Financial Statements – Governmental Wide Financial Statements – (Continued)

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, federal and state aid, interest income, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by a category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category of the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. 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, district taxes 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.

- b. **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.
- c. **Capital Projects Fund:** The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basic Financial Statements – Fund Financial Statements – (Continued)

- d. Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs. As a Type I school district there is no debt service fund.

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted or unrestricted fund balance is available, the District considers restricted funds to be spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the District considers amounts to have been spent first out of committed, then assigned funds and finally unassigned funds as needed.

2. Proprietary Funds:

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

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users of goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district.
- b. Internal Service Fund are used to charge costs for certain activities to individual funds or other governmental entities. The District's internal service fund comprised of the Joint Transportation Consortium and Shared Service of Technology

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basic Financial Statements – Fund Financial Statements – (Continued)

3. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and is reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the entity-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Financial Statement Amounts

1. Cash and Cash Equivalents:

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public funds in public depositories protected from loss under the provisions of the Government 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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

NJSA 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.

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is transferred to the general or debt service fund.

3. Inventories:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extended the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues are reported as reductions to expenses in the statement of activities.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs other than those reported in the enterprise fund are reported in the period when inventory items are purchased, rather than in the period used.

7. 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 governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. Budgets/Budgetary Control:

Annual appropriation budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

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.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (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.

10. Tuition Receivables:

Tuition charges were established by the Boards of Education based on estimated costs.

11. Tuition Payable:

The District had no tuition expenditures.

12. Use of Estimates:

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

13. Allocation of Costs:

In the government-wide statement of activities, the District has not allocated unallocated benefits to various programs.

14. 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 fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

F. Recent Accounting Pronouncements Not Yet Effective

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application". This statement is effective for fiscal periods beginning after June 15, 2015 will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68". This statement is effective for fiscal periods beginning after June 30, 2016, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016 establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Plans Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. Recent Accounting Pronouncements Not Yet Effective - (Continued)

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, “The Hierarchy of General Accepted Accounting Principles for State and Local Governments.” This statement is effective for fiscal periods beginning June 30, 2015, will not have any effect on the District’s financial reporting.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

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

- a.) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b.) Bonds or any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c.) Bonds or other obligations of the school district.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2016, the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq, establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, 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 Governmental Units.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New Jersey, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The school district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS – (Continued)

As of June 30, 2016, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking account	\$ 4,982,948.
TOTAL	\$ 4,982,948.

Custodial Credit Risk:

Custodial credit presents a risk that in the event of a bank failure, the School District’s deposits may not be returned to it. The School District’s formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of GUDPA Act as previously described.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2016, the District’s bank balance of \$5,944,244 was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000.
Collateralized under GUDPA	5,694,244.
TOTAL	\$ 5,944,244.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

NOTE 3 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by New Jersey school districts for the accumulation of funds for 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 deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73(\$1701). Pursuant to N.J.A.C. 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$9,983,000 as shown in the 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	\$ 1,532,264.
Interest earnings	2,009.
Deposits	
Approved in 2015/2016 Budget	0.
Board Resolution	0.
Withdrawals	
Board Resolution	0.
Total Withdrawals	0.
Ending balance, June 30, 2016	\$ 1,534,273.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 - MAINTENANCE RESERVE

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 increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

The activity of the maintenance reserve for the July 1, 2015 to June 30, 2016 year is as follows:

Beginning Balance July 1, 2015	\$ 327,134.
Deposits – Transfer from Capital Projects Fund	0.
Withdrawals	0.
Ending balance June 30, 2016	\$ 327,134.

The June 30, 2016 maximum maintenance reserve amount is \$ 712,455.

NOTE 5 - FIXED ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets that are not Being Depreciated:					
Land	\$ 1,342,963.	\$ 0.	\$ 0.	\$ 0.	\$1,342,963.
Construction in progress	13,176,163.	41,036,726.	0.	0.	54,212,889.
Total Capital Assets not being Depreciated	14,519,126.	41,036,726.	0.	0.	55,555,852.
Bldg & Bldg Improvements	7,598,640.	0.	0.	0.	7,598,640.
Site Improvements	785,221.	0.	0.	0.	785,221.
Machinery & Equipment	2,816,811.	142,633.	0.	0.	2,959,444.
Totals at Historical Cost	11,200,672.	142,633.	0.	0.	11,343,305.
Less: Accum. Deprec. for:					
Bldg & Bldg Improvements	(3,730,508.)	(170,263.)	0.	0.	(3,900,771.)
Site Improvements	(558,623.)	(36,805.)	0.	0.	(595,428.)
Machinery & Equipment	(1,762,733.)	(193,266.)	0.	0.	(1,955,999.)
Total Accum. Depreciation	(6,051,864.)	(400,334.)	0.	0.	(6,452,198.)
Total Capital Assets being depreciated net of Accum. Depreciation	5,148,808.	(257,701.)	0.	0.	4,891,107.
Government Activities Capital Assets, net	\$ 19,667,934.	\$ 40,779,025.	\$ 0.	\$ 0.	\$ 60,446,959.
Business-type Activities:					
Internal Service Fund:					
Equipment	\$ 65,780.	\$ 84,026.	\$ 0.	\$ 0.	\$ 149,806.
Less Accum. Deprec. for: Equipment	(65,780.)	(5,252.)	0.	0.	(71,032.)
Business-type Activities Capital Assets, net	\$ 0.	\$ 78,774.	\$ 0.	\$ 0.	\$ 78,774.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 - FIXED ASSETS – (Continued)

***Depreciation Expense was Charged to Governmental Functions as Follows:**

Instruction:	
Regular	\$ (340,286.)
Support Services:	
Student & Instruction Related Services	(16,013.)
School Administration	(24,020.)
General and Business Administrative Services	(16,013.)
Plant Operations and Maintenance	(4,002.)
Total Depreciation Expense	<u>\$ (400,334.)</u>

NOTE 6 - OPERATING LEASES

During the year ended June 30, 2016, the District was leasing various office equipment under operating leases. The leases are for various terms. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2017	\$ 47,960.
June 30, 2018	45,746.
June 30, 2019	22,350.
June 30, 2020	1,478.
TOTAL	<u>\$ 117,534.</u>

The total operating lease payments made during the year ended June 30, 2016 were \$ 38,430.

NOTE 7 - GENERAL LONG-TERM DEBT

Type of Debt	Balance at 6/30/15	Issued	Retired	Balance at 6/30/16	Amounts Due Within 1 Year
Governmental Activities:					
Compensated Absences					
Payable	\$ 156,130.	\$ 12,345.	\$ 0.	\$ 168,475.	\$56,656.
Total	<u>\$ 156,130.</u>	<u>\$ 12,345.</u>	<u>\$ 0.</u>	<u>\$ 168,475.</u>	<u>\$56,656.</u>

A. Bonds Payable:

Bonds are authorized in accordance with State laws by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

As a Type I school district, all bonds are issued by the County of Cumberland.

B. Capital Leases Payable:

The District had no capital leases in force during the 2015-2016 year.

NOTE 8 – PENSION PLANS

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

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 8 – PENSION PLANS – (Continued)

Teacher’s Pension and Annuity (TPAF)

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

Public Employees' Retirement System (PERS)

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

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District’s contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.92% and the PERS rate is 6.92% of covered payroll. The School District’s contributions to TPAF for the years ending June 30, 2016, 2015 and 2014 are shown below and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District’s contributions to PERS for the years ending June 30, 2016, 2015, and 2014 are shown below.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>
June 30, 2016	\$ 164,371.	100%
June 30, 2015	152,913.	100%
June 30, 2014	153,922.	100%

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 8 – PENSION PLANS – (Continued)

<u>Three-Year Trend Information for TPAF</u>			
<u>(Paid on Behalf of the District)</u>			
Year	Pension	Post-Retirement	Total
<u>Funding</u>	<u>Contribution</u>	<u>Medical (PRM)</u>	<u>Contribution</u>
June 30, 2016	\$ 235,171.	\$ 280,023.	\$ 515,194.
June 30, 2015	154,501.	245,270.	399,771.
June 30, 2014	112,346.	184,205.	295,551.

During the fiscal years ended June 30, 2016, 2015 and 2014, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$221,236; \$216,638; and \$208,588; during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 8 – PENSION PLANS – (Continued)

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems. Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 9 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

At June 30, 2016, the District reported a liability of \$4,291,803 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District's proportion was 0.0191188693%, which was a decrease of 3.07% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$290,733. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ 102,387.	
Changes of assumptions	460,905.	
Net difference between projected and actual earnings on pension plan investments		\$ 69,004.
Changes in proportion and difference between District contributions and proportionate share of contributions	90,564.	247,645.
District contributions subsequent to the measurement date	334,587.	
Total	\$ 988,443.	\$ 316,649.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 9 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) – (Continued)

\$334,587 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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,		
2017	\$	61,372.
2018		61,372.
2019		61,372.
2020		97,790.
2021		72,971.
Total	\$	<u>354,877.</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation rate	3.04 %
Salary increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment rate of return	7.90%

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.

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 assets 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:

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 9 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) – (Continued)

<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%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially contributions. Based on those assumptions, the play’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 benefits payments through 2033, and the municipal bond rate was applied to projected benefits payments after that date in determining the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 4.90%, 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:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District’s proportionate share of the net pension liability	\$ 5,334,186.	\$ 4,291,803.	\$ 3,417,877.

Pension plan fiduciary net position.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial report.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 10 – TEACHERS’ PENSION AND ANNUITY FUND (TPAF)

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	0.
State's proportionate share of the net position liability associated with the District	\$	<u>18,062,268.</u>
Total	\$	<u>18,062,268.</u>

The net pension liability was measured as of June 30, 2015 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the District’s proportion was 0.00%, which was no change from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$1,102,864 and revenue of \$1,102,864 for support provided by the State.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State’s portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/2015</u>	<u>06/30/2014</u>
Collective deferred outflows of resources	\$ 7,522,890,856.	\$ 2,306,623,861.
Collective deferred inflows of resources	623,365,110.	1,763,205,593.
Collective net pension liability (nonemployer-State of New Jersey)	63,204,270,305.	53,446,745,367.
State’s portion of the net pension liability that was associated with the district	18,062,268.	14,193,837.
State’s portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.0285776064%	0.0265569172%

Actuarial assumptions

The total pension liability in the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 10 – TEACHERS’ PENSION AND ANNUITY FUND (TPAF) – (Continued)

Inflation rate	2.50%
Salary increases:	
2012-2021	Varied based on experience
Thereafter	Varied based on experience
Investment rate of return	7.90%

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-estimates 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 rate of return by target asset allocation percentage and by adding expected inflation. Best estimate 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Cash	5.00%	0.53%
U.S. Government Bonds	1.75%	1.39%
U.S. Credit Bonds	13.50%	2.72%
U.S. Mortgages	2.10%	2.54%
U.S. Inflation-Indexed Bonds	1.50%	1.47%
U.S. High Yield Bonds	2.00%	4.57%
U.S. Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equity	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%

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 10 – TEACHERS’ PENSION AND ANNUITY FUND (TPAF) – (Continued)

Discount rate

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers’ contribution. 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.

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

The following presents the net pension liability of the State as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State’s net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

At 1% Decrease (3.13%)	At current discount rate (4.13%)	At 1% Increase (5.13%)
\$ 75,559,915,440.	\$ 63,577,864,440.	\$ 53,254,610,440.

Pension plan fiduciary net position.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued TPAF financial report.

NOTE 11 - 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.

GASB statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the State of New Jersey and as such, no district OPEB liability exists.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 11 - POST RETIREMENT BENEFITS – (Continued)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

NOTE 12 - COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Government 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 amounts of vacation and sick leave in accordance with the District’s personnel policy. Upon termination, employees are paid for accrued vacation. The District’s 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 the District’s agreements with the various employee unions.

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

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, a liability existed for compensated absences in the Internal Service Fund in the amount of \$5,216.

NOTE 13 - DEFERRED COMPENSATION

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

Thomas Seeley Agency
Vanguard Group
AG Edwards, Inc.
Allen Associates

NOTE 14 - RISK MANAGEMENT

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

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

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

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 14 - RISK MANAGEMENT – (Continued)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 0.	\$ 7,990.	\$ 218.	\$ 24,327.	\$49,349.
2014-2015	0.	8,385.	246.	10,337.	65,468.
2013-2014	0.	7,759.	347.	29,865.	67,174.

