

# **Comprehensive Annual Financial Report**

**of the**

**Gloucester County  
Vocational-Technical School District**

**Deptford, New Jersey**

**For The Fiscal Year Ended  
June 30, 2016**

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
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## **INTRODUCTORY SECTION**



## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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1360 TANYARD ROAD · SEWELL, NEW JERSEY 08080  
856-468-1445 · FAX 856-468-3397

December 1, 2016

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

Dear Board Members:

The comprehensive annual financial report of the Gloucester County Vocational-Technical School District (District), a component unit of the County of Gloucester, New Jersey, for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section is presented in accordance with Governmental Accounting Standards Board Statement No. 34 and includes the Report of Independent Auditors, the Management and Discussion Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Treasury Circular 15-08-OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*" Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## 1. Reporting Entity and Its Services

The Gloucester County Vocational-Technical School District, a component unit of the County of Gloucester, New Jersey, is a reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds of the District are included in this report. The Gloucester County Vocational-Technical School District and all of its programs and projects constitute the District's reporting entity.

The Gloucester County Vocational-Technical School District is one of 21 county career-technical schools in New Jersey. The District successfully completed its conversion from a shared-time vocational program to a comprehensive full-time high school. Applications for acceptance to the District's school, Gloucester County Institute of Technology, continue to exceed seats available. A list of programs offered to incoming students in the 2015-2016 school year follows:

### A. Career-Technical Programs

- Construction Technology
- Cosmetology
- Culinary Arts
- Performing Arts (Dance/Drama)
- Transportation Technology

### B. Academies

- Allied Health and Medical Science
- Engineering
- Finance and Business Management
- Information Technology and Digital Communication
- Transportation Technology

### C. Shared-Time Vocational Programs – Senior Year Option

- Emergency Response (Fire Science and Law Enforcement)

### D. Post-Secondary Adult Programs

Career-Technical Training Programs	Adult Regional High School
Customized Training Programs	Youth One Stop Program/ Youth Education and Career Center

### E. Community Use of Facilities

Aquatics Center	Fitness Center
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## **2. Major Initiatives**

### **A. Current Year Accomplishments**

Gloucester County Vocational-Technical School District's Gloucester County Institute of Technology (GCIT) used to be called area education's best-kept secret, but the record number of applicants substantiates its solid reputation and growing popularity in the county, making GCIT a school of choice for many high school students.

Thanks to our supportive Board of Education, faculty, staff, parents, and students, GCIT is ranked high on the list of New Jersey high schools, winning a best practice award on two occasions and the coveted NJ Star School designation from the New Jersey Department of Education.

Since its inception in 2000, full-time Academy Programs offer students a well-rounded education, integrating career, academic, and industry excellence. Students who pursue post-secondary high school goals have been successful in both attaining college and/or post-secondary training goals.

The diverse academy student population at GCIT is afforded high-tech instruction as students participate in interactive distance learning and receive complementary and cutting-edge instruction via mobile computer labs, software, and smart-board technology.

Career-Technical programs at GCIT prepare students for careers in demand through hands-on learning—integrating academics and industry standards. A record number of students have applied for admission to GCIT indicating the necessity of career-technical education and post-secondary opportunity.

Career-Technical students have several options awaiting them upon graduation. These options include entering the workforce, apprenticeship programs, and a pathway to college or other post-secondary training options. GCIT participates in an articulation agreement with Rowan College at Gloucester County through which GCIT students may earn college credits while still in high school.

With guidance from business and industry, our school-to-careers program provides valuable work experience, income, and graduation credits for interested students.

### **B. District Goals for 2015-2016**

- Maintain and enhance all current programs for the school district;
- Complete the long-range facilities plan;
- Complete the redesign of the Performing Arts and Fire Science/Law Enforcement programs;
- Continue to prepare students for college and career readiness by increasing rigor in reading performance, which translate into higher Lexile-level requirements at each grade level;
- Continue the redesign of the School to Careers Department;
- Continue to maintain close supervision of fiscal operations and seek every opportunity to

reduce operating costs through attrition and shared services; and

- Complete contract negotiations with the Gloucester County Vocational-Technical Education Association.

### **3. Internal Accounting Controls**

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal controls, 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.

### **4. Budgetary Controls**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2016.

### **5. 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.

## 6. Cash Management

The investment policy of the District is guided in large part by state statute as detailed in “The 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.

## 7. 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, fidelity bonds, worker’s compensation, disability, and student insurance. During 2015-2016 insurance coverage of the Gloucester County Vocational-Technical School District was carried via the New Jersey School Insurance Group, administered by Hardenbergh Insurance Group.

## 8. Other Information

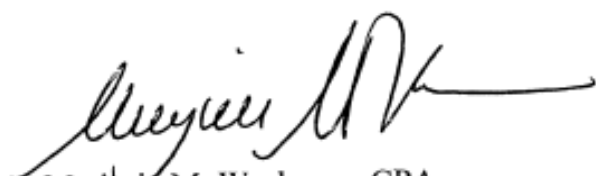
Independent Audit – State statutes require an annual audit by independent certified public accountants. The accounting firm of Bowman & Company LLP was selected by the Gloucester County Vocational-Technical Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Treasury Circular 15-08-OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*” The auditor’s report on the basic financial statements 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.

## 9. Acknowledgments

We would like to express our appreciation to the members of The Board of Education of the Special Services School District and the Vocational School District of the County of Gloucester, and to the Gloucester County Board of Chosen Freeholders 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 Business Office Staff.

Respectfully submitted,

  
Michael C. Dicken  
Superintendent

  
Marjorie M. Workman, CPA  
Assistant Superintendent for Business/Board Secretary

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

**\*\* Michael C. Dicken  
SUPERINTENDENT/SS**

**\*\*Marjorie M. Workman  
Asst. Supt. Of Business/Bd. Sec./SS**

**\*\* Diane Gormley  
Director/Coop. Transportation/SS**

**\*\* Susan Heiken, Ed. D.  
Director/Clinical Svcs./SS**

**James (Jamie) Dundee  
Principal/VT**

**\*\*Brian Shakespeare, Asst. Supt.  
Of Curriculum & Assessment/SS**

**\*\*Gina Mateka, Ed.D.,  
Chief Academic Officer**

**\*\*Kathleen White, Supv.  
Student Assessment/SS**

**Michael McAleer, Asst.  
Principal/Athletic Dir./VT**

**Gregory Wright  
Asst. Principal/ VT**

**Donna Fondacaro, Ed.D.  
Asst. Principal/VT**

**Christine Deeck, Director  
Stud. Pers. Svcs./VT**

**Donna Wynne, Supervisor  
Guidance/VT**

**GCVTSD**

**Administrative Organization Chart**

**2015-2016 School Year**

GCVTSD Administrators – VT  
GCSSSD Administrators – SS

**\*\* Shared employment with SS & VT**

**BOARD OF EDUCATION  
GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SEWELL, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

**Members of the Board of Education**

**Term  
Expires**

Marlene A. McConnell, President	6/30/2017
Albert F. Frattali, Vice President	6/30/2018
Donna Ragonese	6/30/2016
John Robinson	6/30/2016
Anthony W. Wilcox	6/30/2017
Robert P. Wooton	6/30/2018
Ave' Altersitz, Executive County Superintendent	

**Other Officials**

Michael Dicken, Superintendent  
Brian P. Shakespeare, Assistant Superintendent for Curriculum and Assessment  
Marjorie M. Workman, Assistant Superintendent for Business/Board Secretary  
Lisa Finnegan, Comptroller

**BOARD OF EDUCATION  
GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

Bowman & Company LLP  
6 North Broad Street, Suite 201  
Woodbury, New Jersey 08096

**Attorneys**

**Board Solicitor**

Louis Cappelli, Jr., Esq.  
Florio, Perrucci, Steinhardt & Fader  
1010 Kings Highway South,  
Building 2  
Cherry Hill, New Jersey 08034

**Labor Attorney**

William M. Tambussi, Esq.  
Brown & Connery, LLP  
360 Haddon Avenue  
Westmont, New Jersey 08108

**Construction Attorney**

Richard W. Hunt, Esq.  
Parker McCay  
9000 Midlantic Drive, Suite 300  
Mt. Laurel, New Jersey 08054

**Official Depositories**

Bank of America  
1355 N. Delsea Drive  
Deptford, NJ 08096

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Gloucester County Vocational Technical School District  
County of Gloucester, New Jersey

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gloucester County Vocational Technical School District, a component unit of the County of Gloucester, 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 School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gloucester County Vocational Technical School District, a component unit of the County of Gloucester, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester County Vocational Technical School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016 on our consideration of the Gloucester County Vocational Technical School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Gloucester County Vocational Technical School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 1, 2016

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Gloucester County Vocational Technical School District  
County of Gloucester, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and 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 Gloucester County Vocational Technical School District, a component unit of the County of Gloucester, 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 School District's basic financial statements, and have issued our report thereon dated December 1, 2016.

***Internal Control Over Financial Reporting***

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 1, 2016

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The discussion and analysis of the Gloucester County Vocational-Technical School District's (the School District or "GCVTSD") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to review the School District's financial performance as a whole; readers are advised to read it in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the School District's performance.

The Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report ("CAFR") is an element of Required Supplementary Information specified in the Governmental Accounting Standard's Board's (GASB) Statement Number 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments that was issued in June 1999. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year are as follows:

- The School District's net position decreased by a total of \$334,701.64 as a result of this year's operations. Net position of our business-type activities decreased by \$114,847.69. Net position of our governmental activities decreased by \$219,853.95.
- During the year, the School District generated \$19,142,249.78 in revenues from governmental activities, an increase of \$313,818.54 from the previous fiscal year. This variance can be partially attributed to an additional allocation of the county appropriation to the governmental activities of the School District.
- In the School District's business-type activities, operating revenues decreased by \$320,433.39; operating expenses increased by \$82,255.12. These changes are attributable to a change in the allocation of the county appropriation.

### USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on the School District's most significant funds, reporting on the School District's operations in *more detail* than the government-wide financial statements.
  - The *governmental funds statements* tell how basic services such as 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 the district operates like a business.
  - *Fiduciary funds statements* provide information about the financial relationships in which the School 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 School District's budget for the year.

## Reporting the School District as a Whole

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

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the School District's overall health, additional non-financial factors such as changes in the School District's property tax base, current laws and policies affecting school districts in New Jersey, educational programs offered, the condition of school buildings and other facilities, and other factors must be considered.

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

- *Governmental activities*: Most of the School District's basic services are included here, such as alternative and special education. State Aid, the County tax levy and, to a lesser degree, tuition, finance most of these activities.
- *Business-type activities*: The School District charges fees to help it cover the costs of certain services it provides. The School District's enterprise funds are included here.

## Reporting the School District's Most Significant Funds

The *fund financial statements* focus on the School District's most significant funds, reporting on the School District's operations in *more detail* than the government-wide financial statements. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The School District has three kinds of funds:

- *Governmental funds*: Most of the School District's basic services are included in governmental funds, which generally focus on how cash and other financial assets that can be converted to cash flow in and out, and the balances left at year-end that are available for future spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that are available for spending in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information provided at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the School District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The School District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The School District currently does not maintain any internal service funds.
- *Fiduciary funds*: The School District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and student activity funds. The School District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong. The School 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. The School District excludes these activities from the government-wide financial statements because it may not use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

### Net position

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

The School District's net position at fiscal year-end June 30, 2016 is \$38,471,603.78. This is a \$334,701.64 decrease from last year's net position of \$38,806,305.42. The following table provides a summary of the School District's net position:

#### Summary of Net Position

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 4,710,929.28	\$ 3,713,581.51	\$ 997,347.77	26.86%
Capital Assets	42,896,970.07	43,827,926.41	(930,956.34)	-2.12%
<b>Total Assets</b>	<b>47,607,899.35</b>	<b>47,541,507.92</b>	<b>66,391.43</b>	<b>0.14%</b>
Deferred Outflow of Resources - Related to Pensions	1,653,232.00	780,108.00	873,124.00	111.92%
Long-Term Liabilities	9,466,464.68	8,657,468.06	808,996.62	9.34%
Other Liabilities	781,230.89	399,110.44	382,120.45	95.74%
<b>Total Liabilities</b>	<b>10,247,695.57</b>	<b>9,056,578.50</b>	<b>1,191,117.07</b>	<b>13.15%</b>
Deferred Inflow of Resources - Related to Pensions	541,832.00	458,732.00	83,100.00	18.12%
Net Position:				
Net Investment in Capital Assets	42,809,431.59	43,719,980.15	(910,548.56)	-2.08%
Restricted	596,275.89	590,844.27	5,431.62	0.92%
Unrestricted (Deficit)	(4,934,103.70)	(5,504,519.00)	570,415.30	-10.36%
<b>Total Net Position</b>	<b>\$ 38,471,603.78</b>	<b>\$ 38,806,305.42</b>	<b>\$ (334,701.64)</b>	<b>-0.86%</b>

The following table provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

#### Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 1,653,232.00	\$ 780,108.00	\$ 873,124.00	111.92%
Less: Net Pension Liability	(8,660,188.00)	(7,697,554.00)	(962,634.00)	12.51%
Less: Deferred Inflows Related to Pensions	(541,832.00)	(458,732.00)	(83,100.00)	18.12%
	<b>\$ (7,548,788.00)</b>	<b>\$ (7,376,178.00)</b>	<b>\$ (172,610.00)</b>	<b>2.34%</b>



## Changes in Net position

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

### Summary of Changes in Net Position

<b>Revenues:</b>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 781,173.92	\$ 916,507.31	\$ (135,333.39)	-14.77%
Federal & State Categorical Grants	5,122,584.85	4,453,032.35	669,552.50	15.04%
General Revenues:				
Property Taxes	8,000,000.00	8,000,000.00	-	0.00%
Federal & State Grants	7,890,039.32	7,800,958.67	89,080.65	1.14%
Tuition & Fees	3,231,949.52	3,183,587.12	48,362.40	1.52%
Other	218,060.94	226,722.45	(8,661.51)	-3.82%
<b>Total Revenues</b>	<u>25,243,808.55</u>	<u>24,580,807.90</u>	<u>663,000.65</u>	<u>2.70%</u>
<b>Expenses:</b>				
Instruction:				
Regular	4,573,354.00	4,328,882.52	244,471.48	5.65%
Special Education	168,473.26	270,968.93	(102,495.67)	-37.83%
Vocational	4,034,506.72	4,142,624.46	(108,117.74)	-2.61%
Other Instruction	612,114.35	534,593.90	77,520.45	14.50%
Student Services:				
Student and Instruction Related	2,611,779.03	2,716,937.43	(105,158.40)	-3.87%
General Administrative Services	325,726.79	331,325.53	(5,598.74)	-1.69%
School Administrative Services	488,272.60	591,347.07	(103,074.47)	-17.43%
Central Services	311,411.62	331,249.55	(19,837.93)	-5.99%
Administrative Information Technology	12,948.06	29,950.71	(17,002.65)	-56.77%
Plant Operations and Maintenance	2,699,599.67	2,753,675.31	(54,075.64)	-1.96%
Care and Upkeep of Grounds	88,400.86	86,038.81	2,362.05	2.75%
Security	355,014.41	343,913.82	11,100.59	3.23%
Student Transportation Services	74,517.27	82,333.70	(7,816.43)	-9.49%
Transfers - Board Contributions		65,000.00	(65,000.00)	-100.00%
Unallocated Benefits	7,314,391.58	6,765,973.49	548,418.09	8.11%
Support Services	510,567.50	497,100.05	13,467.45	2.71%
Enterprise Operations	8,633.75	9,249.50	(615.75)	-6.66%
Special Schools	193,843.74	198,715.62	(4,871.88)	-2.45%
Food Service	414,515.93	348,813.61	65,702.32	18.84%
Other Enterprise Funds	780,439.05	763,886.25	16,552.80	2.17%
<b>Total Expenses</b>	<u>25,578,510.19</u>	<u>25,192,580.26</u>	<u>385,929.93</u>	<u>1.53%</u>
Increase (Decrease) in Net Position	(334,701.64)	(611,772.36)	277,070.72	(0.45)
Beginning Net Position	<u>38,806,305.42</u>	<u>39,418,077.78</u>	<u>(611,772.36)</u>	<u>-1.55%</u>
Ending Net Position	<u>\$ 38,471,603.78</u>	<u>\$ 38,806,305.42</u>	<u>\$ (334,701.64)</u>	<u>-0.86%</u>



**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

## Statement of Net Position

June 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,791,262.26	\$ 1,535,441.23	\$ 3,326,703.49
Receivables, net	834,805.15	18,739.37	853,544.52
Inventory		19,804.27	19,804.27
Restricted Assets:			
Restricted Cash and Cash Equivalents:			
Capital Reserve Account	210,425.00		210,425.00
Maintenance Reserve Account	300,452.00		300,452.00
Capital Assets, net (Note 6)	<u>42,740,491.78</u>	<u>156,478.29</u>	<u>42,896,970.07</u>
<b>Total Assets</b>	<u>45,877,436.19</u>	<u>1,730,463.16</u>	<u>47,607,899.35</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	<u>1,522,626.67</u>	<u>130,605.33</u>	<u>1,653,232.00</u>
<b>LIABILITIES:</b>			
Accounts Payable	64,665.63	454.17	65,119.80
Accounts Payable - Related to Pensions	320,646.15	27,503.85	348,150.00
Accrued Salaries and Benefits	294,149.82	14,836.07	308,985.89
Unearned Revenue	30,646.00	3,565.00	34,211.00
Noncurrent Liabilities (Note 7):			
Due within One Year	24,764.20		24,764.20
Due beyond One Year	<u>8,782,309.83</u>	<u>684,154.85</u>	<u>9,466,464.68</u>
<b>Total Liabilities</b>	<u>9,517,181.63</u>	<u>730,513.94</u>	<u>10,247,695.57</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	<u>499,027.27</u>	<u>42,804.73</u>	<u>541,832.00</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	42,652,953.30	156,478.29	42,809,431.59
Restricted for:			
Capital Projects	85,398.89		85,398.89
Other Purposes	510,877.00		510,877.00
Unrestricted (Deficit)	<u>(5,865,375.23)</u>	<u>931,271.53</u>	<u>(4,934,103.70)</u>
<b>Total Net Position</b>	<u>\$ 37,383,853.96</u>	<u>\$ 1,087,749.82</u>	<u>\$ 38,471,603.78</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ending June 30, 2016

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 4,573,354.00		\$ 594,075.60	\$ (3,979,278.40)		\$ (3,979,278.40)
Special Instruction	168,473.26			(168,473.26)		(168,473.26)
Vocational	4,034,506.72			(4,034,506.72)		(4,034,506.72)
School Sponsored Cocurricular Activities	221,944.32			(221,944.32)		(221,944.32)
School Sponsored Athletics	390,170.03			(390,170.03)		(390,170.03)
<b>Undistributed Expenditures and Support Services:</b>						
Attendance and Social Work	18,330.69			(18,330.69)		(18,330.69)
Health Services	198,356.44			(198,356.44)		(198,356.44)
Student - Related Services	488,588.45			(488,588.45)		(488,588.45)
Students - Regular	948,376.58			(948,376.58)		(948,376.58)
Students - Special	452,866.05			(452,866.05)		(452,866.05)
Improvement of Instruction Services	271,457.09			(271,457.09)		(271,457.09)
Educational Media Services/School Library	230,228.60			(230,228.60)		(230,228.60)
Instructional Staff Training Services	3,575.13			(3,575.13)		(3,575.13)
General Administration	325,726.79			(325,726.79)		(325,726.79)
School Administration	488,272.60			(488,272.60)		(488,272.60)
Central Services	311,411.62			(311,411.62)		(311,411.62)
Administration Information Technology	12,948.06			(12,948.06)		(12,948.06)
Operation and Maintenance of Plant Services	2,699,599.67			(2,699,599.67)		(2,699,599.67)
Care and Upkeep of Grounds	88,400.86			(88,400.86)		(88,400.86)
Security	355,014.41			(355,014.41)		(355,014.41)
Student Transportation Services	74,517.27			(74,517.27)		(74,517.27)
Unallocated Benefits	6,114,333.95		2,708,117.00	(3,406,216.95)		(3,406,216.95)
On-Behalf Pension Contributions	685,279.00		657,971.00	-27308.00		-27308.00
Reimbursed TPAF Social Security	514,778.63		514,778.63			
Support Services	510,567.50		510,567.50			
Enterprise Operations	8,633.75		8,633.75			
Special Schools	193,843.74			(193,843.74)		(193,843.74)
<b>Total Governmental Activities</b>	<b>24,383,555.21</b>	<b>-</b>	<b>4,994,143.48</b>	<b>(19,389,411.73)</b>	<b>-</b>	<b>(19,389,411.73)</b>
<b>Business-Type Activities:</b>						
Food Service	414,515.93	\$ 265,237.80	101,133.37		\$ (48,144.76)	(48,144.76)
Other Enterprise Funds	780,439.05	513,736.12			(266,702.93)	(266,702.93)
<b>Total Business-Type Activities</b>	<b>1,194,954.98</b>	<b>778,973.92</b>	<b>101,133.37</b>	<b>-</b>	<b>(314,847.69)</b>	<b>(314,847.69)</b>
<b>Total Primary Government</b>	<b>\$ 25,578,510.19</b>	<b>\$ 778,973.92</b>	<b>\$ 5,095,276.85</b>	<b>(19,389,411.73)</b>	<b>(314,847.69)</b>	<b>(19,704,259.42)</b>

