

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Toms River, New Jersey
County of Ocean

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

TOMS RIVER, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

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

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INTRODUCTORY SECTION

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Board of Education
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Frank J. Frazee, CPA
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Board of Education

Nina Anuario.....President
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Judith DeStefano-Anen, Ed. D.Member
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September 14, 2016

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *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 recommendation, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels 9 through 12. There are also opportunities in these classes for adult learners. These include instruction for vocational education. The District completed the 2015-2016 fiscal year with an enrollment of 2,806 students, which is 97 students less than the previous year's enrollment. The following details include the changes in secondary/post secondary student enrollment each year over the last twelve years. These figures do not include our adult evening division enrollment which averages approximately 2,400 students within three semesters.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	2,806	(.97%)
2014-15	2,903	1.26%
2013-14	2,867	10.40%
2012-13	2,597	.54%
2011-12	2,583	3.73%
2010-11	2,490	(1.97%)
2009-10	2,540	5.00%
2008-09	2,423	3.00%
2007-08	2,348	2.70%
2006-07	2,286	(6%)
2005-06	2,432	(3%)
2004-05	2,506	(1%)

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

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

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

- 3) **MAJOR INITIATIVES:** The Practical Nursing students who graduated in July 2015 have recorded a 95.38% pass rate on the National Council Licensure Examination for Practical Nurses (NCLEX-PN), far surpassing the 70% average pass rate for the State of New Jersey as well as the 82.14% national average pass rate.

The Ocean County Training Center, located in Waretown, was chosen as the Business Partner of the Year for 2015-2016. The Ocean County Training Center opened its doors in September 1998 as the home of Ocean County's fire and first aid training facility. The OCVTS Law and Public Safety program is housed in the training facility, which is located in Waretown, NJ. The students, who attend career specific classes for half of their school day, have received extraordinary training opportunities through the daily operations of the facility; observing professional training sessions, participating in drills, and learning from guest speakers representing all areas of criminal justice professions. September 2015 marked the inaugural year of the full-time OCVTS Academy of Law and Public Safety. Mr. Harold Morris, Director of the Training Center, accepted the award on behalf of the training center.

OCVTS Student Services/Admissions representatives conducted 30 in-school presentations at Ocean County middle schools, distributing information about OCVTS career academies to over 3,800 students. Over 520 applications for MATES and the Performing Arts Academy were received from students entering the ninth grade in September 2015. Ultimately each academy accepted 75 students for their incoming freshman class. OCVTS representatives then addressed high school enrollment

through a series of 40 in-school presentations for high school sophomores, interacting with 4,500 students. In addition, twelve career days were held throughout the year at elementary, middle and high schools, with 23 OCVTS programs providing hands-on skill demonstration to over 3,500 students.

One hundred and twenty three Ocean County Vocational Technical School (OCVTS) students competed at the New Jersey SkillsUSA Championships in Somerset, New Jersey. SkillsUSA is a national organization which provides quality educational experiences for students in leadership, teamwork, citizenship and character development. The students competed in over 50 different career-skills events against other high school and post-secondary students from all regions of New Jersey. OCVTS students received 41 medals overall; 16 gold, 11 silver and 14 bronze. All gold medal winners were eligible to advance to the 52nd Annual SkillsUSA National Competition/Conference which was held in Louisville, Kentucky at the end of June.

Ninety-six Ocean County Vocational Technical School (OCVTS) students were recognized by the Ocean County Board of Chosen Freeholders for their outstanding achievements during 2015-2016 competitions, including: the Annual Jersey Shore/Delaware Valley Science Fair, Health Occupations Students of America (HOSA); International Thespian Society, New Jersey FCCLA State Leadership Conference, New Jersey FFA Career Development; NJ Department of Environmental Protection Mapping Contest, and SkillsUSA NJ State Conference. The students had all won their respective contests which entitled them to advance to national competitions.

The Ocean County Vocational Technical School's Apprenticeship Trades Certificate Awards Ceremony was held for 66 students who completed their four-year journey in their chosen trade – Electrical Trades; Plumbing; Heating, Ventilation, Air Conditioning, Refrigeration (HVAC-R); or Machine Trades. The OCVTS Apprenticeship programs require students to attend 576 hours of trade-related classroom instruction while logging 8,000 hours of on-the-job training with an employer who sponsors the student, over the course of four years. The graduates received certificates of completion for Ocean County Vocational Technical School as well as the New Jersey Department of Labor.

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

Over 925 students were recognized during graduation ceremonies at the seven OCVTS campuses. Students from over 30 shared-time and full-time programs at the Brick, Jackson, Lakehurst, MATES, Toms River, Waretown, and Little Egg Harbor centers received diplomas, certificates of completion and awards for outstanding achievements. Many of the students will now continue their education at two-year or four-year colleges or technical schools. Others will move directly into the workforce, well prepared to meet the challenges and expectations of their chosen careers. This year Ocean County Vocational Technical School graduates, shared-time and full-time, were offered scholarships and awards which totaled over \$23,875,086. The generosity of the Ocean County Foundation for Vocational Technical Education and the Ocean County Vocational Technical Education Association, as well as over 282 scholarship sponsors, organizations, businesses and educational institutions will assist graduates as they pursue their educational and career objectives.

- 4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for

the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

- 6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by GASB. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements: Note 1.
- 7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statement in relation to the prior year.
- 8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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

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

Respectfully submitted,



William P. Hoey, Jr.
Superintendent

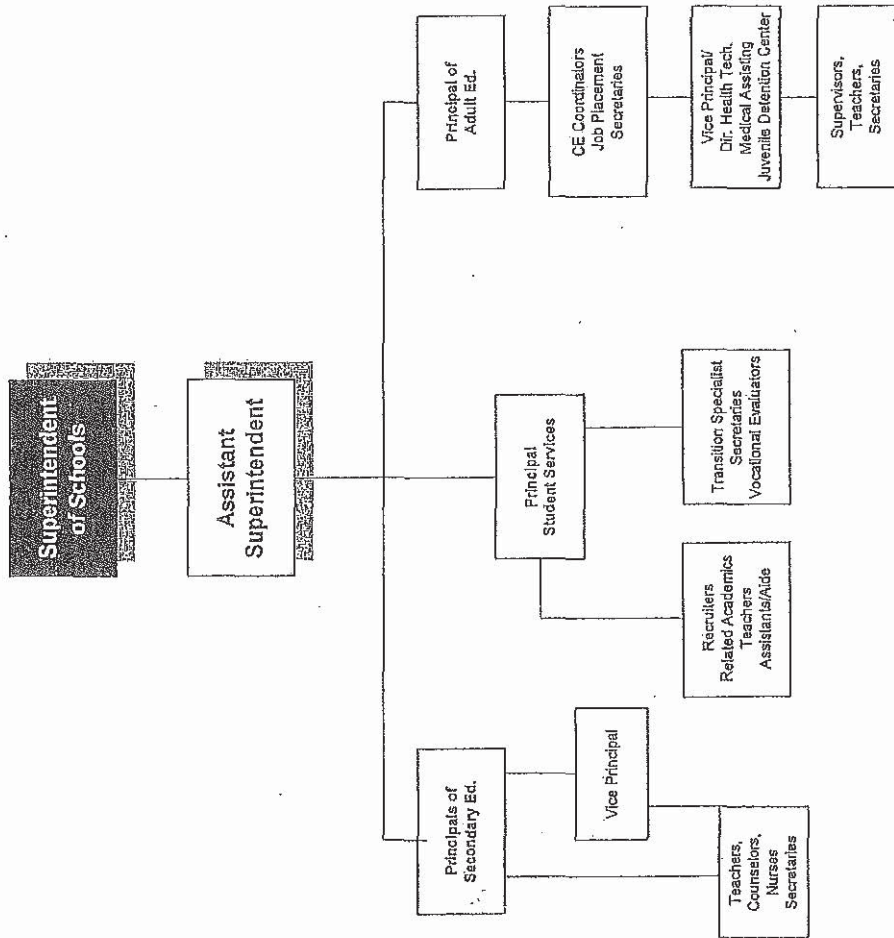


Frank J. Frazee, CPA
Business Administrator/Board Secretary

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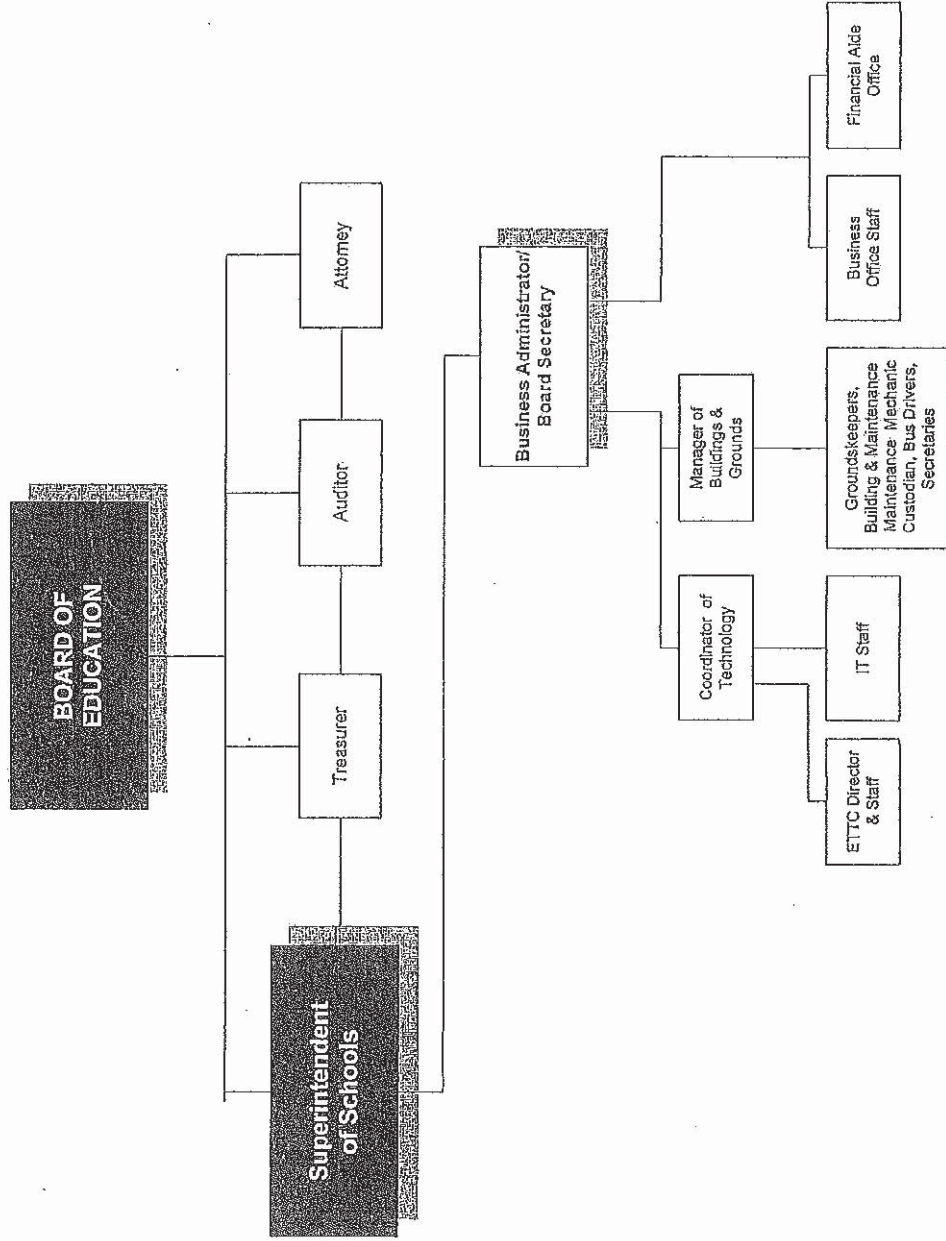
OCEAN COUNTY VOCATIONAL - TECHNICAL SCHOOLS

Administrative Organization Chart (A)