NOTE 15 - INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,960,725.	\$ 0.
Capital Projects Fund	0.	1,837,450.
Enterprise Fund	26,344.	73,181.
Internal Service Fund	41,681.	0.
Fiduciary Fund	0.	118,119.
	<u>\$2,028,750.</u>	<u>\$2,028,750.</u>

The balance due to the general fund from the capital projects fund represents funds from the general fund used for working capital in advance of the receipt of bond proceeds being held by Cumberland County Improvement Authority. These amounts will be repaid when the funds are received from Cumberland County Improvement Authority during a subsequent year.

General Fund advanced cash to various Enterprise Funds periodically to alleviate cash flow problems in the Enterprise Fund.

The remaining balances resulted from the time lag between the dates that:

1. The interfund transactions occur;
2. Transactions are recorded in the accounting system; and
3. Payments between funds are made.

NOTE 16 - CONTINGENT LIABILITIES

The Board is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

NOTE 17 - CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$2,938,285.

NOTE 18 - DEFICIT FUND BALANCES

The District has a deficit fund balances of \$0 in the General Fund and \$0 in the Special Revenue Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016

NOTE 18 - DEFICIT FUND BALANCES - (Continued)

cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$0 is equal to (or) is less than the last state aid payments.

NOTE 19 - FUND BALANCE

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2016.

RESTRICTED

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

General Fund:

Excess Surplus: In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$2,938,285; \$1,252,096 has been restricted and designated for utilization in the 2016-2017 budget.

Capital Reserve Account: As of June 30, 2016, the balance in the capital reserve account is \$1,534,273. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2016, the balance in the maintenance reserve account is \$327,134. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (*N.J.S.A. 18A:7G-9*) as amended by P.L. 2004, c.73 (S1701).

COMMITTED

As stated in Note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Other Purposes: As of June 30, 2016, the School District had \$17,908 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

ASSIGNED

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

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 19 - FUND BALANCE – (Continued)

For Subsequent Year's Expenditures: The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017, \$469,161 of general fund balance and \$0 of capital project fund balance.

UNASSIGNED

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

General Fund:

As of June 30, 2016, the unassigned fund balance of the general fund was \$25,227.

Capital Projects:

Of the \$13,614,180 Capital Project Fund balance at June 30, 2016; \$7,155,777 has been encumbered.

NOTE 20 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2016 through December 12, 2016; the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION—PART II

BUDGETARY COMPARISON SCHEDULES

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,200,000.	\$ 0.	\$ 2,200,000.	\$ 2,200,000.	
Tuition	1,000,130.	0.	1,000,130.	1,061,040.	60,910.
Non-Resident Fees	27,000.	0.	27,000.	76,000.	49,000.
Interest Earned	2,500.	0.	2,500.	12,939.	10,439.
Adult Fees	0.	0.	0.	601,219.	601,219.
Miscellaneous	357,000.	0.	357,000.	52,376.	(304,624.)
Total Local Sources	3,586,630.	0.	3,586,630.	4,003,574.	416,944.
State Sources:					
Equalization Aid	3,734,073.	0.	3,734,073.	3,734,073.	0.
Special Education Aid	163,569.	0.	163,569.	163,569.	0.
Security Aid	20,801.	0.	20,801.	20,801.	0.
Parcc Readiness Aid	3,730.	0.	3,730.	3,730.	0.
Per Pupil Growth Aid	3,730.	0.	3,730.	3,730.	0.
Adult Education Program Aid	0.	0.	0.	76,464.	76,464.
On-Behalf TPAF Pension Contribution (Non-Budgeted)	0.	0.	0.	515,194.	515,194.
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	221,236.	221,236.
Total State Sources	3,925,903.	0.	3,925,903.	4,738,797.	812,894.
Total Revenues	7,512,533.	0.	7,512,533.	8,742,371.	1,229,838.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:					
Current Expense:					
Vocational Programs:					
Regular Vocational Programs - Instruction:					
Salaries of Teachers	\$ 1,377,391.	\$ 0.	\$ 1,377,391.	\$ 1,269,604.	\$ 107,787.
Other Salaries for Instruction	119,029.	(40,357.)	78,672.	52,031.	26,641.
Purchased Professional Service - Educational Services	0.	3,250.	3,250.	3,250.	0.
Other Purchased Services	81,700.	1,805.	83,505.	56,921.	26,584.
General Supplies	236,307.	6.	236,313.	81,924.	154,389.
Textbooks	22,300.	0.	22,300.	6,985.	15,315.
Total Regular Vocational Programs - Instruction	<u>1,836,727.</u>	<u>(35,296.)</u>	<u>1,801,431.</u>	<u>1,470,715.</u>	<u>330,716.</u>
Special Vocational Programs - Instruction:					
Salaries of Teachers	444,177.	0.	444,177.	424,466.	19,711.
Other Salaries for Instruction	95,902.	40,356.	136,258.	117,889.	18,369.
Other Purchased Services	13,000.	930.	13,930.	7,255.	6,675.
General Supplies	43,387.	(491.)	42,896.	31,516.	11,380.
Textbooks	12,500.	(200.)	12,300.	826.	11,474.
Other Objects	0.	700.	700.	560.	140.
Total Special Vocational Programs- Instruction	<u>608,966.</u>	<u>41,295.</u>	<u>650,261.</u>	<u>582,512.</u>	<u>67,749.</u>
Total Vocational Programs	<u>2,445,693.</u>	<u>5,999.</u>	<u>2,451,692.</u>	<u>2,053,227.</u>	<u>398,465.</u>
School Sponsored Coextrricular Activities- Instruction:					
Salaries	34,500.	0.	34,500.	7,470.	27,030.
Purchased Services	3,700.	0.	3,700.	1,108.	2,592.
Supplies and Materials	2,250.	0.	2,250.	39.	2,211.
Total School Sponsored Coextrricular Activities	<u>40,450.</u>	<u>0.</u>	<u>40,450.</u>	<u>8,617.</u>	<u>31,833.</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
School Sponsored Athletics - Instruction:					
Salaries	\$ 2,000.	\$ 0.	\$ 2,000.	\$ 1,680.	\$ 320.
Purchased Services	2,250.	0.	2,250.	1,928.	322.
Supplies and Materials	3,000.	0.	3,000.	349.	2,651.
Total School Sponsored Athletics	7,250.	0.	7,250.	3,957.	3,293.
Total Instruction	2,493,393.	5,999.	2,499,392.	2,065,801.	433,591.
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	46,335.	0.	46,335.	45,877.	458.
Purchased Professional and Technical Services	2,000.	0.	2,000.	0.	2,000.
Other Purchased Services	21,775.	0.	21,775.	20,580.	1,195.
Supplies and Materials	3,500.	0.	3,500.	170.	3,330.
Other Objects	3,000.	0.	3,000.	201.	2,799.
Total Attendance and Social Work Services	76,610.	0.	76,610.	66,828.	9,782.
Health Services:					
Salaries	90,718.	0.	90,718.	90,080.	638.
Purchased Professional and Technical Services	2,800.	0.	2,800.	1,915.	885.
Other Purchased Services	1,000.	0.	1,000.	250.	750.
Supplies and Materials	3,250.	0.	3,250.	2,410.	840.
Other Objects	500.	0.	500.	0.	500.
Total Health Services	98,268.	0.	98,268.	94,655.	3,613.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Speech, OT, PT & Related Services:					
Salaries	\$ 43,958.	\$ (200.)	\$ 43,758.	\$ 43,129.	\$ 629.
Supplies and Materials	375.	200.	575.	565.	10.
Other Objects	550.	0.	550.	169.	381.
Total Speech, OT, PT & Related Services:	44,883.	0.	44,883.	43,863.	1,020.
Guidance:					
Salaries of Other Professional Staff	128,528.	(1,480.)	127,048.	127,042.	6.
Salaries of Sec. And Clerical Assistants	23,042.	(20.)	23,022.	22,747.	275.
Other Purchased Services	1,500.	1,600.	3,100.	2,637.	463.
Supplies and Materials	1,500.	0.	1,500.	0.	1,500.
Other Objects	1,500.	(100.)	1,400.	0.	1,400.
Total Guidance	156,070.	0.	156,070.	152,426.	3,644.
Child Study Teams:					
Salaries of Other Prof. Staff	132,975.	(1,000.)	131,975.	113,297.	18,678.
Purchased Professional - Educational Services	34,000.	0.	34,000.	0.	34,000.
Other Purchased Services	4,750.	0.	4,750.	3,200.	1,550.
Supplies and Materials	3,000.	0.	3,000.	1,040.	1,960.
Other Objects	1,500.	1,000.	2,500.	2,188.	312.
Total Child Study Teams	176,225.	0.	176,225.	119,725.	56,500.
Improvement of Instructional Services:					
Other Salaries	6,500.	0.	6,500.	1,512.	4,988.
Purchased Professional Educational Services	25,000.	0.	25,000.	0.	25,000.
Supplies and Materials	5,000.	0.	5,000.	0.	5,000.
Total Improvement of Instructional Services	36,500.	0.	36,500.	1,512.	34,988.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Educational Media Services/School Library:					
Salaries	\$ 23,293.	\$ 0.	\$ 23,293.	\$ 22,998.	\$ 295.
Salaries of Technology Coordinators	92,500.	0.	92,500.	47,022.	45,478.
Other Purchased Services	5,000.	0.	5,000.	2,276.	2,724.
Supplies and Materials	42,800.	0.	42,800.	2,132.	40,668.
Other Objects	1,250.	0.	1,250.	1,145.	105.
Total Educational Media Services/School Library	164,843.	0.	164,843.	75,573.	89,270.
Instructional Staff Training Services:					
Salaries of Other Professional Staff	133,510.	0.	133,510.	133,295.	215.
Salaries of Secretarial and Clerical Assistant	52,791.	0.	52,791.	52,688.	103.
Purchased Professional/Educational Services	3,000.	0.	3,000.	3,000.	0.
Other Purchased Services	8,000.	(300.)	7,700.	2,520.	5,180.
Supplies and Materials	5,000.	0.	5,000.	2,875.	2,125.
Other Objects	2,000.	300.	2,300.	2,230.	70.
Total Instructional Staff Training Services	204,301.	0.	204,301.	196,608.	7,693.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Support Services-General Administration:					
Salaries	\$ 221,388.	\$ 20,622.	\$ 242,010.	\$ 242,010.	\$ 0.
Salaries of Attorneys	25,910.	667.	26,577.	26,577.	0.
Legal Services	5,500.	0.	5,500.	509.	4,991.
Audit Fees	25,250.	0.	25,250.	24,150.	1,100.
Architectural/Engineering Services	10,000.	(10,000.)	0.	0.	0.
Other Purchased Professional Services	42,500.	152.	42,652.	25,908.	16,744.
Purchased Technical Services	4,300.	0.	4,300.	4,210.	90.
Communications/Telephone	43,250.	0.	43,250.	26,026.	17,224.
BOE Other Purchased Services	8,500.	0.	8,500.	1,562.	6,938.
Other Purchased Services	145,250.	(1,000.)	144,250.	131,224.	13,026.
General Supplies	8,500.	0.	8,500.	5,048.	3,452.
BOE In-House Training / Meeting Supplies	1,050.	0.	1,050.	73.	977.
Judgements Against Schools	2,500.	0.	2,500.	0.	2,500.
Miscellaneous Expenditures	5,500.	1,000.	6,500.	6,499.	1.
BOE Membership Dues & Fees	17,250.	0.	17,250.	14,542.	2,708.
Total Support Services General Administration	566,648.	11,441.	578,089.	508,338.	69,751.
Support Services School Administration:					
Salaries of Principals	213,185.	70,000.	283,185.	277,406.	5,779.
Salaries Other Professional Staff	94,071.	(82,250.)	11,821.	0.	11,821.
Salaries of Sec. and Clerical Assistants	81,405.	250.	81,655.	81,634.	21.
Other Purchased Services	8,650.	0.	8,650.	6,120.	2,530.
Supplies and Materials	13,750.	10,114.	23,864.	18,116.	5,748.
Other Objects	5,500.	2,000.	7,500.	7,257.	243.
Total Support Services School Administration	416,561.	114.	416,675.	390,533.	26,142.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Central Services:					
Salaries	\$ 346,455.	\$ 1,250.	\$ 347,705.	\$ 347,682.	\$ 23.
Purchased Professional Services	6,250.	(500.)	5,750.	2,813.	2,937.
Purchased Technical Services	16,500.	1,500.	18,000.	17,844.	156.
Miscellaneous Purchased Services	8,500.	(500.)	8,000.	4,372.	3,628.
Supplies and Materials	7,500.	970.	8,470.	6,777.	1,693.
Miscellaneous Expenditures	2,250.	0.	2,250.	2,068.	182.
Total Central Services	387,455.	2,720.	390,175.	381,556.	8,619.
Admin Info Technology:					
Salaries	137,188.	0.	137,188.	126,762.	10,426.
Purchased Technical Services	4,500.	0.	4,500.	600.	3,900.
Miscellaneous Purchased Services	55,100.	(3,500.)	51,600.	37,486.	14,114.
Supplies and Materials	16,500.	3,588.	20,088.	19,940.	148.
Total Admin Info Technology	213,288.	88.	213,376.	184,788.	28,588.
Required Maintenance for School Facilities:					
Salaries	137,359.	0.	137,359.	136,860.	499.
Cleaning, Repair and Maintenance Services	206,500.	0.	206,500.	38,796.	167,704.
General Supplies	8,500.	0.	8,500.	1,028.	7,472.
Total Required Maintenance for School Facilities	352,359.	0.	352,359.	176,684.	175,675.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Custodial Services:					
Salaries	\$ 167,906.	\$ (1,801.)	\$ 166,105.	\$ 164,102.	\$ 2,003.
Salaries of Non-Instructional Aides	12,500.	(10,739.)	1,761.	1,761.	0.
Purchased Professional and Technical Services	8,850.	0.	8,850.	7,142.	1,708.
Cleaning, Repair and Maintenance of Services	59,500.	107.	59,607.	33,896.	25,711.
Other Purchased Property Services	14,900.	(200.)	14,700.	13,328.	1,372.
Insurance	42,500.	(500.)	42,000.	41,828.	172.
Travel	0.	500.	500.	482.	18.
Miscellaneous Purchased Services	500.	700.	1,200.	1,031.	169.
General Supplies	48,500.	(500.)	48,000.	39,999.	8,001.
Energy (Natural Gas)	151,500.	(5,000.)	146,500.	76,975.	69,525.
Energy (Electricity)	200,000.	0.	200,000.	167,357.	32,643.
Total Custodial Services	706,656.	(17,433.)	689,223.	547,901.	141,322.
Care and Upkeep of Grounds:					
Salaries	21,866.	0.	21,866.	17,934.	3,932.
Purchased Professional and Technical Services	750.	0.	750.	0.	750.
Cleaning Repair and Maintenance	8,500.	0.	8,500.	1,286.	7,214.
General Supplies	3,000.	0.	3,000.	278.	2,722.
Other Objects	500.	0.	500.	100.	400.
Total Care and Upkeep of Grounds	34,616.	0.	34,616.	19,598.	15,018.
Security:					
Salaries	0.	3,500.	3,500.	3,496.	4.
Purchased Professional and Technical Services	4,000.	0.	4,000.	480.	3,520.
Cleaning Repair and Maintenance	4,500.	0.	4,500.	0.	4,500.
General Supplies	6,000.	(3,500.)	2,500.	0.	2,500.
Total Security	14,500.	0.	14,500.	3,976.	10,524.
Total Operation and Maintenance of Plant Service	1,108,131.	(17,433.)	1,090,698.	748,159.	342,539.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Students Transportation Services:					
Salaries (Other than Between Home/School)	\$ 7,500.	\$ 3,100.	\$ 10,600.	\$ 10,551.	\$ 49.
Cleaning, Repair & Maintenance Services	4,500.	(600.)	3,900.	2,135.	1,765.
Contracted Services(Not Home/School) Vendors	12,000.	(2,500.)	9,500.	7,811.	1,689.
Contracted Services(Between Home & School) Joint	14,000.	0.	14,000.	12,871.	1,129.
Supplies and Materials	1,500.	0.	1,500.	140.	1,360.
Miscellaneous Expenditures	500.	0.	500.	145.	355.
Total Student Transportation Services	40,000.	0.	40,000.	33,653.	6,347.
Allocated Benefits:					
Central Services:					
Other Retirement Contributions -PERS	4,864.	(4,864.)	0.	0.	0.
Tuition Reimbursement	2,600.	(2,600.)	0.	0.	0.
Total Support Services - General Administration	7,464.	(7,464.)	0.	0.	0.
Total Allocated Benefits	7,464.	(7,464.)	0.	0.	0.
Unallocated Benefits:					
Social Security Contributions	120,685.	0.	120,685.	118,330.	2,355.
Other Retirement Contribution - PERS	175,744.	4,864.	180,608.	164,371.	16,237.
Other Retirement Contribution - Regular	3,584.	0.	3,584.	1,256.	2,328.
Unemployment Compensation	20,000.	0.	20,000.	0.	20,000.
Workmen's Compensation	55,000.	0.	55,000.	49,359.	5,641.
Health Benefits	1,162,004.	(41,000.)	1,121,004.	828,228.	292,776.
Tuition Reimbursement	14,500.	850.	15,350.	12,057.	3,293.
Other Employee Benefits	72,234.	11,000.	83,234.	83,087.	147.
Total Unallocated Benefits	1,623,751.	(24,286.)	1,599,465.	1,256,688.	342,777.
Total Personal Service - Employee Benefits	1,631,215.	(31,750.)	1,599,465.	1,256,688.	342,777.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
On Behalf TPAF Pension Contribution (Non-Budgeted)	\$ 0.	\$ 0.	\$ 0.	\$ 515,194.	\$ (515,194.)
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	221,236.	(221,236.)
Total Undistributed Expenditures	5,320,998.	(34,820.)	5,286,178.	4,991,335.	294,843.
Total General Current Expense	7,814,391.	(28,821.)	7,785,570.	7,057,136.	728,434.
CAPITAL OUTLAY:					
Undistributed Expenditures:					
Vocational Programs	10,000.	0.	10,000.	0.	10,000.
Admin. Info. Tech.	12,000.	0.	12,000.	11,896.	104.
Care & Upkeep of Grounds	17,500.	0.	17,500.	13,924.	3,576.
School Buses-Regular	85,000.	0.	85,000.	52,858.	32,142.
Total Equipment	124,500.	0.	124,500.	78,678.	45,822.
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	19,288.	0.	19,288.	19,288.	0.
Total Facilities Acquisition and Const. Services	19,288.	0.	19,288.	19,288.	0.
Total Capital Outlay Expenditures	143,788.	0.	143,788.	97,966.	45,822.
Post-Secondary Vocational Programs - Instruction:					
Salaries of Teachers	474,946.	0.	474,946.	423,503.	51,443.
Purchased Professional/Technical Services	3,750.	0.	3,750.	318.	3,432.
Other Purchased Services	25,940.	0.	25,940.	17,408.	8,532.
General Supplies	37,252.	518.	37,770.	23,268.	14,502.
Textbooks	5,250.	0.	5,250.	0.	5,250.
Other Objects	2,500.	0.	2,500.	291.	2,209.
Total Post-Secondary Vocational Program - Instruction	549,638.	518.	550,156.	464,788.	85,368.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Post-Secondary Programs Support Services:					
Salaries	\$ 46,377.	\$ 0.	\$ 46,377.	\$ 43,243.	\$ 3,134.
Personal Services - Employee Benefits	97,484.	30,000.	127,484.	112,384.	15,100.
Other Purchased Services	14,000.	0.	14,000.	605.	13,395.
Supplies and Materials	9,500.	0.	9,500.	3,962.	5,538.
Other Objects	16,500.	0.	16,500.	1,603.	14,897.
Total Post-Secondary Programs Support Services	183,861.	30,000.	213,861.	161,797.	52,064.
Total Post-Secondary Programs	733,499.	30,518.	764,017.	626,585.	137,432.
Vocational Evening - Local - Instruction:					
Salaries of Teachers	13,300.	0.	13,300.	9,592.	3,708.
General Supplies	5,000.	0.	5,000.	830.	4,170.
Total Vocational Evening - Local - Instruction	18,300.	0.	18,300.	10,422.	7,878.
Vocational Evening - Local - Support Services:					
General Supplies	3,400.	0.	3,400.	3,213.	187.
Total Vocational Evening - Local - Instruction	3,400.	0.	3,400.	3,213.	187.
Total Vocational Evening - Local	21,700.	0.	21,700.	13,635.	8,065.
Total Special Schools	755,199.	30,518.	785,717.	640,220.	145,497.
Total Expenditures	8,713,378.	1,697.	8,715,075.	7,795,322.	919,753.
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,200,845.)	(1,697.)	(1,202,542.)	947,049.	2,149,591.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources:					
Operating Transfer In:					
Transfer to/from Food Service Fund	\$ 0.	\$ (17,539.)	\$ (17,539.)	\$ (17,500.)	\$ 39.
Operating Transfer Out:					
Transfer to/from Capital Projects Fd	0.	0.	0.	6,337.	6,337.
Total Other Financing Sources:	0.	(17,539.)	(17,539.)	(11,163.)	6,376.
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,200,845.)	(19,236.)	(1,220,081.)	935,886.	2,155,967.
Fund Balance, July 1	4,774,409.	0.	4,774,409.	4,774,409.	0.
Fund Balance, June 30	\$ 3,573,564.	\$ (19,236.)	\$ 3,554,328.	\$ 5,710,295.	\$ 2,155,967.