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ending June 30, 2016

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
County Appropriations	\$ 7,800,000.00	\$ 200,000.00	\$ 8,000,000.00
Federal and State Aid not Restricted	7,917,347.32		7,917,347.32
Tuition Received	3,084,493.52		3,084,493.52
Non-Resident Fees	147,456.00		147,456.00
Miscellaneous Income	229,808.04		229,808.04
Loss on Disposal of Capital Assets	(9,547.10)		(9,547.10)
Total General Revenues	<u>19,169,557.78</u>	<u>200,000.00</u>	<u>19,369,557.78</u>
Change in Net Position	(219,853.95)	(114,847.69)	(334,701.64)
Net Position -- July 1 (Restated)	<u>37,603,707.91</u>	<u>1,202,597.51</u>	<u>38,806,305.42</u>
Net Position -- June 30	<u>\$ 37,383,853.96</u>	<u>\$ 1,087,749.82</u>	<u>\$ 38,471,603.78</u>

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

**FUND FINANCIAL STATEMENTS**



## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Governmental Funds  
Balance Sheet  
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,791,262.26			\$ 1,791,262.26
Interfunds Receivable - Governmental Funds	282,290.48			282,290.48
Interfunds Receivable - Other Funds	4,000.00			4,000.00
Receivables from Other Governments	36,841.89	\$ 176,826.66	\$ 240,758.00	454,426.55
Receivables - Tuition	376,378.60			376,378.60
Restricted Cash and Cash Equivalents:				
Capital Reserve Account	210,425.00			210,425.00
Maintenance Reserve Account	300,452.00			300,452.00
<b>Total Assets</b>	<b>\$ 3,001,650.23</b>	<b>\$ 176,826.66</b>	<b>\$ 240,758.00</b>	<b>\$ 3,419,234.89</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 24,834.50	\$ 39,831.13		\$ 64,665.63
Accrued Salaries and Benefits	286,119.16	8,030.66		294,149.82
Interfunds Payable - Governmental Funds		126,931.37	\$ 155,359.11	282,290.48
Unearned Revenue	28,612.50	2,033.50		30,646.00
<b>Total Liabilities</b>	<b>339,566.16</b>	<b>176,826.66</b>	<b>155,359.11</b>	<b>671,751.93</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve Account	210,425.00			210,425.00
Maintenance Reserve Account	300,452.00			300,452.00
Capital Projects Fund			85,398.89	85,398.89
<b>Assigned</b>				
Subsequent Year's Expenditures	2,629,704.22			2,629,704.22
<b>Unassigned:</b>				
General Fund (Deficit)	(478,497.15)			(478,497.15)
<b>Total Fund Balances</b>	<b>2,662,084.07</b>	<b>-</b>	<b>85,398.89</b>	<b>2,747,482.96</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,001,650.23</b>	<b>\$ 176,826.66</b>	<b>\$ 240,758.00</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$85,301,309.78 and the accumulated depreciation is \$42,560,818.00.

42,740,491.78

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.

(831,040.88)

Net Pension Liability

(7,976,033.15)

Accounts Payable related to the April 1, 2017 Required PERS pension contribution that is not to be liquidated with current financial resources.

(320,646.15)

Deferred Outflows of Resources - Related to Pensions

1,522,626.67

Deferred Inflows of Resources - Related to Pensions

(499,027.27)

Net position of governmental activities

**\$ 37,383,853.96**

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ending June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>				
County Appropriations	\$ 7,800,000.00			\$ 7,800,000.00
Tuition Charges	3,084,493.52			3,084,493.52
Non-Resident Fees	147,456.00			147,456.00
Other Miscellaneous Revenues	229,808.04	\$ 13,402.75		243,210.79
State Sources	9,539,207.63	42,374.00		9,581,581.63
Federal Sources	3,961.88	1,179,942.54		1,183,904.42
<b>Total Revenues</b>	<u>20,804,927.07</u>	<u>1,235,719.29</u>		<u>22,040,646.36</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Regular Instruction	3,817,595.38	594,075.60		4,411,670.98
Special Instruction	168,473.26			168,473.26
Vocational Programs	3,167,037.27			3,167,037.27
School Sponsored Cocurricular Activities	221,944.32			221,944.32
School Sponsored Athletics	391,787.33			391,787.33
<b>Undistributed Expenditures and Support Services:</b>				
Attendance and Social Work	18,330.69			18,330.69
Health Services	198,356.44			198,356.44
Student - Related Services	488,588.45			488,588.45
Students - Regular	948,376.58			948,376.58
Students - Special	452,866.05			452,866.05
Improvement of Instruction Services	271,457.09			271,457.09
Educational Media Services/School Library	218,230.41			218,230.41
Instructional Staff Training Services	3,575.13			3,575.13
General Administration	307,056.64			307,056.64
School Administration	440,859.96			440,859.96
Central Services	312,004.92			312,004.92
Administration Information Technology	12,948.06			12,948.06
Operation and Maintenance of Plant Services	2,562,329.87			2,562,329.87
Care and Upkeep of Grounds	88,400.86			88,400.86
Security	355,014.41			355,014.41
Student Transportation Services	74,517.27			74,517.27
Unallocated Benefits	3,340,535.06			3,340,535.06
On-Behalf Pension Contributions	1,260,794.00			1,260,794.00
Reimbursed TPAF Social Security Contributions	514,778.63			514,778.63
Support Services		510,567.50		510,567.50
Capital Outlay	188,952.59	122,442.44	\$ 54,570.38	365,965.41
Enterprise Operations		8,633.75		8,633.75
Special Schools	193,843.74			193,843.74
<b>Total Expenditures</b>	<u>20,018,654.41</u>	<u>1,235,719.29</u>	<u>54,570.38</u>	<u>21,308,944.08</u>
Excess (Deficiency) of Revenues over Expenditures	786,272.66	-	(54,570.38)	731,702.28
Fund Balance -- July 1	1,875,811.41		139,969.27	2,015,780.68
Fund Balance -- June 30	\$ <u>2,662,084.07</u>	\$ <u>-</u>	\$ <u>85,398.89</u>	\$ <u>2,747,482.96</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ending June 30, 2016

Total Net Change in Fund Balances - Governmental Funds	\$	731,702.28
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(1,199,819.43)
Loss on Disposal of Capital Assets		(9,547.10)
Capital Outlays		<u>303,084.41</u>
		(906,282.12)
<p>Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		20,407.78
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		108,465.40
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		<u>(174,147.29)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(219,853.95)</u></u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Proprietary Funds  
Combining Statement of Net Position  
June 30, 2016

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 105,353.54	\$ 1,430,087.69	\$ 1,535,441.23
Accounts Receivable:			
State	56.56		56.56
Federal	2,354.41		2,354.41
Other		16,328.40	16,328.40
Inventory	<u>5,765.09</u>	<u>14,039.18</u>	<u>19,804.27</u>
Total Current Assets	<u>113,529.60</u>	<u>1,460,455.27</u>	<u>1,573,984.87</u>
<b>Noncurrent Assets:</b>			
Furniture, Fixtures and Equipment		349,175.22	349,175.22
Less Accumulated Depreciation		<u>(192,696.93)</u>	<u>(192,696.93)</u>
Total Noncurrent Assets	<u>-</u>	<u>156,478.29</u>	<u>156,478.29</u>
Total Assets	<u>113,529.60</u>	<u>1,616,933.56</u>	<u>1,730,463.16</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	<u>33,064.64</u>	<u>97,540.69</u>	<u>130,605.33</u>
<b>LIABILITIES :</b>			
<b>Current Liabilities:</b>			
Accounts Payable		454.17	454.17
Accounts Payable - Related to Pensions	6,963.00	20,540.85	27,503.85
Accrued Salaries and Benefits	720.00	14,116.07	14,836.07
Unearned Revenue		<u>3,565.00</u>	<u>3,565.00</u>
Total Current Liabilities	<u>7,683.00</u>	<u>38,676.09</u>	<u>46,359.09</u>
<b>Noncurrent Liabilities:</b>			
Net Pension Liability	<u>173,203.76</u>	<u>510,951.1</u>	<u>684,154.85</u>
Total Liabilities	<u>180,886.76</u>	<u>549,627.18</u>	<u>730,513.94</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	<u>10,836.64</u>	<u>31,968.09</u>	<u>42,804.73</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets		156,478.29	156,478.29
Unrestricted (Deficit)	<u>(45,129.16)</u>	<u>976,400.69</u>	<u>931,271.53</u>
Total Net Position	<u>\$ (45,129.16)</u>	<u>\$ 1,132,878.98</u>	<u>\$ 1,087,749.82</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Proprietary Funds  
 Combining Statement of Revenues, Expenses and Changes in Net Position  
 For the Fiscal Year Ending June 30, 2016

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Enterprise Funds	Total
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 26,056.50		\$ 26,056.50
Daily Sales - Non-Reimbursable Programs	239,130.55		239,130.55
County Budget Appropriation		\$ 200,000.00	200,000.00
Other Revenue	50.75	513,736.12	513,786.87
<b>Total Operating Revenues</b>	<b>265,237.80</b>	<b>713,736.12</b>	<b>978,973.92</b>
<b>OPERATING EXPENSES:</b>			
Cost of Goods Sold - Reimbursable Programs	136,246.03		136,246.03
Cost of Goods Sold - Non-Reimbursable Programs	24,984.46	51,581.72	76,566.18
Salaries	196,741.84	443,528.78	640,270.62
Employee Benefits	52,062.56	102,023.82	154,086.38
Purchased Technical Services		25,535.48	25,535.48
Other Purchased Services		10,606.68	10,606.68
Operations and Maintenance	350.00	45,023.42	45,373.42
Postage Expense		712.74	712.74
General Supplies	4,037.04	23,273.88	27,310.92
Utilities		52,683.37	52,683.37
Miscellaneous	94.00	794.94	888.94
Depreciation		24,674.22	24,674.22
<b>Total Operating Expenses</b>	<b>414,515.93</b>	<b>780,439.05</b>	<b>1,194,954.98</b>
<b>Operating Income (Loss)</b>	<b>(149,278.13)</b>	<b>(66,702.93)</b>	<b>(215,981.06)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	1,876.73		1,876.73
Federal Sources:			
National School Lunch Program	58,657.52		58,657.52
National School Breakfast Program	9,505.91		9,505.91
Food Distribution Program	31,093.21		31,093.21
<b>Total Non Operating Revenues (Expenses)</b>	<b>101,133.37</b>	<b>-</b>	<b>101,133.37</b>
<b>Change in Net Position</b>	<b>(48,144.76)</b>	<b>(66,702.93)</b>	<b>(114,847.69)</b>
<b>Total Net Position -- July 1 (Restated)</b>	<b>3,015.60</b>	<b>1,199,581.91</b>	<b>1,202,597.51</b>
<b>Total Net Position (Deficit) -- June 30</b>	<b>\$ (45,129.16)</b>	<b>\$ 1,132,878.98</b>	<b>\$ 1,087,749.82</b>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Proprietary Funds  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ending June 30, 2016

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Enterprise Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 262,910.83	\$ 509,686.10	\$ 772,596.93
County Budget Appropriation		200,000.00	200,000.00
Payments to Employees	(196,021.84)	(430,186.61)	(626,208.45)
Payments for Employee Benefits	(48,280.86)	(90,093.91)	(138,374.77)
Payments to Suppliers	(168,426.31)	(223,157.06)	(391,583.37)
Net Cash Provided by (used for) Operating Activities	<u>(149,818.18)</u>	<u>(33,751.48)</u>	<u>(183,569.66)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
State Sources	1,986.18		1,986.18
Federal Sources	103,764.98		103,764.98
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>105,751.16</u>	<u>-</u>	<u>105,751.16</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(44,067.02)	(33,751.48)	(77,818.50)
Balances -- July 1	<u>149,420.56</u>	<u>1,463,839.17</u>	<u>1,613,259.73</u>
Balances -- June 30	<u>\$ 105,353.54</u>	<u>\$ 1,430,087.69</u>	<u>\$ 1,535,441.23</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided</b>			
<b>(Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (149,278.13)	\$ (66,702.93)	\$ (215,981.06)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>			
Depreciation and Net Amortization		24,674.22	24,674.22
(Increase) Decrease in Accounts Receivable, net	(2,326.97)	8,325.43	5,998.46
(Increase) Decrease in Other Current Assets	(2,465.46)	(3,063.76)	(5,529.22)
Increase (Decrease) in Accounts Payable	(249.32)	(9,881.07)	(10,130.39)
Increase (Decrease) in Other Current Liabilities		(12,375.45)	(12,375.45)
Increase (Decrease) in Accrued Salaries	720.00	14,116.07	14,836.07
Increase (Decrease) in Accrued Liabilities Related to Pension	3,781.70	11,156.01	14,937.71
Total Adjustments	<u>(540.05)</u>	<u>32,951.45</u>	<u>32,411.40</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (149,818.18)</u>	<u>\$ (33,751.48)</u>	<u>\$ (183,569.66)</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2016

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	Unemployment Compensation <u>Trust</u>	Student Activity	<u>Payroll</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 101,104.46	\$ 248,485.19	\$ 53,755.36
Total Assets	<u>101,104.46</u>	<u>\$ 248,485.19</u>	<u>\$ 53,755.36</u>
<b>LIABILITIES:</b>			
Interfund Accounts Payable:			
Due General Fund			\$ 4,000.00
Payable to Student Groups		\$ 248,485.19	
Payroll Deductions and Withholdings			<u>49,755.36</u>
Total Liabilities	<u>-</u>	<u>\$ 248,485.19</u>	<u>\$ 53,755.36</u>
<b>NET POSITION:</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>101,104.46</u>		
Total Net Position	<u>\$ 101,104.46</u>		

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ending June 30, 2016

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	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan member	\$ <u>33,149.02</u>
Total Additions	<u>33,149.02</u>
DEDUCTIONS:	
Quarterly Contribution Reports	13,582.79
Unemployment Claims	<u>46,760.98</u>
Total Deductions	<u>60,343.77</u>
Change in Net Position	(27,194.75)
Net Position -- July 1	<u>128,299.21</u>
Net Position -- June 30	<u>\$ <u>101,104.46</u></u>

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



**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2016

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Description of the Financial Reporting Entity**

The School District is a Type I district located in the County of Gloucester, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of seven members, six members are appointed by the Director of the Board of Chosen Freeholders, and the seventh member is the County School Superintendent. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades 9 through 12 in a job skill in addition to giving them academic training necessary to receive a high school diploma. The School District has an approximate enrollment at June 30, 2016 of 1,341 Secondary and 118 Post-Secondary students.

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

**Component Units**

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

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

Based upon the application of these criteria, the School District has no component units, but is a component unit of the County of Gloucester.

**Government-wide and Fund Financial Statements**

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

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, funding provided by the County Board of School Estimates, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

The School District reports the following major proprietary funds:

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

**Aquatics & Fitness** - This fund accounts for financial activity related to the Floyd D. McLean Fitness and the GCIT Aquatics Center utilized by many different individuals and organizations.

**Automotive** - This fund accounts for financial activity related to student "Live Work" being provided to various outside customers for work performed on automotive vehicles and other recreational-type modes of transportation.

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

**Culinary Arts** – This fund accounts for the financial transactions related to the operations of the restaurant at the Gloucester County Vocational Technical School.

**GCEN** - This fund accounts for the financial activity related to the operations of the Channel 5 Television Studio for the School District.

**Cisco** – This fund accounts for the financial activity related to providing computer repair and Cisco Network training to local schools that participate in the Cisco Networking Academy.

**Cosmetology Clinic** - This fund accounts for the financial transactions related to the operations of the Hair Salon in providing services such as haircuts, perms, highlighting, etc.

**Summer Exploration** - This fund accounts for the financial transactions related to the variety of summer programs for 6<sup>th</sup>, 7<sup>th</sup> & 8<sup>th</sup> graders provided by the School District.

**Printing and Duplication** - This fund accounts for the financial transactions related to the operations of the various print work services provided for a fee to customers of the shop such as the design and production of silk screened tee-shirts and sweatshirts for organizations in the community.

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

**Agency Funds** - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

**Private-Purpose Trust Funds** - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

**New Jersey Unemployment Compensation Insurance Trust Fund** - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

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

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

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

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

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

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

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

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

**Encumbrances**

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

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

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

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

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

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

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

**Inventories**

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

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

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

**Tuition Receivable**

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

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

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

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

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
Furniture, Fixtures and Equipment	5 - 20 Years
Buildings and Improvements	10 - 50 Years
Land Improvements	10 - 20 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Defined Benefit Pension Plans** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

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

Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

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

**Compensated Absences**

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

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

**Accrued Liabilities and Long-Term Obligations**

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

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



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

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

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

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

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

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

**Fund Balance**

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

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

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

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

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

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

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

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

**Interfund Activity**

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

**Accounting Estimates**

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

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

The following GASB Statements became effective for the fiscal year ended June 30, 2016:

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the School District.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the basic financial statements of the School District.

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the School District.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the School District.