OCEAN COUNTY VOCATIONAL - TECHNICAL SCHOOLS

Administrative Organization Chart (B)



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

ROSTER OF OFFICIALS

June 30, 2016

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Nina Anuario, President	2016
Stephen Scaturro, Vice President	2017
Todd Flora	By Statute
Ronald Rosetto	2019
Maureen C. Stankowitz	2018

OTHER OFFICIALS

William P. Hoey, Jr., Superintendent

Nancy Weber-Loeffert, Assistant Superintendent

Frank J. Frazee, Business Administrator/Board Secretary

Debra L. Ness, Treasurer

Robert C. Shea, Esq., Solicitor

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

137 Bey Lea Road
Toms River, New Jersey 08753

CONSULTANTS AND ADVISORS

ARCHITECTS

Yezzi Associates
Toms River, New Jersey

ATTORNEY

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

AUDIT FIRM

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

FISCAL AGENT

Frank Frazee, School Business Administrator/Board Secretary

OFFICIAL DEPOSITORY

Wells Fargo
Toms River, New Jersey

FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Ocean County Vocational-Technical School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ocean County Vocational-Technical School District's basic financial statements. The 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 are presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and 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 September 14, 2016 on our consideration of the Ocean County Vocational-Technical School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ocean County Vocational-Technical School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey
September 14, 2016

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

UNAUDITED

The Management's Discussion and Analysis (MD&A) of the Ocean County Vocational Technical School's Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2016. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found starting on Page 1 of the Introductory Section, and the School Board's financial statements found in the Financial Section starting on Page 29 and the notes thereto.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-16 and 2014-15 fiscal years include the following:

Net position increased by \$2,167,579 for the year ending June 30, 2016 and decreased by \$474,947 for the year ending June 30, 2015, respectively. The net decrease was composed of these elements:

	2016 Increase (Decrease)	2015 Increase (Decrease)
Invested in Capital Assets	\$ 101,506	\$ (544,561)
Unrestricted	(555,351)	(214,123)
Restricted	466,437	283,737
Restricted-Capital Projects	<u>2,154,987</u>	<u>0</u>
Total	<u>\$ 2,167,579</u>	<u>\$ (474,947)</u>

The amount "invested in capital assets" (decreased) increased due to depreciation of \$1,225,660 and \$1,243,212 less the purchase of capital assets in the amount of \$1,394,243 and \$631,592 for the years ended June 30, 2016 and 2015 respectively.

Total assets (decreased) increased by \$461,622 and \$(45,782) and are attributed to the following elements:

	2016 Increase (Decrease)	2015 Increase (Decrease)
Cash & Cash Equivalents	\$ 5,864	\$ 662,019
Receivables	354,252	(163,240)
Capital assets, Net of Accumulated Depreciation	<u>101,506</u>	<u>(544,561)</u>
Total	<u>\$ 461,622</u>	<u>\$ (45,782)</u>

The cash balance increased in 2015-16 and in 2014-15 decrease due to use of maintenance and surplus funds. The receivables increased in 2015-16 due to the new State ROD grants we received and the security deposits not being completed. The increase in capital assets was due to various equipment purchases, depreciation and disposals in both years.

Total liabilities (decreased) increased by \$2,225,177 and \$749,094 due to the following items:

	2016 Increase (Decrease)	2015 Increase (Decrease)
Accounts Payable	\$ 226	\$ 245,117
PERS Pension Payable	(455,533)	0
Deferred Revenue	(59,627)	(48,410)
Other Current Liabilities	7,322	505,298
Noncurrent Liabilities Due in More Than a Year	<u>2,297,856</u>	<u>47,089</u>
Total	<u>\$ 1,790,244</u>	<u>\$ 749,094</u>

In 2015-16 and 2014-15, the differences in the liability items are insignificant to the budget as a whole. The differences are due to timing issues.

As reported in the Statement of Activities on Page 18 the cost of all of the School Board's governmental activities, including a charge for depreciation of \$1,225,660 and \$1,243,212, was \$31,968,295 and \$31,995,918 for the years ended June 30, 2016 and 2015, respectively. Of this amount, \$7,607,255 and \$4,561,218 was paid through various federal, state and local entitlement grants (restricted) for fiscal years ended June 30, 2016 and 2015, respectively. Consequently, the net cost of \$28,215,761 and \$27,434,700, after taking into consideration these fees and subsidies, was paid by the County of Ocean (county tax aid), the State of New Jersey (state education aid and entitlement grants) and from other miscellaneous revenue for fiscal year ended June 30, 2016 and June 30, 2015, respectively.

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

Table I
Changes in Net position
Year Ended June 30, 2016 and June 30, 2015

Revenues:	2016	2015
Program Revenues:		
Charges for Services	\$ 223,901	\$ 212,985
Federal, State & Local Aid-Restricted	7,617,850	4,572,108
General Revenues:		
County Tax Aid	19,855,085	17,682,949
Federal & State Aid	5,927,671	5,306,864
Interest Income		
Miscellaneous Income	746,131	1,120,198
Tuition	<u>3,885,097</u>	<u>2,850,196</u>
 Total Revenues	 <u>38,255,735</u>	 <u>31,744,846</u>
Functions/Program Expenses:		
Basic Skills/Remedial	2,893,971	3,046,659
Regular Vocational Programs-Instruction	6,039,426	5,969,783
Special Vocational Programs-Instruction	1,345,393	1,266,602
Sponsored Co-curricular Activities	244,875	226,796
Attendance & Social Work	543,096	506,732
Health Services	475,967	424,287
Other Support Services-Student-Regular	708,334	711,792
Other Support Services-Student-Special	275,095	295,591
Improvement of Instruction Services	8,297	7,897
Educational Media Services/School Library	172,526	156,045
Support Services - General Administration	935,499	809,548
Support Services - School Administration	1,810,299	1,718,525
Support Services – Central Services	647,413	611,732
Support Services – Information Technology	317,945	308,164
Required Maintenance for School Facilities	546,558	360,796
Operation & Maintenance of Plant	1,902,041	1,902,264
Care and Upkeep of Grounds	63,945	62,860
Security	78,709	52,147
Student Transportation Services	233,039	227,015
Unallocated Benefits-Employee Benefits	9,822,392	6,555,154
Unallocated Depreciation	1,225,660	1,243,212
Special Schools	5,624,554	5,532,317
Business-Type Activities	<u>265,122</u>	<u>208,086</u>
 Total Expenses	 <u>36,088,138</u>	 <u>32,204,004</u>
 Increase/(Decrease) in Net position	 <u>\$ 2,198,233</u>	 <u>\$ (459,158)</u>

USING THE ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities (Pages 29 and 30) provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. The School Board's financial statements start on Page 29. For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, such as the School Board's General Fund, Special Revenue Fund and Capital Project Fund. The remaining statement, Statement of Fiduciary Net Position, presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board's auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

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

THE SCHOOL BOARD'S FUNDS

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

As the School Board completed the fiscal year ended June 30, 2016, it reported a combined fund balance of \$5,453,184, which is an increase of \$2,595,272. As the School Board completed the fiscal year ended June 30, 2015, it reported a combined balance of \$2,857,912, which is an increase of \$241,346. The Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities on Page 39 presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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

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

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

In June 2016, the General Fund finished the fiscal year approximately \$1,237,725 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$3,202,936 better than expected. The expenditure situation represents unbudgeted TPAF and Social Security. Also, there are encumbrances of \$794,299 which represent expenditures that were transferred to the 2016-2017 school year. The revenue situation arose because of the unbudgeted TPAF and social security.

CAPITAL ASSETS

At June 30, 2016 and June 30, 2015, the School Board had approximately \$20.5 million and 20.4 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table II below shows the net book value of capital assets at the end of the 2016 and 2015 fiscal years.

Table II
Capital Assets

	2016	2015
Land & Buildings	\$34,724,737	\$34,309,210
Machinery & Equipment	14,090,275	13,177,530
Construction in Progress	<u>0</u>	<u>67,059</u>
Total Capital Assets	\$48,815,012	\$47,553,799
Accumulated Depreciation	<u>(28,291,175)</u>	<u>(27,131,486)</u>
Total Capital Assets, Net of Depreciation	<u>\$20,523,837</u>	<u>\$20,422,313</u>

During the year 2016, there were fixed asset purchases of \$1,394,243 and disposals of \$65,971. The majority of these purchases were for machinery and equipment.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2015-2016 school year, the School Board was able to sustain its budget through the county aid levy, state education aid and local revenue sources. Approximately 37% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 63% of total revenue is from county tax levy.

The \$(9,121,155) in unrestricted Net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncapital liabilities (compensated absences and the early retirement incentive loan), the School Board would be \$9,121,155 deficiency. It would utilize the sale, at the fair market value, of the capital assets to pay all expenditures.

The School Board anticipates another increase in enrollment for the 2016-17 fiscal year, but due to the elective nature of its programs, the School Board cannot accurately forecast future enrollment. Beginning in September 2015 the sending schools will pay tuition on all full and shared time students that will attend OCVTS.

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

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30 2016

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL JUNE 30, 2016
Cash & Cash Equivalents	\$ 3,150,752	\$ 6,554	\$ 3,157,306
Intergovernmental Accounts:			
Receivable Other	2,300,124	-	2,300,124
Receivable State	233,166	93	233,259
Receivable Federal	2,138	1,895	4,033
Restricted Assets:			
Capital Reserve Account - Cash	358,206	-	358,206
Capital Assets, Net (Note 5):	20,523,837	-	20,523,837
Total Assets	26,568,223	8,542	26,576,765
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	2,009,129	-	2,009,129
Total Deferred Outflow of Resources	2,009,129	-	2,009,129
Total Assets and Deferred Outflow of Resources	28,577,352	8,542	28,585,894
LIABILITIES			
Accounts Payable	425,128	-	425,128
Accrued Salaries & Wages	123,114	-	123,114
Unearned Revenue	42,960	-	42,960
Noncurrent Liabilities (Note 7):			
Due Beyond One Year	13,828,727	-	13,828,727
Total Liabilities	14,419,929	-	14,419,929
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	191,236	-	191,236
Total Deferred Inflow of Resources	191,236	-	191,236
Total Liabilities and Deferred Inflows of Resources	14,611,165	-	14,611,165
NET POSITION			
Invested in Capital Assets, Net of Related Debt	20,523,837	-	20,523,837
Restricted for:			
Other Purposes	2,205,299	-	2,205,299
Capital Projects	2,251,193	-	2,251,193
Unrestricted	(11,014,142)	8,542	(11,005,600)
Total Net Position	\$ 13,966,187	\$ 8,542	\$ 13,974,729

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

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
					JUNE 30, 2016
Governmental Activities:					
Current:					
Basic Skills/Remedial	\$ 2,893,971	\$ -	-	\$ (2,893,971)	\$ (2,893,971)
Regular Vocational Programs - Instruction	6,039,426	-	1,090,303	(4,949,123)	(4,949,123)
Special Vocational Programs - Instruction	1,345,393	-	-	(1,345,393)	(1,345,393)
Sponsored Cocurricular Activities	244,875	-	-	(244,875)	(244,875)
Support Services & Undistributed Costs:					
Attendance & Social Work	543,096	-	474,543	(68,553)	(68,553)
Health Services	475,967	-	-	(475,967)	(475,967)
Other Support Services - Student-Regular	708,334	-	-	(708,334)	(708,334)
Other Support Services - Student - Special	275,095	-	-	(275,095)	(275,095)
Improvement of Instruction Services	8,297	-	-	(8,297)	(8,297)
Educational Media Services/School Library	172,526	-	-	(172,526)	(172,526)
Support Services - General Administration	935,499	-	-	(935,499)	(935,499)
Support Services - School Administration	1,810,299	-	-	(1,810,299)	(1,810,299)
Support Services - Central Services	647,413	-	-	(647,413)	(647,413)
Support Services - Information Technology	317,945	-	-	(317,945)	(317,945)
Required Maintenance for School Facilities	546,558	-	-	(546,558)	(546,558)
Operation & Maintenance of Plant	1,810,023	-	-	(1,810,023)	(1,810,023)
Care and Upkeep of Grounds	63,945	-	-	(63,945)	(63,945)
Security	78,709	-	-	(78,709)	(78,709)
Student Transportation Services	233,039	-	-	(233,039)	(233,039)
Unallocated Benefits - Employee Benefits	9,822,392	-	6,042,409	(3,779,983)	(3,779,983)
Unallocated Depreciation	1,225,660	-	-	(1,225,660)	(1,225,660)
Special Schools	5,624,554	-	-	(5,624,554)	(5,624,554)
Total Governmental Activities	35,823,016	-	7,607,255	(28,215,761)	(28,215,761)
Business-Type Activities:					
Food Service	224,360	190,895	10,595	-	(22,870)
Enterprise Fund	40,762	33,006	-	-	(7,756)
Total Business-Type Activities	265,122	223,901	10,595	-	(30,626)