Recapitulation:

Restricted Fund Balance:	
Capital Reserve	\$ 1,534,273.
Maintenance Reserve	327,134.
Excess Surplus Designated for Subsequent Year's Expenditures	1,252,096.
Excess Surplus - Current Year	1,686,189.
Committed Fund Balance:	
Year-End Encumbrances	17,908.
Assigned Fund Balance:	
Designated for subsequent year's expenditures	469,161.
Unassigned Fund Balance	423,534.
	<u>5,710,295.</u>
Reconciliation to Governmental Funds Statements (GAAP):	
Less: State Aid Payments Not Recognized on GAAP Basis	(398,307.)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 5,311,988.</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources	\$ 2,617.	\$ 0.	\$ 2,617.	\$ 2,613.	\$ (4.)
State Sources	99,055.	0.	99,055.	99,055.	0.
Federal Sources	500,892.	0.	500,892.	450,221.	(50,671.)
Total Revenues	602,564.	0.	602,564.	551,889.	(50,675.)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	156,228.	0.	156,228.	137,151.	19,077.
Other Salaries for Instruction	32,000.	0.	32,000.	30,935.	1,065.
Purchased Professional - Educational Services	42,066.	0.	42,066.	31,747.	10,319.
Other Purchased Services	14,192.	0.	14,192.	9,738.	4,454.
General Supplies	168,749.	0.	168,749.	155,911.	12,838.
Other Objects	3,582.	0.	3,582.	61.	3,521.
Total Instruction	416,817.	0.	416,817.	365,543.	51,274.
Support Services:					
Other Salaries	36,786.	0.	36,786.	36,786.	0.
Personal Services - Employee Benefits	70,869.	0.	70,869.	76,311.	(5,442.)
Purchased Professional - Educational Services	16,550.	0.	16,550.	20,438.	(3,888.)
Other Purchased Services	14,562.	0.	14,562.	9,206.	5,356.
Supplies & Materials	9,715.	0.	9,715.	5,153.	4,562.
Total Support Services	148,482.	0.	148,482.	147,894.	588.
Facilities Acquisition and Construction Services:					
Instructional Equipment	37,265.	0.	37,265.	38,452.	(1,187.)
Total Facilities Acquisition and Construction Services	37,265.	0.	37,265.	38,452.	(1,187.)
Total Expenditures	602,564.	0.	602,564.	551,889.	50,675.
Total Outflows	602,564.	0.	602,564.	551,889.	50,675.
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part II**

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

	General Fund	Special Revenue Fund	Capital Projects Fund
Sources/inflows of resources:			
Actual amounts (budgetary) "revenues from the budgetary comparison schedules	\$ 8,742,371.	\$ 551,889.	\$ 0.
Differences - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		24,944.	
Prior Year Encumbrance		(31,566.)	
Current Year Encumbrance			
State aid payment recognized for GAAP statement in the current year, previously recognized for budgetary purposes.	390,657.		
State aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(398,307.)		
Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 8,734,721.</u>	<u>\$ 545,267.</u>	<u>\$ 0.</u>
Uses/Outflow of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 7,795,322.	\$ 551,889.	\$ 0.
Differences - Budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		24,944.	
Prior Year Encumbrance Paid		(31,566.)	
Current Year Encumbrance			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 7,795,322.</u>	<u>\$ 545,267.</u>	<u>\$ 0.</u>

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR PENSIONS (GASB 68)**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERS
Last Three Fiscal Years