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of June 30, 2016, the School District's bank balances of \$4,607,167.68 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 4,318,483.47
Uninsured and Uncollateralized	<u>288,684.21</u>
Total	<u>\$ 4,607,167.68</u>

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$10,000.00 on September 27, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2015		\$ 150,424.00
Increased by:		
Interest Earnings	\$ 1.00	
Deposits:		
Board Resolution (6/16/16)	<u>60,000.00</u>	
		<u>60,001.00</u>
Ending Balance, June 30, 2016		<u><u>\$ 210,425.00</u></u>

The June 30, 2016 LRFP balance of local support costs of uncompleted projects exceeds the capital reserve balance at June 30, 2016.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2016 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

Description	Governmental Funds			Total Governmental Activities	Proprietary Funds		Total Business-Type Activities	Total
	General Fund	Special Revenue Fund	Capital Projects Fund		Food Service Fund	Proprietary Funds		
Federal Awards		\$ 166,144.66		\$ 166,144.66	\$ 2,354.41		\$ 2,354.41	\$ 168,499.07
State Awards		10,682.00	\$ 240,758.00	251,440.00	56.56		56.56	251,496.56
Tuition Charges	\$ 376,378.60			376,378.60			-	376,378.60
Other	36,841.89			36,841.89		\$ 16,328.40	16,328.40	53,170.29
	<u>\$ 413,220.49</u>	<u>\$ 176,826.66</u>	<u>\$ 240,758.00</u>	<u>\$ 830,805.15</u>	<u>\$ 2,410.97</u>	<u>\$ 16,328.40</u>	<u>\$ 18,739.37</u>	<u>\$ 849,544.52</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 17,799.22
Supplies	<u>2,005.05</u>
	<u>\$ 19,804.27</u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Governmental Activities:</b>					
Capital Assets, not being Depreciated:					
Construction in Progress	\$ 385,130.73	\$ 54,570.38	\$ (439,701.11)		-
Total Capital Assets, not being Depreciated	<u>385,130.73</u>	<u>54,570.38</u>	<u>(439,701.11)</u>	<u>-</u>	<u>-</u>
Capital Assets, being Depreciated:					
Furniture, Fixtures and Equipment	4,866,506.53	248,514.03		\$ (42,559.00)	\$ 5,072,461.56
Buildings and Improvements	79,582,244.11		439,701.11		80,021,945.22
Land Improvements	206,903.00				206,903.00
Total Capital Assets, being Depreciated	<u>84,655,653.64</u>	<u>248,514.03</u>	<u>439,701.11</u>	<u>(42,559.00)</u>	<u>85,301,309.78</u>
Total Capital Assets, Cost	<u>85,040,784.37</u>	<u>303,084.41</u>	<u>-</u>	<u>(42,559.00)</u>	<u>85,301,309.78</u>
Less Accumulated Depreciation for:					
Furniture, Fixtures and Equipment	(3,187,124.93)	(236,874.44)		33,011.90	(3,390,987.47)
Buildings and Improvements	(38,192,495.21)	(952,856.99)			(39,145,352.20)
Land Improvements	(14,390.33)	(10,088.00)			(24,478.33)
Total Accumulated Depreciation	<u>(41,394,010.47)</u>	<u>(1,199,819.43)</u>	<u>-</u>	<u>33,011.90</u>	<u>(42,560,818.00)</u>
Total Capital Assets, being Depreciated, Net	<u>43,261,643.17</u>	<u>(951,305.40)</u>	<u>439,701.11</u>	<u>(9,547.10)</u>	<u>42,740,491.78</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,646,773.90</u>	<u>\$ (896,735.02)</u>	<u>\$ -</u>	<u>\$ (9,547.10)</u>	<u>\$ 42,740,491.78</u>
	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Business-Type Activities:</b>					
Capital Assets, being Depreciated:					
Furniture, Fixtures and Equipment	\$ 349,175.22				\$ 349,175.22
Less Accumulated Depreciation for:					
Furniture, Fixtures and Equipment	(168,022.71)	\$ (24,674.22)			(192,696.93)
Business-Type Activities Capital Assets, Net	<u>\$ 181,152.51</u>	<u>\$ (24,674.22)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,478.29</u>

**Note 6: CAPITAL ASSETS (CONT'D)**

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

<b>Governmental Activities:</b>	
Instruction - Regular	\$ (176,373.46)
Instruction - Vocational	(659,900.69)
Instruction - Community Services Programs/Operations	(207,568.76)
Undistributed Exp-Ed Media Services/School Library	(11,998.19)
Undistributed Exp-General Admin	(20,396.93)
Undistributed Exp-School Admin	(49,192.60)
Undistributed Exp-Oper & Maint of Plant Services	<u>(74,388.80)</u>
Total Depreciation Expense - Governmental Activities	<u>\$ (1,199,819.43)</u>
<b>Business-Type Activities:</b>	
Automotive	\$ (312.50)
Aquatics & Fitness	(11,149.60)
Culinary Arts	(3,081.50)
GCEN	<u>(10,130.62)</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ (24,674.22)</u>

**Note 7: LONG-TERM LIABILITIES**

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

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>	<u>Due within One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Obligations under Capital Lease	\$ 107,946.26		\$ (20,407.78)	\$ 87,538.48	\$ 21,580.45
Compensated Absences	851,967.80		(108,465.40)	743,502.40	3,183.75
Net Pension Liability (note 9)	<u>7,089,447.23</u>	<u>\$ 2,104,092.66</u>	<u>(1,217,506.74)</u>	<u>7,976,033.15</u>	
Total Other Liabilities	<u>8,049,361.29</u>	<u>2,104,092.66</u>	<u>(1,346,379.92)</u>	<u>8,807,074.03</u>	<u>24,764.20</u>
Governmental Activity Long-Term Liabilities	<u>\$ 8,049,361.29</u>	<u>\$ 2,104,092.66</u>	<u>\$ (1,346,379.92)</u>	<u>\$ 8,807,074.03</u>	<u>\$ 24,764.20</u>

Compensated absences and obligations under capital leases are liquidated by the general fund.

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

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>	<u>Due within One Year</u>
<b>Business-Type Activities:</b>					
Other Liabilities:					
Net Pension Liability (note 9)	<u>\$ 608,106.77</u>	<u>\$ 180,481.34</u>	<u>\$ (104,433.26)</u>	<u>\$ 684,154.85</u>	
Business-Type Activity Long-Term Liabilities	<u>\$ 608,106.77</u>	<u>\$ 180,481.34</u>	<u>\$ (104,433.26)</u>	<u>\$ 684,154.85</u>	<u>\$ -</u>

**Note 7: LONG-TERM LIABILITIES (CONT'D)**

**Obligations under Capital Lease** - The School District is leasing copier, computer, and telephone equipment totaling \$112,872.52 under capital leases. All capital leases are for terms of five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2016.

<b>Fiscal Year</b> <b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2017	\$ 21,580.45	\$ 4,354.07	\$ 25,934.52
2018	22,820.54	3,113.98	25,934.52
2019	24,131.87	1,802.65	25,934.52
2020	19,004.62	446.27	19,450.89
Total	<u>\$ 87,537.48</u>	<u>\$ 9,716.97</u>	<u>\$ 97,254.45</u>

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

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

**Note 8: OPERATING LEASES**

At June 30, 2016, the School District had an operating lease agreement in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<b>Fiscal Year</b> <b><u>Ending June 30,</u></b>	<b><u>Amount</u></b>
2017	<u>\$ 532.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2016 were \$3,192.00.

**Note 9: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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



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

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

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

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

**Teachers' Pension and Annuity Fund (Cont'd)** - Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

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

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

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

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year.

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

**Teachers' Pension and Annuity Fund (Cont'd)** - The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.26% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2016 was \$377,130.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$513,988.62.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 13.74% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was \$348,150.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$182,115.36.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

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

**Defined Contribution Retirement Program (Cont'd)** - For the fiscal year ended June 30, 2016, employee contributions totaled \$1,749.57, and the School District recognized pension expense of \$954.31. There were no forfeitures during the fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Teachers' Pension and Annuity Fund** - At June 30, 2016, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>44,352,459.00</u>
	<u>\$ 44,352,459.00</u>

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 July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. For the June 30, 2015 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2015 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .0701731994%, which was a decrease of .0039782624% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$2,708,117.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2015 measurement date.

**Public Employees' Retirement System** - At June 30, 2016, the School District reported a liability of \$8,660,188.00 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 July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the School District's proportion was .0385788915%, which was a decrease of .0025345158% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$525,397.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2015 measurement date.

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

**Public Employees' Retirement System (Cont'd)** - At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 206,602.00	\$ -
Changes of Assumptions	930,035.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	139,239.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	168,445.00	402,593.00
School District Contributions Subsequent to the Measurement Date	<u>348,150.00</u>	<u>-</u>
	<b><u>\$ 1,653,232.00</u></b>	<b><u>\$ 541,832.00</u></b>

\$348,150.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2017. 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 Ending  
June 30,**

2017	\$ 135,196.00
2018	135,196.00
2019	135,195.00
2020	249,878.00
2021	<u>107,785.00</u>
	<b><u>\$ 763,250.00</u></b>

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

**Public Employees' Retirement System (Cont'd)** – The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72

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

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 July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.04%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2009 - June 30, 2012	July 1, 2008 - June 30, 2011

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements were 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.

For PERS, 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.

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

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

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%	Cash	5.00%	1.04%
US Government Bonds	1.75%	1.39%	U.S. Treasuries	1.75%	1.64%
US Credit Bonds	13.50%	2.72%	Investment Grade Credit	10.00%	1.79%
US Mortgages	2.10%	2.54%	Mortgages	2.10%	1.62%
US Inflation-Indexed Bonds	1.50%	1.47%	High Yield Bonds	2.00%	4.03%
US High Yield Bonds	2.00%	4.57%	Inflation-Indexed Bonds	1.50%	3.25%
US Equity Market	27.25%	5.63%	Broad U.S. Equities	27.25%	8.52%
Foreign-Developed Equity	12.00%	6.22%	Developed Foreign Equities	12.00%	6.88%
Emerging Markets Equity	6.40%	8.46%	Emerging Market Equities	6.40%	10.00%
Private Real Estate Property	4.25%	3.97%	Private Equity	9.25%	12.41%
Timber	1.00%	4.09%	Hedge Funds/Absolute Return	12.00%	4.72%
Farmland	1.00%	4.61%	Real Estate (Property)	2.00%	6.83%
Private Equity	9.25%	9.15%	Commodities	1.00%	5.32%
Commodities	1.00%	3.58%	Global Debt ex U.S.	3.50%	-0.40%
Hedge Funds - MultiStrategy	4.00%	4.59%	REIT	4.25%	5.12%
Hedge Funds - Equity Hedge	4.00%	5.68%			
Hedge Funds - Distressed	4.00%	4.30%			
	<u>100.00%</u>			<u>100.00%</u>	

**Discount Rate** - The discount rates used to measure the total pension liability were 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, the respective single blended discount rates were 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 rates for TPAF and PERS 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 actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



**Note 9: PENSION PLANS (CONT'D)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2015, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>TPAF</b>		
	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>52,711,240.00</u>	<u>44,352,459.00</u>	<u>37,150,869.00</u>
	<u>\$ 52,711,240.00</u>	<u>\$ 44,352,459.00</u>	<u>\$ 37,150,869.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 10,763,554.00</u>	<u>\$ 8,660,188.00</u>	<u>\$ 6,896,741.00</u>

**Pension Plan Fiduciary Net Position**

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 respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

**Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c.384 of 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 postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment 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 premiums 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 free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

**Note 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs, and non-contributory insurance were \$548,207.00, \$685,279.00, and \$27,308.00, respectively.

**Note 12: RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2016		\$ 33,149.02	\$ 60,343.77	\$ 101,104.46
2015		33,277.45	35,687.84	128,299.21
2014	\$ 60,000.00	33,044.04	29,609.33	130,709.60

**Note 12: RISK MANAGEMENT (CONT'D)**

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

Workers' Compensation and Employer's Liability  
Liability other than Motor Vehicles  
Property Damage other than Motor Vehicles  
Motor Vehicles

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

A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The Fund provides the School District with the following coverage:

Property - Blanket Building and Grounds  
General and Automobile Liability  
Workers' Compensation and Employers' Liability  
School Leaders Errors and Omissions

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2016, which can be obtained from:

New Jersey School Boards Association Insurance Group  
450 Veterans Drive  
Burlington, New Jersey 08016

**Note 13: DEFERRED COMPENSATION**

The School District offers its employees a choice of five (5) deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Advanced Asset Planning Service  
Lincoln Investment Planning Resources Trust  
Advantage Capital  
The Equitable  
Voya Financial

**Note 14: COMPENSATED ABSENCES**

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (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.

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position was \$743,502.40.

**Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 286,290.48	
Special Revenue		\$ 126,931.37
Capital Projects		155,359.11
Fiduciary		4,000.00
	<u>\$ 286,290.48</u>	<u>\$ 286,290.48</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 16: CONTINGENCIES**

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

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

**Note 17: CONCENTRATIONS**

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

**Note 18: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$478,497.15 in the general 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, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$478,497.15 is less than the June state aid payments.

**Note 19: FUND BALANCES****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. The District did not have any nonspendable fund balances 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**

**For Capital Reserve Account** - As of June 30, 2016, the balance in the capital reserve account is \$210,425.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2016, the balance in the maintenance reserve account is \$300,452.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Note 19: FUND BALANCES****RESTRICTED (CONT'D)**

**Capital Projects Fund** - During 2014, The Board of Education approved two projects by resolution including the replacement of the roof over the aquatics center and improvements to the school district parking lot. As of June 30, 2016, the restricted fund balance amount was \$85,398.89.

**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 is the Board of Education. The District did not have any committed balances as of June 30, 2016.

**ASSIGNED**

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

**General Fund**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$2,625,892.00 of general fund balance at June 30, 2016.

In addition to the \$2,625,892.00, the School District has also appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017 \$3,812.22 of general fund balance at June 30, 2016, resulting from the Special Education Medicaid Initiative (SEMI) reimbursement received during the current fiscal year for reimbursement of previous fiscal year expenditures.

**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, \$(478,497.15) of general fund balance was unassigned.

**Note 20: RESTATEMENT OF PRIOR PERIOD NET POSITION**

The School District restated its net position as of June 30, 2015 as a result of a required adjustment to the Net Pension Liability allocation between the Governmental Activities and Business-Type Activities. The cumulative effect on the financial statements as reported for June 30, 2015 is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Beginning Net Position as Previously Reported at June 30, 2015	\$36,994,787.52	\$ 1,811,517.90
Prior Period Adjustment(s):		
<i>Net Pension Liability Allocation Adjustment</i>	608,920.39	(608,920.39)
Net Position as Restated, July 1, 2015	\$37,603,707.91	\$ 1,202,597.51

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**



## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

General Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ending June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
County Budget Appropriation	\$ 7,800,000.00		\$ 7,800,000.00	\$ 7,800,000.00	
Tuition	3,175,725.00		3,175,725.00	3,084,493.52	\$ (91,231.48)
Non-Resident Fees	115,200.00		115,200.00	147,456.00	32,256.00
Unrestricted Miscellaneous Revenue	131,502.00		131,502.00	229,808.04	98,306.04
<b>Total - Local Sources</b>	<b>11,222,427.00</b>		<b>11,222,427.00</b>	<b>11,261,757.56</b>	<b>39,330.56</b>
State Sources:					
PARCC Readiness Aid	13,980.00		13,980.00	13,980.00	
Core Curriculum Standards Aid					
Per Pupil Growth Aid	13,980.00		13,980.00	13,980.00	
Special Education Aid					
Categorical Special Education Aid	677,047.00		677,047.00	677,047.00	
Stabilization Aid					
Equalization Aid	6,927,424.00		6,927,424.00	6,927,424.00	
Categorical Security Aid	32,222.00		32,222.00	32,222.00	
County Vocational Aid					
Aid for Adult and Post Graduate Programs		\$ 14,000.00	14,000.00	109,988.00	95,988.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)					
Normal Cost				548,207.00	548,207.00
Non-Contributory Insurance				27,308.00	27,308.00
Post-Retirement Medical				685,279.00	685,279.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				514,778.63	514,778.63
<b>Total - State Sources</b>	<b>7,664,653.00</b>	<b>14,000.00</b>	<b>7,678,653.00</b>	<b>9,550,213.63</b>	<b>1,871,560.63</b>
Federal Sources:					
Medicaid Reimbursement				149.66	149.66
Medicaid Reimbursement -- Settlement				3,812.22	3,812.22
<b>Total - Federal Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,961.88</b>	<b>3,961.88</b>
<b>Total Revenues</b>	<b>18,887,080.00</b>	<b>14,000.00</b>	<b>18,901,080.00</b>	<b>20,815,933.07</b>	<b>1,914,853.07</b>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers	3,484,350.00	(113,830.99)	3,370,519.01	3,348,746.45	21,772.56
Purchased Professional/Educational Services	26,200.00	(8,200.00)	18,000.00	3,837.74	14,162.26
Purchased Technical Services	152,336.00	(7,107.47)	145,228.53	105,249.03	39,979.50
Cleaning/Repair/Main.	59,550.00	26,950.17	86,500.17	69,314.48	17,185.69
Rentals		15,584.09	15,584.09	15,359.72	224.37
Communication/Telephone	4,500.00		4,500.00	3,789.99	710.01
Travel-Conference/Workshops	250.00		250.00		250.00
General Supplies	236,629.00	21,605.22	258,234.22	207,464.44	50,769.78
Textbooks	113,000.00	(55,370.00)	57,630.00	21,151.80	36,478.20
Other Objects	5,875.00	4,000.00	9,875.00	3,850.00	6,025.00
<b>Total Regular Programs - Instruction</b>	<b>4,082,690.00</b>	<b>(116,368.98)</b>	<b>3,966,321.02</b>	<b>3,778,763.65</b>	<b>187,557.37</b>
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000.00	17,806.11	32,806.11	32,806.11	
Purchased Professional/Educational Services	12,000.00	(3,018.02)	8,981.98	6,025.62	2,956.36
<b>Total Regular Programs - Home Instruction</b>	<b>27,000.00</b>	<b>14,788.09</b>	<b>41,788.09</b>	<b>38,831.73</b>	<b>2,956.36</b>
Special Education Instruction - Resource Room (Center):					
Salaries of Teachers	528,900.00	(360,053.70)	168,846.30	167,791.15	1,055.15
Other Salaries for Instruction	129,000.00	(122,322.50)	6,677.50		6,677.50
Purchased Professional/Educational Services	1,100.00		1,100.00		1,100.00
General Supplies	4,123.00		4,123.00	682.11	3,440.89
<b>Total Special Education - Instruction - Resource Room (Center)</b>	<b>663,123.00</b>	<b>(482,376.20)</b>	<b>180,746.80</b>	<b>168,473.26</b>	<b>12,273.54</b>
Special Education Instruction - Home Instruction:					
Salaries of Teachers	5,000.00	(4,000.00)	1,000.00		1,000.00
Purchased Professional/Educational Services	12,000.00	(10,788.09)	1,211.91		1,211.91
<b>Total Special Education - Instruction - Home Instruction</b>	<b>17,000.00</b>	<b>(14,788.09)</b>	<b>2,211.91</b>	<b>-</b>	<b>2,211.91</b>
Regular Vocational Programs - Instruction:					
Salaries of Teachers	2,320,300.00	219,966.88	2,540,266.88	2,437,589.16	102,677.72
Other Salaries for Instruction	227,330.00	(4,828.00)	222,502.00	176,823.00	45,679.00
Unused Vacation Payment		8,531.25	8,531.25	8,531.25	
Purchased Professional-Educational Services	141,560.00	(849.66)	140,710.34	52,857.50	87,852.84
Purchased Technical Services	31,500.00	24,085.00	55,585.00	34,999.10	20,585.90
Cleaning/Repair/Maintenance	24,020.00	(1,290.06)	22,729.94	325.48	22,404.46
Rentals	5,000.00		5,000.00	2,720.00	2,280.00

(Continued)