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

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

	PROGRAM REVENUES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	TOTAL
FUNCTIONS/PROGRAMS	EXPENSES	EXPENSES	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2016
Total Primary Government	\$ 36,088,138	\$ 223,901	\$ 7,617,850	(28,215,761)	(28,246,387)
General Revenues:					
County Appropriation				19,855,085	19,855,085
Federal & State Aid Not Restricted				5,927,671	5,927,671
Tuition Received				3,885,097	3,885,097
Miscellaneous Income				746,131	746,131
Total General Revenues, Special Items, Extraordinary Items & Transfers				30,413,984	30,413,984
Change In Net Position				2,198,223	2,167,597
Net Position - Beginning				11,767,964	11,807,132
Net Position - Ending				\$ 13,966,187	\$ 13,974,729

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B. Fund Financial Statements

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Governmental Funds

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	<u>TOTAL</u> JUNE 30, 2016
ASSETS				
Cash & Cash Equivalents	\$ 3,127,066	\$ 23,686	\$ -	\$ 3,150,752
Cash - Capital Reserve Account	358,206	-	-	358,206
Interfund Receivable	425,012	-	-	425,012
Intergovernmental Accounts Receivable:				
Other	82,339	88,468	2,129,317	2,300,124
Federal	-	2,138	-	2,138
State	38,359	6,125	188,682	233,166
Total Assets	<u>\$ 4,030,982</u>	<u>\$ 120,417</u>	<u>\$ 2,317,999</u>	<u>\$ 6,469,398</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 304,711	\$ 120,417	\$ -	\$ 425,128
Interfund Payable	-	-	425,012	425,012
Accrued Salaries & Wages	123,114	-	-	123,114
Unearned Revenue	42,960	-	-	42,960
Total Liabilities	<u>470,785</u>	<u>120,417</u>	<u>425,012</u>	<u>1,016,214</u>
Fund Balances:				
Restricted for:				
Capital Reserve Account	358,206	-	-	358,206
Maintenance Reserve	661,000	-	-	661,000
Capital Projects	-	-	1,892,987	1,892,987
Committed for:				
Other Purposes	416,026	-	-	416,026
Assigned for:				
Designated for Subsequent Year's				
Expenditures	750,000	-	-	750,000
Other Purposes	378,273	-	-	378,273
Unassigned:				
General Fund	996,692	-	-	996,692
Total Fund Balances	<u>3,560,197</u>	<u>-</u>	<u>1,892,987</u>	<u>5,453,184</u>
Total Liabilities & Fund Balances	<u>\$ 4,030,982</u>	<u>\$ 120,417</u>	<u>\$ 2,317,999</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$48,815,012 and the accumulated depreciation is \$28,291,175.	20,523,837
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	1,817,893
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	<u>(13,828,727)</u>

Net Position of Governmental Activities \$ 13,966,187

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL JUNE 30, 2016
REVENUES:				
County Appropriation	\$ 17,664,646	\$ -	\$ 2,190,439	\$ 19,855,085
Tuition Charges	3,885,097	-	-	3,885,097
Miscellaneous	205,024	541,107	-	746,131
State Sources	8,801,765	172,886	137,058	9,111,709
Federal Sources	-	1,117,312	-	1,117,312
Total Revenues	<u>30,556,532</u>	<u>1,831,305</u>	<u>2,327,497</u>	<u>34,715,334</u>
EXPENDITURES:				
Current:				
Basic Skills/Remedial	2,893,971	-	-	2,893,971
Regular Vocational Programs - Instruction	4,949,123	1,090,303	-	6,039,426
Special Vocational Programs - Instruction	1,345,393	-	-	1,345,393
Sponsored Cocurricular Activities	244,875	-	-	244,875
Support Services & Undistributed Costs:				
Attendance & Social Work	68,553	474,543	-	543,096
Health Services	475,967	-	-	475,967
Other Support Services - Student - Regular	708,334	-	-	708,334
Other Support Services - Student - Special	275,095	-	-	275,095
Improvement of Instruction Services	8,297	-	-	8,297
Educational Media Services/School Library	172,526	-	-	172,526
Support Services - General Administration	935,499	-	-	935,499
Support Services - School Administration	1,810,299	-	-	1,810,299
Support Services - Central Services	647,413	-	-	647,413
Support Services - Information Technology	317,945	-	-	317,945
Required Maintenance for School Facilities	546,558	-	-	546,558
Operation & Maintenance of Plant	1,759,964	-	-	1,759,964
Care and Upkeep of Grounds	63,945	-	-	63,945
Security	78,709	-	-	78,709
Student Transportation Services	233,039	-	-	233,039
Unallocated Benefits - Employee Benefits	6,017,914	-	-	6,017,914
Special Schools	5,624,554	-	-	5,624,554
Capital Outlay	672,046	266,459	438,738	1,377,243
Total Expenditures	<u>29,850,019</u>	<u>1,831,305</u>	<u>438,738</u>	<u>32,120,062</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>706,513</u>	<u>-</u>	<u>1,888,759</u>	<u>2,595,272</u>
Net Change in Fund Balances	706,513	-	1,888,759	2,595,272
Fund Balance July 1	<u>2,853,684</u>	<u>-</u>	<u>4,228</u>	<u>2,857,912</u>
Fund Balance June 30	<u>\$ 3,560,197</u>	<u>\$ -</u>	<u>\$ 1,892,987</u>	<u>\$ 5,453,184</u>

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 2,595,272

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

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

Depreciation Expense	(1,225,660)	
Capital Outlays	1,377,243	
Adjustment in Capital Assets	(50,059)	101,524

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Unfunded TPAF Pension Expense	(3,305,905)	
State Share of Unfunded TPAF Pension Expense	3,305,905	
Pension Expense - PERS Contribution - 2016	455,533	
Pension Expense	(878,367)	(422,834)

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

Prior Year	1,858,810	
Current Year	(1,934,549)	(75,739)

Change in Net Position of Governmental Activities \$ 2,198,223

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Proprietary Funds

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EXHIBIT B-4

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
 PROPRIETARY FUND
 COMBINING STATEMENT OF NET POSITION
 AS OF JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		TOTAL
	FOOD SERVICE	COST RECOVERY FUND	JUNE 30, 2016
	Cash	\$ -	\$ 7,405
Intergovernmental Accounts Receivable:			
State	93	-	93
Federal	1,895	-	1,895
Total Assets	1,988	7,405	9,393
LIABILITIES			
Cash Deficit	851	-	851
Total Liabilities	851	-	851
NET POSITION			
Unrestricted	1,137	7,405	8,542
Total Net Position	\$ 1,137	\$ 7,405	\$ 8,542

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

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

	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUND		
	FOOD SERVICE	COST RECOVERY FUND	JUNE 30, 2016
OPERATING REVENUES			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch & Breakfast Programs	\$ 46,459	\$ -	\$ 46,459
Fees for Services	144,436	33,006	177,442
Total Operating Revenue	190,895	33,006	223,901
OPERATING EXPENSES			
Salaries & Wages	31,827	-	31,827
Supplies & Materials	192,533	40,762	233,295
Total Operating Expenses	224,360	40,762	265,122
Operating Income	(33,465)	(7,756)	(41,221)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	500	-	500
Federal Sources:			
National School Lunch Program	9,420	-	9,420
National School Performance Based Program	675	-	675
Total Nonoperating Revenues/(Expenses)	10,595	-	10,595
Net Income	(22,870)	(7,756)	(30,626)
Total Net Position - July 1	24,007	15,161	39,168
Total Net Position - June 30	\$ 1,137	\$ 7,405	\$ 8,542

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUND		
	FOOD SERVICE FUND	COST RECOVERY FUND	JUNE 30, 2016
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 190,895	\$ 33,006	\$ 223,901
Payments to Suppliers	(224,360)	(40,762)	(265,122)
Net Cash Flows from Operating Activities	(33,465)	(7,756)	(41,221)
Cash Flows From Noncapital Financing Activities:			
State Sources	437	-	437
Federal Sources	8,851	-	8,851
Net Cash Flows from Noncapital Financing Activities	9,288	-	9,288
Net Increase in Cash & Cash Equivalents	(24,177)	(7,756)	(31,933)
Balances - Beginning of Year	23,326	15,161	38,487
Balances - End of Year	\$ (851)	\$ 7,405	\$ 6,554

Reconciliation of Operating Income to Net Cash Flows from Operating Activities

Operating Income	\$ (33,465)	\$ (7,756)	\$ (41,221)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:			
Increase in Accounts Receivable	-	-	-
Increase/(Decrease) in Accounts Payable	-	-	-
Net Cash Flows from Operating Activities	\$ (33,465)	\$ (7,756)	\$ (41,221)

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

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Fiduciary Fund

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE			JUNE 30, 2016
	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	AGENCY FUND	
Cash & Cash Equivalents	\$ 9,885	\$ 115,109	\$ 288,634	\$ 413,628
Total Assets	9,885	115,109	288,634	413,628
LIABILITIES				
Payroll Deductions & Withholdings	-	-	145,419	145,419
Payable - Quarterly Unemployment	-	396	-	396
Due to Student Groups	-	-	143,215	143,215
Total Liabilities	-	396	288,634	289,030
NET POSITION				
Reserved for Unemployment Claims	-	114,713	-	114,713
Reserved for Students	9,885	-	-	9,885
Total Net Position	\$ 9,885	\$ 114,713	\$ -	\$ 124,598

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>PRIVATE PURPOSE</u>		JUNE 30, 2016
	SCHOLARSHIP TRUST	UNEMPLOYMENT TRUST	
ADDITIONS			
Contributions	\$ 38,800	\$ 26,500	\$ 65,300
Total Contributions	<u>38,800</u>	<u>26,500</u>	<u>65,300</u>
Total Additions	<u>38,800</u>	<u>26,500</u>	<u>65,300</u>
DEDUCTIONS			
Unemployment Claims	-	9,601	9,601
Scholarship Payments	<u>33,950</u>	<u>-</u>	<u>33,950</u>
Total Deductions	<u>33,950</u>	<u>9,601</u>	<u>43,551</u>
Change in Net Position	4,850	16,899	21,749
Net Position, July 1	<u>5,035</u>	<u>97,814</u>	<u>102,849</u>
Net Position, June 30	<u>\$ 9,885</u>	<u>\$ 114,713</u>	<u>\$ 124,598</u>

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Ocean County Vocational-Technical School District is a Type I District located in the County of Ocean, State of New Jersey. As a Type I District, the School District functions independently through a Board of Education. The Board consists of appointed officials by the County Freeholders and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The District provides a full range of educational services appropriate to grade levels 9 through 12. The Ocean County Vocational-Technical School District has an approximate enrollment at June 30, 2016 of 2,307 students.