	Measurement Date Ending June 30,		
	2015	2014	2013
District's proportion of the net pension liability (asset)	0.01911887%	0.01854872%	0.02042816%
District's proportionate share of the net pension liability (asset)	\$ 4,291,803.	\$ 3,472,828.	\$ 3,904,227.
District's covered-employee payroll	\$ 1,345,470.	\$ 1,309,954.	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	318.98%	265.11%	N/A
Plan fiduciary net position as a percentage of the total pension liability	52.08%	52.08%	48.72%

SOURCE: GASB 68 report on Public Employee's Retirement System; District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period.
 Additional years will be presented as information becomes available.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
Last Three Fiscal Years

	<u>PERS</u>		
	<u>Fiscal Year Ending June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 164,371.	\$ 152,913.	\$ 153,922.
Contributions in relation to the contractually required contribution	<u>(164,371.)</u>	<u>(152,913.)</u>	<u>(153,922.)</u>
Contribution deficiency (excess)	<u>0.</u>	<u>0.</u>	<u>0.</u>
District's covered-employee payroll	\$1,345,470	\$ 1,309,954.	N/A
Contributions as a percentage of covered-employee payroll	12.22%	11.67%	N/A

	<u>TPAF</u>		
	<u>Fiscal Year Ending June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A
District's covered-employee payroll	\$2,946,088	\$ 2,921,655.	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A

SOURCE: GASB 68 report on Public Employee's Retirement System/Teachers' Pension and Annuity Fund; District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period. Additional years will be presented as information becomes available.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TPAF
Last Three Fiscal Years

	Measurement Date Ending June 30,		
	2015	2014	2013
District's proportion of the net pension liability (asset)	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 18,062,268.	\$ 14,193,837.	\$ 14,701,809.
Total	\$ 18,062,268.	\$ 14,193,837.	\$ 14,701,809.
District's covered-employee payroll	\$ 2,946,088.	\$ 2,921,655.	N/A
District 's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

SOURCE: GASB 68 report on Teachers' Pension and Annuity Fund; District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period.
 Additional years will be presented as information becomes available.

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part III**

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PENSION SCHEDULES
JUNE 30, 2016**

Note 1. Teachers' Pension and Annuity Fund (TPAF)

Changes of benefits terms. The vesting and benefits provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after 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 member's accounts.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active member 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 improvement 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.

Note 2. Public Employees' Retirement System (PERS)

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

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

Note 3. Schedule of School District's Proportionate Share of the Net Pension Liability – PERS/TPAF and Schedule of Employer's Contribution for PERS/TPAF

The information presented in these required supplementary schedules was determined as part of the audit of the State of New Jersey Division of Pension and Benefits. Additional information for the pension schedules can be found in the notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

N/A

SPECIAL REVENUE FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Title I, Part A	Title II, Part A	I.D.E.A. Part B, Basic	Perkins Vocational Secondary	Perkins Vocational Post-Secondary
Revenues:					
Local Sources	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
State Sources	0.	0.	0.	0.	99,055.
Federal Sources	216,019.	7,277.	114,226.	77,666.	0.
Total Revenues	\$ 216,019.	\$ 7,277.	\$ 114,226.	\$ 77,666.	\$ 99,055.

Expenditures:					
Instruction:					
Salaries of Teachers	\$ 120,743.	\$ 5,824.	\$ 0.	\$ 0.	\$ 0.
Other Salaries for Instruction	0.	0.	30,935.	0.	0.
Purchased Professional - Educational Services	0.	0.	0.	15,820.	13,427.
Other Purchased Services	743.	0.	399.	0.	0.
General Supplies	30,555.	0.	14,718.	54,538.	53,926.
Other Objects	0.	0.	61.	0.	0.
Total Instruction	152,041.	5,824.	46,113.	70,358.	67,353.

Support Services:					
Other Salaries	0.	0.	36,786.	0.	0.
Personal Services - Employee Benefits	63,482.	1,453.	10,566.	0.	0.
Purchased Professional - Educational Services	0.	0.	20,388.	50.	0.
Other Purchased Services	393.	0.	199.	508.	0.
Supplies & Materials	103.	0.	174.	0.	0.
Total Support Services	63,978.	1,453.	68,113.	558.	0.

Facilities Acquisition and Const. Service:					
Instructional Equipment	0.	0.	0.	6,750.	31,702.
Total Facilities Acquisition and Const. Service	0.	0.	0.	6,750.	31,702.
Total Expenditures	\$ 216,019.	\$ 7,277.	\$ 114,226.	\$ 77,666.	\$ 99,055.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	21st Century	REAP	NJSBAIG Safety Grant	Totals 2015
Revenues:				
Local Sources	\$ 0.	\$ 0.	\$ 2,613.	\$ 2,613.
State Sources	0.	0.	0.	99,055.
Federal Sources	2,435.	32,598.	0.	450,221.
Total Revenues	\$ 2,435.	\$ 32,598.	\$ 2,613.	\$ 551,889.
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 1,764.	\$ 8,820.	\$ 0.	\$ 137,151.
Other Salaries for Instruction	0.	0.	0.	30,935.
Purchased Professional - Educational Services	0.	2,500.	0.	31,747.
Other Purchased Services	208.	7,188.	1,200.	9,738.
General Supplies	328.	1,846.	0.	155,911.
Other Objects	0.	0.	0.	61.
Total Instruction	2,300.	20,354.	1,200.	365,543.
Support Services:				
Other Salaries	0.	0.	0.	36,786.
Personal Services - Employee Benefits	135.	675.	0.	76,311.
Purchased Professional - Educational Services	0.	0.	0.	20,438.
Other Purchased Services	0.	8,106.	0.	9,206.
Supplies & Materials	0.	3,463.	1,413.	5,153.
Total Support Services	135.	12,244.	1,413.	147,894.
Facilities Acquisition and Const. Service:				
Instructional Equipment	0.	0.	0.	38,452.
Total Facilities Acquisition and Const. Service	0.	0.	0.	38,452.
Total Expenditures	\$ 2,435.	\$ 32,598.	\$ 2,613.	\$ 551,889.

CAPITAL PROJECTS FUND

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

Description	Revised Appropriations	Prior Year	Current Year	Adjustment	Unexpended Balance June 30, 2016
Roof and HVAC repairs and upgrades, door and hardware upgrades	\$ 2,938,112.	\$ 2,246,325.	\$ 0.	\$ 0.	\$ 691,787.
Water well system	465,996.	229,720.	0.	0.	236,276.
New Cumberland County technical education building	68,604,770.	14,360,863.	41,062,230.	0.	13,181,677.
Total	\$ 72,008,878.	\$ 16,836,908.	\$ 41,062,230.	\$ 0.	\$ 14,109,740.

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

Revenues and other financing sources:	
State sources - SCC Grant	\$ 0.
Bond proceeds	0.
Transfer from capital reserve	0.
Interest	<u>6,337.</u>
Total revenues	<u>6,337.</u>
Expenditures and Other Financing Uses:	
Land acquisition	0.
Purchased professional and technical services	1,898,180.
Construction services	39,127,813.
Furniture, fixtures, equipment	25,504.
Other	<u>10,733.</u>
Total expenditures	<u>41,062,230.</u>
Excess (deficiency) or revenues over (under) expenditures	(41,055,893.)
Other financing uses:	
Transfer to General Fund	(6,337.)
Transfer from Cumberland County Improvement Authority	147,643.
Transfer to County of Cumberland	<u>(147,643.)</u>
Total other financing uses	(6,337.)
Excess (deficiency) or revenues and other financing sources over/ (under) expenditures and other financing uses	(41,062,230.)
Fund balance - July 1	<u>55,171,970.</u>
Fund balance - June 30	<u><u>\$ 14,109,740.</u></u>

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ROOF AND HVAC REPAIRS AND UPGRADES, DOOR AND HARDWARE UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SDA Grant	\$ 2,071,663.	\$ 0.	\$ 2,071,663.	\$ 2,071,663.
Bond proceeds-County of Cumberland	866,449.	0.	866,449.	866,449.
Total revenues	2,938,112.	0.	2,938,112.	2,938,112.
Expenditures and Other Financing Uses:				
Purchased professional and technical services	215,781.	0.	215,781.	255,000.
Construction services	2,030,544.	0.	2,030,544.	2,683,112.
Total expenditures	2,246,325.	0.	2,246,325.	2,938,112.
Excess (deficiency) or revenues over (under) expenditures	\$ 691,787.	\$ 0.	\$ 691,787.	\$ 0.

Additional project information:

SDA Project Number	0995-030-09-GOXL
Grant Date	5/12/2011
Grant Amount	\$ 2,071,663.
Bond Authorization Date	2/22/2011
Bonds Authorized	\$ 866,449.
Bonds Issued	\$ 866,449.
Original Authorized Cost	\$ 2,938,112.
Additional Authorized Cost	\$0
Revised Authorized Cost	\$ 2,938,112.
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	Unknown

CUMBERLANDCOUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WATER WELL SYSTEM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SDA Grant	\$ 0.	\$ 0.	\$ 0.	\$ 0.
Bond proceeds-County of Cumberland	465,996.	0.	465,996.	465,996.
Total revenues	465,996.	0.	465,996.	465,996.
Expenditures and Other Financing Uses:				
Purchased professional and technical services	8,876.	0.	8,876.	50,000.
Construction services	220,844.	0.	220,844.	415,996.
Total expenditures	229,720.	0.	229,720.	465,996.
Excess (deficiency) or revenues over (under) expenditures	\$ 236,276.	\$ 0.	\$ 236,276.	\$ 0.

Additional project information:

Additional project information:

Project Number	0995-030-04-1000
Grant Date	N/A
Grant Amount	\$ 0.
Bond Authorization Date	2/4/2004
Bonds Authorized	\$ 465,996.
Bonds Issued	\$ 465,996.
Original Authorized Cost	\$ 465,996.
Additional Authorized Cost	\$ 0
Revised Authorized Cost	\$ 465,996.

Percentage Increase Over Original Authorized Cost

0.00%

Percentage Completion

Unknown

CUMBERLAND COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
NEW CUMBERLAND COUNTY TECHNICAL EDUCATION BUILDING
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SDA Grant	\$ 0.	\$ 0.	\$ 0.	\$ 0.
Bond proceeds-County of Cumberland Improvement Authority	68,604,770.	0.	68,604,770.	68,604,770.
Transfer from capital reserve	0.	0.	0.	0.
Total revenues	68,604,770.	0.	68,604,770.	68,604,770.
Expenditures and Other Financing Uses:				
Purchased professional and technical services	4,983,150.	1,898,180.	6,881,330.	4,069,249.
Land acquisition	1,236,795.	0.	1,236,795.	1,330,000.
Site construction	1,682,155.	0.	1,682,155.	4,690,000.
Building construction	6,400,415.	39,127,813.	45,528,228.	46,611,550.
Furniture, fixtures, equipment	0.	25,504.	25,504.	5,654,129.
Other	58,348.	10,733.	69,081.	6,249,842.
Total expenditures	14,360,863.	41,062,230.	55,423,093.	68,604,770.
Excess (deficiency) or revenues over (under) expenditures	\$ 54,243,907.	\$ (41,062,230.)	\$ 13,181,677.	\$ 0.

Additional project information:

SDA Project Number	0995-030-13-1000
Grant Date	N/A
Grant Amount	N/A
Bond Authorization Date	3/25/2014
Bonds Authorized	\$ 68,604,770.
Bonds Issued	\$ 68,604,770.
Original Authorized Cost	\$ 68,604,770.
Additional Authorized Cost	\$ 0
Revised Authorized Cost	\$ 68,604,770.