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ending June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Regular Vocational Programs - Instruction (Cont'd):					
Other Purchased Services		\$ 25.00	\$ 25.00	\$ 23.40	\$ 1.60
Travel	\$ 4,500.00	24.70	4,524.70	386.10	4,138.60
General Supplies	542,783.00	(12,643.87)	530,139.13	420,794.94	109,344.19
Textbooks		16,954.10	16,954.10	16,954.10	
Other Objects	22,155.00	3,034.00	25,189.00	15,033.24	10,155.76
<b>Total - Regular Vocational Programs - Instruction</b>	<b>3,319,148.00</b>	<b>253,009.34</b>	<b>3,572,157.34</b>	<b>3,167,037.27</b>	<b>405,120.07</b>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	31,400.00	20,290.00	51,690.00	51,690.00	
Purchase Professional / Technical Services		254.98	254.98	254.98	
Other Professional / Technical Services	6,500.00	813.19	7,313.19	7,313.19	
Travel	130,000.00	31,047.74	161,047.74	161,047.74	
General Supplies	500.00	1,361.31	1,861.31	1,621.43	239.88
Other Objects	12,000.00	(11,983.00)	17.00	16.98	0.02
<b>Total School Sponsored Cocurricular Activities - Instruction</b>	<b>180,400.00</b>	<b>41,784.22</b>	<b>222,184.22</b>	<b>221,944.32</b>	<b>239.90</b>
School Sponsored Athletics - Instruction:					
Salaries	303,700.00		303,700.00	296,642.00	7,058.00
Other Professional / Technical Services	42,850.00		42,850.00	38,405.00	4,445.00
Maintenance - Copier & Excess	500.00	690.00	1,190.00	1,186.63	3.37
Rentals	9,600.00	23.98	9,623.98	6,216.48	3,407.50
Purchased Services	500.00		500.00	141.05	358.95
Travel	3,500.00	58.28	3,558.28	1,886.15	1,672.13
General Supplies	28,830.00	2,185.03	31,015.03	28,525.38	2,489.65
Other Objects	39,900.00	(14,255.19)	25,644.81	18,784.64	6,860.17
<b>Total School Sponsored Athletics - Instruction</b>	<b>429,380.00</b>	<b>(11,297.90)</b>	<b>418,082.10</b>	<b>391,787.33</b>	<b>26,294.77</b>
Undistributed Expenditures - Attendance & Social Work:					
Salaries - Secr/Clerk		18,227.44	18,227.44	13,180.01	5,047.43
Purchased Technical Services	3,550.00	3,000.00	6,550.00	5,150.68	1,399.32
Main - Copier & Excess	750.00		750.00		750.00
Travel	50.00		50.00		50.00
<b>Total Undistributed Expenditures - Attendance &amp; Social Work</b>	<b>4,350.00</b>	<b>21,227.44</b>	<b>25,577.44</b>	<b>18,330.69</b>	<b>7,246.75</b>
Undistributed Expenditures - Health Services:					
Salaries	137,350.00	7,981.00	145,331.00	128,326.03	17,004.97
Salaries - Secr/Clerk	60,500.00	385.00	60,885.00	59,626.00	1,259.00
Purchased Professional and Technical Services	11,525.00	(5,462.00)	6,063.00	864.00	5,199.00
Cleaning/Repair/Main	900.00		900.00		900.00
Travel - Conf./Workshops	600.00	250.00	850.00	583.00	267.00
General Supplies	14,034.00	(2,052.00)	11,982.00	8,704.91	3,277.09
Other Objects	250.00	100.00	350.00	252.50	97.50
<b>Total Undistributed Expenditures - Health Services</b>	<b>225,159.00</b>	<b>1,202.00</b>	<b>226,361.00</b>	<b>198,356.44</b>	<b>28,004.56</b>
Undistributed Expenditures - Speech, OT, PT & Related Services - Students - Related Service:					
Salaries-Teachers		355,122.34	355,122.34	328,600.14	26,522.20
Other Salaries for Instruction	20,900.00	141,321.75	162,221.75	140,858.81	21,362.94
Purchased Professional - Educational Services	60,000.00	(720.78)	59,279.22	19,129.50	40,149.72
<b>Total Undistributed Expenditures - Speech, OT, PT &amp; Related Services - Students - Related Services</b>	<b>80,900.00</b>	<b>495,723.31</b>	<b>576,623.31</b>	<b>488,588.45</b>	<b>88,034.86</b>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	661,504.00	(86,709.38)	574,794.62	522,939.81	51,854.81
Salaries of Secretarial and Clerical Assistants	193,800.00	11,662.00	205,462.00	200,178.72	5,283.28
Other Salaries	65,100.00	300.00	65,400.00	63,922.75	1,477.25
Purchased Professional - Educational Services	100,450.00	6,000.00	106,450.00	101,822.53	4,627.47
Other Purchase Prof. & Tech. Services	14,605.00	3,500.00	18,105.00	14,915.45	3,189.55
Cleaning/Repair/Main	4,250.00	690.00	4,940.00	1,509.60	3,430.40
Rentals		1,023.98	1,023.98	1,023.98	
Travel	3,650.00	7,559.38	11,209.38	7,551.17	3,658.21
Miscellaneous Purchased Services	24,000.00	(200.00)	23,800.00	21,708.82	2,091.18
General Supplies	18,700.00	(235.00)	18,465.00	10,134.51	8,330.49
Other Objects	2,875.00	35.00	2,910.00	2,669.24	240.76
<b>Total Undistributed Expenditures - Guidance</b>	<b>1,088,934.00</b>	<b>(56,374.02)</b>	<b>1,032,559.98</b>	<b>948,376.58</b>	<b>84,183.40</b>

(Continued)

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ending June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	\$ 325,500.00	\$ 2,500.00	\$ 328,000.00	\$ 319,203.00	\$ 8,797.00
Salaries of Secretarial and Clerical Assistants	39,000.00		39,000.00	35,986.47	3,013.53
Purchased Professional - Educational Services	111,500.00	(154.00)	111,346.00	88,821.98	22,524.02
Other Purchased Professional and Technical Services	22,500.00		22,500.00		22,500.00
Maintenance - Copier & Excess	2,800.00	654.00	3,454.00	872.00	2,582.00
Rentals		3200.00	3,200.00	3,192.00	8.00
Other Purchased Services	4,000.00		4,000.00	442.29	3,557.71
General Supplies	6,000.00		6,000.00	4,348.31	1,651.69
Other Objects	500.00		500.00		500.00
<b>Total Undistributed Expenditures - Child Study Teams</b>	<b>511,800.00</b>	<b>6,200.00</b>	<b>518,000.00</b>	<b>452,866.05</b>	<b>65,133.95</b>
Undistributed Expenditures - Improvement of Instruction Services					
Services - Instructional Staff:					
Salaries of Other Professional Staff	123,125.00		123,125.00	123,124.07	0.93
Salaries of Secretarial and Clerical Assistants	53,300.00	745.00	54,045.00	54,045.00	
Other Salaries	3,000.00	217.50	3,217.50	3,217.50	
Purchased Professional - Educational Services	36,000.00	(165.00)	35,835.00	27,500.00	8,335.00
Other Purchased Prof. & Tech Services	89,700.00	1,000.00	90,700.00	60,168.00	30,532.00
Travel	6,200.00		6,200.00	2,611.53	3,588.47
General Supplies	19,000.00	(52.50)	18,947.50	95.89	18,851.61
Other Objects	5,000.00		5,000.00	695.10	4,304.90
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>	<b>335,325.00</b>	<b>1,745.00</b>	<b>337,070.00</b>	<b>271,457.09</b>	<b>65,612.91</b>
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	1,000.00	200.00	1,200.00	1,140.60	59.40
Salaries of Technology Coordinators	150,100.00	4,700.00	154,800.00	142,458.85	12,341.15
Purchased Professional - Educational Services	31,000.00		31,000.00	28,419.00	2,581.00
Purchased Professional - Technical Services - Shared	34,950.00		34,950.00	21,589.09	13,360.91
Cleaning/Repair/Maintenance	1,500.00	(500.00)	1,000.00		1,000.00
Travel	1,800.00		1,800.00	250.00	1,550.00
General Supplies	32,390.00	(200.00)	32,190.00	24,218.87	7,971.13
Other Objects	450.00		450.00	154.00	296.00
<b>Total Undistributed Expenditures - Educational Media Services / School Library</b>	<b>253,190.00</b>	<b>4,200.00</b>	<b>257,390.00</b>	<b>218,230.41</b>	<b>39,159.59</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	15,000.00		15,000.00	359.99	14,640.01
Travel	41,500.00	(175.38)	41,324.62	3,215.14	38,109.48
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>56,500.00</b>	<b>(175.38)</b>	<b>56,324.62</b>	<b>3,575.13</b>	<b>52,749.49</b>
Undistributed Expenditures - Support Services - General Administration:					
Legal Services	35,000.00		35,000.00	21,120.51	13,879.49
Audit Fees	50,500.00	500.00	51,000.00	51,000.00	
Architect / Engineer Services	25,000.00		25,000.00		25,000.00
Other Purchased Professional Services	6,000.00	(37.50)	5,962.50	4,510.00	1,452.50
Purchased Technical Services	80,700.00	0.30	80,700.30	80,700.30	
Maintenance/Repair Tech		1,997.19	1,997.19	1,726.78	270.41
INS-Student	30,500.00	(0.30)	30,499.70	27,768.00	2,731.70
Communications / Telephone	113,000.00		113,000.00	97,305.58	15,694.42
BOE Other Purchased Services	1,000.00		1,000.00		1,000.00
Other Purchased Services	4,600.00	1,040.31	5,640.31	3,215.07	2,425.24
General Supplies	5,000.00	(3,500.00)	1,500.00		1,500.00
BOE In-House Training/Meeting Supplies	900.00		900.00	480.00	420.00
Miscellaneous Expenditures	13,000.00		13,000.00	12,797.00	203.00
BOE Membership Dues and Fees	6,700.00		6,700.00	6,433.40	266.60
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>371,900.00</b>	<b>0.00</b>	<b>371,900.00</b>	<b>307,056.64</b>	<b>64,843.36</b>
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	319,675.00		319,675.00	272,897.35	46,777.65
Salaries of Secretarial and Clerical Assistants	213,600.00	(31,274.44)	182,325.56	132,656.64	49,668.92
Unused Vacation Payment		1,575.00	1,575.00	1,570.31	4.69
Purchased Technical Services	2,700.00	2,900.72	5,600.72	5,599.72	1.00
Purchased Technical Services	500.00	4,349.90	4,849.90	4,849.90	
Rentals		3,071.95	3,071.95	3,071.95	
Travel	5,000.00		5,000.00	1,366.42	3,633.58
General Supplies	7,000.00	(2,368.50)	4,631.50	2,005.43	2,626.07
Other Objects	25,000.00		25,000.00	16,842.24	8,157.76
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>573,475.00</b>	<b>(21,745.37)</b>	<b>551,729.63</b>	<b>440,859.96</b>	<b>110,869.67</b>

(Continued)

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

General Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ending June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Central Services:					
Salaries-Secr/Clerk	\$ 40,525.00	\$ 888.00	\$ 41,413.00	\$ 41,413.00	
Other Salaries	160,000.00		160,000.00	160,000.00	
Purchased Professional Services	2,000.00		2,000.00	1,500.00	\$ 500.00
Purchased Technical Services	60,425.00	17,569.75	77,994.75	69,445.35	8,549.40
Maintenance/Repair Tech	21,275.00	20,500.00	41,775.00	31,833.27	9,941.73
General Supplies	10,000.00	(5,063.91)	4,936.09	1,789.60	3,146.49
Interest on Leased Purchase Agreements	5,353.00	203.31	5,556.31	5,549.45	6.86
Miscellaneous Expenditures	2,250.00	(100.00)	2,150.00	474.25	1,675.75
Total Undistributed Expenditures - Central Services	301,828.00	33,997.15	335,825.15	312,004.92	23,820.23
Undistributed Expenditures - Administrative Information Technology:					
Purchased Technical Services	32,526.00	(480.00)	32,046.00	12,397.69	19,648.31
Travel	4,000.00		4,000.00		4,000.00
General Supplies	9,500.00	(108.80)	9,391.20	550.37	8,840.83
Other Objects-Technology	3,000.00		3,000.00		3,000.00
Total Undistributed Expenditures - Administrative Information Technology	49,026.00	(588.80)	48,437.20	12,948.06	35,489.14
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	64,100.00	1,013.97	65,113.97	56,692.04	8,421.93
Cleaning, Repair and Maintenance Services	260,000.00	(71,744.20)	188,255.80	136,658.17	51,597.63
General Supplies	149,000.00	(45,544.12)	103,455.88	35,692.62	67,763.26
Other Objects	1,500.00	300.00	4,500.00	2,409.00	2,091.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	474,600.00	(113,274.35)	361,325.65	231,451.83	129,873.82
Undistributed Expenditures - Custodial Services:					
Salaries	1,035,000.00	(15,131.09)	1,019,868.91	985,838.74	34,030.17
Other Salaries	50,000.00		50,000.00	42,376.33	7,623.67
Unused Vacation Payment		15,131.09	15,131.09	14,302.37	828.72
Purchased Professional and Technical Services		3,755.00	3,755.00	3,755.00	
Purchased Technical Services	15,000.00	(6,183.02)	8,816.98	7,172.70	1,644.28
Other Professional / Technical Services	5,000.00		5,000.00		5,000.00
Cleaning, Repair and Maintenance Services	107,450.00		107,450.00	65,387.69	42,062.31
Rental of Land and Buildings Other than Lease Purchase Agreements	1,500.00		1,500.00	1,020.00	480.00
Other Purchased Property Services	43,000.00	8,428.02	51,428.02	49,571.61	1,856.41
Insurance	210,000.00		210,000.00	201,132.73	8,867.27
Miscellaneous Purchases	18,000.00	300.00	18,300.00	3,699.17	14,600.83
General Supplies	198,077.70	(33,467.18)	164,610.52	164,610.52	
Energy (Natural Gas)	140,000.00		140,000.00	52,683.32	87,316.68
Energy (Electricity)	807,500.00		807,500.00	731,568.44	75,931.56
Energy (Oil)	500.00		500.00		500.00
Energy (Gasoline)	21,000.00		21,000.00	5,605.22	15,394.78
Other Objects	5,500.00	(2,000.00)	3,500.00	2,154.20	1,345.80
Total Undistributed Expenditures - Custodial Services	2,657,527.70	(29,167.18)	2,628,360.52	2,330,878.04	297,482.48
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	71,500.00	(2,805.97)	68,694.03	37,333.43	31,360.60
Purchased Professional and Technical Services	38,240.00		38,240.00	29,427.25	8,812.75
Cleaning, Repair, and Maintenance Services	5,000.00	9,050.00	14,050.00	12,050.00	2,000.00
General Supplies	25,000.00	(7,050.00)	17,950.00	9,590.18	8,359.82
Other Objects	2,500.00		2,500.00		2,500.00
Total Undistributed Expenditures - Care and Upkeep of Grounds	142,240.00	(805.97)	141,434.03	88,400.86	53,033.17
Undistributed Expenditures - Security:					
Salaries	143,825.00	13,320.33	157,145.33	154,239.33	2,906.00
Purchased Professional and Technical Services	190,000.00	(243.81)	189,756.19	180,999.98	8,756.21
Purchase Tech Services	15,500.00	(1,000.00)	14,500.00	1,711.25	12,788.75
Cleaning, Repair, and Maintenance Services	15,500.00	(5,500.00)	10,000.00	1,915.00	8,085.00
General Supplies	15,000.00	4,398.48	19,398.48	16,148.85	3,249.63
Total Undistributed Expenditures - Security	379,825.00	10,975.00	390,800.00	355,014.41	35,785.59
Total Undistributed Expenditures - Operation and Maintenance of Plant Services					
	3,654,192.70	(132,272.50)	3,521,920.20	3,005,745.14	516,175.06
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Other than Between Home and School)	25,000.00	1,128.50	26,128.50	24,747.25	1,381.25
Other Prof/Tech Services	2,600.00	(1,128.50)	1,471.50	189.83	1,281.67
Cleaning, Repair and Maintenance Services	18,000.00		18,000.00	12,231.71	5,768.29
Contracted Services - (Other than Between Home and School) - Vendors	87,270.00	2,000.00	89,270.00	35,437.92	53,832.08
Misc. Purchased Services - Transportation	2,500.00		2,500.00	85.00	2,415.00
General Supplies	800.00		800.00	229.17	570.83
Transportation Supplies	18,500.00		18,500.00	1,176.39	17,323.61
Other Objects	5,000.00		5,000.00	420.00	4,580.00
Total Undistributed Expenditures - Student Transportation Services	159,670.00	2,000.00	161,670.00	74,517.27	87,152.73

(Continued)

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ending June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Unallocated Benefits:					
Social Security Contributions	\$ 300,082.00		\$ 300,082.00	\$ 270,013.25	\$ 30,068.75
Other Retirement Contributions - PERS	355,750.00	\$ (31,641.39)	324,108.61	309,622.89	14,485.72
Unemployment Compensation	48,000.00	(150.00)	47,850.00	628.50	47,221.50
Workers Compensation	192,000.00	(16,000.00)	176,000.00	175,961.26	38.74
Health Benefits	2,625,000.00	6,717.50	2,631,717.50	2,468,687.91	163,029.59
Tuition Reimbursement	25,000.00		25,000.00	19,634.40	5,365.60
Other Employee Benefits	79,000.00	150.00	79,150.00	57,310.60	21,839.40
Unused Sick Payments	41,500.00	(2,823.75)	38,676.25	38,676.25	
Total Unallocated Benefits	3,666,332.00	(43,747.64)	3,622,584.36	3,340,535.06	282,049.30
Undistributed Expenditures - Food Services					
Transfers to Cover Deficit (Enterprise Fund)	260,063.00		260,063.00		260,063.00
Total Undistributed Expenditures - Food Services	260,063.00	-	260,063.00	-	260,063.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted):					
Normal Cost				548,207.00	(548,207.00)
Non-Contributory Insurance				27,308.00	(27,308.00)
Post-Retirement Medical				685,279.00	(685,279.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				514,778.63	(514,778.63)
Total On-Behalf T.P.A.F. Social Security/Pension Contributions	-	-	-	1,775,572.63	(1,775,572.63)
Total Undistributed Expenditures	11,592,644.70	311,391.19	11,904,035.89	11,869,020.52	35,015.37
Total Current Expense	20,311,385.70	(3,858.33)	20,307,527.37	19,635,858.08	671,669.29
Capital Outlay:					
Equipment:					
Regular Program Grades 9-12:					
Instructional Equipment-Technology	52,000.00		52,000.00	21,690.25	30,309.75
Instructional Equipment	5,295.00		5,295.00	4,255.00	1,040.00
Vocational Programs:					
Instructional	55,047.00		55,047.00	28,062.33	26,984.67
Co-Curricular & Extra-Curricular		12,190.75	12,190.75	12,190.75	
Undistributed Expenditures:					
Admissions		3,810.00	3,810.00	3,810.00	
Support General Admin		845.00	845.00	845.00	
Support School Admin	4,000.00		4,000.00	2,711.29	1,288.71
Central Services	4,000.00		4,000.00	2,711.29	1,288.71
Required Maintenance for School Facilities	16,500.00	13,216.58	29,716.58	29,716.58	
Other Operations & Maintenance of Plant Services	16,250.00		16,250.00	16,109.10	140.90
Care / Upkeep of Grounds	6,100.00		6,100.00	3,970.00	2,130.00
Lease / Purchase Principal	20,204.00	(20,204.00)			
Assessment for Debt Service on SDA Funding	62,881.00		62,881.00	62,881.00	
Total Equipment	242,277.00	9,858.33	252,135.33	188,952.59	63,182.74
Total Capital Outlay	242,277.00	9,858.33	252,135.33	188,952.59	63,182.74
Special Schools:					
Post-Secondary Programs - Instruction:					
Salaries of Teachers	117,500.00		117,500.00	107,917.50	9,582.50
Purchased Professional and Technical Services	300.00		300.00	60.00	240.00
General Supplies	10,000.00		10,000.00	5,231.17	4,768.83
Total Post-Secondary Programs - Instruction	127,800.00	-	127,800.00	113,208.67	14,591.33
Post-Secondary Programs - Support Services:					
Salaries	42,000.00		42,000.00	40,124.50	1,875.50
Social Security Contributions	12,205.00		12,205.00	11,325.24	879.76
Purchased Services	5,000.00	7,000.00	12,000.00	8,434.96	3,565.04
General Supplies	1,000.00	7,000.00	8,000.00	2,009.00	5,991.00
Total Post-Secondary Programs - Support Services	60,205.00	14,000.00	74,205.00	61,893.70	12,311.30
Total Post-Secondary Programs	188,005.00	14,000.00	202,005.00	175,102.37	26,902.63
Summer School - Instruction:					
Salaries of Teachers	10,000.00		10,000.00	8,090.26	1,909.74
Educational Software	12,000.00	(10,500.00)	1,500.00	1,500.00	
General Supplies	200.00		200.00		200.00
Total Summer School - Instruction	22,200.00	(10,500.00)	11,700.00	9,590.26	2,109.74
Summer School - Support Services:					
Social Security Contributions	765.00		765.00	298.90	466.10
Total Summer School - Support Services	765.00	-	765.00	298.90	466.10

(Continued)