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

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

B. Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

C. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued)

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

meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

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

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

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

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

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

E. Fund Accounting

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued)

E. Fund Accounting (continued)

Governmental Funds

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

As required by the New Jersey Department of Education Ocean County Vocational-Technical School District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

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

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

Proprietary Fund

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

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

The District's Enterprise Fund is comprised of the Food Service Fund and Cost Recovery Fund.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued)

E. Fund Accounting (continued)

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

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

Food Service Fund:	
Equipment	5-15 Years

Fiduciary Fund

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

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

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

F. Basis of Accounting

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

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued)

F. Basis of Accounting (continued)

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

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

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

G. Budgets/Budgetary Control

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

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

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

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued)

G. Budgets/Budgetary Control (continued)

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

H. Encumbrances

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

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

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

I. Cash and Cash Equivalents

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

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

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

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued)

J. Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

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

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

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

M. Compensated Absences

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

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

N. Unearned Revenue

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued)

O. Long-Term Obligations

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

P. Fund Balance

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

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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

Q. Net Position

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

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued)

R. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

S. Pensions

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

T. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through September 14, 2016, which is the date the financial statements were available to be issued.

U. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

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

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued)

U. Impact of Recently Issued Accounting Principles (continued)

Recently Issued and Adopted Accounting Pronouncements

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

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

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

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

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

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. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued)

U. Impact of Recently Issued Accounting Principles (continued)

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. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District’s financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District’s financial statements.

Note 2. Cash and Cash Equivalents and Investments

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2016, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	\$ 3,571,785
Money Market	358,206
Total Deposits & Investments	\$ 3,929,991
Reconciliation of Statements of Net Position:	
Governmental Activities	\$ 3,508,958
Business-Type Activities	7,405
Fiduciary Fund	413,628
Total Cash and Cash Equivalents	\$ 3,929,991

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

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

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District’s bank balance of \$4,534,598 was insured or collateralized as shown below:

Insured Under FDIC	\$	250,000
Collateralized by securities held by Pledging financial institution		486,170
Uninsured and uncollateralized		3,798,428
 Total	 \$	 <u>4,534,598</u>

Investment Interest Rate Risk – The District has not formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2016, are provided in the above schedule.

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

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

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer. At June 30, 2016, the Board of Education had no investments.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 3. Reserve Accounts

A. Capital Reserve Account

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

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

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

Balance, July 1, 2015	\$ 96,206
Deposits:	
Transfer Authorized in June 2016	<u>262,000</u>
Balance, July 1, 2016	<u>\$ 358,206</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$34,561,500. The District has approved a withdrawal of \$275,000 for the year ended June 30, 2017 for certain facility renovations.

B. Maintenance Reserve Account

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

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

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

Beginning Balance, July 1, 2015	\$ 535,000
Deposits:	
Transfer Authorized in June 2016	<u>126,000</u>
Ending Balance, June 30, 2016	<u>\$ 661,000</u>

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 4. Accounts Receivable

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 38,359	\$ 6,125	\$ 188,682	\$ 93	\$ 233,259
Federal Aid	-	2,138	235,730	1,895	239,763
Other	82,339	88,468	1,893,587	-	2,064,394
	<u>\$ 120,698</u>	<u>\$ 96,731</u>	<u>\$ 2,317,999</u>	<u>\$ 1,988</u>	<u>\$ 2,537,416</u>

Note 5. Capital Assets

The following schedule is a summarization of the general capital assets by source for the fiscal year ended June 30, 2016:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Governmental Activities				
Capital assets not being depreciated:				
Construction in Progress	\$ 67,059	\$ -	\$ (67,059)	\$ -
Total capital assets not being depreciated	<u>67,059</u>	<u>-</u>	<u>(67,059)</u>	<u>-</u>
Capital assets being depreciated:				
Buildings & Improvements	34,309,210	415,527	-	34,724,737
Machinery & Equipment	13,177,530	978,716	(65,971)	14,090,275
Total capital assets being depreciated	<u>47,486,740</u>	<u>1,394,243</u>	<u>(65,971)</u>	<u>48,815,012</u>
Less: accumulated depreciation	(27,131,486)	(1,225,660)	65,971	(28,291,175)
Total capital assets being depreciated, net	<u>20,355,254</u>	<u>168,583</u>	<u>-</u>	<u>20,523,837</u>
Total Governmental Activities capital assets, net	<u>\$ 20,422,313</u>	<u>\$ 168,583</u>	<u>\$ (67,059)</u>	<u>\$ 20,523,837</u>

The District had no proprietary fund capital assets at June 30, 2016.

Note 6. Capital Projects

During the 2015-2016 school year the District was allocated \$1,893,587 by the County of Ocean to fund upgrades and improvements of various facilities.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 7. Noncurrent Liabilities

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the long-term debt account group:

	Balance 06/30/15	Issued	Retired/ Adjusted	Balance 06/30/16	Due Within One Year
Governmental Activities:					
Net Pension Liability	\$ 9,672,061	\$ 2,222,117	\$ -	\$ 11,894,178	\$ -
Compensated Absences Payable	1,858,810	75,739	-	1,934,549	-
Total	\$ 11,530,871	\$ 2,297,856	\$ -	\$ 13,828,727	\$ -

As of June 30, 2016, the School District had no authorized but not issued bonds.

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 8. Pension Obligations (continued)

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015 and 2014, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/16	\$ 318,873	100%	\$ 11,894,178
06/30/15	298,111	100%	9,672,061
06/30/14	262,967	100%	9,528,808

Components of Net Pension Liability - At June 30, 2016, the District reported a liability of \$11,894,178 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.05299%, which was an increase of 0.00133 from its proportion measured as of June 30, 2014.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 8. Pension Obligations (continued)

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

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

	<u>06/30/16</u>	<u>06/30/15</u>
	July 1, 2015	July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 2,009,129	\$ 1,050,545
Deferred Inflows of Resources	\$ 191,236	\$ 576,402
Net Pension Liability	\$ 11,894,178	\$ 9,672,061
District's portion of the Plan's total Net Pension Liability	0.05299%	0.05166%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$878,367. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 1,277,340	\$ -
Net difference between projected and actual earnings on pension plan investments	283,753	191,236
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>448,036</u>	<u>-</u>
Total	<u>\$ 2,009,129</u>	<u>\$ 191,236</u>

\$455,533 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 8. Pension Obligations (continued)

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

Year Ended June 30,		
2017	\$	312,999
2018		312,999
2019		312,999
2020		312,999
2021		312,999
Thereafter		<u>252,897</u>
Total	\$	<u>1,817,892</u>

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

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40%
	Based on Age
	Thereafter - 3.15-5.40%
	Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Health 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 8. Pension Obligations (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.9% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.8% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.9%) or 1-percentage-point higher (5.9%) than the current rate:

	<u>3.9% 1% Decrease</u>	<u>4.9% Current Discount Rate</u>	<u>5.9% 1% Increase</u>
District's proportionate share of the net pension liability	\$ 14,783,008	\$ 11,894,178	\$ 9,472,204

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 8. Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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

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

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 8. Pension Obligations (continued)

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

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

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

Year Funding	Post-Retirement		Net Pension Obligation
	Medical & Annual Pension Cost (APC)	Percentage of APC Contributed	
06/30/16	\$ 1,938,935	100%	\$-0-
06/30/15	1,519,164	100%	-0-
06/30/14	1,198,481	100%	-0-

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

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based on Experience
Inflation rate	2.50%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 8. Pension Obligations (continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.8% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 8. Pension Obligations (continued)

C. Defined Contribution Retirement Program (DCRP)

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

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

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

Note 9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

Note 10. Risk Management

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

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 10. Risk Management (continued)

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

Fiscal Year	District Contributions	Amount Reimbursed	Ending Balance
2015-2016	\$ 26,500	\$ 9,601	\$ 114,713
2014-2015	25,956	49,447	97,814
2013-2014	26,766	35,860	121,305

Note 11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 12. Economic Dependency

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

Note 13. Interfund Receivables, Payables and Transfers

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 425,012	\$ -
Capital Projects Fund	-	425,012
Total	<u>\$ 425,012</u>	<u>\$ 425,012</u>

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 13. Interfund Receivables, Payables and Transfers (continued)

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 1,119,446.00	\$ 767,909.00
Special Revenue Fund	584,959.00	584,959.00
Capital Projects Fund	<u>182,950.00</u>	<u>534,487.00</u>
	<u>\$ 1,887,355.00</u>	<u>\$ 1,887,355.00</u>

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

Note 14: Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(11,014,142) existed as of June 30, 2016 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 15. Fund Balance

General Fund – Of the \$3,560,197 General Fund fund balance at June 30, 2016, \$358,206 has been restricted for the Capital Reserve Account; \$661,000 has been restricted for the Maintenance Reserve Account; \$416,026 has been committed for other purposes; \$378,273 has been assigned for other purposes; \$750,000 is unreserved-designated for subsequent year’s expenditures and \$996,692 is unassigned.

Capital Projects Fund – Of the \$1,892,987 Capital Projects Fund fund balance at June 30, 2016, the entire amount has been restricted for the Capital Projects.

Note 16. Deferred Compensation

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

AXA Equitable	Fidelity
Lincoln	Met Life
Ameriprise	

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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

Note 17. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$1,934,549.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, no liability existed for compensated absences in the proprietary fund types.

Note 18. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by *P.L. 2004, c.73 (S1701)*, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District had no excess fund balance at June 30, 2016.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
County Appropriations	10-1200	\$ 17,664,646	\$ -	\$ 17,664,646	\$ 17,664,646	\$ -
Tuition	10-1320	3,395,500	-	3,395,500	3,885,097	489,597
Miscellaneous	10-1790	228,189	-	228,189	205,024	(23,165)
Total Local Sources		21,288,335	-	21,288,335	21,754,767	466,432
State Sources:						
Categorical Special Education Aid	10-3132	708,060	-	708,060	708,060	-
Equalization Aid	10-3176	2,014,757	-	2,014,757	2,014,757	-
Categorical Security Aid	10-3177	134,823	-	134,823	134,823	-
Adjustment Aid	10-3178	2,686,465	-	2,686,465	2,686,465	-
Adult Education Aid	10-3191	-	548,432	548,432	548,432	-
PARCC Readiness Aid	10-3196	13,780	-	13,780	13,780	-
Per Pupil Growth Aid	10-3196	13,780	-	13,780	13,780	-
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	885,066	885,066
On-Behalf TPAF Post-Retirement Medical		-	-	-	1,053,869	1,053,869
Reimbursed TPAF Social Security Contributions		-	-	-	797,569	797,569
Total State Sources		5,571,665	548,432	6,120,097	8,856,601	2,736,504
Total Revenues		26,860,000	548,432	27,408,432	30,611,368	3,202,936
Expenditures:						
Current Expense:						
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-140-100-101	3,012,183	(175,316)	2,836,867	2,836,867	-
General Supplies	11-140-100-610	61,000	2,814	63,814	47,104	16,710
Textbooks	11-140-100-640	10,000	-	10,000	10,000	-
Other Objects	11-140-100-800	2,500	-	2,500	-	2,500
Total Basic Skills/Remedial - Instruction		3,085,683	(172,502)	2,913,181	2,893,971	19,210
Regular Vocational Programs - Instruction:						
Salaries of Teachers	11-310-100-101	3,395,503	(11,473)	3,384,030	3,381,702	2,328
Other Salaries for Instruction	11-310-100-106	426,550	5,558	432,108	408,635	23,473
Purchased Professional & Educational Services	11-310-100-320	40,000	30,874	70,874	22,384	48,490
Purchased Technical Services	11-310-100-340	65,000	28,205	93,205	86,836	6,369
Travel	11-310-100-580	9,000	-	9,000	8,970	30
General Supplies	11-310-100-610	715,975	313,979	1,029,954	931,915	98,039
Textbooks	11-310-100-640	125,000	(10,901)	114,099	108,681	5,418
Total Regular Vocational Programs - Instruction		4,777,028	356,242	5,133,270	4,949,123	184,147
Special Vocational Programs - Instruction:						
Salaries of Teachers	11-320-100-101	1,059,791	29,709	1,089,500	1,082,491	7,009
Other Salaries for Instruction	11-320-100-106	18,000	(5,000)	13,000	8,316	4,684
Purchased Technical Services	11-320-100-340	4,000	-	4,000	3,190	810
Travel	11-320-100-580	750	-	750	-	750
General Supplies	11-320-100-610	143,300	129,542	272,842	250,452	22,390
Textbooks	11-320-100-640	7,600	(4,000)	3,600	944	2,656
Total Special Vocational Programs - Instruction		1,233,441	150,251	1,383,692	1,345,393	38,299
School Sponsored Cocurricular Activities:						
Other Objects	11-401-100-800	246,000	21,500	267,500	244,875	22,625
Total School Sponsored Cocurricular Activities		246,000	21,500	267,500	244,875	22,625