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	80.79%

PROPRIETARY FUNDS

ENTERPRISE FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2016

	Supermarket Careers	Food Service	House Construction	Food Service Restaurant	Customized Training Fund	Total
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ (21,130.)	\$ 186.	\$ 14,776.	\$ 17,620.	\$ 3,255.	\$ 14,707.
Accounts receivable:						
Federal	0.	719.	0.	0.	0.	719.
State	0.	10.	0.	0.	0.	10.
Interfund	19,565.	847.	0.	5,932.	0.	26,344.
Other	0.	0.	0.	1,110.	0.	1,110.
Total current assets	(1,565.)	1,762.	14,776.	24,662.	3,255.	42,890.
Total assets	\$ (1,565.)	\$ 1,762.	\$ 14,776.	\$ 24,662.	\$ 3,255.	\$ 42,890.
DEFERRED OUTFLOW OF RESOURCES:	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
LIABILITIES						
Current liabilities:						
Interfund payable	\$ 11,700.	\$ 237.	\$ 61,244.	\$ 0.	\$ 0.	\$ 73,181.
Accounts payable	0.	0.	0.	0.	0.	0.
Total current liabilities	11,700.	237.	61,244.	0.	0.	73,181.
Total liabilities	11,700.	237.	61,244.	0.	0.	73,181.
DEFERRED INFLOW OF RESOURCES:	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
NET POSITION:						
Unrestricted	(13,265.)	1,525.	(46,468.)	24,662.	3,255.	(30,291.)
Total net position	\$ (13,265.)	\$ 1,525.	\$ (46,468.)	\$ 24,662.	\$ 3,255.	\$ (30,291.)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Supermarket Careers Fund	Food Service Fund	House Construction Fund	Food Service Restaurant Fund	Customized Training Fund	Total
OPERATING REVENUES:						
Daily sales - Reimbursable	\$ 0.	\$ 2,703.	\$ 0.	\$ 0.	\$ 0.	\$ 2,703.
Daily Sales - Non-reimbursable	5,075.	501.	0.	37,818.	0.	43,394.
Total operating revenues	5,075.	3,204.	0.	37,818.	0.	46,097.
OPERATING EXPENSE:						
Cost of Sales - Reimbursable	0.	23,941.	0.	0.	0.	23,941.
Cost of Sales - Nonreimbursable	0.	0.	0.	40,739.	0.	40,739.
Purchased Services	0.	10,850.	0.	0.	0.	10,850.
Salaries	0.	0.	0.	2,158.	0.	2,158.
Fringe Benefits	0.	0.	0.	165.	0.	165.
Miscellaneous	4,000.	121.	421.	0.	0.	4,542.
Total operating expenses	4,000.	34,912.	421.	43,062.	0.	82,395.
Operating income/(loss)	1,075.	(31,708.)	(421.)	(5,244.)	0.	(36,298.)
NON-OPERATING REVENUES/EXPENSES:						
State sources:						
State school lunch program	0.	180.	0.	0.	0.	180.
Federal sources:						
National school breakfast program	0.	7,980.	0.	0.	0.	7,980.
National school lunch program	0.	3,706.	0.	0.	0.	3,706.
USDA commodities	0.	2,324.	0.	0.	0.	2,324.
Interest	0.	17.	0.	0.	0.	17.
Donation	0.	0.	(30,000.)	0.	0.	(30,000.)
Total non-operating revenue/expenses	0.	14,207.	(30,000.)	0.	0.	(15,793.)
Operating transfer in/(out):						
Operating transfer in	0.	17,500.	0.	0.	0.	17,500.
Total operating transfers in/out	0.	17,500.	0.	0.	0.	17,500.
Change in net position	1,075.	(1.)	(30,421.)	(5,244.)	0.	(34,591.)
NET POSITION - JULY1	(14,340.)	1,526.	(16,047.)	29,906.	3,255.	4,300.
NET POSITION - JUNE 30	\$ (13,265.)	\$ 1,525.	\$ (46,468.)	\$ 24,662.	\$ 3,255.	\$ (30,291.)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Supermarket Careers Fund	Food Service Fund	House Construction Fund	Food Service Restaurant Fund	Customized Training Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipt from customers	\$ 5,075.	\$ 3,204.	\$ 0.	\$ 37,518.	\$ 0.	\$ 45,797.
Payment to suppliers	(4,000.)	(35,470.)	(421.)	(43,062.)	0.	(82,953.)
Net cash provided (used) by operating activities	1,075.	(32,266.)	(421.)	(5,544.)	0.	(37,156.)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
State sources	0.	187.	0.	0.	0.	187.
Federal sources	0.	12,262.	0.	0.	0.	12,262.
Interfund	0.	17,500.	0.	0.	0.	17,500.
Net cash provided by noncapital financing activities	0.	29,949.	0.	0.	0.	29,949.
CASH FLOWS FROM FINANCING ACTIVITIES:						
Purchase of equipment	0.	0.	0.	0.	0.	0.
Interest of investment	0.	17.	0.	0.	0.	17.
Net cash provided by financing activities	0.	17.	0.	0.	0.	17.
Net increase/(decrease) in cash and cash equivalents	1,075.	(2,300.)	(421.)	(5,544.)	0.	(7,190.)
Cash and cash equivalents - July 1	(22,205.)	2,486.	15,197.	23,164.	3,255.	21,897.
Cash and cash equivalents - June 30	\$ (21,130.)	\$ 186.	\$ 14,776.	\$ 17,620.	\$ 3,255.	\$ 14,707.
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:						
Operating income/(loss)	\$ 1,075.	\$ (31,708.)	\$ (421.)	\$ (5,244.)	\$ 0.	\$ (36,298.)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Federal commodities	0.	2,324.	0.	0.	0.	2,324.
Change in assets and liabilities:						
(Increase)/decrease in accounts receivable	0.	0.	0.	293.	0.	293.
(Increase)/decrease in interfund receivable	0.	0.	0.	(593.)	0.	(593.)
Increase/(decrease) in accounts payable	0.	(2,882.)	0.	0.	0.	(2,882.)
Net cash provided/(used) by operating activities	\$ 1,075.	\$ (32,266.)	\$ (421.)	\$ (5,544.)	\$ 0.	\$ (37,156.)

INTERNAL SERVICE FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2016

	Transportation Internal Service Fund	Technology Internal Service Fund	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 63,951.	\$ 0.	\$ 63,951.
Accounts receivable	941,232.	0.	941,232.
Interfund accounts receivable	33,681.	0.	33,681.
Due from Adult Student Account	0.	8,000.	8,000.
Other	550.	0.	550.
Total current assets	1,039,414.	8,000.	1,047,414.
Fixed assets			
Vehicle	144,485.	0.	144,485.
Equipment	5,321.	0.	5,321.
Accumulated depreciation	(71,032.)	0.	(71,032.)
Total fixed assets	78,774.	0.	78,774.
Total assets	1,118,188.	8,000.	1,126,188.
DEFERRED OUTFLOW OF RESOURCES:	\$ 82,608.	\$ 0.	\$ 82,608.
LIABILITIES:			
Current Liabilities:			
Accounts payable	\$ 172,227.	\$ 0.	\$ 172,227.
Pension account payable	11,607.	0.	11,607.
Prepaid benefits	6,822.	0.	6,822.
Total current liabilities	190,656.	0.	190,656.
Noncurrent liabilities:			
Compensated absence	5,216.	0.	5,216.
Net pension liability	311,996.	0.	311,996.
Total Noncurrent liabilities	317,212.	0.	317,212.
Total liabilities	507,868.	0.	507,868.
DEFERRED INFLOW OF RESOURCES:	\$ 15,700.	\$ 0.	\$ 15,700.
NET POSITION:			
Investments in fixed assets	78,774.	0.	78,774.
Unrestricted	598,454.	8,000.	606,454.
Total net position	\$ 677,228.	\$ 8,000.	\$ 685,228.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Transportation Internal Service Fund	Technology Internal Service Fund	Total
OPERATING REVENUES:			
Charges for services	\$ 5,986,249.	\$ 8,000.	\$ 5,994,249.
Total operating revenues	5,986,249.	8,000.	5,994,249.
OPERATING EXPENSES:			
Contracted services	5,613,962.	0.	5,613,962.
Supplies	172.	0.	172.
Salaries	162,993.	4,000.	166,993.
Payroll taxes and fringe benefits	73,513.	0.	73,513.
Pension expense	6,638.	0.	6,638.
Other purchased services	48,339.	0.	48,339.
Depreciation	5,251.	0.	5,251.
Total operating expenses	5,910,868.	4,000.	5,914,868.
Operating income/(loss)	75,381.	4,000.	79,381.
NON-OPERATING REVENUES/EXPENSES:			
Interest	2,311.	0.	2,311.
Total non-operating revenues/expenses	2,311.	0.	2,311.
Change in net position	77,692.	4,000.	81,692.
NET POSITION - beginning	599,536.	4,000.	603,536.
NET POSITION - ending	\$ 677,228.	\$ 8,000.	\$ 685,228.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Transportation Internal Service Fund	Technology Internal Service Fund	Total
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 6,521,602.	\$ 8,000.	\$ 6,529,602.
Payments to employees	(162,617.)	(4,000.)	(166,617.)
Payments to employees' benefits	(75,288.)	0.	(75,288.)
Payment to suppliers	(6,034,620.)	0.	(6,034,620.)
Net cash provided (used) by operating activities	249,077.	4,000.	253,077.
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund	(150,000.)	(4,000.)	(154,000.)
Net cash provided by noncapital financing activities	(150,000.)	(4,000.)	(154,000.)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Purchase of equipment	(84,026.)	0.	(84,026.)
Interest of investment	2,311.	0.	2,311.
Net cash provided by financing activities	(81,715.)	0.	(81,715.)
Net increase/decrease in cash and cash equivalents	17,362.	0.	17,362.
Cash and cash equivalents - July 1	46,589.	0.	46,589.
Cash and cash equivalents - June 30	\$ 63,951.	\$ 0.	\$ 63,951.
Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities:			
Operating income (loss)	\$ 75,381.	\$ 4,000.	\$ 79,381.
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	5,251.	0.	5,251.
Change in assets and liabilities:			
(Increase)/decrease in accounts receivable	538,735.	0.	538,735.
(Increase)/decrease in interfund receivable	(5,231.)	0.	(5,231.)
(Increase)/decrease in deferred outflow of resources	(53,948.)	0.	(53,948.)
Increase/(decrease) in accounts payables	(373,903.)	0.	(373,903.)
Increase/(decrease) in pension accounts payables	561.	0.	561.
Increase/(decrease) in prepaid benefits	1,803.	0.	1,803.
Increase/(decrease) in compensated absences	404.	0.	404.
Increase/(decrease) in deferred inflow of resources	(18,598.)	0.	(18,598.)
Increase/(decrease) in net pension liability	78,622.	0.	78,622.
Net cash provided (used in) operating activities	\$ 249,077.	\$ 4,000.	\$ 253,077.

FIDUCIARY FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2016

ASSETS:

Cash & Cash Equivalents
 Due from Agency

Total Assets

	Student Activity	Payroll	Unemployment Compensation Trust	Total
\$	169,821.	\$ 6,377.	\$ 46,870.	\$ 223,068.
	0.	0.	2,479.	2,479.
	169,821.	6,377.	49,349.	225,547.

8

DEFERRED OUTFLOW OF RESOURCES:

LIABILITIES:

Due to Student Groups
 Due to Internal Service Fund - Technology
 Unearned Revenue
 Interfund Payable
 Payroll Deductions and Withholdings
 Due to Unemployment

Total Liabilities

DEFERRED INFLOW OF RESOURCES:

NET POSITION:

	0.	0.	0.	0.
	20,400.	0.	0.	20,400.
	8,000.	0.	0.	8,000.
	32,140.	0.	0.	32,140.
	109,281.	838.	0.	110,119.
	0.	3,060.	0.	3,060.
	0.	2,479.	0.	2,479.
	169,821.	6,377.	0.	176,198.
	0.	0.	0.	0.
\$	0.	\$ 0.	\$ 49,349.	\$ 49,349.