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ending June 30, 2016

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Special Schools (Cont'd):					
Accredited Evening / Adult High School - Instruction:					
Salaries of Teachers	\$ 7,500.00	\$ (1,311.59)	\$ 6,188.41	\$ 612.38	\$ 5,576.03
Shared Education Software	2,000.00	4,500.00	6,500.00	5,257.25	1,242.75
General Supplies	1,000.00	(146.63)	853.37	65.52	787.85
Total Accredited Evening / Adult High School - Instruction	<u>10,500.00</u>	<u>3,041.78</u>	<u>13,541.78</u>	<u>5,935.15</u>	<u>7,606.63</u>
Accredited Evening/Adult H.S./Post-Graduate - Support Services:					
Salaries	20,000.00	(1,172.51)	18,827.49		18,827.49
Salaries Other Professional-Extra		2,630.73	2,630.73	2,630.73	
Social Security Contributions	2,104.00		2,104.00	248.13	1,855.87
Supplies and Materials	300.00		300.00	38.20	261.80
Total Accredited Evening/Adult H.S./Post-Graduate - Support Services	<u>22,404.00</u>	<u>1,458.22</u>	<u>23,862.22</u>	<u>2,917.06</u>	<u>20,945.16</u>
Total Accredited Evening/Adult H.S./Post-Graduate	<u>32,904.00</u>	<u>4,500.00</u>	<u>37,404.00</u>	<u>8,852.21</u>	<u>28,551.79</u>
Total Special Schools	<u>243,874.00</u>	<u>8,000.00</u>	<u>251,874.00</u>	<u>193,843.74</u>	<u>58,030.26</u>
Total Expenditures	<u>20,797,536.70</u>	<u>14,000.00</u>	<u>20,811,536.70</u>	<u>20,018,654.41</u>	<u>792,882.29</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,910,456.70)		(1,910,456.70)	797,278.66	2,707,735.36
Fund Balances, July 1	2,635,981.41		2,635,981.41	2,635,981.41	
Fund Balances, June 30	\$ <u>725,524.71</u>	\$ <u></u>	\$ <u>725,524.71</u>	\$ <u>3,433,260.07</u>	\$ <u>2,707,735.36</u>
<b>Recapitulation:</b>					
Restricted					
Capital Reserve Account				\$ 210,425.00	
Maintenance Reserve Account				300,452.00	
Assigned					
Designated for Subsequent Year's Expenditures					
2017-18 SEMI--Settlement				3,812.22	
2016-2017 Budget				2,625,892.00	
Unassigned					
General Fund				292,678.85	
				3,433,260.07	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				771,176.00	
Fund Balance per Governmental Funds (GAAP)				\$ <u>2,662,084.07</u>	

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ending June 30, 2016

	Original Budget	Original/ Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>				
State Sources	\$ 42,374.00	\$ 42,374.00	\$ 42,374.00	
Federal Sources	1,274,405.28	1,274,405.28	1,179,942.54	\$ (94,462.74)
Other Sources	15,461.25	15,461.25	13,402.75	(2,058.50)
<b>Total Revenues</b>	<b>1,332,240.53</b>	<b>1,332,240.53</b>	<b>1,235,719.29</b>	<b>(96,521.24)</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers	307,661.22	307,661.22	291,239.22	16,422.00
Salaries for Other Instruction	8,093.75	8,093.75	3,690.75	4,403.00
Purchased Professional Technical Services	9,256.86	9,256.86	8,256.86	1,000.00
Purchased Educational Services	57,175.63	57,175.63	57,175.63	
Supplies and Materials	226,880.97	226,880.97	226,145.40	735.57
Miscellaneous Expenditures	8,051.16	8,051.16	7,487.74	563.42
Other Objects	80.00	80.00	80.00	
<b>Total Instruction</b>	<b>617,199.59</b>	<b>617,199.59</b>	<b>594,075.60</b>	<b>23,123.99</b>
<b>Support Services:</b>				
Salaries of Personnel Services	184,689.42	184,689.42	137,463.63	47,225.79
Salaries of Other Professional Staff	25,979.42	25,979.42	12,871.50	13,107.92
Salaries of Secretaries & Clerical Assistants	11,257.36	11,257.36	10,527.80	729.56
Other Employee Benefits	62,291.97	62,291.97	56,229.49	6,062.48
Purchased Educational Services	164,382.00	164,382.00	164,382.00	
Purchased Technical Services	63,159.80	63,159.80	63,159.80	
Other Purchased Services	4,964.40	4,964.40	4,964.40	
Contracted Services	175.00	175.00		175.00
Supplies and Materials	10,958.92	10,958.92	10,933.92	25.00
Travel	10,419.57	10,419.57	10,419.57	
Miscellaneous Expenditures	25,707.79	25,707.79	21,527.79	4,180.00
Other Objects	18,087.60	18,087.60	18,087.60	
<b>Total Support Services</b>	<b>582,073.25</b>	<b>582,073.25</b>	<b>510,567.50</b>	<b>71,505.75</b>
<b>Enterprise Operations</b>				
Other Salaries	7,434.00	7,434.00	5,542.50	1,891.50
Purchased Technical Services	3,091.25	3,091.25	3,091.25	
<b>Total Enterprise Operations</b>	<b>10,525.25</b>	<b>10,525.25</b>	<b>8,633.75</b>	<b>1,891.50</b>
<b>Facilities Acquisition and Construction Services:</b>				
Instructional Equipment	122,442.44	122,442.44	122,442.44	
<b>Total Facilities Acquisition and Construction Services</b>	<b>122,442.44</b>	<b>122,442.44</b>	<b>122,442.44</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,332,240.53</b>	<b>1,332,240.53</b>	<b>1,235,719.29</b>	<b>96,521.24</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ending June 30, 2016

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 20,815,933.07	\$ 1,235,719.29
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2015.	760,170.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2016.	<u>(771,176.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 20,804,927.07</u>	<u>\$ 1,235,719.29</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 20,018,654.41	\$ 1,235,719.29
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 20,018,654.41</u>	<u>\$ 1,235,719.29</u>



**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

## **ACCOUNTING AND REPORTING FOR PENSIONS**

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Three Fiscal Years

	<b>Measurement Date Ending June 30,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
School District's Proportion of the Net Pension Liability	0.0385788915%	0.0411134073%	0.0398350546%
School District's Proportionate Share of the Net Pension Liability	\$ 8,660,188.00	\$ 7,697,554.00	\$ 7,613,270.00
School District's Covered Payroll (Plan Measurement Period)	\$ 2,742,812.00	\$ 2,830,096.00	\$ 2,854,012.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	315.74%	271.99%	266.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Three Fiscal Years

	<b>Fiscal Year Ended June 30,</b>		
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 348,150.00	\$ 331,675.00	\$ 338,933.00
Contributions in Relation to the Contractually Required Contribution	<u>(348,150.00)</u>	<u>(331,675.00)</u>	<u>(338,933.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 2,533,436.00	\$ 2,701,631.00	\$ 2,623,407.00
Contributions as a Percentage of School District's Covered Payroll	13.74%	12.28%	12.92%

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Three Fiscal Years

	<b>Measurement Date Ending June 30,</b>		
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>44,352,459.00</u>	<u>39,631,543.00</u>	<u>35,661,474.00</u>
	<u>\$ 44,352,459.00</u>	<u>\$ 39,631,543.00</u>	<u>\$ 35,661,474.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 8,494,940.00	\$ 8,312,884.00	\$ 8,531,772.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	522.10%	476.75%	417.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last 10 Fiscal Years

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This schedule is not applicable.

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

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

Notes to Required Supplementary Information - Part III

For the Fiscal Year Ended June 30, 2016

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**Public Employees' Retirement System (PERS)***Changes in Benefit Terms* - None*Changes in Assumptions* - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.**Teachers' Pension and Annuity Fund (TPAF)***Changes in Benefit Terms* - None*Changes in Assumptions* - The discount rate changed from 4.68% as of June 30, 2014, to 4.13% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

**OTHER SUPPLEMENTARY INFORMATION**



**SPECIAL REVENUE FUND**

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ending June 30, 2016

	Title I - A	Title II - A	Perkins Post Secondary	Perkins Basic Secondary	Perkins Secondary Reserve	I.D.E.A.	YECC Summer	Total Carried Forward
<b>REVENUES:</b>								
Federal Sources	\$ 167,509.05	\$ 12,661.00	\$ 103,002.00	\$ 175,103.00	\$ 44,182.00	\$ 239,985.00	\$ 5,647.14	\$ 748,089.19
<b>Total Revenues</b>	<b>\$ 167,509.05</b>	<b>\$ 12,661.00</b>	<b>\$ 103,002.00</b>	<b>\$ 175,103.00</b>	<b>\$ 44,182.00</b>	<b>\$ 239,985.00</b>	<b>\$ 5,647.14</b>	<b>\$ 748,089.19</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	\$ 76,351.60			\$ 10,841.64		\$ 134,575.59		\$ 221,768.83
Purchased Technical Services			\$ 800.30	6,436.56	\$ 1,020.00			8,256.86
Supplies & Materials	31,978.77		40,487.26	104,481.37	2,322.00	36,847.87	\$ 1,904.07	218,021.34
Miscellaneous Expenditures							1,280.58	1,280.58
<b>Total Instruction</b>	<b>108,330.37</b>	<b>-</b>	<b>41,287.56</b>	<b>121,759.57</b>	<b>3,342.00</b>	<b>171,423.46</b>	<b>3,184.65</b>	<b>449,327.61</b>
Support Services:								
Salaries of Personnel Services			13,642.00	15,870.00				29,512.00
Salaries of Other Professional Staff							2,287.50	2,287.50
Other Employee Benefits	7,787.25			2,043.43		33,563.21	174.99	43,568.88
Purchased Technical Services	30,229.00	\$ 3,000.00				29,703.80		62,932.80
Other Purchased Services	1,108.83			1,900.00		1,530.04		4,538.87
Supplies and Materials	2,999.00					3,267.92		6,266.92
Travel		9,661.00				496.57		10,157.57
Other Objects	17,054.60							17,054.60
<b>Total Support Services</b>	<b>59,178.68</b>	<b>12,661.00</b>	<b>13,642.00</b>	<b>19,813.43</b>	<b>-</b>	<b>68,561.54</b>	<b>2,462.49</b>	<b>176,319.14</b>
Facilities Acquisition & Construction Services:								
Instructional Equipment			48,072.44	33,530.00	40,840.00			122,442.44
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>48,072.44</b>	<b>33,530.00</b>	<b>40,840.00</b>	<b>-</b>	<b>-</b>	<b>122,442.44</b>
<b>Total Expenditures</b>	<b>\$ 167,509.05</b>	<b>\$ 12,661.00</b>	<b>\$ 103,002.00</b>	<b>\$ 175,103.00</b>	<b>\$ 44,182.00</b>	<b>\$ 239,985.00</b>	<b>\$ 5,647.14</b>	<b>\$ 748,089.19</b>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ending June 30, 2016

	Total Brought Forward	Youth One-Stop for at Risk Summer	Youth One-Stop for at Risk	Apprentice Coordinator	GCEN Verizon	NJSBAIG Grant	Total
<b>REVENUES:</b>							
Federal Sources	\$ 748,089.19	\$ 91,800.34	\$ 340,053.01				\$ 1,179,942.54
State Sources				\$ 42,374.00			42,374.00
Local Sources					\$ 9,057.75	\$ 4,345.00	13,402.75
<b>Total Revenues</b>	<b>\$ 748,089.19</b>	<b>\$ 91,800.34</b>	<b>\$ 340,053.01</b>	<b>\$ 42,374.00</b>	<b>\$ 9,057.75</b>	<b>\$ 4,345.00</b>	<b>\$ 1,235,719.29</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	\$ 221,768.83	\$ 20,156.63	\$ 49,313.76				\$ 291,239.22
Salaries for Other Instruction		3,690.75					3,690.75
Purchased Technical Services	8,256.86						8,256.86
Purchased Educational Services			57,175.63				57,175.63
Supplies & Materials	218,021.34	4,922.70	3,201.36				226,145.40
Miscellaneous Expenditures	1,280.58	777.55	5,429.61				7,487.74
Other Objects			80.00				80.00
<b>Total Instruction</b>	<b>449,327.61</b>	<b>29,547.63</b>	<b>115,200.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>594,075.60</b>
Support Services:							
Salaries of Personnel Services	29,512.00	40,950.32	39,660.22	\$ 27,341.09			137,463.63
Salaries of Other Professional Staff	2,287.50	10,584.00					12,871.50
Salaries of Secretaries & Clerical Assistants			10,527.80				10,527.80
Other Employee Benefits	43,568.88	5,766.70	6,469.91		\$ 424.00		56,229.49
Purchased Educational Services			150,865.09	13,516.91			164,382.00
Purchased Technical Services	62,932.80		227.00				63,159.80
Other Purchased Services	4,538.87		355.53	70.00			4,964.40
Supplies and Materials	6,266.92		171.00	151.00		\$ 4,345.00	10,933.92
Travel	10,157.57			262.00			10,419.57
Miscellaneous Expenditures	-	4,951.69	16,576.10				21,527.79
Other Objects	17,054.60			1,033.00			18,087.60
<b>Total Support Services</b>	<b>176,319.14</b>	<b>62,252.71</b>	<b>224,852.65</b>	<b>42,374.00</b>	<b>424.00</b>	<b>4,345.00</b>	<b>510,567.50</b>
Enterprise Operations							
Other Salaries					5,542.50		5,542.50
Purchased Technical Services					3,091.25		3,091.25
<b>Total Enterprise Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,633.75</b>	<b>-</b>	<b>8,633.75</b>
Facilities Acquisition & Construction Services:							
Instructional Equipment	122,442.44						122,442.44
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>122,442.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,442.44</b>
<b>Total Expenditures</b>	<b>\$ 748,089.19</b>	<b>\$ 91,800.34</b>	<b>\$ 340,053.01</b>	<b>\$ 42,374.00</b>	<b>\$ 9,057.75</b>	<b>\$ 4,345.00</b>	<b>\$ 1,235,719.29</b>

**CAPITAL PROJECTS FUND**

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ending June 30, 2016

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<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Aquatics Roof Replacement	3/19/2014	\$ <u>525,100.00</u>	\$ <u>385,130.73</u>	\$ <u>54,570.38</u>	\$ <u>85,398.89</u>
Designated for Subsequent Years' Expenditures					\$ <u>85,398.89</u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance  
 From Inception and for the Fiscal Year Ended June 30, 2016

**Revenues and Other Financing Sources**

State Sources - ROD Grant  
 County Sources  
 Transfer from Capital Reserve

Total Revenues and Other Financing Sources

\_\_\_\_\_  
 -  
 \_\_\_\_\_

**Expenditures and Other Financing Uses**

Purchased Professional and Technical Services  
 Construction Services  
 Miscellaneous

Total Expenditures and Other Financing Uses

\$           462.00  
               54,099.00  
                   9.38  
 \_\_\_\_\_  
 54,570.38  
 \_\_\_\_\_

Excess (Deficiency) of Revenues and Other Financing Sources  
 Over (Under) Expenditures

(54,570.38)

Fund Balance, June 30, 2015

\_\_\_\_\_  
 139,969.27

Fund Balance, June 30, 2016

\$           85,398.89  
 \_\_\_\_\_  
 \_\_\_\_\_

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Aquatics Center Roof Replacement  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - ROD Grant	\$ 240,758.00		\$ 240,758.00	\$ 240,758.00
Transfer from Capital Reserve	284,342.00		284,342.00	284,342.00
	<u>525,100.00</u>	<u>-</u>	<u>525,100.00</u>	<u>525,100.00</u>
<b>Expenditures and Other Financing Uses</b>				
Legal Services	4,925.00		4,925.00	7,000.00
Purchased Professional and Technical Services	37,138.00	\$ 462.00	37,600.00	61,000.00
Construction Services	342,891.00	54,099.00	396,990.00	436,990.00
General supplies				10,000.00
Miscellaneous	176.73	9.38	186.11	10,110.00
	<u>385,130.73</u>	<u>54,570.38</u>	<u>439,701.11</u>	<u>525,100.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 139,969.27</u>	<u>\$ (54,570.38)</u>	<u>\$ 85,398.89</u>	<u>\$ -</u>
<b>Additional Project Information</b>				
Project Number	1775-010-13-2001-G04			
Grant Date	3/19/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$ 525,100.00			
Additional Authorized Cost	-			
Revised Authorization Cost	\$ 525,100.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	84%			
Original Target Completion Date	6/30/2015			
Revised Target Completion Date	6/30/2016			

**PROPRIETARY FUNDS**



**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Funds  
Combining Statement of Net Position  
June 30, 2016

	Food Service	Aquatics & Fitness	Automotive	Culinary Arts	GCEN	Cisco	Cosmetology Clinic	Summer Exploration	Printing and Duplication	Total
<b>ASSETS:</b>										
<b>Current Assets:</b>										
Cash and Cash Equivalents	\$ 105,353.54	\$ 977,633.84	\$ 9,591.31	\$ 338,450.93	\$ 10,886.77	\$ 5,751.27	\$ 82,196.03	\$ 2,742.19	\$ 2,835.35	\$ 1,535,441.23
Accounts Receivable:										
State	56.56									56.56
Federal	2,354.41			270.00	600.00					2,354.41
Other		15,000.00	458.40							16,328.40
Inventory	5,765.09			14,039.18						19,804.27
<b>Total Current Assets</b>	<b>113,529.60</b>	<b>992,633.84</b>	<b>10,049.71</b>	<b>352,760.11</b>	<b>11,486.77</b>	<b>5,751.27</b>	<b>82,196.03</b>	<b>2,742.19</b>	<b>2,835.35</b>	<b>1,573,984.87</b>
<b>Noncurrent Assets:</b>										
Furniture, Fixtures and Equipment		128,378.95	79,341.25	34,532.87	106,922.15					349,175.22
Less Accumulated Depreciation		(50,411.76)	(79,289.17)	(13,014.65)	(49,981.35)					(192,696.93)
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>77,967.19</b>	<b>52.08</b>	<b>21,518.22</b>	<b>56,940.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,478.29</b>
<b>Total Assets</b>	<b>113,529.60</b>	<b>1,070,601.03</b>	<b>10,101.79</b>	<b>374,278.33</b>	<b>68,427.57</b>	<b>5,751.27</b>	<b>82,196.03</b>	<b>2,742.19</b>	<b>2,835.35</b>	<b>1,730,463.16</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>										
Related to Pensions (Note 9)	33,064.64	39,677.57			57,863.12					130,605.33
<b>LIABILITIES:</b>										
<b>Current Liabilities:</b>										
Accounts Payable		49.37	404.06				0.74			454.17
Accounts Payable - Related to Pension	6,963.00	8,355.60			12,185.25					27,503.85
Accrued Salaries and Benefits	720.00	13,001.89			1,114.18					14,836.07
Unearned Revenue		3,565.00								3,565.00
<b>Total Current Liabilities</b>	<b>7,683.00</b>	<b>24,971.86</b>	<b>404.06</b>	<b>-</b>	<b>13,299.43</b>	<b>-</b>	<b>0.74</b>	<b>-</b>	<b>-</b>	<b>46,359.09</b>
<b>Noncurrent Liabilities:</b>										
Net Pension Liability	173,203.76	207,844.51			303,106.58					684,154.85
<b>Total Noncurrent Liabilities</b>	<b>173,203.76</b>	<b>207,844.51</b>	<b>-</b>	<b>-</b>	<b>303,106.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>684,154.85</b>
<b>Total Liabilities</b>	<b>180,886.76</b>	<b>232,816.37</b>	<b>404.06</b>	<b>-</b>	<b>316,406.01</b>	<b>-</b>	<b>0.74</b>	<b>-</b>	<b>-</b>	<b>730,513.94</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>										
Related to Pensions (Note 9)	10,836.64	13,003.97			18,964.12					42,804.73
<b>NET POSITION:</b>										
Net Investment in Capital Assets		77,967.19	52.08	21,518.22	56,940.80					156,478.29
Unrestricted (Deficit)	(45,129.16)	786,491.07	9,645.65	352,760.11	(266,020.24)	5,751.27	82,195.29	2,742.19	2,835.35	931,271.53
<b>Total Net Position</b>	<b>\$ (45,129.16)</b>	<b>\$ 864,458.26</b>	<b>\$ 9,697.73</b>	<b>\$ 374,278.33</b>	<b>\$ (209,079.44)</b>	<b>\$ 5,751.27</b>	<b>\$ 82,195.29</b>	<b>\$ 2,742.19</b>	<b>\$ 2,835.35</b>	<b>\$ 1,087,749.82</b>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ending June 30, 2016