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

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Instruction		9,342,152	355,491	9,697,643	9,433,362	264,281
Undistributed Expenditures:						
Attendance & Social Work:						
Salaries	11-000-211-100	68,553	-	68,553	68,553	-
Total Attendance & Social Work		68,553	-	68,553	68,553	-
Health Services:						
Salaries	11-000-213-100	444,703	5,700	450,403	450,403	-
Purchased Professional Services	11-000-213-300	4,000	14,235	18,235	18,235	-
Travel	11-000-213-580	150	(150)	-	-	-
Supplies and Materials	11-000-213-600	6,500	829	7,329	7,329	-
Total Health Services		455,353	20,614	475,967	475,967	-
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	551,567	17,129	568,696	568,696	-
Salaries of Secretarial & Clerical Assistants	11-000-218-105	38,550	-	38,550	38,550	-
Purchased Professional Services	11-000-218-320	20,000	(4,102)	15,898	6,588	9,310
Travel	11-000-218-580	2,300	(1,200)	1,100	1,100	-
Supplies & Materials	11-000-218-600	62,200	36,000	98,200	93,400	4,800
Total Other Support Services - Students - Regular		674,617	47,827	722,444	708,334	14,110
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	246,077	(39,090)	206,987	206,987	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	68,925	(8,052)	60,873	60,873	-
Supplies & Materials	11-000-219-600	6,500	735	7,235	7,235	-
Total Other Support Services - Students - Special Services		321,502	(46,407)	275,095	275,095	-
Improvement of Instruction Services:						
Other Purchased Services	11-000-221-500	15,000	(5,808)	9,192	8,297	895
Total Improvement of Instruction Services		15,000	(5,808)	9,192	8,297	895
Educational Media Services/School Library:						
Supplies and Materials	11-000-222-600	137,500	49,546	187,046	172,526	14,520
Total Educational Media Services/School Library		137,500	49,546	187,046	172,526	14,520
Support Services - General Administration:						
Salaries	11-000-230-100	340,446	(15,048)	325,398	325,398	-
Legal Services	11-000-230-331	70,000	(17,940)	52,060	52,060	-
Professional Services	11-000-230-339	50,000	176,763	226,763	153,463	73,300
Communications/Telephone	11-000-230-530	227,945	(73,103)	154,842	154,825	17
Travel	11-000-230-580	7,000	924	7,924	7,834	90
Other Purchased Services	11-000-230-590	187,000	(921)	186,079	186,079	-
General Supplies	11-000-230-600	16,000	(711)	15,289	15,289	-
Miscellaneous Expenditures	11-000-230-890	36,000	4,551	40,551	40,551	-
Total Support Services - General Administration		934,391	74,515	1,008,906	935,499	73,407

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

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services - Central Services:						
Salaries	11-000-251-100	486,326	24,052	510,378	509,240	1,138
Purchased Professional Services	11-000-251-330	79,600	26,032	105,632	83,561	22,071
Purchased Technical Services	11-000-251-340	21,500	(2,427)	19,073	15,084	3,989
Travel	11-000-251-580	5,500	287	5,787	5,717	70
Supplies and Materials	11-000-251-600	5,500	-	5,500	4,871	629
Miscellaneous Expenditures	11-000-251-890	31,000	-	31,000	28,940	2,060
Total Support Services - Central Services		629,426	47,944	677,370	647,413	29,957
Support Services - School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	904,041	69,267	973,308	973,308	-
Salaries of Other Professional Staff	11-000-240-104	106,450	(1,739)	104,711	104,711	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	487,108	23,660	510,768	510,768	-
Other Salaries	11-000-240-110	101,000	(17,861)	83,139	83,139	-
Purchased Professional & Technical Services	11-000-240-300	10,000	15,030	25,030	21,279	3,751
Other Purchased Services	11-000-240-500	8,000	(500)	7,500	4,560	2,940
Travel	11-000-240-580	2,000	-	2,000	344	1,656
Supplies and Materials	11-000-240-600	73,500	(2,952)	70,548	59,250	11,298
Other Objects	11-000-240-800	73,500	(2,500)	71,000	52,940	18,060
Total Support Services - School Administration		1,765,599	82,405	1,848,004	1,810,299	37,705
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	90,250	-	90,250	90,250	-
Cleaning, Repair & Maintenance Services	11-000-261-420	390,000	129,572	519,572	426,839	92,733
General Supplies	11-000-261-610	45,000	(15,422)	29,578	29,469	109
Total Required Maintenance for School Facilities		525,250	114,150	639,400	546,558	92,842
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	577,815	(28,757)	549,058	532,040	17,018
Cleaning, Repair & Maintenance Services	11-000-262-420	399,700	151,912	551,612	504,191	47,421
Rental of Land & Building	11-000-262-441	11,500	19,928	31,428	21,926	9,502
Other Purchased Property Services	11-000-262-490	58,400	-	58,400	27,869	30,531
Miscellaneous Purchased Services	11-000-262-590	10,000	-	10,000	-	10,000
General Supplies	11-000-262-610	189,500	73,494	262,994	229,434	33,560
Energy (Heat & Electricity)	11-000-262-620	672,000	(141,966)	530,034	444,504	85,530
Total Other Operation & Maintenance of Plant Services		1,918,915	74,611	1,993,526	1,759,964	233,562
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	63,945	-	63,945	63,945	-
Total Care & Upkeep of Grounds		63,945	-	63,945	63,945	-
Security:						
Cleaning, Repair & Maintenance Services	11-000-266-420	75,000	8,888	83,888	78,709	5,179
Total Security		75,000	8,888	83,888	78,709	5,179

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

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Student Transportation Services:						
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-163	75,000	15,398	90,398	86,081	4,317
Cleaning, Repair & Maintenance Services	11-000-270-420	89,000	60,921	149,921	112,461	37,460
Miscellaneous Purchased Services - Transportation	11-000-270-593	40,000	2,425	42,425	34,497	7,928
Total Student Transportation Services		204,000	78,744	282,744	233,039	49,705
Support Services - Information Technology:						
Salaries	11-000-252-100	241,155	-	241,155	241,155	-
Travel	11-000-252-580	2,000	182	2,182	2,182	-
Supplies, Textbooks, and Materials	11-000-252-600	51,000	23,608	74,608	74,608	-
Total Support Services - Information Technology		294,155	23,790	317,945	317,945	-
Unallocated Benefits Employee Benefits:						
Social Security Contributions	11-xxx-xxx-220	275,000	-	275,000	270,940	4,060
Other Retirement Contributions - Regular	11-xxx-xxx-241	325,000	-	325,000	318,873	6,127
Other Retirement Contributions - DCRP	11-xxx-xxx-249	7,500	6,552	14,052	14,052	-
Workman's Compensation	11-xxx-xxx-260	140,000	(7,827)	132,173	130,000	2,173
Health Benefits	11-xxx-xxx-270	2,771,860	(411,705)	2,360,155	2,346,980	13,175
Tuition Reimbursement	11-xxx-xxx-280	100,000	(50,264)	49,736	49,736	-
Other Employee Benefits	11-xxx-xxx-290	123,000	27,829	150,829	150,829	-
Total Unallocated Benefits - Employee Benefits		3,742,360	(435,415)	3,306,945	3,281,410	25,535
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	885,066	(885,066)
On-Behalf TPAF Post-Retirement Medical		-	-	-	1,053,869	(1,053,869)
Reimbursed TPAF Social Security Contributions		-	-	-	797,569	(797,569)
Total Undistributed Expenditures		11,825,566	135,404	11,960,970	14,120,057	(2,159,087)
Total Expenditures - Current Expense		21,167,718	490,895	21,658,613	23,553,419	(1,894,806)
Capital Outlay:						
Increase in Capital Reserve Capital Equipment:						
Regular Programs - Instruction:						
Regular Vocational Programs	12-310-100-730	55,000	188,850	243,850	126,041	117,809
Special Education - Instruction:						
Special Vocational Programs	12-xxx-100-730	-	284,209	284,209	207,327	76,882
Operation & Maintenance of Plant Services	12-000-260-730	-	126,237	126,237	35,131	91,106
Required Maintenance for School Facilities	12-000-261-730	17,500	(17,500)	-	-	-
School Buses - Special	12-000-270-734	-	348,734	348,734	253,470	95,264
Other Objects	12-000-400-800	50,077	-	50,077	50,077	-
Total Equipment		122,577	930,530	1,053,107	672,046	381,061
Total Capital Outlay		122,577	930,530	1,053,107	672,046	381,061

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

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Special Schools:						
Post-Secondary Programs - Instruction:						
Salaries of Teachers	13-330-100-101	1,004,274	(93,942)	910,332	910,332	-
Other Salaries for Instruction	13-330-100-106	18,900	18,167	37,067	37,067	-
General Supplies	13-330-100-610	180,500	1,137	181,637	128,224	53,413
Textbooks	13-330-100-640	33,500	(18,000)	15,500	12,304	3,196
Total Post-Secondary Programs - Instruction		1,237,174	(92,638)	1,144,536	1,087,927	56,609
Post-Secondary Programs - Support Services:						
Salaries of Other Professional Staff	13-330-200-100	277,598	12,898	290,496	288,472	2,024
General Supplies	13-330-200-600	2,500	-	2,500	2,047	453
Other Objects	13-330-200-800	33,000	(25,945)	7,055	4,883	2,172
Total Post-Secondary Programs - Support Services		313,098	(13,047)	300,051	295,402	4,649
Total Post-Secondary Programs		1,550,272	(105,685)	1,444,587	1,383,329	61,258
Adult Education - Local - Support Services:						
Salaries of Teachers	13-602-200-100	8,000	190	8,190	8,190	-
Total Adult Education - Local - Support Services		8,000	190	8,190	8,190	-
Vocational Evening - Local - Instruction:						
Salaries of Teachers	13-629-100-101	285,000	(12,752)	272,248	258,696	13,552
General Supplies	13-629-100-610	50,000	23,678	73,678	70,628	3,050
Textbooks	13-629-100-640	4,000	1,900	5,900	3,960	1,940
Total Vocational Evening - Local - Instruction		339,000	12,826	351,826	333,284	18,542
Vocational Evening - Local - Support Services:						
Salaries	13-629-200-100	1,583,883	(60,077)	1,523,806	1,466,200	57,606
Personal Services - Employee Benefits	13-629-200-200	1,558,000	74,104	1,632,104	1,628,764	3,340
Purchased Professional & Technical Services	13-629-200-300	110,400	43,993	154,393	119,934	34,459
Other Purchased Services	13-629-200-500	134,300	4,281	138,581	137,985	596
Cleaning, Repair & Maintenance Services	13-629-200-xxx	185,100	105,110	290,210	228,739	61,471
Energy (Heat & Electricity)	13-629-200-xxx	249,000	(19,481)	229,519	199,555	29,964
Supplies and Materials	13-629-200-600	83,500	30,124	113,624	106,688	6,936
Other Objects	13-629-200-800	18,250	(4,516)	13,734	11,886	1,848
Total Vocational Evening - Local Support Services		3,922,433	173,538	4,095,971	3,899,751	196,220
Total Vocational Evening - Local		4,261,433	186,364	4,447,797	4,233,035	214,762
Total Special Schools		5,819,705	80,869	5,900,574	5,624,554	276,020
Total Expenditures		27,110,000	1,502,294	28,612,294	29,850,019	(1,237,725)