CUMBERLAND COUNTY BOARD OF VOACATIONAL EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ 7,990.
Total Contributions	<u>7,990.</u>
Investment Earnings:	
Interest	<u>218.</u>
Net Investment Earnings	<u>218.</u>
Total Additions	<u>8,208.</u>
DEDUCTIONS:	
Unemployment Claims	<u>24,327.</u>
Total Deductions	<u>24,327.</u>
Change in Net Position	(16,119.)
NET POSITION, JULY 1	<u>65,468.</u>
NET POSITION, JUNE 30	<u>\$ 49,349.</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Cash Balance July 1, 2015	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2016
Student Activities	\$ 34,444.	\$ 17,379.	\$ 31,423.	\$ 20,400.
Adult Student Account	353,889.	340,702.	545,170.	149,421.
Total	<u>\$ 388,333.</u>	<u>\$ 358,081.</u>	<u>\$ 576,593.</u>	<u>\$ 169,821.</u>

CUMBERLAND COUNTY OF VOCATIONAL EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
ASSETS:				
Cash & Cash Equivalents	\$ 6,440.	\$ 5,482,507.	\$ 5,482,570.	\$ 6,377.
Total Assets	<u>\$ 6,440.</u>	<u>\$ 5,482,507.</u>	<u>\$ 5,482,570.</u>	<u>\$ 6,377.</u>
LIABILITIES:				
Net Payroll	\$ 0.	\$ 2,978,733.	\$ 2,978,733.	\$ 0.
Payroll Deductions and Withholdings	3,077.	2,503,747.	2,503,764.	3,060.
Interfund Payable	811.	27.	0.	838.
Due to Unemployment	2,552.		73.	2,479.
Total Liabilities	<u>\$ 6,440.</u>	<u>\$ 5,482,507.</u>	<u>\$ 5,482,570.</u>	<u>\$ 6,377.</u>

LONG-TERM DEBT

N/A

STATISTICAL SECTION

FINANCIAL TRENDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,163,133.	\$ 2,243,703.	\$ 2,394,342.	\$ 2,493,871.	\$ 2,569,769.	\$ 5,289,296.	\$ 5,736,033.	\$ 6,484,922.	\$ 19,667,934.	\$ 60,525,733.
Restricted	2,090,421.	2,125,952.	2,398,155.	1,844,480.	3,514,102.	3,322,775.	3,515,669.	3,163,512.	59,010,485.	18,900,941.
Unrestricted	594,227.	425,850.	480,550.	250,695.	346,268.	314,186.	488,848.	535,819.	(2,973,953.)	(3,070,324.)
Total governmental activities net position	\$ 4,847,781.	\$ 4,795,505.	\$ 5,273,047.	\$ 4,589,046.	\$ 6,430,139.	\$ 8,926,257.	\$ 9,740,550.	\$ 10,184,253.	\$ 75,704,466.	\$ 76,356,350.
Business-type activities										
Invested in capital assets, net of related debt	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
Restricted	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
Unrestricted	85,902.	76,121.	68,195.	61,311.	78,298.	75,167.	76,655.	73,011.	4,300.	(30,291.)
Total business-type activities net position	\$ 85,902.	\$ 76,121.	\$ 68,195.	\$ 61,311.	\$ 78,298.	\$ 75,167.	\$ 76,655.	\$ 73,011.	\$ 4,300.	\$ (30,291.)
District-wide										
Invested in capital assets, net of related debt	\$ 2,163,133.	\$ 2,243,703.	\$ 2,394,342.	\$ 2,493,871.	\$ 2,569,769.	\$ 5,289,296.	\$ 5,736,033.	\$ 6,484,922.	\$ 19,667,934.	\$ 60,525,733.
Restricted	2,090,421.	2,125,952.	2,398,155.	1,844,480.	3,514,102.	3,322,775.	3,515,669.	3,163,512.	59,010,485.	18,900,941.
Unrestricted	680,129.	501,971.	548,745.	312,006.	424,566.	389,353.	565,503.	608,830.	(2,969,653.)	(3,100,615.)
Total district net position	\$ 4,933,683.	\$ 4,871,626.	\$ 5,341,242.	\$ 4,650,357.	\$ 6,508,437.	\$ 9,001,424.	\$ 9,817,205.	\$ 10,257,264.	\$ 75,708,766.	\$ 76,326,059.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction:										
Vocational	\$ 2,606,388.	\$ 2,589,478.	\$ 2,423,404.	\$ 2,703,218.	\$ 2,368,900.	\$ 2,607,264.	\$ 2,873,324.	\$ 2,942,506.	\$ 3,027,579.	\$ 2,759,056.
Other instruction	19,033.	26,159.	26,252.	22,263.	17,119.	23,674.	25,905.	36,444.	40,887.	12,574.
Support Services:										
Student & instruction related services	692,805.	722,274.	642,562.	637,535.	659,426.	620,448.	605,368.	584,216.	783,790.	845,408.
School Administrative Services	278,857.	301,337.	361,598.	351,090.	360,132.	355,481.	395,229.	528,425.	424,343.	414,553.
General administration	1,012,495.	1,058,717.	931,618.	850,644.	916,706.	897,778.	914,784.	972,632.	957,898.	1,090,695.
Plant Operations and Maintenance	878,027.	891,883.	1,010,878.	1,036,960.	874,665.	779,643.	794,814.	911,892.	868,942.	752,161.
Pupil transportation	5,926,367.	45,375.	34,931.	25,868.	23,058.	25,913.	32,683.	29,359.	29,975.	33,653.
Employee benefits	1,494,729.	1,649,156.	1,502,200.	1,487,401.	1,545,225.	1,673,087.	1,895,653.	1,800,964.	2,571,914.	2,731,937.
Special Schools	1,070,405.	1,027,071.	1,101,511.	1,411,993.	1,271,913.	564,872.	553,877.	571,799.	580,139.	640,220.
Internal Service Fund		6,394,439.	6,911,155.	6,757,906.	6,071,991.	6,228,546.	6,172,874.	6,839,016.	7,093,537.	5,914,868.
NJ Debt Service Assessment					1,800.	1,047.	1,436.	19,288.	19,288.	19,288.
Total governmental activities expenses	13,979,106.	14,705,889.	14,946,109.	15,284,878.	14,109,135.	13,777,753.	14,265,947.	15,236,541.	16,398,292.	15,214,413.
Business-type activities:										
Enterprise Funds	289,988.	179,713.	33,420.	81,600.	30,548.	42,447.	36,602.	38,721.	145,965.	82,395.
Total business-type activities expense	289,988.	179,713.	33,420.	81,600.	30,548.	42,447.	36,602.	38,721.	145,965.	82,395.
Total district expenses	\$ 14,269,094.	\$ 14,885,602.	\$ 14,979,529.	\$ 15,366,478.	\$ 14,139,683.	\$ 13,820,200.	\$ 14,302,549.	\$ 15,275,262.	\$ 16,544,257.	\$ 15,296,808.
Program Revenues										
Governmental activities:										
Charges for services:										
Internal Service Fund	\$ 5,942,909.	\$ 6,452,905.	\$ 6,973,150.	\$ 6,764,817.	\$ 6,078,614.	\$ 6,236,372.	\$ 6,306,124.	\$ 6,948,207.	\$ 7,300,788.	\$ 5,994,249.
Special Schools	559,532.	565,226.	684,655.	985,742.	1,051,401.	645,062.	601,107.	493,026.	549,142.	601,219.
Operating grants and contributions	663,637.	688,997.	432,365.	437,579.	414,620.	480,923.	607,184.	505,139.	1,225,670.	1,324,100.
Total governmental activities program revenues	6,550,887.	7,707,128.	8,090,170.	8,188,138.	7,544,635.	7,362,357.	7,514,415.	7,946,372.	9,075,600.	7,919,568.
Business-type activities:										
Charges for services										
Enterprise Fund	\$ 215,921.	\$ 172,480.	\$ 18,369.	\$ 58,899.	\$ 31,598.	\$ 21,387.	\$ 21,009.	\$ 15,654.	\$ 33,476.	\$ 46,097.
Operating grants and contributions	15,247.	15,094.	16,731.	15,805.	15,916.	17,903.	17,061.	19,408.	21,859.	14,190.
Total business-type activities program revenues	231,168.	187,574.	35,100.	74,704.	47,514.	39,290.	38,070.	35,062.	55,335.	60,287.
Total district program revenues	\$ 6,782,055.	\$ 7,894,702.	\$ 8,125,270.	\$ 8,262,842.	\$ 7,592,149.	\$ 7,401,647.	\$ 7,552,485.	\$ 7,981,434.	\$ 9,130,935.	\$ 7,979,855.
Net (Expense)/Revenue										
Governmental activities	\$ (7,428,219.)	\$ (6,998,761.)	\$ (6,855,939.)	\$ (7,096,740.)	\$ (6,564,500.)	\$ (6,415,396.)	\$ (6,751,532.)	\$ (7,290,169.)	\$ (7,322,692.)	\$ (7,294,845.)
Business-type activities	(58,820.)	7,861.	1,680.	(6,896.)	16,966.	(3,157.)	1,468.	(3,659.)	(90,630.)	(22,108.)
Total district-wide net expense	\$ (7,487,039.)	\$ (6,990,900.)	\$ (6,854,259.)	\$ (7,103,636.)	\$ (6,547,534.)	\$ (6,418,553.)	\$ (6,750,064.)	\$ (7,293,828.)	\$ (7,413,322.)	\$ (7,316,953.)

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,782,635.	\$ 1,743,320.	\$ 2,231,800.	\$ 1,888,000.	\$ 2,100,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,200,000.
Grants and contributions	4,295,733.	4,305,855.	4,201,203.	3,593,894.	4,275,379.	5,640,874.	4,254,057.	4,366,374.	4,499,670.	4,550,615.
Tuition Received	556,900.	590,600.	801,500.	928,084.	1,053,599.	1,080,854.	1,088,635.	1,152,625.	1,290,130.	1,061,040.
Investment earnings	123,277.	74,340.	45,633.	12,528.	32,495.	23,595.	27,459.	14,180.	18,161.	21,585.
Nonresident Fees	0.	0.	0.	0.	0.	81,000.	96,000.	76,000.	34,000.	76,000.
Miscellaneous income	106,693.	245,716.	58,744.	60,917.	38,094.	86,394.	99,974.	101,293.	169,394.	54,989.
Prior year adjustments	0.	0.	(960.)	(93.)	(291,398.)	(1,203.)	(300.)	0.	0.	0.
Bond proceeds from Cumberland County	0.	0.	0.	0.	1,332,445.	0.	0.	0.	68,604,770.	0.
Adjustment to carrying value of fixed assets per appraisal	132,328.	(31,822.)	(4,439.)	0.	(133,221.)	0.	0.	0.	0.	0.
Transfers	0.	0.	0.	0.	0.	0.	0.	23,400.	(21,906.)	(17,500.)
Other	1,090.	18,476.	0.	0.	0.	0.	0.	0.	0.	0.
Total governmental activities	6,998,656.	6,946,485.	7,333,481.	6,483,330.	8,407,393.	8,911,514.	7,565,825.	7,733,872.	76,594,219.	7,946,729.

Business-type activities:										
Investment earnings	\$ 1,216.	\$ 834.	\$ 0.	\$ 12.	\$ 21.	\$ 26.	\$ 20.	\$ 15.	\$ 13.	\$ 17.
Transfers	0.	0.	0.	0.	0.	0.	0.	0.	21,906.	17,500.
Other	(31,090.)	(18,476.)	(9,606.)	0.	0.	0.	0.	0.	0.	(30,000.)
Total business-type activities	(29,874)	(17,642)	(9,606)	12	21	26	20	15	21,919	(12,483)
Total district-wide	\$ 6,968,782	\$ 6,928,843	\$ 7,323,875	\$ 6,483,342	\$ 8,407,414	\$ 8,911,540	\$ 7,565,845	\$ 7,733,887	\$ 76,616,138	\$ 7,934,246