	<u>Food Service</u>	<u>Aquatics &amp; Fitness</u>	<u>Automotive</u>	<u>Culinary Arts</u>	<u>GCEN</u>	<u>Cisco</u>	<u>Cosmetology Clinic</u>	<u>Summer Exploration</u>	<u>Printing and Duplication</u>	<u>Total</u>
OPERATING REVENUES:										
Charges for Services:										
Daily Sales - Reimbursable Programs	\$ 26,056.50									\$ 26,056.50
Daily Sales - Non-Reimbursable Programs	239,130.55									239,130.55
County Budget Appropriation		\$ 75,000.00			\$ 125,000.00					200,000.00
Other Revenue	50.75	348,242.30	\$ 10,153.61	\$ 77,190.85	21,640.15		\$ 6,293.84	\$ 50,215.37		513,786.87
Total Operating Revenues	<u>265,237.80</u>	<u>423,242.30</u>	<u>10,153.61</u>	<u>77,190.85</u>	<u>146,640.15</u>	<u>-</u>	<u>6,293.84</u>	<u>50,215.37</u>	<u>-</u>	<u>978,973.92</u>
OPERATING EXPENSES:										
Cost of Goods Sold - Reimbursable Programs	136,246.03									136,246.03
Cost of Goods Sold - Non-Reimbursable Programs	24,984.46		11,975.06	39,111.81			494.85			76,566.18
Salaries	196,741.84	284,433.16		6,702.62	111,890.00			40,503.00		640,270.62
Employee Benefits	52,062.56	60,134.27		512.76	38,278.34			3,098.45		154,086.38
Purchased Technical Services		1,595.00			23,940.48					25,535.48
Other Purchased Services		10,496.01	110.67							10,606.68
Operations and Maintenance	350.00	45,023.42								45,373.42
Postage Expense		712.74								712.74
General Supplies	4,037.04	11,421.75			6,907.43		657.99	4,286.71		27,310.92
Utilities		52,683.37								52,683.37
Miscellaneous	94.00	794.94								888.94
Depreciation		11,149.60	312.50	3,081.50	10,130.62					24,674.22
Total Operating Expenses	<u>414,515.93</u>	<u>478,444.26</u>	<u>12,398.23</u>	<u>49,408.69</u>	<u>191,146.87</u>	<u>-</u>	<u>1,152.84</u>	<u>47,888.16</u>	<u>-</u>	<u>1,194,954.98</u>
Operating Income / (Loss)	<u>(149,278.13)</u>	<u>(55,201.96)</u>	<u>(2,244.62)</u>	<u>27,782.16</u>	<u>(44,506.72)</u>	<u>-</u>	<u>5,141.00</u>	<u>2,327.21</u>	<u>-</u>	<u>(215,981.06)</u>
NONOPERATING REVENUES (EXPENSES):										
State Sources:										
State School Lunch Program	1,876.73									1,876.73
Federal Sources:										
National School Lunch Program	58,657.52									58,657.52
National School Breakfast Program	9,505.91									9,505.91
Food Distribution Program	31,093.21									31,093.21
Total Non Operating Revenues (Expenses)	<u>101,133.37</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,133.37</u>
Change in Net Position	(48,144.76)	(55,201.96)	(2,244.62)	27,782.16	(44,506.72)	-	5,141.00	2,327.21	-	(114,847.69)
Net Position -- July 1, as Restated	3,015.60	919,660.22	11,942.35	346,496.17	(164,572.72)	\$ 5,751.27	77,054.29	414.98	\$ 2,835.35	1,202,597.51
Net Position (Deficit) -- June 30	<u>\$ (45,129.16)</u>	<u>\$ 864,458.26</u>	<u>\$ 9,697.73</u>	<u>\$ 374,278.33</u>	<u>\$ (209,079.44)</u>	<u>\$ 5,751.27</u>	<u>\$ 82,195.29</u>	<u>\$ 2,742.19</u>	<u>\$ 2,835.35</u>	<u>\$ 1,087,749.82</u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ending June 30, 2016

	<u>Food Service</u>	<u>Aquatics &amp; Fitness</u>	<u>Automotive</u>	<u>Culinary Arts</u>	<u>GCEN</u>	<u>Cisco</u>	<u>Cosmetology Clinic</u>	<u>Summer Exploration</u>	<u>Printing and Duplication</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>										
Receipts from Customers	\$ 262,910.83	\$ 350,891.13	\$ 9,695.21	\$ 77,020.85	\$ 30,790.15		\$ 6,293.84	\$ 34,994.92		\$ 772,596.93
County Budget Appropriation		75,000.00			125,000.00					200,000.00
Payments to Employees	(196,021.84)	(272,205.17)		(6,702.62)	(110,775.82)			(40,503.00)		(626,208.45)
Payments for Employee Benefits	(48,280.86)	(54,822.34)		(512.76)	(31,660.36)			(3,098.45)		(138,374.77)
Payments to Suppliers	(168,426.31)	(131,982.01)	(11,889.24)	(42,175.57)	(31,671.43)		(1,152.10)	(4,286.71)		(391,583.37)
Net Cash Provided by (used for) Operating Activities	(149,818.18)	(33,118.39)	(2,194.03)	27,629.90	(18,317.46)	-	5,141.74	(12,893.24)	-	(183,569.66)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>										
State Sources	1,986.18									1,986.18
Federal Sources	103,764.98									103,764.98
Net Cash Provided by (used for) Non-Capital Financing Activities	105,751.16	-	-	-	-	-	-	-	-	105,751.16
Net Increase (Decrease) in Cash and Cash Equivalents	(44,067.02)	(33,118.39)	(2,194.03)	27,629.90	(18,317.46)	-	5,141.74	(12,893.24)	-	(77,818.50)
Cash and Cash Equivalents -- July 1	149,420.56	1,010,752.23	11,785.34	310,821.03	29,204.23	\$ 5,751.27	77,054.29	15,635.43	\$ 2,835.35	1,613,259.73
Cash and Equivalents -- June 30	\$ 105,353.54	\$ 977,633.84	\$ 9,591.31	\$ 338,450.93	\$ 10,886.77	\$ 5,751.27	\$ 82,196.03	\$ 2,742.19	\$ 2,835.35	\$ 1,535,441.23
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>										
Operating Income (Loss)	\$ (149,278.13)	\$ (55,201.96)	\$ (2,244.62)	\$ 27,782.16	\$ (44,506.72)		\$ 5,141.00	\$ 2,327.21		\$ (215,981.06)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:										
Depreciation and Net Amortization		11,149.60	312.50	3,081.50	10,130.62					24,674.22
(Increase) Decrease in Accounts Receivable, net	(2,326.97)	(196.17)	(458.40)	(170.00)	9,150.00					5,998.46
(Increase) Decrease in Other Current Assets	(2,465.46)			(3,063.76)						(5,529.22)
Increase (Decrease) in Accounts Payable	(249.32)	(9,254.78)	196.49		(823.52)		0.74			(10,130.39)
Increase (Decrease) in Other Current Liabilities		2,845.00						(15,220.45)		(12,375.45)
Increase (Decrease) in Accrued Salaries Benefits	720.00	13,001.89			1,114.18					14,836.07
Increase (Decrease) in Accrued Liabilities Related to Pension	3,781.70	4,538.03			6,617.98					14,937.71
Total Adjustments	(540.05)	22,083.57	50.59	(152.26)	26,189.26	-	0.74	(15,220.45)	-	32,411.40
Net Cash Provided by (used for) Operating Activities	\$ (149,818.18)	\$ (33,118.39)	\$ (2,194.03)	\$ 27,629.90	\$ (18,317.46)	\$ -	\$ 5,141.74	\$ (12,893.24)	\$ -	\$ (183,569.66)

**FIDUCIARY FUNDS**

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2016

	<u>Trust Funds</u>	<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 101,104.46	\$ 248,485.19	\$ 53,755.36	\$ 403,345.01
Total Assets	<u>101,104.46</u>	<u>\$ 248,485.19</u>	<u>\$ 53,755.36</u>	<u>403,345.01</u>
<b>LIABILITIES:</b>				
Interfund Accounts Payable:				
Due General Fund			\$ 4,000.00	\$ 4,000.00
Payable to Student Groups		\$ 248,485.19		248,485.19
Payroll Deductions and Withholdings			<u>49,755.36</u>	<u>49,755.36</u>
Total Liabilities	<u>-</u>	<u>\$ 248,485.19</u>	<u>\$ 53,755.36</u>	<u>302,240.55</u>
<b>NET POSITION:</b>				
Held in Trust for Unemployment Claims and Other Purposes	<u>101,104.46</u>			<u>101,104.46</u>
Total Net Position	<u>\$ 101,104.46</u>			<u>\$ 101,104.46</u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ending June 30, 2016

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	Private-Purpose Trust Fund
	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Plan Member	\$ <u>33,149.02</u>
Total Additions	<u>33,149.02</u>
DEDUCTIONS:	
Quarterly Contribution Reports	13,582.79
Unemployment Claims	<u>46,760.98</u>
Total Deductions	<u>60,343.77</u>
Change in Net Position	(27,194.75)
Net Position -- July 1	<u>128,299.21</u>
Net Position -- June 30	\$ <u><u>101,104.46</u></u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ending June 30, 2016

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	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Clubs and Funds	\$ 283,339.78	\$ 771,546.34	\$ 815,485.21	\$ 239,400.91
GCIT Memorial Scholarship	<u>9,084.28</u>	<u>                    </u>	<u>                    </u>	<u>9,084.28</u>
<b>Total</b>	<u><u>\$ 292,424.06</u></u>	<u><u>\$ 771,546.34</u></u>	<u><u>\$ 815,485.21</u></u>	<u><u>\$ 248,485.19</u></u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ending June 30, 2016

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	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 40,400.74	\$ 15,470,151.25	\$ 15,456,796.63	\$ 53,755.36
Total Assets	<u>\$ 40,400.74</u>	<u>\$ 15,470,151.25</u>	<u>\$ 15,456,796.63</u>	<u>\$ 53,755.36</u>
Payroll Deductions and Withholdings	\$ 36,390.37	\$ 8,332,832.58	\$ 8,319,467.59	\$ 49,755.36
Net Payroll		7,137,318.67	7,137,318.67	
Interfund Accounts Payable:				
Due General Fund	<u>4,010.37</u>		<u>10.37</u>	<u>4,000.00</u>
Total Liabilities	<u>\$ 40,400.74</u>	<u>\$ 15,470,151.25</u>	<u>\$ 15,456,796.63</u>	<u>\$ 53,755.36</u>



**LONG-TERM DEBT**

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ending June 30, 2016

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Amount Outstanding June 30, 2015</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2016</u>
			<u>Principal</u>	<u>Interest</u>				
GE Capital Info Tech Solutions	April 1, 2015	April 1, 2015 March 1, 2020	\$ 112,872.52	\$ 16,801.08	\$ <u>107,946.26</u>	\$ <u>          </u>	\$ <u>20,407.78</u>	\$ <u>87,538.48</u>

**STATISTICAL SECTION**

## **Financial Trends Information**

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
Net Investment in Capital Assets	\$ 42,652,953.30	\$ 43,538,827.64	\$ 43,664,017.08	\$ 44,602,871.09	\$ 45,736,506.48	\$ 47,507,703.13	\$ 47,184,142.41	\$ 38,491,757.58	\$ 32,064,329.09	\$ 28,140,769.56
Restricted	596,275.89	590,844.27	1,154,557.61	836,920.00	311,715.00	111,510.00	4,718,869.74	15,104,394.35	6,424,054.48	11,766,214.11
Unrestricted	(5,865,375.23)	(7,134,884.39)	695,691.63	(287,985.11)	400,423.81	(93,894.94)	212,629.97	2,320,182.14	1,095,737.01	(87,670.43)
Total Governmental Activities Net Position	<u>\$ 37,383,853.96</u>	<u>\$ 36,994,787.52</u>	<u>\$ 45,514,266.32</u>	<u>\$ 45,151,805.98</u>	<u>\$ 46,448,645.29</u>	<u>\$ 47,525,318.19</u>	<u>\$ 52,115,642.12</u>	<u>\$ 55,916,334.07</u>	<u>\$ 39,584,120.58</u>	<u>\$ 39,819,313.24</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 156,478.29	\$ 181,152.51	\$ 137,476.38	\$ 124,759.18	\$ 125,762.41	\$ 71,896.05	\$ 70,483.18	\$ 92,727.18	\$ 19,588.69	\$ 19,375.65
Unrestricted	931,271.53	1,630,365.39	1,379,605.08	1,132,799.30	1,085,322.87	1,495,186.27	1,327,916.41	582,452.86	227,019.52	222,175.46
Total Business-type Activities Net Position	<u>\$ 1,087,749.82</u>	<u>\$ 1,811,517.90</u>	<u>\$ 1,517,081.46</u>	<u>\$ 1,257,558.48</u>	<u>\$ 1,211,085.28</u>	<u>\$ 1,567,082.32</u>	<u>\$ 1,398,399.59</u>	<u>\$ 675,180.04</u>	<u>\$ 246,608.21</u>	<u>\$ 241,551.11</u>
Government-wide										
Net Investment in Capital Assets	\$ 42,809,431.59	\$ 43,719,980.15	\$ 43,801,493.46	\$ 44,727,630.27	\$ 45,862,268.89	\$ 47,579,599.18	\$ 47,254,625.59	\$ 38,584,484.76	\$ 32,083,917.78	\$ 28,160,145.21
Restricted	596,275.89	590,844.27	1,154,557.61	836,920.00	311,715.00	111,510.00	4,718,869.74	15,104,394.35	6,424,054.48	11,766,214.11
Unrestricted	(4,934,103.70)	(5,504,519.00)	2,075,296.71	844,814.19	1,485,746.68	1,401,291.33	1,540,546.38	2,902,635.00	1,322,756.53	134,505.03
Total Government-wide Net Position	<u>\$ 38,471,603.78</u>	<u>\$ 38,806,305.42</u>	<u>\$ 47,031,347.78</u>	<u>\$ 46,409,364.46</u>	<u>\$ 47,659,730.57</u>	<u>\$ 49,092,400.51</u>	<u>\$ 53,514,041.71</u>	<u>\$ 56,591,514.11</u>	<u>\$ 39,830,728.79</u>	<u>\$ 40,060,864.35</u>