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

ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures After Other Financing Sources/(Uses)	(250,000)	(953,862)	(1,203,862)	761,349	1,965,211
Fund Balances, July 1	3,405,850	-	3,405,850	3,405,850	-
Fund Balances, June 30	<u>\$ 3,155,850</u>	<u>\$ (953,862)</u>	<u>\$ 2,201,988</u>	<u>\$ 4,167,199</u>	<u>\$ 1,965,211</u>

RECAPITULATION OF BUDGET TRANSFERS

Rollover Encumbrances from Prior Year	<u>\$ 953,862</u>
	<u><u>\$ 953,862</u></u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve Account	\$ 358,206
Maintenance Reserve	661,000
Committed Fund Balance:	
Year-end Encumbrances	416,026
Assigned Fund Balance:	
Year-end Encumbrances	378,273
Unreserved - Designated for Subsequent Year Expenditures	750,000
Unassigned Fund Balance	<u>1,603,694</u>
Subtotal	4,167,199
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(607,002)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 3,560,197</u></u>

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

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Local Sources	\$ 538,807	\$ 2,300	\$ 541,107	\$ 541,107	\$ -
State Sources	138,048	34,838	172,886	172,886	-
Federal Sources	842,358	274,954	1,117,312	1,117,312	-
Total Revenues	1,519,213	312,092	1,831,305	1,831,305	-
Expenditures:					
Instruction:					
Salaries of Teachers	489,791	202,508	692,299	692,299	-
Purchased Professional & Technical Services	196,286	(138,594)	57,692	57,692	-
Textbooks	700	(700)	-	-	-
General Supplies	379,628	(44,123)	335,505	335,505	-
Total Instruction	1,066,405	23,898	1,090,303	1,090,303	-
Support Services:					
Salaries - Program Director	282,413	(118,884)	163,529	163,529	-
Salaries of Secretarial&Clerical Assistants	36,850	-	36,850	36,850	-
Personal Services - Employee Benefits	108,845	125,335	234,180	234,180	-
Purchased Professional & Technical Services		10,140	10,140	10,140	-
Travel	400	(371)	29	29	-
Miscellaneous Purchased Services	800	(20)	780	780	-
Supplies & Materials	3,500	5,535	9,035	9,035	-
Miscellaneous	20,000	-	20,000	20,000	-
Total Support Services	452,808	21,735	474,543	474,543	-
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	266,459	266,459	266,459	-
Total Facilities Acquisition & Construction Services	-	266,459	266,459	266,459	-
Total Expenditures	1,519,213	312,092	1,831,305	1,831,305	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEARS ENDED JUNE 30, 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)	\$ 30,611,368	\$ 1,831,305
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	552,166	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(607,002)	-
	\$ 30,556,532	\$ 1,831,305
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$ 30,556,532	\$ 1,831,305
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 29,850,019	\$ 1,831,305
	\$ 29,850,019	\$ 1,831,305
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		
	\$ 29,850,019	\$ 1,831,305

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.053%	0.052%	0.050%
District's proportionate share of the net pension liability (asset)	\$ 11,894,178	\$ 9,672,061	\$ 9,528,808
District's covered-employee payroll	\$ 3,621,499	\$ 3,834,629	\$ 3,849,411
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	328.43%	252.23%	247.54%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 455,533	\$ 425,873	\$ 375,668
Contributions in relation to the contractually required contribution	<u>455,533</u>	<u>425,873</u>	<u>375,668</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	3,621,499	3,834,629	3,849,411
Contributions as a percentage of covered- employee payroll	12.58%	11.11%	9.76%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.109%	0.107%	0.106%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 68,638,043	\$ 57,362,420	\$ 53,396,894
District's covered-employee payroll	\$ 11,741,632	\$ 11,764,127	\$ 11,809,475
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**OCEAN COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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

	APPRENTICE COORDINATOR (CAC)	APPRENTICE COORDINATOR (NJ BUILD)	COUNTY FOUNDATION FOR VOC'L EDUCATION	OCEAN COUNTY JUVENILE DETENTION CENTER	NOAA GRANT
Revenues:					
State Sources	\$ 22,000	\$ 2,500	\$ -	\$ -	\$ -
Federal Sources	-	-	-	-	7,890
Other Sources	-	-	18,207	518,807	-
Total Revenues	\$ 22,000	\$ 2,500	\$ 18,207	\$ 518,807	\$ 7,890
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 329,274	\$ -
Other Salaries for Instruction	-	-	-	-	4,807
Purchased Professional & Technical Services	-	-	-	-	-
General Supplies	-	-	18,207	-	3,083
Total Instruction	-	-	18,207	329,274	7,890
Support Services:					
Salaries of Supervisors of Instruction	22,000	2,500	-	20,000	-
Salaries of Secretarial & Clerical Assistants	-	-	-	36,850	-
Personal Services - Employee Benefi	-	-	-	108,845	-
Purchased Professional & Technical Services	-	-	-	-	-
Travel	-	-	-	29	-
Miscellaneous Purchased Services	-	-	-	780	-
Supplies & Materials	-	-	-	3,029	-
Miscellaneous	-	-	-	20,000	-
Total Support Services	22,000	2,500	-	189,533	-
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	\$ 22,000	\$ 2,500	\$ 18,207	\$ 518,807	\$ 7,890

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

	CARL D. PERKINS GRANT SECONDARY	CARL D. PERKINS GRANT SECONDARY RESERVE	CARL D. PERKINS GRANT POST- SECONDARY	N.C.L.B/IMPROVING AMERICA'S SCHOOLS	
				TITLE I	TITLE II-A
Revenues:					
State Sources	\$ -	\$ -	\$ 148,386	\$ -	\$ -
Federal Sources	394,023	65,577	-	301,571	40,520
Other Sources	-	-	-	-	-
Total Revenues	\$ 394,023	\$ 65,577	\$ 148,386	\$ 301,571	\$ 40,520
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 239,342	\$ -
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional & Technical Services	-	38,166	7,006	-	12,520
General Supplies	144,368	10,066	131,781	-	28,000
Total Instruction	144,368	48,232	138,787	239,342	40,520
Support Services:					
Salaries of Supervisors of Instruction	-	-	-	-	-
Salaries of Secretarial & Clerical Assistants	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	62,229	-
Purchased Professional & Technical Services	-	10,140	-	-	-
Travel	-	-	-	-	-
Miscellaneous Purchased Services	-	-	-	-	-
Supplies & Materials	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Support Services	-	10,140	-	62,229	-
Facilities Acquisition & Construction Services:					
Instructional Equipment	249,655	7,205	9,599	-	-
Total Facilities Acquisition & Construction Services	249,655	7,205	9,599	-	-
Total Expenditures	\$ 394,023	\$ 65,577	\$ 148,386	\$ 301,571	\$ 40,520

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

	I.D.E.A. PART B	SAFETY GRANT	TOTAL
Revenues:			
State Sources	\$ -	\$ -	\$ 172,886
Federal Sources	307,731	-	1,117,312
Other Sources	-	4,093	541,107
	<hr/>		
Total Revenues	\$ 307,731	\$ 4,093	\$ 1,831,305
<hr/>			
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 123,683	\$ -	\$ 692,299
Other Salaries for Instruction	-	-	4,807
Purchased Professional & Technical Services	-	-	57,692
General Supplies	-	-	335,505
	<hr/>		
Total Instruction	123,683	-	1,090,303
<hr/>			
Support Services:			
Salaries of Supervisors of Instruction	119,029	-	163,529
Salaries of Secretarial & Clerical Assistants	-	-	36,850
Personal Services - Employee Benefits	63,106	-	234,180
Purchased Professional & Technical Services	-	-	10,140
Travel	-	-	29
Miscellaneous Purchased Services	-	-	780
Supplies & Materials	1,913	4,093	9,035
Miscellaneous	-	-	20,000
	<hr/>		
Total Support Services	184,048	4,093	474,543
<hr/>			
Facilities Acquisition & Construction Services:			
Instructional Equipment	-	-	266,459
	<hr/>		
Total Facilities Acquisition & Construction Services	-	-	266,459
	<hr/>		
Total Expenditures	\$ 307,731	\$ 4,093	\$ 1,831,305
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F. Capital Projects Fund

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PROJECT TITLE	APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2016
		PRIOR YEAR	CURRENT YEAR	
Waretown & Jackson Centers - ADA Bathrooms	\$ 82,107	\$ 78,971	\$ -	\$ 3,136
Waretown Center - Window Replacement	108,960	109,560	-	(600)
Brick Center - Security	127,041	26,809	100,232	-
MATES Center - Security	90,270	8,397	81,873	-
Toms River Center - Security	141,489	31,853	109,636	-
Waretown Center - Security	73,760	-	71,368	2,392
Jackson Center - Security	117,969	-	75,629	42,340
Toms River Center - Roof	1,893,587	-	-	1,893,587
Total	\$ 2,635,183	\$ 255,590	\$ 438,738	\$ 1,940,855

Reconciliation of Fund Balance, June 30, 2016

Unexpended Project Balances, June 30, 2016	<u>\$ 1,940,855</u>
Total Fund Balance (Budgetary Basis) - June 30, 2016	<u>1,940,855</u>
Less:	
Unexpended County Appropriations	(33,249)
Unexpended State Aid - ROD Grants	<u>(14,619)</u>
Total Fund Balance (GAAP Basis) - June 30, 2016	<u><u>\$ 1,892,987</u></u>

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

Revenues & Other Financing Sources:	
County Funding	<u>\$ 1,893,587</u>
Total Revenues	<u>1,893,587</u>
Expenditures & Other Financing Uses:	
Project Expenditures	<u>438,738</u>
Total Expenditures	<u>438,738</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>1,454,849</u>
Net Change in Fund Balance	1,454,849
Fund Balance - Beginning	<u>486,006</u>
Fund Balance - Ending	<u><u>\$ 1,940,855</u></u>

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
WARETOWN AND JACKSON CENTERS ADA BATHROOMS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

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

ADDITIONAL PROJECT INFORMATION

Project Number	3790-040-14-2000 and 3790-020-14-2000
Grant Date	8/21/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$82,107
Additional Authorized Cost	\$82,107
Revised Authorized Cost	\$82,107
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	96.18%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
WARETOWN CENTER WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

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

ADDITIONAL PROJECT INFORMATION

Project Number	3790-040-14-1006
Grant Date	11/18/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$108,960
Additional Authorized Cost	\$108,960
Revised Authorized Cost	\$108,960
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
BRICK CENTER SECURITY
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ 94,910	\$ (11,142)	\$ 83,768	\$ 83,768
State Sources - ROD Grants	43,273	-	43,273	43,273
Total Revenues	138,183	(11,142)	127,041	127,041
Expenditures & Other Financing Uses:				
Project Expenditures	26,809	100,232	127,041	127,041
Total Expenditures & Other Financing Uses	26,809	100,232	127,041	127,041
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 111,374	\$ (111,374)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-010-14-1001
Grant Date	5/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	138,183
Additional Authorized Cost	138,183
Revised Authorized Cost	138,183
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
MATES CENTER SECURITY
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ 45,497	\$ 21,108	\$ 66,605	\$ 66,605
State Sources - ROD Grants	23,665	-	23,665	23,665
Total Revenues	69,162	21,108	90,270	90,270
Expenditures & Other Financing Uses:				
Project Expenditures	8,397	81,873	90,270	90,270
Total Expenditures & Other Financing Uses	8,397	81,873	90,270	90,270
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 60,765	\$ (60,765)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-070-14-1005
Grant Date	5/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$69,162
Additional Authorized Cost	\$69,162
Revised Authorized Cost	\$69,162
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
TOMS RIVER CENTER SECURITY
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ 67,016	\$ 39,314	\$ 106,330	\$ 106,330
State Sources - ROD Grants	35,159	-	35,159	35,159
Total Revenues	102,175	39,314	141,489	141,489
Expenditures & Other Financing Uses:				
Project Expenditures	31,853	109,636	141,489	141,489
Total Expenditures & Other Financing Uses	31,853	109,636	141,489	141,489
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 70,322	\$ (70,322)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-030-14-1003
Grant Date	5/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	102,175
Additional Authorized Cost	102,175
Revised Authorized Cost	102,175
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
WARETOWN CENTER SECURITY
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ 83,824	\$ (49,280)	\$ 34,544	\$ 34,544
State Sources - ROD Grants	39,216		39,216	39,216
Total Revenues	123,040	(49,280)	73,760	73,760
Expenditures & Other Financing Uses:				
Project Expenditures	-	71,368	71,368	71,368
Total Expenditures & Other Financing Uses	-	71,368	71,368	71,368
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 123,040	\$ (120,648)	\$ 2,392	\$ 2,392