Change in Net Position										
Governmental activities	\$ (429,563.)	\$ (52,276.)	\$ 477,542.	\$ (613,410.)	\$ 1,842,893.	\$ 2,496,118.	\$ 814,293.	\$ 443,703.	\$ 69,271,527.	\$ 651,884.
Business-type activities	(88,694.)	(9,781.)	(7,926.)	(6,884.)	16,987.	(3,131.)	1,488.	(3,644.)	(68,711.)	(34,591.)
Total district	\$ (518,257.)	\$ (62,057.)	\$ 469,616.	\$ (620,294.)	\$ 1,859,880.	\$ 2,492,987.	\$ 815,781.	\$ 440,059.	\$ 69,202,816.	\$ 617,293.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,800,421.	\$ 1,860,952.	\$ 2,133,155.	\$ 1,579,480.	\$ 2,341,365.	\$ 2,876,974.	\$ 3,107,092.	\$ 3,725,317.	\$ 4,334,075.	\$ 5,286,761.
Unreserved	457,342.	238,781.	272,329.	53,198.	69,314.	61,753.	78,534.	41,276.	49,677.	25,227.
Total general fund	\$ 2,257,763.	\$ 2,099,733.	\$ 2,405,484.	\$ 1,632,678.	\$ 2,410,679.	\$ 2,938,727.	\$ 3,185,626.	\$ 3,766,593.	\$ 4,383,752.	\$ 5,311,988.
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ (9,785.)	\$ (13,597.)	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
Capital projects fund	290,000.	265,000.	265,000.	265,000.	1,247,737.	445,801.	432,503.	(556,117.)	54,676,410.	13,614,180.
Total all other governmental funds	\$ 280,215.	\$ 251,403.	\$ 265,000.	\$ 265,000.	\$ 1,247,737.	\$ 445,801.	\$ 432,503.	\$ (556,117.)	\$ 54,676,410.	\$ 13,614,180.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue										
Tax levy	\$ 1,782,635.	\$ 1,743,320.	\$ 2,231,800.	\$ 1,888,000.	\$ 2,100,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,200,000.
Tuition charges	556,900.	590,600.	801,500.	896,084.	1,007,999.	1,080,854.	1,088,635.	1,152,625.	1,290,130.	1,061,040.
Non-resident fees	0.	0.	36,000.	32,000.	45,600.	81,000.	96,000.	76,000.	34,000.	76,000.
Interest earnings	123,277.	74,340.	45,633.	12,528.	32,495.	17,930.	24,208.	12,382.	15,893.	19,276.
Miscellaneous	666,225.	810,942.	707,399.	1,046,659.	1,089,495.	731,456.	701,081.	594,319.	718,538.	656,208.
State sources	4,389,322.	4,609,001.	4,263,908.	2,865,825.	4,326,947.	5,669,978.	4,547,560.	4,519,210.	4,633,636.	4,830,202.
Federal sources	570,048.	385,851.	369,660.	1,165,648.	363,052.	451,819.	313,681.	352,303.	482,443.	456,843.
Total Revenue	8,088,407	8,214,054	8,455,900	7,906,744	8,965,588	10,033,037	8,771,165	8,706,839	9,174,640	9,299,569
Expenditures										
Instruction:										
Vocational Instruction	2,458,934.	2,420,101.	2,234,554.	2,486,108.	2,162,504.	2,320,900.	2,554,694.	2,640,681.	2,710,089.	2,418,770.
School sponsored/other instr.	19,033.	26,159.	26,252.	22,263.	17,119.	23,674.	25,905.	36,444.	40,887.	12,574.
Support Services										
Student & inst. related services	685,866.	714,303.	633,675.	627,318.	649,713.	606,972.	590,374.	570,012.	768,849.	829,395.
General administration	1,005,556.	1,050,746.	399,354.	389,168.	440,971.	400,661.	405,219.	445,732.	389,990.	508,338.
School Administration services	268,449.	289,382.	348,267.	335,765.	345,563.	335,267.	372,737.	507,120.	401,932.	390,533.
Central Services	0.	0.	371,243.	313,915.	314,138.	324,153.	315,783.	324,276.	356,019.	381,556.
Admin info tech	0.	0.	152,134.	137,344.	151,884.	159,488.	178,788.	188,420.	196,948.	184,788.
Plant Operations and Maintenance	876,292.	889,890.	1,008,656.	1,034,406.	872,237.	776,274.	791,065.	908,342.	865,208.	748,159.
Pupil transportation	34,458.	33,347.	34,931.	25,868.	23,058.	25,913.	26,357.	29,359.	29,975.	33,653.
Other support services:										
Employee Benefits	1,491,360.	1,649,156.	1,440,203.	1,532,800.	1,535,502.	1,702,518.	1,895,653.	1,792,442.	1,991,963.	2,069,429.
Special schools	1,070,405.	1,027,071.	1,101,511.	1,411,993.	1,271,913.	564,872.	553,877.	571,799.	580,139.	640,220.
Capital Outlay	276,971.	319,217.	384,812.	362,602.	461,295.	3,065,030.	827,112.	1,123,265.	13,575,818.	41,198,648.
Total Expenditures	8,187,324.	8,419,372.	8,135,592.	8,679,550.	8,245,897.	10,305,722.	8,537,564.	9,137,892.	21,907,817.	49,416,063.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess (Deficiency) of revenues over (under) expenditures	\$ (98,917.)	\$ (205,318.)	\$ 320,308.	\$ (772,806.)	\$ 719,691.	\$ (272,685.)	\$ 233,601.	\$ (431,053.)	\$ (12,733,177.)	\$ (40,116,494.)
Other Financing sources (uses)	0.	0.	0.	0.	1,332,445.	0.	0.	0.	68,604,770.	0.
Proceeds from sale of bonds	1,090.	0.	(960.)	0.	(26,398.)	(1,203.)	0.	0.	0.	0.
Prior Year Adjustment	0.	0.	0.	0.	(265,000.)	0.	0.	0.	0.	0.
Transfers/Cancellations	1,118.	18,499.	0.	0.	0.	0.	0.	23,400.	4,007.	6,337.
Transfers in	(1,118.)	(23.)	0.	0.	0.	0.	0.	0.	(25,914.)	(23,837.)
Transfers out										
Total Other Financing sources (uses)	\$ 1,090.	\$ 18,476.	\$ (960.)	\$ 0.	\$ 1,041,047.	\$ (1,203.)	\$ 0.	\$ 23,400.	\$ 68,582,863.	\$ (17,500.)
Net Change in fund balance	\$ (97,827.)	\$ (186,842.)	\$ 319,348.	\$ (772,806.)	\$ 1,760,738.	\$ (273,888.)	\$ 233,601.	\$ (407,653.)	\$ 55,849,686.	\$ (40,133,994.)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30	Tuition	Non-Resident Fees	Interest on Investments	Fac./ Land Rent	Prior Years' Refunds	Adult and Evening Fees	Insurance Claim	Sale of Assets	E-Rate	Misc.	Total
2007	\$ 556,900.	\$ 23,200.	\$ 123,249.	\$ 6,000.	\$ 0.	\$ 559,532.	\$ 0.	\$ 6,553.	\$ 0.	\$ 26,140.	\$ 1,301,574.
2008	590,600.	8,000.	74,340.	8,000.	1,532.	563,226.	0.	148,217.	0.	81,967.	1,475,882.
2009	801,500.	36,000.	45,633.	8,000.	0.	684,655.	0.	0.	0.	14,744.	1,590,532.
2010	896,084.	32,000.	12,528.	8,000.	6,158.	985,742.	0.	0.	0.	41,566.	1,982,078.
2011	1,007,999.	45,600.	32,495.	8,000.	0.	1,051,401.	0.	9,985.	0.	20,109.	2,175,589.
2012	1,080,854.	81,000.	17,930.	17,000.	22,009.	645,062.	0.	0.	23,853.	23,532.	1,911,240.
2013	1,088,635.	96,000.	24,208.	0.	65.	601,107.	0.	0.	26,803.	18,521.	1,855,339.
2014	1,152,625.	76,000.	12,382.	0.	35,976.	493,026.	0.	0.	2,027.	61,275.	1,833,311.
2015	1,290,130.	34,000.	11,896.	12,000.	0.	549,142.	102,416.	0.	40,086.	9,146.	2,048,816.
2016	1,061,040.	76,000.	12,939.	12,000.	0.	601,219.	0.	0.	32,293.	8,083.	1,803,574.

Source: District records

REVENUE CAPACITY

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levies For and Collections	Collected Within the Fiscal Year of the Levy (a)		Collection in Subsequent Year
		Amount	Percentage of Levy	
2007	1,259,048.	1,259,048.	100.00%	
2008	1,782,635.	1,782,635.	100.00%	
2009	2,231,800.	2,231,800.	100.00%	
2010	1,888,000.	1,888,000.	100.00%	
2011	2,100,000.	2,100,000.	100.00%	
2012	2,000,000.	2,000,000.	100.00%	
2013	2,000,000.	2,000,000.	100.00%	
2014	2,000,000.	2,000,000.	100.00%	
2015	2,000,000.	2,000,000.	100.00%	
2016	2,200,000.	2,200,000.	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F Form)

- a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statue, a municipal is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the the school year.

DEBT CAPACITY

N/A

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

CUMBERLAND COUNTY BOARD OF VOCATION EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2006	153,910	\$ 4,512,795,110.	\$ 29,321.	6.90%
2007	155,402	4,706,194,168.	30,284.	6.50%
2008	156,784	5,006,897,040.	31,935.	8.00%
2009	157,745	5,117,090,055.	32,439.	12.70%
2010	157,155	5,215,660,140.	33,188.	13.30%
2011	157,570	5,398,663,340.	34,262.	13.40%
2012	157,677	5,387,823,090.	34,170.	14.10%
2013	156,977	5,382,113,422.	34,286.	12.20%
2014	157,099	5,571,987,332.	35,468.	9.90%
2015	155,854	N/A	N/A	8.70%

Source:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Personal income has been estimated based upon the municipal population and per capita personal income presented
- c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- d Unemployment data provided by the N.J. Dept. of Labor and Workforce Development

OPERATING INFORMATION

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction:										
Vocational	36.00	40.00	43.00	45.40	40.00	40.00	43.00	38.20	41.00	42.00
Support Services:										
General Administrative Services	10.00	10.00	9.00	9.00	9.00	9.00	8.00	8.00	9.00	10.00
School Administrative Services	10.00	10.00	10.00	10.00	10.00	10.00	9.07	9.00	8.00	9.00
Other Administrative Services	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Administrative Information Technology	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Plant Operations and Maintenance	6.50	5.50	6.50	6.00	6.00	6.00	6.75	6.75	6.75	6.75
Special Schools Fund 13	7.80	7.80	12.70	10.60	10.00	10.00	8.00	8.00	6.50	7.00
Food Service	1.50	1.50	1.50	1.50	1.50	1.50	1.10	0.00	0.00	0.00
Total	77.80	80.80	88.70	88.50	82.50	82.50	80.92	74.95	75.25	78.75

Source: District Personnel Records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change In Average Daily Enrollment	Student Attendance Percentage
						CCTEC					
2007	608	\$ 7,910,353.	\$ 13,010.	7.91%	36.0	16.88		458.8	420.3	-3.15%	91.61%
2008	521	8,100,155.	15,547.	19.50%	41.0	12.71		462.8	416.7	0.87%	89.89%
2009	465	7,750,780.	16,668.	7.21%	38.0	12.24		413.7	372.2	(10.61)%	89.97%
2010	582	8,316,948.	14,290.	(14.27)%	31.0	18.77		301.7	283.0	(27.07)%	93.80%
2011	657	7,784,602.	11,848.	(17.09)%	32.0	20.53		342.2	321.8	13.42%	94.04%
2012	601	7,240,692.	12,048.	1.69%	23.0	26.13		309.3	284.3	(9.61)%	91.90%
2013	640	7,710,452.	12,048.	0.00%	24.0	25.00		305.8	281.1	(1.13)%	91.92%
2014	652	8,014,627.	12,292.	2.02%	30.0	25.40		321.9	297.8	5.26%	92.51%
2015	591	8,331,999.	14,099.	14.70%	31.0	24.53		318.2	293.4	(1.16)%	92.21%
2016	493	8,217,415.	16,668.	18.22%	36.0	13.69		266.0	249.0	(16.40)%	93.60%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.
 Enrollment does not include adult enrollment.

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

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other										
CCTEC (1969)										
Square Feet	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330
Capacity (Students)	505	505	505	505	505	505	505	505	505	505
Enrollment	608	521	465	546	657	601	640	652	591	493

Number of Schools at June 30, 2016:

Other = 1

Source: District records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

*School Facilities

Project #(s)

	School	Total
2007	\$ 195,115.	\$ 195,115.
2008	253,981.	253,981.
2009	288,243.	288,243.
2010	303,393.	303,393.
2011	183,934.	183,934.
2012	206,159.	206,159.
2013	165,379.	165,379.
2014	247,836.	247,836.
2015	259,331.	259,331.
2016	176,684.	176,684.
Total School Facilities	<u>\$ 2,280,055.</u>	<u>\$ 2,280,055.</u>

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

Source: District records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2016
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSBAIG		
Property-Blanket Building & Contents	\$ 27,572,580.	\$ 5,000.
Comprehensive General Liability	11,000,000.	
Comprehensive Automobile Liability	11,000,000.	
Blanket Extra Expense	50,000,000.	5,000.
Blanket Valuable Papers & Records	10,000,000.	5,000.
Business Income/Tuition	1,000,000.	5,000.
Earthquake	50,000,000.	
Terrorism	1,000,000.	
All Flood Zones	75,000,000.	10,000.
Computers and Scheduled Equipment		
Data Processing Equipment	1,050,000.	1,000.
Boiler and Machinery		
Property Damage	100,000,000.	5,000.
Errors & Omissions		
Errors & Omissions Policy Coverage A	11,000,000.	5,000.
Errors & Omissions Policy Coverage B	100,000.	5,000.
Public Officials Bond		
Walter Pudelko, Treasurer	195,000.	1,000.
Gene Mercoli, Business Administrator	175,000.	1,000.
Public Employee Dishonesty	100,000.	500.
Forgery & Alteration	100,000.	500.
Money & Securities	100,000.	500.
Counterfeit	100,000.	500.
Computer Fraud	100,000.	500.
Workers Compensation - NJSBAIG	2,000,000.	
Flood - American Bankers Insurance Company of Florida	500,000.	1,250.
Student Accident: Basic	5,000,000.	
Catastrophic	500,000.	25,000.