Source: District Records

**NOTES:**

(1) Source: CAFR Exhibit A-1

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Net Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 4,573,354.00	\$ 4,328,882.52	\$ 4,291,327.65	\$ 4,736,041.35	\$ 4,115,757.97	\$ 3,853,864.10	\$ 3,738,734.36	\$ 2,953,460.10	\$ 3,243,451.31	\$ 2,541,018.21
Special Education	168,473.26	270,968.93	612,774.70	626,841.52	631,697.60	543,980.90	440,488.70	536,033.31	1,440.00	2,843.00
Vocational	4,034,506.72	4,142,624.46	3,906,931.72	4,165,029.84	4,773,904.46	4,373,052.58	4,016,818.39	3,286,730.11	3,122,531.19	3,243,814.52
Other Instruction	612,114.35	534,593.90	521,488.05	532,291.72	443,986.75	482,555.36	350,189.33	392,614.32	269,359.74	250,880.68
Support Services:										
Student & Instruction Related Services	2,611,779.03	2,502,122.84	1,930,281.89	2,020,872.46	1,960,989.49	1,852,970.97	1,749,257.32	1,566,517.74	1,425,616.38	1,151,512.78
General Administrative Services	325,726.79	331,325.53	328,351.23	324,808.01	372,782.97	256,838.63	326,683.97	282,346.71	330,112.15	487,273.77
School Administrative Services	488,272.60	591,347.07	604,948.26	614,319.27	593,036.85	686,068.03	677,814.59	714,989.80	656,047.99	575,168.64
Central Services	311,411.62	331,249.55	236,987.27	234,405.31	255,722.28	263,874.94	226,213.61	246,955.38	178,602.66	144,729.64
Administration Information Technology	12,948.06	29,950.71								
Plant Operations and Maintenance	2,699,599.67	2,753,675.31	2,714,555.78	3,218,080.28	2,223,893.63	2,689,210.85	2,407,022.86	2,258,980.40	2,359,777.06	2,408,780.17
Care and Upkeep of Grounds	88,400.86	86,038.81	95,047.06	78,454.75	54,822.19	71,516.22	63,552.97			
Security	355,014.41	343,913.82	364,335.88	373,427.16	311,282.96	353,494.44	306,457.78			
Pupil Transportation	74,517.27	82,333.70	66,245.15	57,878.09	63,820.36	88,293.09	80,230.23	75,526.38	75,289.09	27,271.62
Other Support Services	510,567.50	711,914.64	764,676.97	625,473.00	702,090.01	607,556.13	679,778.33	483,427.03	532,915.11	1,055,069.10
Unallocated Benefits	6,114,333.95	5,638,582.32	3,148,950.26	3,124,965.98	3,570,430.56	3,186,694.96	2,753,061.27	2,463,091.82	2,418,187.82	2,178,053.28
Transfer to Cover Deficit - Food Service		65,000.00								
On-Behalf Pension Contributions	1,836,309.00	602,270.00	828,028.00	971,490.00	602,728.00	414,450.00	365,581.00	352,718.00	679,584.00	606,907.00
Reimbursed TPAF Social Security Contributions	514,778.63	525,121.17	549,345.37	525,637.89	550,773.96	520,294.72	469,032.52	441,961.52	410,204.24	386,323.47
Capital Outlay			62,881.00	62,880.00		76,928.00	49,138.23	45,181.31		254,463.37
Special Schools	202,477.49	207,965.12	216,487.94	258,989.74	233,692.40	208,913.88	267,602.49	228,747.71	317,083.21	511,539.85
<b>Total Governmental Activities Expenses</b>	<b>25,534,585.21</b>	<b>24,079,880.40</b>	<b>21,243,644.18</b>	<b>22,551,886.37</b>	<b>21,461,412.44</b>	<b>20,530,557.80</b>	<b>18,967,657.95</b>	<b>16,329,281.64</b>	<b>16,020,201.95</b>	<b>15,825,649.10</b>
Business-type Activities:										
Food Service	414,515.93	348,813.61	414,759.53	429,292.31	466,908.64	456,703.27	415,858.13	413,331.52	279,748.74	240,784.65
Enterprise Other	780,439.05	763,886.25	758,078.71	778,723.79	1,212,617.70	1,236,352.75	1,281,772.84	1,887,208.72	1,348,040.66	1,626,615.05
<b>Total Business-type Activities Expense</b>	<b>1,194,954.98</b>	<b>1,112,699.86</b>	<b>1,172,838.24</b>	<b>1,208,016.10</b>	<b>1,679,526.34</b>	<b>1,693,056.02</b>	<b>1,697,630.97</b>	<b>2,300,540.24</b>	<b>1,627,789.40</b>	<b>1,867,399.70</b>
<b>Total Government Expenses</b>	<b>\$ 26,729,540.19</b>	<b>\$ 25,192,580.26</b>	<b>\$ 22,416,482.42</b>	<b>\$ 23,759,902.47</b>	<b>\$ 23,140,938.78</b>	<b>\$ 22,223,613.82</b>	<b>\$ 20,665,288.92</b>	<b>\$ 18,629,821.88</b>	<b>\$ 17,647,991.35</b>	<b>\$ 17,693,048.80</b>
<b>Program Revenues</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 5,021,451.48	\$ 4,345,303.36	\$ 2,480,539.25	\$ 2,535,494.28	\$ 2,288,304.84	\$ 2,071,813.67	\$ 2,261,066.24	\$ 1,862,296.03	\$ 1,542,603.28	\$ 1,788,316.05
<b>Total Governmental Activities Program Revenues</b>	<b>5,021,451.48</b>	<b>4,345,303.36</b>	<b>2,480,539.25</b>	<b>2,535,494.28</b>	<b>2,288,304.84</b>	<b>2,071,813.67</b>	<b>2,261,066.24</b>	<b>1,862,296.03</b>	<b>1,542,603.28</b>	<b>1,788,316.05</b>
Business-type activities:										
Charges for services										
Food Service	265,237.80	276,053.02	252,128.52	285,975.05	370,455.50	371,389.65	301,924.88	386,049.70	240,233.23	185,420.96
Other	515,936.12	640,454.29	909,790.58	904,831.82	837,938.11	1,534,619.95	2,038,690.10	2,190,763.59	723,506.88	1,062,838.28
Operating Grants and Contributions	101,133.37	107,728.99	119,454.14	122,923.58	117,503.82	94,585.59	89,614.51	77,508.30	59,409.53	50,728.72
<b>Total Business-type Activities Program Revenues</b>	<b>882,307.29</b>	<b>1,024,236.30</b>	<b>1,281,373.24</b>	<b>1,313,730.45</b>	<b>1,325,897.43</b>	<b>2,000,595.19</b>	<b>2,430,229.49</b>	<b>2,654,321.59</b>	<b>1,023,149.44</b>	<b>1,298,987.96</b>
<b>Total Government Program Revenues</b>	<b>\$ 5,903,758.77</b>	<b>\$ 5,369,539.66</b>	<b>\$ 3,761,912.49</b>	<b>\$ 3,849,224.73</b>	<b>\$ 3,614,202.27</b>	<b>\$ 4,072,408.86</b>	<b>\$ 4,691,295.73</b>	<b>\$ 4,516,617.62</b>	<b>\$ 2,565,752.72</b>	<b>\$ 3,087,304.01</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (20,513,133.73)	\$ (19,734,577.04)	\$ (18,763,104.93)	\$ (20,016,392.09)	\$ (19,173,107.60)	\$ (18,458,744.13)	\$ (16,706,591.71)	\$ (14,466,985.61)	\$ (14,477,598.67)	\$ (14,037,333.05)
Business-type Activities	(312,647.69)	(88,463.56)	108,535.00	105,714.35	(353,628.91)	307,539.17	732,598.52	353,781.35	(604,639.96)	(568,411.74)
<b>Total Government-wide Net Expense</b>	<b>\$ (20,825,781.42)</b>	<b>\$ (19,823,040.60)</b>	<b>\$ (18,654,569.93)</b>	<b>\$ (19,910,677.74)</b>	<b>\$ (19,526,736.51)</b>	<b>\$ (18,151,204.96)</b>	<b>\$ (15,973,993.19)</b>	<b>\$ (14,113,204.26)</b>	<b>\$ (15,082,238.63)</b>	<b>\$ (14,605,744.79)</b>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
County Appropriation	\$ 7,800,000.00	\$ 7,675,000.00	\$ 7,625,000.00	\$ 7,608,629.00	\$ 6,937,337.00	\$ 6,937,337.00	\$ 22,937,337.00	\$ 9,000,000.00	\$ 17,489,826.00	\$ 10,353,450.00
Unrestricted Grants and Contributions	7,890,039.32	7,800,958.67	7,600,047.52	7,425,427.39	7,016,578.61	5,884,404.84	6,838,412.00	5,658,595.00	5,328,967.00	4,689,555.00
Restricted Grants and Contributions										1,534,944.51
Tuition - LEA's	3,084,493.52	3,071,994.00	2,945,642.79	2,723,906.87	2,557,307.36	211,765.00	199,844.30	112,203.67	239,550.04	311,988.06
Non-Resident Fees	147,456.00	111,593.12	222,075.00	197,800.00	229,250.00	350,200.00	523,649.41	642,600.00	829,500.00	738,888.92
Miscellaneous Income	232,807.04	168,822.45	323,110.61	230,084.07	264,888.83	106,536.15	147,993.44	207,157.66	491,127.83	354,700.48
Special Item								(610,750.00)	(753,560.82)	(356,348.27)
Transfers			57,678.65		129,350.07					
Special Revenue Fund Adjustment	(2,999.00)				(7,501.50)		(435.11)		(14,035.30)	
Cancellation of Prior Year Payable/(Receivable)				(41,043.80)	(3,262,004.12)	(587,843.23)	(547.06)	(773,200.47)	239,382.06	48,467.61
Capital Contributions					3,213.95	3,500.00	152,945.12			
Net Adjustment on Disposal of Fixed Assets	(9,547.10)		(54,001.79)	(48,368.83)				5,800.15	20,672.00	
<b>Total Governmental Activities</b>	<b>19,142,249.78</b>	<b>18,828,368.24</b>	<b>18,719,552.78</b>	<b>18,096,434.70</b>	<b>13,868,420.20</b>	<b>12,905,899.76</b>	<b>30,799,199.10</b>	<b>14,242,406.01</b>	<b>23,871,428.81</b>	<b>17,675,646.31</b>
Business-type Activities:										
County Appropriation	200,000.00	325,000.00								
Transfers		65,000.00	(57,678.65)		(129,350.07)			610,750.00	753,560.82	356,348.27
Special Item										
Loss on Disposal of Fixed Assets					(9,506.37)	(6,887.24)		(1,052.94)	(2,105.33)	
Capital Contributions							74,790.48			
Cancellation of Prior Year Payable/(Receivable)	(2,200.00)	(13,500.00)	(1,562.50)	(2,368.13)		(2,491.73)			(131,716.86)	
Prior Year Revenue Adjustment		6,400.00								
<b>Total Business-type Activities</b>	<b>197,800.00</b>	<b>382,900.00</b>	<b>(59,241.15)</b>	<b>(2,368.13)</b>	<b>(138,856.44)</b>	<b>(9,378.97)</b>	<b>74,790.48</b>	<b>609,697.06</b>	<b>619,738.63</b>	<b>356,348.27</b>
<b>Total Government-wide</b>	<b>\$ 19,340,049.78</b>	<b>\$ 19,211,268.24</b>	<b>\$ 18,660,311.63</b>	<b>\$ 18,094,066.57</b>	<b>\$ 13,729,563.76</b>	<b>\$ 12,896,520.79</b>	<b>\$ 30,873,989.58</b>	<b>\$ 14,852,103.07</b>	<b>\$ 24,491,167.44</b>	<b>\$ 18,031,994.58</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (1,370,883.95)	\$ (906,208.80)	\$ (43,552.15)	\$ (1,919,957.39)	\$ (5,304,687.40)	\$ (5,552,844.37)	\$ 14,092,607.39	\$ (224,579.60)	\$ 9,393,830.14	\$ 3,638,313.26
Business-type Activities	(114,847.69)	294,436.44	49,293.85	103,346.22	(492,485.35)	298,160.20	807,389.00	963,478.41	15,098.67	(212,063.47)
<b>Total Government</b>	<b>\$ (1,485,731.64)</b>	<b>\$ (611,772.36)</b>	<b>\$ 5,741.70</b>	<b>\$ (1,816,611.17)</b>	<b>\$ (5,797,172.75)</b>	<b>\$ (5,254,684.17)</b>	<b>\$ 14,899,996.39</b>	<b>\$ 738,898.81</b>	<b>\$ 9,408,928.81</b>	<b>\$ 3,426,249.79</b>
Source: District Records										

**NOTES:**

(1) Source: CAFR Exhibit A-2

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)  
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011(1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund										
Reserved							\$ 1,872,272.83	\$ 3,053,818.59	\$ 1,257,927.44	\$ 204,266.00
Unreserved							(733,982.95)	79,361.74	611,890.90	506,502.28
Restricted	\$ 510,877.00	\$ 450,875.00	\$ 450,873.00	\$ 836,920.00	\$ 311,715.00	\$ 111,510.00				
Assigned	2,625,892.00	1,910,458.70	2,317,066.90	803,911.10	1,359,437.80	813,331.00				
Unassigned	(474,684.93)	(485,522.29)	(216,615.89)	(233,250.22)	(128,901.72)	(55,805.19)				
<b>Total General Fund</b>	<b>\$ 2,662,084.07</b>	<b>\$ 1,875,811.41</b>	<b>\$ 2,551,324.01</b>	<b>\$ 1,407,580.88</b>	<b>\$ 1,542,251.08</b>	<b>\$ 869,035.81</b>	<b>\$ 1,138,289.88</b>	<b>\$ 3,133,180.33</b>	<b>\$ 1,869,818.34</b>	<b>\$ 710,768.28</b>
All Other Governmental Funds										
Reserved							\$ 4,607,364.74	\$ 15,092,894.35	\$ 6,412,654.48	\$ 11,754,914.11
Assigned	\$ 85,398.89	\$ 139,969.27								
Unreserved, Reported in: Special Revenue Fund									(713.00)	(713.00)
<b>Total All Other Governmental Funds</b>	<b>\$ 85,398.89</b>	<b>\$ 139,969.27</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,607,364.74</b>	<b>\$ 15,092,894.35</b>	<b>\$ 6,411,941.48</b>	<b>\$ 11,754,201.11</b>

(1) - GASB Statement No. 54 effective for the fiscal year ending June 30, 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Source: District Records



**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
County Appropriation	\$ 7,800,000.00	\$ 7,675,000.00	\$ 7,625,000.00	\$ 7,625,000.00	\$ 7,608,629.00	\$ 6,937,337.00	\$ 6,937,337.00	\$ 22,937,337.00	\$ 9,000,000.00	\$ 17,489,826.00
Tuition Charges	3,231,949.52	3,071,994.00	3,194,680.49	3,167,717.79	2,921,706.87	2,786,557.36	561,965.00	723,493.71	754,803.67	1,069,050.04
Miscellaneous	243,210.79	329,639.07	434,580.53	332,651.61	241,206.07	277,952.43	117,942.55	147,993.44	207,157.66	493,749.12
State Sources	9,581,581.63	9,214,423.17	9,312,386.34	9,271,620.29	8,526,493.23	8,165,385.66	5,658,412.87	7,796,883.61	6,275,232.95	6,049,300.33
Federal Sources	1,183,904.42	1,129,448.36	1,039,457.16	854,380.51	1,176,117.00	909,943.02	2,475,651.81	903,824.42	925,965.33	1,065,361.43
<b>Total Revenue</b>	<b>22,040,646.36</b>	<b>21,420,504.60</b>	<b>21,606,104.52</b>	<b>21,251,370.20</b>	<b>20,474,152.17</b>	<b>19,077,175.47</b>	<b>15,751,309.23</b>	<b>32,509,532.18</b>	<b>17,163,159.61</b>	<b>26,167,286.92</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	4,411,670.98	4,161,056.03	4,122,532.11	4,508,442.61	3,831,288.95	3,592,662.47	3,538,780.24	2,774,235.06	3,103,862.92	2,399,303.52
Special Education Instruction	168,473.26	270,968.93	612,774.70	626,841.52	631,697.60	543,980.90	440,488.70	536,033.31	1,440.00	2,843.00
Vocational Education	3,167,037.27	3,304,305.66	3,076,733.27	3,045,615.65	3,374,781.34	3,088,367.00	3,033,370.59	2,405,235.52	2,435,984.26	2,713,589.49
Other Instruction	613,731.65	534,593.90	521,488.05	532,291.72	443,986.75	482,555.36	350,189.33	392,614.32	269,359.74	250,880.68
Support Services:										
Student & Instruction Related Services	2,599,780.84	2,705,529.58	1,918,799.20	2,005,389.55	1,941,637.86	1,835,202.15	1,735,655.00	1,554,325.56	1,416,120.57	1,141,872.32
General Administrative Services	307,056.64	311,614.02	288,912.66	298,487.07	339,885.19	226,631.64	303,560.02	261,620.00	411,281.54	470,885.00
School Administrative Services	440,859.96	544,743.30	557,869.23	481,075.90	477,442.93	566,501.24	570,922.72	537,630.44	519,802.92	535,642.77
Business Administrative Services	312,004.92	332,432.84	236,987.27	234,405.31	255,722.28	263,874.94	226,213.61	246,955.38	178,602.66	144,729.64
Administration Information Technology	12,948.06	29,950.71	19,918.00	69,763.45	36,252.22	46,714.63	51,122.35	127,371.42		
Plant Operations and Maintenance	2,562,329.87	2,618,905.29	2,643,363.10	3,122,086.25	2,103,913.50	2,579,044.17	2,322,688.47	2,228,833.54	2,344,059.41	2,389,992.68
Care and Upkeep of Grounds	88,400.86	86,038.81	95,047.06	78,454.75	54,822.19	71,516.22	63,552.97			
Security	355,014.41	343,913.82	364,335.88	373,427.16	311,282.96	353,494.44	306,457.78			
Pupil Transportation	74,517.27	82,333.70	66,245.15	57,878.09	63,820.36	88,293.09	80,230.23	75,526.38	75,289.09	27,271.62
Other Support Services	510,567.50	497,100.05	764,676.97	625,473.00	702,090.01	607,556.13	679,778.33	483,427.03	532,915.11	1,055,069.10
Unallocated Employee Benefits	3,340,535.06	3,260,557.29	3,306,521.48	3,096,432.26	3,591,739.04	3,149,429.12	2,740,404.55	2,423,561.96	2,442,645.20	2,234,306.96
On-Behalf Pension Contributions	1,260,794.00	981,652.00	828,028.00	971,490.00	602,728.00	414,450.00	365,581.00	352,718.00	679,584.00	606,907.00
Reimbursed TPAF Social Security	514,778.63	525,121.17	549,345.37	525,637.89	550,773.96	520,294.72	469,032.52	441,961.52	410,204.24	386,323.47
Special Schools	202,477.49	207,965.12	216,487.94	258,989.74	233,692.40	208,913.88	267,602.49	228,747.71	317,083.21	511,539.85
Capital Outlay	365,965.41	1,205,138.23	272,295.95	531,537.13	212,335.56	2,174,156.63	10,098,255.16	7,493,438.00	4,824,183.84	3,351,707.51
<b>Total Expenditures</b>	<b>21,308,944.08</b>	<b>22,068,920.45</b>	<b>20,462,361.39</b>	<b>21,443,719.05</b>	<b>19,759,893.10</b>	<b>20,813,638.73</b>	<b>27,643,886.06</b>	<b>22,564,235.15</b>	<b>19,962,418.71</b>	<b>18,222,864.61</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	731,702.28	(648,415.85)	1,143,743.13	(192,348.85)	714,259.07	(1,736,463.26)	(11,892,576.83)	9,945,297.03	(2,799,259.10)	7,944,422.31
<b>Other Financing Sources (Uses)</b>										
Special Revenue Fund Adjustment						(7,501.50)		(435.11)		(14,035.30)
Cancellation of Prior Year Payables/(Receivables)					(41,043.80)	(3,262,004.12)	(587,843.23)	(547.06)	(773,200.47)	22,174.58
Refund of Prior Year Expenditures										20,672.00
Capital Leases (Non-budgeted)		112,872.52								
Transfers In/(Out)				57,678.55		129,350.07			(610,750.00)	(753,560.82)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>112,872.52</b>	<b>-</b>	<b>57,678.55</b>	<b>(41,043.80)</b>	<b>(3,140,155.55)</b>	<b>(587,843.23)</b>	<b>(982.17)</b>	<b>(1,383,950.47)</b>	<b>(724,749.54)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 731,702.28</b>	<b>\$ (535,543.33)</b>	<b>\$ 1,143,743.13</b>	<b>\$ (134,670.30)</b>	<b>\$ 673,215.27</b>	<b>\$ (4,876,618.81)</b>	<b>\$ (12,480,420.06)</b>	<b>\$ 9,944,314.86</b>	<b>\$ (4,183,209.57)</b>	<b>\$ 7,219,672.77</b>

Source: District Records

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Tuition - LEA's	\$ 3,084,493.52	\$ 3,071,994.00	\$ 3,057,950.49	\$ 2,919,685.79	\$ 2,693,204.37	\$ 2,557,307.36	\$ 211,765.00	\$ 199,844.30	\$ 112,203.67	\$ 72,550.00
Nonresident Fees	147,456.00	111,593.12	136,730.00	222,075.00	197,800.00	229,250.00	350,200.00	523,649.41	642,600.00	829,500.00
Interest Earned on Investments					2,110.05	5,974.05	15,479.92	26,922.30	49,420.46	100,965.24
Rent	157,500.00	130,500.00	178,500.00	175,000.00	146,035.00					
Summer School				25,957.00	31,286.50					
Ford Asset										167,000.04
Miscellaneous	72,308.04	38,322.45	247,261.28	150,753.13	84,673.33	258,914.78	102,462.63	121,071.14	157,737.20	390,162.59
	<u>\$ 3,461,757.56</u>	<u>\$ 3,352,409.57</u>	<u>\$ 3,620,441.77</u>	<u>\$ 3,493,470.92</u>	<u>\$ 3,155,109.25</u>	<u>\$ 3,051,446.19</u>	<u>\$ 679,907.55</u>	<u>\$ 871,487.15</u>	<u>\$ 961,961.33</u>	<u>\$ 1,560,177.87</u>

Source: District Records

## **Demographic and Economic Information**

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2016	Unavailable	Unavailable	Unavailable	Unavailable
2015	291,479	Unavailable	Unavailable	Unavailable
2014	290,951	\$ 13,559,189,453	\$ 46,603	7.1%
2013	289,940	13,096,299,860	45,169	8.5%
2012	289,671	12,986,819,943	44,833	10.0%
2011	289,363	12,583,818,144	43,488	9.3%
2010	288,602	11,951,297,422	41,411	10.0%
2009	289,920	11,843,521,920	40,851	9.2%
2008	288,168	11,725,555,920	40,690	5.4%
2007	286,056	11,115,277,992	38,857	4.3%

**Source:**

- (1) Information provided by the NJ Dept of Labor and Workforce Development  
(2) Personal income has been estimated based upon the municipal population and per capita personal income presented  
(3) Per Capita personal income data provided by the NJ Dept of Labor and Workforce Development  
(4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Principal Employers  
Current Year and Ten Years Ago  
Unaudited

<u>Employer</u>	<u>2016</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Inspira Health	1,825	1	1.28%			
Underwood Memorial Hospital				1,780	1	1.26%
Kennedy (Hospital) Health Alliance	1,675	2	1.18%	1,035	2	1.16%
Rowan University	1,483	3	1.04%	1,637	3	1.16%
Missa Bay, LLC	950	4	0.67%	600	8	0.43%
U.S. FoodService	725	5	0.51%	900	4	0.64%
Direct Group				720	5	0.51%
US Postal Service				700	6	0.50%
Compucom Systems Inc				600	7	0.43%
Sony Music				582	9	0.41%
ExxonMobil Research and Engineerir	540	6	0.38%			
LaBrea Bakery	525	7	0.37%			
Delaware Valley Wholesale Florist	500	8	0.35%	550	10	0.39%
Drugstore.com	450	9	0.32%			
Heritage Dairy Stores	450	9	0.32%			
Johnson Matthey	437	10	0.31%			
	<u>9,560</u>		<u>6.72%</u>	<u>9,104</u>		<u>6.89%</u>

**Source:** Gloucester County Department of Economic Development

## **Operating Information**

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2016	1,320.0	\$ 20,942,978.67	\$ 15,865.89	5.14%	111.50	1,320.0	1,260.9	-0.88%	95.53%
2015	1,327.5	20,863,782.22	15,716.60	-1.88%	108.50	1,327.5	1,266.7	1.69%	95.42%
2014	1,338.0	20,190,065.44	15,089.74	7.20%	109.50	1,331.7	1,289.6	6.84%	96.84%
2013	1,305.5	20,912,181.92	16,018.52	12.62%	110.00	1,305.5	1,262.9	5.87%	96.74%
2012	1,246.5	17,545,630.90	14,075.92	8.61%	107.00	1,246.5	1,208.1	7.19%	96.92%
2011	1,233.1	17,538,853.57	14,223.38	-0.30%	107.00	1,233.1	1,192.7	16.21%	96.72%
2010	1,162.9	15,070,797.15	12,959.67	-9.16%	96.00	1,162.9	1,117.1	21.85%	96.06%
2009	1,061.1	15,138,234.87	14,266.55	-8.44%	72.00	1,061.1	1,022.4	44.43%	96.35%
2008	954.4	14,871,157.10	15,581.68	4.55%	73.00	954.4	905.8	44.30%	94.91%
2007	907.0	13,518,147.29	14,904.24	0.72%	75.00	734.7	865.5	18.04%	117.80%