ADDITIONAL PROJECT INFORMATION

Project Number	3790-040-14-1004
Grant Date	5/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	123,040
Additional Authorized Cost	123,040
Revised Authorized Cost	123,040
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
JACKSON CENTER SECURITY
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ 80,781	\$ -	\$ 80,781	\$ 80,781
State Sources - ROD Grants	37,188	-	37,188	37,188
Total Revenues	117,969	-	117,969	117,969
Expenditures & Other Financing Uses:				
Project Expenditures	-	75,629	75,629	117,969
Total Expenditures & Other Financing Uses	-	75,629	75,629	117,969
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 117,969	\$ (75,629)	\$ 42,340	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3790-020-14-1002
Grant Date	5/11/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	117,969
Additional Authorized Cost	117,969
Revised Authorized Cost	117,969
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	64.11%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
TOMS RIVER CENTER ROOF
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Funding	\$ -	\$ 1,893,587	\$ 1,893,587	\$ 1,893,587
Total Revenues	-	1,893,587	1,893,587	1,893,587
Expenditures & Other Financing Uses:				
Project Expenditures	-	-	-	1,893,587
Total Expenditures & Other Financing Uses	-	-	-	1,893,587
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 1,893,587	\$ 1,893,587	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	
Grant Date	3/4/2016
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,893,587
Additional Authorized Cost	1,893,587
Revised Authorized Cost	1,893,587
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

G. Proprietary Funds

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Enterprise Funds

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**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2016**

ASSETS	FOOD SERVICE FUND	COST RECOVERY FUND	2016
Cash	\$ -	\$ 7,405	\$ 7,405
Intergovernmental Accounts Receivable:			
State	93	-	93
Federal	1,895	-	1,895
Total Assets	1,988	7,405	9,393
LIABILITIES			
Cash Deficit	851	-	851
Total Liabilities	851	-	851
NET POSITION			
Unrestricted	1,137	7,405	8,542
Total Net Position	\$ 1,137	\$ 7,405	\$ 8,542

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2016**

	FOOD SERVICE FUND	COST RECOVERY FUND	2016
OPERATING REVENUES			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch & Breakfast Programs	\$ 46,459	\$ -	\$ 46,459
Fees for Services	144,436	33,006	177,442
Total Operating Revenue	190,895	33,006	223,901
OPERATING EXPENSES			
Salaries & Wages	31,827	-	31,827
Supplies & Materials	192,533	40,762	233,295
Total Operating Expenses	224,360	40,762	265,122
Operating Income	(33,465)	(7,756)	(41,221)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	500	-	500
Federal Sources:			
National School Lunch Program	9,420	-	9,420
National School Performance Based Program	675	-	675
Total Nonoperating Revenues/(Expenses)	10,595	-	10,595
Net Income	(22,870)	(7,756)	(30,626)
Net Position - July 1	24,007	15,161	39,168
Net Position - June 30	\$ 1,137	\$ 7,405	\$ 8,542

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 SCHEDULE OF CASH FLOWS
 AS OF JUNE 30, 2016**

	<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u>			
	<u>FOOD</u> <u>SERVICE</u> <u>FUND</u>	<u>COST RECOVERY</u> <u>FUND</u>		2016
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 190,895	\$ 33,006	\$	223,901
Payments to Suppliers	(224,360)	(40,762)	(265,122)	
	<hr/>			
Net Cash Flows from Operating Activities	(33,465)	(7,756)	(41,221)	
	<hr/>			
Cash Flows From Noncapital Financing Activities:				
State Sources	437	-	437	
Federal Sources	8,851	-	8,851	
	<hr/>			
Net Cash Flows from Noncapital Financing Activities	9,288	-	9,288	
	<hr/>			
Net Increase in Cash & Cash Equivalents	(24,177)	(7,756)	(31,933)	
Balances - Beginning of Year	23,326	15,161	38,487	
	<hr/>			
Balances - End of Year	\$ (851)	\$ 7,405	\$ 6,554	
	<hr/>			

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

Operating Income	\$ (33,465)	\$ (7,756)	\$ (41,221)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:			
Increase/(Decrease) in Accounts Receivable	-	-	-
Increase/(Decrease) in Accounts Payable	-	-	-
	<hr/>		
Total Adjustments	-	-	-
	<hr/>		
Net Cash Flows from Operating Activities	\$ (33,465)	\$ (7,756)	\$ (41,221)
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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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

ASSETS	PRIVATE PURPOSE		AGENCY			2016
	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL	PELL GRANT	
Cash & Cash Equivalents	\$ 9,885	\$ 115,109	\$ 143,215	\$ 145,419	\$ -	\$ 413,628
Total Assets	9,885	115,109	143,215	145,419	-	413,628
LIABILITIES						
Payroll Deductions & Withholdings	-	-	-	145,419	-	145,419
Payable - Quarterly Unemployment Due to Student Groups	-	396	-	-	-	396
	-	-	143,215	-	-	143,215
Total Liabilities	-	396	143,215	145,419	-	289,030
NET POSITION						
Reserved for Unemployment Claims	-	114,713	-	-	-	114,713
Reserved for Students	9,885	-	-	-	-	9,885
Total Net Position	\$ 9,885	\$ 114,713	\$ -	\$ -	\$ -	\$ 124,598

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	PRIVATE PURPOSE		2016
	SCHOLARSHIP	UNEMPLOYMENT TRUST	
OPERATING REVENUES:			
Local Sources:			
Contributions	\$ 38,800	\$ 26,500	\$ 65,300
Total Operating Revenues	38,800	26,500	65,300
OPERATING EXPENSES:			
Unemployment Compensation	-	9,601	9,601
Scholarship Payments	33,950	-	33,950
Total Operating Expenses	33,950	9,601	43,551
Excess/(Deficit) of Revenue	4,850	16,899	21,749
Net Position, July 1	5,035	97,814	102,849
Net Position, June 30	\$ 9,885	\$ 114,713	\$ 124,598

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

	BALANCE JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
Vocational Schools:				
Brick	\$ 5,090	\$ 32,597	\$ 27,579	\$ 10,108
Jackson	4,786	14,297	13,556	5,527
Waretown	2,262	5,472	4,789	2,945
Toms River	24,733	3,314	4,736	23,311
MATES	27,500	75,543	62,760	40,283
Lakehurst	58,605	93,428	97,868	54,165
Adult Education	356	-	-	356
Miscellaneous	6,520	-	-	6,520
Total All Schools	\$ 129,852	\$ 224,651	\$ 211,288	\$ 143,215

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
PAYROLL AGENCY FUND AND PAYROLL FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 27,463	\$ 18,439,992	\$ 18,322,036	\$ 145,419
Total Assets	<u>\$ 27,463</u>	<u>\$ 18,439,992</u>	<u>\$ 18,322,036</u>	<u>\$ 145,419</u>
 LIABILITIES				
Payroll Deductions & Withholdings	\$ 27,463	\$ 18,439,992	\$ 18,322,036	\$ 145,419
Total Liabilities	<u>\$ 27,463</u>	<u>\$ 18,439,992</u>	<u>\$ 18,322,036</u>	<u>\$ 145,419</u>

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

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 94	\$ 1,250,251	\$ 1,250,345	\$ -
Total Assets	<u>\$ 94</u>	<u>\$ 1,250,251</u>	<u>\$ 1,250,345</u>	<u>\$ -</u>
 LIABILITIES				
Due to Recipients	\$ 94	\$ 1,250,251	\$ 1,250,345	\$ -
Total Liabilities	<u>\$ 94</u>	<u>\$ 1,250,251</u>	<u>\$ 1,250,345</u>	<u>\$ -</u>

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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Financial Trends Information

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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Invested in Capital Assets,										
Net of, Related Debt	\$ 20,523,837	\$ 20,422,313	\$ 20,966,874	\$ 21,617,255	\$ 22,274,579	\$ 22,980,492	\$ 23,975,694	\$ 23,848,359	\$ 24,072,363	\$ 23,498,661
Restricted	2,563,505	1,835,068	1,551,331	2,025,137	1,949,551	1,532,526	1,293,057	1,674,325	1,320,744	2,395,408
Unrestricted	(9,121,155)	(10,489,417)	(746,486)	(991,667)	(143,886)	183,599	(297,915)	(237,804)	314,813	87,927
Total Governmental Activities	\$ 13,966,187	\$ 11,767,964	\$ 21,771,719	\$ 22,650,725	\$ 24,080,244	\$ 24,696,617	\$ 24,970,836	\$ 25,284,880	\$ 25,707,920	\$ 25,981,996
Business-Type Activities:										
Unrestricted	\$ 8,542	\$ 39,168	\$ 23,379	\$ 90,192	\$ 56,817	\$ 42,381	\$ 30,495	\$ 22,721	\$ 22,713	\$ 21,675
Total Business-Type Activities	\$ 8,542	\$ 39,168	\$ 23,379	\$ 90,192	\$ 56,817	\$ 42,381	\$ 30,495	\$ 22,721	\$ 22,713	\$ 21,675
District-Wide:										
Invested in Capital Assets,										
Net of, Related Debt	\$ 20,523,837	\$ 20,422,313	\$ 20,966,874	\$ 21,617,255	\$ 22,274,579	\$ 22,980,492	\$ 23,975,694	\$ 23,848,359	\$ 24,072,363	\$ 23,498,661
Restricted	2,563,505	1,835,068	1,551,331	2,025,137	1,949,551	1,532,526	1,293,057	1,674,325	1,320,744	2,395,408
Unrestricted	(9,112,613)	(10,450,249)	(723,107)	(901,475)	(87,069)	225,980	(267,420)	(215,083)	337,526	109,602
Total District-Wide Net Position	\$ 13,974,729	\$ 11,807,132	\$ 21,795,098	\$ 22,740,917	\$ 24,137,061	\$ 24,738,998	\$ 25,001,331	\$ 25,307,601	\$ 25,730,633	\$ 26,003,671