SINGLE AUDIT SECTION

K-1

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

Independent Auditor's Report

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

We have audited, in accordance with 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 activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cumberland County Board of Vocational Education in the County of Cumberland, 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 Cumberland County Board of Vocational Education's basic financial statements, and have issued our report thereon dated December 12, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cumberland County Board of Vocational Education'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

December 12, 2016



CERTIFIED PUBLIC ACCOUNTANTS, LLC

Thinking ahead to
achieve success.

MEMBERS:
• American Institute of
Certified Public Accountants
• New Jersey Society of
Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

K-2

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE AWARDS, REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Cumberland County Board of Vocational Education, in the County of Cumberland, State of New Jersey, 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 Cumberland County Board of Vocational Education's major state programs for the year ended June 30, 2016. Cumberland County Board of Vocational Education's major 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 each of its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cumberland County Board of Vocational Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements as 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 state program occurred. An audit includes examining, on a test basis, evidence about the Cumberland County Board of Vocational Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Board of Education of the Cumberland County Board of Vocational Education, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Cumberland County Board of Vocational Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cumberland County Board of Vocational Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with Uniform Guidance, and the New Jersey State Aid/Grant Compliance Supplement, 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 Cumberland County Board of Vocational Education's internal control over compliance.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of Expenditure of State Awards Required by the New Jersey OMB's Circular 15-08

We have audited the financial statements of Board of Education of Cumberland County Board of Vocational Education in the County of Cumberland, State of New Jersey as of and for the year ended June 30, 2016, and have issued our report thereon dated December 12, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as the whole. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state awards, are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state awards are fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

December 12, 2016

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Federal FAIN No.	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2015	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Bal.	Balance at June 30, 2016		Note Reference
												Accounts Receivable	Deferred Revenue	
U.S. Department of Education Passed Through State Department of Education: General Fund:														
Total General Fund						\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
U.S. Department of Education Passed Through State Department of Education: Special Revenue Fund:														
Title I, Part A	84.010	S010A50030	NCLB-099516	\$ 201,571.	7/1/15 - 6/30/16	0.	0.	122,356.	(216,019.)	0.	0.	(93,663.)	0.	0.
Title I, Part A	84.010	S010A50030	NCLB-099515	197,895.	7/1/14 - 6/30/15	(97,102.)	0.	97,102.	0.	0.	0.	0.	0.	0.
Title II, Part A	84.168	S367A150029	NCLB-099516	7,277.	7/1/15 - 6/30/16	0.	0.	0.	(7,277.)	0.	0.	(7,277.)	0.	0.
Title II, Part A	84.168	S367A150029	NCLB-099515	3,710.	7/1/14 - 6/30/15	(3,710.)	0.	3,710.	0.	0.	0.	0.	0.	0.
I.D.E.A. Part B, Basic	84.027	H027A150100	FT-099516	118,827.	7/1/15 - 6/30/16	0.	0.	51,912.	(114,226.)	0.	0.	(62,314.)	0.	0.
I.D.E.A. Part B, Basic	84.027	H027A150100	FT-099515	118,377.	7/1/14 - 6/30/15	(33,711.)	0.	33,711.	0.	0.	0.	0.	0.	0.
Perkins-Secondary	84.048	V048A140030	PERK-099516	77,666.	7/1/15 - 6/30/16	0.	0.	77,666.	(77,666.)	0.	0.	0.	0.	0.
REAP	84.358A	S358B150030		37,917.	7/1/15 - 6/30/16	0.	0.	7,897.	(10,607.)	0.	0.	(2,710.)	0.	0.
REAP	84.358A	S358B150030		34,088.	7/1/14 - 9/30/15	(12,097.)	0.	34,088.	(21,991.)	0.	0.	0.	0.	0.
Passed-through County of Cumberland: 21st Century	84.287	S287C150030		3,364.	7/1/15 - 6/30/16	0.	0.	0.	(2,435.)	0.	0.	(2,435.)	0.	0.
Total Special Revenue Fund						(146,620.)	0.	428,442.	(450,221.)	0.	0.	(168,399.)	0.	0.
U.S. Department of Agriculture Passed Through State Department of Education Enterprise Fund:														
Food Distribution Program	10.550	16161NJ304N1099	N/A	2,324.	7/1/15 - 6/30/16	0.	0.	2,324.	(2,324.)	0.	0.	0.	0.	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	3,706.	7/1/15 - 6/30/16	0.	0.	3,487.	(3,706.)	0.	0.	(219.)	0.	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	6,257.	7/1/14 - 6/30/15	(437.)	0.	437.	0.	0.	0.	0.	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	7,980.	7/1/15 - 6/30/16	0.	0.	7,480.	(7,980.)	0.	0.	(500.)	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	12,918.	7/1/14 - 6/30/15	(858.)	0.	858.	0.	0.	0.	0.	0.	0.
Total Enterprise Fund						(1,295.)	0.	14,586.	(14,010.)	0.	0.	(719.)	0.	0.
Total Federal Financial Awards						\$ (147,915.)	\$ 0.	\$ 443,028.	\$ (464,231.)	\$ 0.	\$ 0.	\$ (169,118.)	\$ 0.	\$ 0.

The Accompanying Notes to Schedules of Expenditures of Federal Awards and Financial Assistance are an Integral Part of this Schedule

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances
			From	To	Deferred Revenue (Accts Rec.)	Due to Grantor	Carryover/ (Walkover) Amount			
State Department of Education:										
General Fund:										
Equalization Aid	16-495-034-5120-078	\$ 3,734,073.	07/01/15	-	06/30/16	\$ 0.	\$ 0.	\$ 3,734,073.	\$ (3,734,073.)	\$ 0.
Special Education Categorical Aid	16-495-034-5120-089	163,569.	07/01/15	-	06/30/16	0.	0.	163,569.	(163,569.)	0.
Security Aid	16-495-034-5120-084	20,801.	07/01/15	-	06/30/16	0.	0.	20,801.	(20,801.)	0.
PARCC Readiness Aid	16-495-034-5120-098	3,730.	07/01/15	-	06/30/16	0.	0.	3,730.	(3,730.)	0.
Per Pupil Growth Aid	16-495-034-5120-097	3,730.	07/01/15	-	06/30/16	0.	0.	3,730.	(3,730.)	0.
Adult Education Program Aid	16-495-034-5120-510	76,464.	07/01/15	-	06/30/16	0.	0.	76,464.	(76,464.)	0.
On Behalf TPAF Post Retirement	16-495-034-5095-001	280,023.	07/01/15	-	06/30/16	0.	0.	280,023.	(280,023.)	0.
On Behalf TPAF Pension	16-495-034-5095-002	235,171.	07/01/15	-	06/30/16	0.	0.	235,171.	(235,171.)	0.
Reimbursed TPAF Social Security Contrib.	16-495-034-5095-003	221,236.	07/01/15	-	06/30/16	0.	0.	210,338.	(221,236.)	0.
Reimbursed TPAF Social Security Contrib.	15-495-034-5095-003	216,638.	07/01/14	-	06/30/15	0.	0.	10,144.	0.	0.
Total General Fund						(10,144.)	0.	4,738,043.	(4,738,797.)	0.
Special Revenue Fund:										
Perkins Post-Secondary	16-100-034-5062-032	99,055.	07/01/15	-	06/30/16	0.	0.	99,055.	(99,055.)	0.
Total Special Revenue Fund						0.	0.	99,055.	(99,055.)	0.
Capital Project Fund:										
Educ Facilities Const & Financing Act.										
School Addition & Renovation	0995-030-09-1001	2,071,663.						0.	0.	0.
Total Capital Project Fund								0.	0.	0.
State Department of Agriculture										
Enterprise Fund:										
National School Lunch Program (State Share)	16-100-010-3350-023	180.	07/01/15	-	06/30/16	0.	0.	170.	(180.)	0.
National School Lunch Program (State Share)	15-100-010-3350-023	271.	07/01/14	-	06/30/15	(17.)	0.	17.	0.	0.
Total Enterprise Fund						(17.)	0.	187.	(180.)	0.
Total State Financial Assistance						\$ (306,625.)	\$ 0.	\$ 4,837,285.	\$ (4,838,032.)	\$ 0.

The Accompanying Notes to Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016			MEMO	
			From	To	(Accounts .Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education:									
General Fund:									
Equalization Aid	16-495-034-5120-078	\$ 3,734,073.	07/01/15	06/30/16	\$ 0.	\$ 0.	\$ 0.	\$ 371,478.	\$ 3,734,073.
Special Education Categorical Aid	16-495-034-5120-089	163,569.	07/01/15	06/30/16	0.	0.	0.	16,357.	163,569.
Security Aid	16-495-034-5120-084	20,801.	07/01/15	06/30/16	0.	0.	0.	2,080.	20,801.
PARCC Readiness Aid	16-495-034-5120-098	3,730.	07/01/15	06/30/16	0.	0.	0.	373.	3,730.
Per Pupil Growth Aid	16-495-034-5120-097	3,730.	07/01/15	06/30/16	0.	0.	0.	373.	3,730.
Adult Education Program Aid	16-495-034-5120-510	76,464.	07/01/15	06/30/16	0.	0.	0.	7,646.	76,464.
On Behalf TPAF Post Retirement	16-495-034-5095-001	280,023.	07/01/15	06/30/16	0.	0.	0.	0.	280,023.
On Behalf TPAF Pension	16-495-034-5095-002	235,171.	07/01/15	06/30/16	0.	0.	0.	0.	235,171.
Reimbursed TPAF Social Security Contrib.	16-495-034-5095-003	221,236.	07/01/15	06/30/16	(10,898.)	0.	0.	0.	221,236.
Reimbursed TPAF Social Security Contrib.	15-495-034-5095-003	216,638.	07/01/14	06/30/15	0.	0.	0.	0.	0.
Total General Fund					(10,898.)	0.	0.	398,307.	4,738,797.
Special Revenue Fund:									
Perkins Post-Secondary	16-100-034-5062-032	99,055.	07/01/15	06/30/16	0.	0.	0.	0.	99,055.
Total Special Revenue Fund					0.	0.	0.	0.	99,055.
Capital Project Fund:									
Educ Facilities Const & Financing Act.	0995-030-09-1001	2,071,663.			(296,464.)	0.	0.	0.	1,570,689.
School Addition & Renovation					(296,464.)	0.	0.	0.	1,570,689.
Total Capital Project Fund									
State Department of Agriculture									
Enterprise Fund:									
National School Lunch Program (State Share)	16-100-010-3350-023	180.	07/01/15	06/30/16	(10.)	0.	0.	0.	180.
National School Lunch Program (State Share)	15-100-010-3350-023	271.	07/01/14	06/30/15	0.	0.	0.	0.	0.
Total Enterprise Fund					(10.)	0.	0.	0.	180.
Total State Financial Assistance					\$ (307,372.)	\$ 0.	\$ 0.	\$ 398,307.	\$ 6,408,721.

The Accompanying Notes to Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

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 bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements 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 presentation of, the basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last 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 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 \$(7,650) for the general fund and \$(6,622) for the special revenue fund. See *Note 1 (the Notes to Required Supplementary Information)* for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 0.	\$ 4,731,147.	\$ 4,731,147.
Special Revenue Fund	456,843.	99,055.	555,898.
Food Service Fund	14,010.	180.	14,190.
Total Financial Assis.	<u>\$ 470,853.</u>	<u>\$ 4,830,382.</u>	<u>\$ 5,301,235.</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016

NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 - OTHER

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

The District had no expenditures to subrecipients during the year ended June 30, 2016

NOTE 7. INDIRECT COSTS

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- | | | | |
|----|--|---------------|--------------------------|
| 1. | Material weakness(es) identified? | <u> </u> Yes | <u> x</u> No |
| 2. | Significant deficiencies identified that are not considered to be material weaknesses? | <u> </u> Yes | <u> x</u> None Reported |

Noncompliance material to general purpose financial statements noted? Yes x No

Federal Awards

N/A – No major federal programs

State Awards

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

Auditee qualified as low risk auditee? x Yes No

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

Internal Control over major programs:

- | | | | |
|----|--|---------------|--------------------------|
| 1. | Material weakness(es) identified? | <u> </u> Yes | <u> x</u> No |
| 2. | Significant deficiencies identified that are not considered to be material weaknesses? | <u> </u> Yes | <u> x</u> None reported |

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 Yes x No

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-510	Adult Education Program

Section II – Financial Statement Findings

None Reported

*Section III – Federal Awards and State Financial Assistance
Findings and Questioned Costs*

Federal Awards

N/A

State Awards

None Reported

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

STATUS OF PRIOR YEAR FINDINGS

Finding:

None Reported