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

**Note:** Enrollment based on annual October district count.

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b><u>District Building</u></b>										
<b><u>Vocational-Technical School</u></b>										
Gloucester County Institute of Technology (1972)										
Square Feet	378,676	378,676	378,676	378,676	378,676	378,676	378,676	328,509	297,879	297,879
Capacity (students) <sup>1</sup>										
Enrollment	1,320.0	1,327.5	1,338.0	1,305.5	1,246.5	1,233.1	1,162.9	1,061.1	954.4	907.0

Number of Schools at June 30, 2016  
 High School - 1

<sup>1</sup> N.J.S.A. 18A:7G et seq. provides no standard capacity for County Vocational-Technical School Districts due to the specialized programs offered

**Source:** District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.



**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
 Unaudited

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

* School Facilities	Gross Square Footage	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Gloucester County Institute of Technology	378,676	\$ 273,123	\$ 360,209	\$ 190,033	\$ 636,852	\$ 322,377	\$ 290,746	\$ 217,656	\$ 183,646	\$ 190,942	\$ 176,369
<b>Total School Facilities</b>		<b>\$ 273,123</b>	<b>\$ 360,209</b>	<b>\$ 190,033</b>	<b>\$ 636,852</b>	<b>\$ 322,377</b>	<b>\$ 290,746</b>	<b>\$ 217,656</b>	<b>\$ 183,646</b>	<b>\$ 190,942</b>	<b>\$ 176,369</b>

\* 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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Insurance Schedule  
June 30, 2016  
*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
<b>Automobile Liability (1)</b>		
Bodily Injury and Property Damage	\$ 16,000,000 per occurrence	
Uninsured/Underinsured Motorists - Private Passenger Auto	1,000,000 per accident	
Uninsured/Underinsured Motorists - All Other Vehicles	15,000 Bodily Injury Per Person	
	30,000 Bodily Injury Per Accident	
	5,000 Property Damage Per Accident	
<b>Property (1)</b>		
Blanket Real and Personal Property	\$ 400,000,000 per occurrence NJSIG Limit	\$ 5,000
Blanket Extra Expense	50,000,000 per occurrence NJSIG Limit	5,000
Blanket Valuable Papers and Records	10,000,000 per occurrence NJSIG Limit	5,000
Demolition and Increased Cost of Construction	25,000,000 per occurrence NJSIG Limit	
Loss of Business Income/Tuition	2,900,000	
Pollutant Cleanup and Removal	250,000 per occurrence	
Earthquake	50,000,000 per occurrence/NJSIG annual aggregate	
Terrorism	1,000,000 per occurrence/NJSIG annual aggregate	
<b>Comprehensive General Liability (1)</b>		
Combined Single Limit for Bodily Injury & Property Damage	\$ 16,000,000 Combined Single Limit for Bodily Injury & Property Damage	
Products and Completed Operations	\$ 16,000,000 annual aggregate	
Sexual Abuse	16,000,000 per occurrence	
	17,000,000 annual NJSIG aggregate	
Personal Injury and Advertising Injury	16,000,000 per occurrence/annual aggregate	
Employee Benefits Liability	16,000,000 per occurrence/annual aggregate	\$ 1,000 per claim
Terrorism	1,000,000 per occurrence/NJSIG annual aggregate	
<b>Worker's Compensation - Employers' Liability (1)</b>		
Bodily Injury by Accident	\$ 2,000,000 each accident	
Bodily Injury by Disease	2,000,000 each employee	
Bodily Injury by Disease	2,000,000 aggregate limit	
<b>School Leaders Errors &amp; Omissions (1)</b>		
Coverage A		
Limit of Liability:	\$ 16,000,000 each policy period	\$ 5,000 each claim
Coverage B		
Limit of Liability:	\$ 100,000 each claim	\$ 5,000 each claim
	300,000 each policy period	
<b>Public Official Bonds (2)</b>		
Assistant Superintendent for Business/Board Secretary	\$ 215,000	
<b>Student Accident Policy (3)</b>		
Accident Medical Expense Benefit	\$ 6,000,000	\$ 25,000 2-year deductible incurral period
<b>Catastrophic Student Accident (4)</b>		
Catastrophic Student Accident Coverage	\$ 1,000,000	

(1) - New Jersey School Insurance Group Educational Risk and Insurance Consortium (ERIC South)

(2) - Western Surety

(3) - Monumental Life Insurance Company

(4) - National Union Fire Insurance Company of Pittsburgh, PA

Source: District Records

**SINGLE AUDIT SECTION**

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Gloucester County Vocational Technical School District  
County of Gloucester, New Jersey

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

We have audited the Gloucester County Vocational Technical School District's, a component unit of the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2016. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Gloucester County Vocational Technical School District's, a component unit of the County of Gloucester, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

***Opinion on Each Major Federal and State Program***

In our opinion, the Gloucester County Vocational Technical School District, a component unit of the County of Gloucester, 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 each of its major federal and state programs for the fiscal year ended June 30, 2016.

**Report on Internal Control Over Compliance**

Management of the Gloucester County Vocational Technical School District, a component unit of the County of Gloucester, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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 the School District's internal control over compliance.

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 1, 2016

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2016

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2015	Carryover / (Waikover) Amount
					From	To		
<b>General Fund:</b>								
U.S. Department of Health and Human Services:								
Passed-through State Department of Education:								
Medical Assistance Program	93.778	1605NJ5MAP	N/A	\$ 149.66	07/01/15	06/30/16		
Medical Assistance Program	93.778	1605NJ5MAP	N/A	3,812.22	07/01/13	06/30/14		
Total U.S. Department of Health and Human Services							-	-
U.S. Department of Homeland Security:								
Passed-through State of New Jersey:								
Federal Emergency Management Agency								
Disaster Grants	97.036	unavailable	1200-100-066-1200 -B65-YEMR-6120	26,412.30	01/01/16	12/31/16		
Total General Fund							-	-
<b>Special Revenue Fund:</b>								
U.S. Department of Education:								
Passed-through State Department of Education:								
No Child Left Behind:								
Title I, Part A	84.010	S010A150030	NCLB177516	157,119.00	7/1/2015	6/30/2016		
Title I, Part A	84.010	S010A150030	NCLB177515	104,808.00	7/1/2014	6/30/2015	\$ (18,388.95)	
Total Title I, Part A							(18,388.95)	-
Title II, Part A, Improving Teacher Quality								
Title II, Part A, Improving Teacher Quality	84.367	S367B150029	NCLB177516	12,661.00	7/1/2015	6/30/2016		
Title II, Part A, Improving Teacher Quality	84.367	S367B150029	NCLB177515	11,327.00	7/1/2014	6/30/2015	(8,327.00)	
Total Title II, Part A, Improving Teacher Quality							(8,327.00)	-
I.D.E.A. Part B:								
Basic								
Basic	84.027	H027A150100	IDEA177516	222,382.00	7/1/2015	6/30/2016		
Basic	84.027	H027A150100	IDEA177515	209,613.00	7/1/2014	6/30/2015	(48,830.00)	
Total I.D.E.A. Part B Special Education Cluster							(48,830.00)	-
Career and Technical Education - Basic Grants to States (Perkins IV)								
Post Secondary	84.048A	V048A140030	PSFS177516	103,002.00	7/1/2015	6/30/2016		
Secondary Reserve	84.048A	V048A140030	PERK177516	44,182.00	7/1/2015	6/30/2016		
Secondary	84.048A	V048A140030	PERK177516	175,103.00	7/1/2015	6/30/2016		
Total Career and Technical Education - Basic Grants to States Cluster							-	-
Total U.S. Department of Education (State)							(75,545.95)	-
U.S. Department of Labor:								
Passed-Through County of Gloucester:								
W.I.O.A. Youth Activities:								
Youth One Stop Career Center "At Risk"	17.259	unavailable	unavailable	340,000.00	7/1/2015	6/30/2016		
Youth One Stop Career Center "At Risk"	17.259	unavailable	unavailable	397,505.00	7/1/2014	6/30/2015	(33,550.14)	
Youth Summer Program	17.259	unavailable	unavailable	91,000.00	7/1/2015	6/30/2016		
Youth Summer Program	17.259	unavailable	unavailable	102,495.00	7/1/2014	6/30/2015	(6,086.74)	
Total U.S. Department of Labor							(39,636.88)	-
Total Special Revenue Fund							(115,182.83)	-
<b>Enterprise Fund:</b>								
U.S. Department of Agriculture								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	16161NJ304N1099	N/A	9,505.91	7/1/2015	6/30/2016		
School Breakfast Program	10.553	16161NJ304N1099	N/A	11,155.88	7/1/2014	6/30/2015	(909.02)	
Food Distribution Program (Non-Cash Assistance)	10.555	16161NJ304N1099	N/A	31,093.21	7/1/2015	6/30/2016		
Food Distribution Program (Non-Cash Assistance)	10.555	16161NJ304N1099	N/A	23,061.82	7/1/2014	6/30/2015	940.34	
National School Lunch Program	10.555	16161NJ304N1099	N/A	58,657.52	7/1/2015	6/30/2016		
National School Lunch Program	10.555	16161NJ304N1099	N/A	71,182.28	7/1/2014	6/30/2015	(3,599.32)	
Total Child Nutrition Cluster							(3,568.00)	-
Total Enterprise Fund							(3,568.00)	-
Total Federal Financial Assistance							\$ (118,750.83)	\$ -

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

Cash Received	Budgetary Expenditures			Passed-Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016		
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 149.66	\$ 149.66		\$ 149.66				\$ (3,812.22)		
	3,812.22		3,812.22						
149.66	3,961.88	-	3,961.88	-	-	-	(3,812.22)	-	-
26,412.30	26,412.30	-	26,412.30	-	-	-			
26,561.96	30,374.18	-	30,374.18	-	-	-	(3,812.22)	-	-
116,166.00	157,119.00		157,119.00				(40,953.00)		
28,779.00	10,390.05		10,390.05						
144,945.00	167,509.05	-	167,509.05	-	-	-	(40,953.00)	-	-
8,208.00	12,661.00		12,661.00				(4,453.00)		
8,327.00									
16,535.00	12,661.00	-	12,661.00	-	-	-	(4,453.00)	-	-
156,400.00	222,382.00		222,382.00				(65,982.00)		
66,433.00	17,603.00		17,603.00						
222,833.00	239,985.00	-	239,985.00	-	-	-	(65,982.00)	-	-
103,002.00	103,002.00		103,002.00						
41,860.00	44,182.00		44,182.00				(2,322.00)		
167,237.00	175,103.00		175,103.00				(7,866.00)		
312,099.00	322,287.00	-	322,287.00	-	-	-	(10,188.00)	-	-
696,412.00	742,442.05	-	742,442.05	-	-	-	(121,576.00)	-	-
296,576.52	335,498.04		335,498.04				(38,921.52)		
38,105.11	4,554.97		4,554.97						
97,887.08	5,647.14		5,647.14				(5,647.14)		
432,568.71	437,500.49	-	437,500.49	-	-	-	(44,568.66)		-
1,128,980.71	1,179,942.54	-	1,179,942.54	-	-	-	(166,144.66)		-
9,041.32	9,505.91		9,505.91				(464.59)		
909.02									
31,093.21	29,330.43		29,330.43					\$ 1,762.78	
	940.34		940.34						
56,767.70	58,657.52		58,657.52				(1,889.82)		
3,599.32									
101,410.57	98,434.20	-	98,434.20	-	-	-	(2,354.41)	1,762.78	-
101,410.57	98,434.20	-	98,434.20	-	-	-	(2,354.41)	1,762.78	-
\$ 1,256,953.24	\$ 1,308,750.92	\$ -	\$ 1,308,750.92	\$ -	\$ -	\$ -	\$ (172,311.29)	\$ 1,762.78	\$ -

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 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		Carryover / (Walkover) Amount
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor	
<b>General Fund:</b>							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	16-495-034-5120-078	\$ 6,927,424.00	7/1/2015	6/30/2016			
Equalization Aid	15-495-034-5120-078	6,927,424.00	7/1/2014	6/30/2015	\$ (687,052.62)		
Special Education Categorical Aid	16-495-034-5120-089	677,047.00	7/1/2015	6/30/2016			
Special Education Categorical Aid	15-495-034-5120-089	677,047.00	7/1/2014	6/30/2015	(67,148.61)		
Security Aid	16-495-034-5120-084	32,222.00	7/1/2015	6/30/2016			
Security Aid	15-495-034-5120-084	32,222.00	7/1/2014	6/30/2015	(3,195.73)		
Adult and Post-Graduate Program Aid	16-100-034-5120-510	109,988.00	7/1/2015	6/30/2016			
PARCC Readiness	16-495-034-5120-098	13,980.00	7/1/2015	6/30/2016			
PARCC Readiness	15-495-034-5120-098	13,980.00	7/1/2014	6/30/2015	(1,386.52)		
Per Pupil Growth Aid	16-495-034-5120-097	13,980.00	7/1/2015	6/30/2016			
Per Pupil Growth Aid	15-495-034-5120-097	13,980.00	7/1/2014	6/30/2015	(1,386.52)		
<b>Total State Aid - Public Cluster</b>					<b>(760,170.00)</b>	<b>-</b>	<b>-</b>
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	514,778.63	7/1/2015	6/30/2016			
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	525,121.17	7/1/2014	6/30/2015	(25,113.18)		
<b>Total Reimbursed TPAF Social Security Contributions</b>					<b>(25,113.18)</b>	<b>-</b>	<b>-</b>
<b>Total General Fund</b>					<b>(785,283.18)</b>	<b>-</b>	<b>-</b>
<b>Capital Projects Fund:</b>							
New Jersey School Development Authority:							
Additional State School Building Aid - SDA Grants	1775-010-13-2001-G04	240,758.00	Project Completion		(240,758.00)		
<b>Total Capital Projects Fund</b>					<b>(240,758.00)</b>	<b>-</b>	<b>-</b>
<b>Special Revenue Fund:</b>							
New Jersey Department of Education:							
Apprentice Coordinator	16-100-034-5062-032	42,167.00	7/1/2015	6/30/2016			
Apprentice Coordinator	15-100-034-5062-032	46,000.00	7/1/2014	6/30/2015	(13,626.00)		
<b>Total Apprentice Coordinator</b>					<b>(13,626.00)</b>	<b>-</b>	<b>-</b>
<b>Total Special Revenue Fund</b>					<b>(13,626.00)</b>	<b>-</b>	<b>-</b>
<b>Enterprise Fund:</b>							
New Jersey Department of Agriculture:							
State School Lunch Program	16-100-010-3350-023	1,876.73	7/1/2015	6/30/2016			
State School Lunch Program	15-100-010-3350-023	2,329.01	7/1/2014	6/30/2015	(109.45)		
<b>Total Enterprise Fund</b>					<b>(109.45)</b>	<b>-</b>	<b>-</b>
<b>Total State Financial Assistance subject to Major Program Determination for State Single Audit</b>					<b>(1,039,776.63)</b>	<b>-</b>	<b>-</b>
<b>State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:</b>							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-behalf T.P.A.F. Pension Contributions:							
Normal Cost	16-495-034-5094-002	548,207.00	7/1/2015	6/30/2016			
Non-Contributory Insurance	16-495-034-5094-004	27,308.00	7/1/2015	6/30/2016			
Post-Retirement Medical	16-495-034-5094-001	685,279.00	7/1/2015	6/30/2016			
<b>Total General Fund (Non-Cash Assistance)</b>					<b>-</b>	<b>-</b>	<b>-</b>
<b>Total State Financial Assistance</b>					<b>\$ (1,039,776.63)</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of the schedule.



Cash Received	Adjustments	Budgetary Expenditures	Passed- Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2016			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2016	Cumulative Total Expenditures
\$ 6,240,284.47		\$ 6,927,424.00			\$ (687,139.53)			\$ (687,139.53)	\$ 6,927,424.00
687,052.62									6,927,424.00
609,889.89		677,047.00			(67,157.11)			(67,157.11)	677,047.00
67,148.61									677,047.00
29,025.86		32,222.00			(3,196.14)			(3,196.14)	32,222.00
3,195.73									32,222.00
99,078.16		109,988.00			(10,909.84)			(10,909.84)	109,988.00
12,593.31		13,980.00			(1,386.69)			(1,386.69)	13,980.00
1,386.52									13,980.00
12,593.31		13,980.00			(1,386.69)			(1,386.69)	13,980.00
1,386.52									13,980.00
<u>7,763,635.00</u>	<u>-</u>	<u>7,774,641.00</u>	<u>-</u>	<u>-</u>	<u>(771,176.00)</u>	<u>-</u>	<u>-</u>	<u>(771,176.00)</u>	<u>15,439,294.00</u>
491,677.16		514,778.63			(23,101.47)				514,778.63
25,113.18									525,121.17
<u>516,790.34</u>	<u>-</u>	<u>514,778.63</u>	<u>-</u>	<u>-</u>	<u>(23,101.47)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,039,899.80</u>
<u>8,280,425.34</u>	<u>-</u>	<u>8,289,419.63</u>	<u>-</u>	<u>-</u>	<u>(794,277.47)</u>	<u>-</u>	<u>-</u>	<u>(771,176.00)</u>	<u>16,479,193.80</u>
					(240,758.00)				
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(240,758.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31,692.00		42,167.00			(10,475.00)				42,167.00
13,626.00		207.00			(207.00)				46,000.00
<u>45,318.00</u>	<u>-</u>	<u>42,374.00</u>	<u>-</u>	<u>-</u>	<u>(10,682.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,167.00</u>
<u>45,318.00</u>	<u>-</u>	<u>42,374.00</u>	<u>-</u>	<u>-</u>	<u>(10,682.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,167.00</u>
1,820.17		1,876.73			(56.56)				1,876.73
109.45									2,329.01
<u>1,929.62</u>	<u>-</u>	<u>1,876.73</u>	<u>-</u>	<u>-</u>	<u>(56.56)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,205.74</u>
<u>8,327,672.96</u>	<u>-</u>	<u>8,333,670.36</u>	<u>-</u>	<u>-</u>	<u>(1,045,774.03)</u>	<u>-</u>	<u>-</u>	<u>(771,176.00)</u>	<u>16,571,566.54</u>
548,207.00		548,207.00							548,207.00
27,308.00		27,308.00							27,308.00
685,279.00		685,279.00							685,279.00
<u>1,260,794.00</u>	<u>-</u>	<u>1,260,794.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,260,794.00</u>
<u>\$ 9,588,466.96</u>	<u>\$ -</u>	<u>\$ 9,594,464.36</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,045,774.03)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (771,176.00)</u>	<u>\$17,832,360.54</u>

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2016

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**Note 1: BASIS OF PRESENTATION**

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

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$(11,006.00) for the general fund and was not required for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 3,961.88	\$ 9,539,207.63	\$ 9,543,169.51
Special Revenue	1,179,942.54	42,374.00	1,222,316.54
Food Service	<u>99,256.64</u>	<u>1,876.73</u>	<u>101,133.37</u>
Total Awards and Financial Assistance	<u>\$ 1,183,904.42</u>	<u>\$ 9,581,581.63</u>	<u>\$ 10,765,486.05</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2016, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, and post-retirement medical costs related to TPAF members.

**Note 6: MAJOR PROGRAMS**

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

GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued UNMODIFIED
Internal control over financial reporting:
Material weakness(es) identified? \_\_\_ yes X no
Significant deficiency(ies) identified? \_\_\_ yes X none reported
Noncompliance material to financial statements noted? \_\_\_ yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? \_\_\_ yes X no
Significant deficiency(ies) identified? \_\_\_ yes X none reported
Type of auditor's report issued on compliance for major programs UNMODIFIED
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? \_\_\_ yes X no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Row 1: 17.259, unavailable, WIOA - Youth One Stop "At Risk"

Dollar threshold used to determine Type A programs \$750,000.00
Auditee qualified as low-risk auditee? X yes \_\_\_ no



**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 2- Schedule of Financial Statement Findings***

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

None

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

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

None

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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

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

None



**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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

**FINANCIAL STATEMENT FINDINGS**

None

**FEDERAL AWARDS**

None

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None