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ (2,893,971)	\$ (3,046,659)	\$ (2,946,244)	\$ (2,827,260)	\$ (2,627,618)	\$ (2,590,278)	\$ (2,713,141)	\$ (2,663,650)	\$ (2,381,141)	\$ (2,127,538)
Special Education	(1,345,393)	(1,266,602)	(1,328,327)	(1,439,906)	(1,375,274)	(1,356,206)	(1,525,494)	(1,472,442)	(1,266,441)	(1,200,688)
Other Special Education	(244,875)	(226,796)	(211,045)	(254,109)	(188,680)	(171,451)	(206,896)	(190,380)	(211,993)	(185,773)
Vocational	(6,039,426)	(5,969,783)	(5,723,492)	(5,577,705)	(5,447,967)	(5,355,192)	(5,809,188)	(5,091,878)	(4,860,667)	(4,636,374)
Support Services:										
School Administrative Services	(1,810,299)	(1,718,525)	(1,696,007)	(1,647,699)	(1,604,942)	(1,562,722)	(1,989,968)	(1,876,217)	(2,249,726)	(2,262,927)
General & Business Administrative Services	(1,900,857)	(1,729,444)	(1,726,906)	(1,670,243)	(1,516,129)	(1,540,499)	(1,582,146)	(1,505,196)	(1,528,959)	(1,499,679)
Plant Operations & Maintenance	(2,499,235)	(2,378,067)	(2,523,304)	(2,930,767)	(3,026,195)	(2,707,701)	(2,736,206)	(2,955,482)	(2,296,575)	(2,062,181)
Pupil Transportation	(233,039)	(227,015)	(203,878)	(217,048)	(217,739)	(247,656)	(276,162)	(249,708)	(187,089)	(189,943)
Business & Other Support Services	(12,005,707)	(8,657,498)	(7,516,250)	(7,753,528)	(7,028,409)	(6,366,957)	(5,843,482)	(5,423,635)	(5,910,327)	(5,649,113)
Special Schools	(5,624,554)	(5,532,317)	(5,545,655)	(5,152,877)	(4,827,816)	(4,640,294)	(4,853,142)	(4,491,531)	(4,533,579)	(4,378,610)
Unallocated Depreciation	(1,225,660)	(1,243,212)	(1,207,751)	(1,289,331)	(1,263,188)	(1,285,148)	(1,241,986)	(1,198,970)	(1,387,452)	(780,397)
Total Governmental Activities Expenses	(35,823,016)	(31,995,918)	(30,628,859)	(30,760,473)	(29,123,957)	(27,824,104)	(28,777,811)	(27,119,089)	(26,813,949)	(24,973,223)
Business-Type Activities:										
Food Service	(224,360)	(187,834)	(395,422)	(204,426)	(215,153)	(203,052)	(206,214)	(200,872)	(189,913)	(123,954)
Enterprise Fund	(40,762)	(20,252)	(31,204)	-	(1,042)	(2,015)			(3,696)	(15,858)
Total Business-Type Activities Expense	(265,122)	(208,086)	(426,626)	(204,426)	(216,195)	(205,067)	(206,214)	(200,872)	(193,609)	(139,812)
Total District Expenses	\$ (36,088,138)	\$ (32,204,004)	\$ (31,055,485)	\$ (30,964,899)	\$ (29,340,152)	\$ (28,029,171)	\$ (28,984,025)	\$ (27,319,961)	\$ (27,007,558)	\$ (25,113,035)
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 7,607,255	\$ 4,561,218	\$ 1,252,071	\$ 1,223,049	\$ 1,026,990	\$ 1,318,420	\$ 1,397,276	\$ 1,022,482	\$ 986,682	\$ 919,213
Total Governmental Activities Program Revenues	7,607,255	4,561,218	1,252,071	1,223,049	1,026,990	1,318,420	1,397,276	1,022,482	986,682	919,213
Business-Type Activities:										
Charges for Services and Operating Grants & Contributions:										
Food Service	201,490	200,086	350,941	232,801	227,405	204,410	213,988	200,880	194,597	125,018
Enterprise Fund	33,006	23,789	8,872	5,000	19,470	12,543	-	-	50	30,570

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Business Type Activities										
Program Revenues	234,496	223,875	359,813	237,801	246,875	216,953	213,988	200,880	194,647	155,588
Total District Program Revenues	\$ 7,841,751	\$ 4,785,093	\$ 1,611,884	\$ 1,460,850	\$ 1,273,865	\$ 1,535,373	\$ 1,611,264	\$ 1,223,362	\$ 1,181,329	\$ 1,074,801
Net/(Expense)/Revenue:										
Governmental Activities	\$ (28,215,761)	\$ (27,434,700)	\$ (29,376,788)	\$ (29,537,424)	\$ (28,096,967)	\$ (26,505,684)	\$ (27,380,535)	\$ (26,096,607)	\$ (25,827,267)	\$ (24,054,010)
Business-Type Activities	(30,626)	15,789	(66,813)	33,375	30,680	11,886	7,774	8	1,038	15,776
Total District-Wide Net Expense	\$ (28,246,387)	\$ (27,418,911)	\$ (29,443,601)	\$ (29,504,049)	\$ (28,066,287)	\$ (26,493,798)	\$ (27,372,761)	\$ (26,096,599)	\$ (25,826,229)	\$ (24,038,234)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
County Appropriation	\$ 19,855,085	\$ 17,682,495	\$ 17,547,596	\$ 17,364,646	\$ 17,364,646	\$ 17,364,646	\$ 17,364,646	\$ 16,777,436	\$ 15,651,381	\$ 14,228,528
County Appropriation-Capital Project	-	-	-	-	-	-	-	-	18,983	-
Unrestricted Grants & Contributions	5,927,671	5,306,864	7,475,791	7,634,557	7,207,560	6,209,785	7,361,438	6,881,334	7,811,845	7,672,270
Tuition	3,885,097	2,850,196	2,735,385	2,155,175	2,263,407	1,951,231	1,657,083	1,316,804	1,196,693	1,094,074
Miscellaneous Income	746,131	1,120,198	739,010	953,527	628,737	705,803	683,324	697,993	874,289	1,014,564
Transfers	-	-	-	-	16,244	-	-	-	-	-
Total Governmental Activities	30,413,984	26,959,753	28,497,782	28,107,905	27,480,594	26,231,465	27,066,491	25,673,567	25,553,191	24,009,436
Business-Type Activities:										
Transfers	-	-	-	(16,244)	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	(16,244)	-	-	-	-	-	-
Total District-Wide	\$ 30,413,984	\$ 26,959,753	\$ 28,497,782	\$ 28,107,905	\$ 27,480,594	\$ 26,231,465	\$ 27,066,491	\$ 25,673,567	\$ 25,553,191	\$ 24,009,436
Change in Net Position:										
Governmental Activities	\$ 2,198,223	\$ (474,947)	\$ (879,006)	\$ (1,429,519)	\$ (1,429,519)	\$ (616,373)	\$ (274,219)	\$ (314,044)	\$ (423,040)	\$ (274,076)
Business-Type Activities	(30,626)	15,789	(66,813)	33,375	17,131	30,680	11,886	7,774	8	1,038
Total District	\$ 2,167,597	\$ (459,158)	\$ (945,819)	\$ (1,396,144)	\$ (1,412,388)	\$ (585,693)	\$ (262,333)	\$ (306,270)	\$ (423,032)	\$ (273,038)

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

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Restricted	\$ 1,019,206	\$ 631,206	\$ 386,186	\$ 782,816	\$ 2,553,153	\$ 2,026,811	\$ 743,057	\$ 1,674,325	\$ 1,416,913	\$ 1,340,025
Committed	416,026	733,995	474,273	220,203	-	-	-	-	-	-
Assigned	1,128,273	469,867	690,872	1,022,118	-	-	-	-	-	-
Unassigned	996,692	1,022,844	1,065,235	728,906	926,567	921,087	1,334,187	847,158	1,024,341	1,027,322
Total General Fund	\$ 3,560,197	\$ 2,857,912	\$ 2,616,566	\$ 2,754,043	\$ 3,479,720	\$ 2,947,898	\$ 2,077,244	\$ 2,521,483	\$ 2,441,254	\$ 2,367,347
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,007	\$ 1,149,976
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	(1,626)	(1,626)
Capital Projects Fund	1,892,987	4,228	-	-	-	-	-	-	5,202	-
Total All Other Governmental Funds	\$ 1,892,987	\$ 4,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,583	\$ 1,148,350

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
County Appropriation	\$ 19,855,085	\$ 17,682,495	\$ 17,547,596	\$ 17,364,646	\$ 17,364,646	\$ 17,364,646	\$ 17,364,646	\$ 16,777,436	\$ 15,670,364	\$ 14,228,528
Tuition Charges	3,885,097	2,850,196	2,735,385	2,155,175	2,263,407	1,951,231	1,657,083	1,316,804	1,196,693	1,094,074
Interest Earnings	-	1,120,198	739,010	953,527	3,149	6,060	7,978	41,726	205,283	340,435
Miscellaneous	746,131	8,122,551	7,728,201	7,924,367	625,588	699,743	675,346	656,267	669,006	674,129
State Sources	9,111,709	226,796	211,045	188,680	188,680	171,451	206,896	190,380	211,993	185,773
Federal Sources	1,117,312	991,005	999,661	919,811	982,476	934,476	1,498,294	603,857	8,179,000	7,913,031
Total Revenue	34,715,334	30,766,445	29,749,853	29,317,526	28,491,340	27,549,885	28,463,767	26,696,049	26,539,873	24,928,649
Expenditures:										
Instruction:										
Regular Instruction	2,893,971	3,046,659	2,946,244	2,827,260	2,627,618	2,590,278	2,713,141	2,663,650	2,381,141	2,127,538
Special Education Instruction	1,345,393	1,266,602	1,328,327	1,439,906	1,375,274	1,356,206	1,525,494	1,472,442	1,266,441	1,200,688
Other Special Instruction	244,875	226,796	211,045	254,109	188,680	171,451	206,896	190,380	211,993	185,773
Vocational Education	6,039,426	5,969,783	5,723,492	5,577,705	5,447,967	5,355,192	5,809,188	5,091,878	4,860,667	4,636,374
Support Services:										
Student & Instruction Related Services	2,183,315	2,102,344	938,864	921,717	716,255	722,290	774,732	714,968	702,086	724,475
School Administrative Services	1,810,299	1,718,525	1,696,007	1,647,699	1,604,942	1,562,722	1,989,968	1,876,217	1,961,556	1,936,714
General & Business Administration Services	1,900,857	1,729,444	2,006,878	2,093,207	1,872,405	1,811,286	1,605,576	1,627,972	1,523,444	1,502,387
Plant Operations & Maintenance	2,449,176	2,327,997	2,459,236	2,886,239	2,986,232	2,649,219	2,736,206	2,955,482	2,296,575	2,062,181
Pupil Transportation	233,039	227,015	203,878	217,048	217,739	247,656	276,162	249,708	187,089	189,943
Other Support Services	6,017,914	5,628,896	6,206,266	6,362,329	5,513,596	5,224,209	5,048,180	4,653,209	5,382,008	5,276,122
Special Schools	5,624,554	5,532,317	5,545,655	5,152,877	4,827,816	4,640,294	4,853,142	4,491,531	4,533,579	4,378,610
Capital Outlay	1,377,243	748,721	621,438	676,535	597,238	348,428	1,369,321	974,966	1,961,154	2,751,741
Total Expenditures	32,120,062	30,525,099	29,887,330	30,056,631	27,975,762	26,679,231	28,908,006	26,962,403	27,267,733	26,972,546
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,595,272	241,346	(137,477)	(739,105)	515,578	870,654	(444,239)	(266,354)	(727,860)	(2,043,897)
Other Financing Sources/(Uses):										
Transfers In	-	-	-	16,244	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	16,244	-	-	-	-	-	-
Net Change in Fund Balances	\$ 2,595,272	\$ 241,346	\$ (137,477)	\$ (722,861)	\$ 515,578	\$ 870,654	\$ (444,239)	\$ (266,354)	\$ (727,860)	\$ (2,043,897)

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

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TOTAL
2016	\$ -	\$ 205,024	\$ 205,024
2015	-	578,028	578,028
2014	-	159,618	159,618
2013	-	361,866	361,866
2012	3,149	183,624	186,773
2011	6,060	245,610	251,670
2010	7,978	191,553	199,531
2009	41,726	219,714	261,440
2008	205,283	202,268	407,551
2007	340,435	209,255	549,690

Source: District records

EXHIBITS 6 THROUGH 13 ARE NOT APPLICABLE

Demographic and Economic Information

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

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

YEAR	POPULATION (a)	PER CAPITA	
		PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2016	N/A	N/A	N/A
2015	\$ 588,721	N/A	6.0%
2014	585,916	\$ 44,381	7.2%
2013	583,090	42,573	8.5%
2012	580,592	42,499	10.3%
2011	578,931	41,460	10.0%
2010	577,643	39,900	10.1%
2009	573,678	39,746	9.7%
2008	569,662	41,329	6.0%
2007	565,525	40,042	4.5%

Source:

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

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

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

EXHIBIT J-15 NOT APPLICABLE

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Operating Information

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

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

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Vocational	128	130	133	134	131	131	132	130	120	126
Support Services:										
Student & Instruction Related										
Services	22	21	22	22	22	21	23	23	26	23
School Administrative Services	38	36	35	35	35	34	36	36	36	35
General & Business Administrative										
Services	4	4	4	4	4	4	5	5	5	5
Plant Operations & Maintenance	22	22	25	23	21	22	27	25	28	27
Business & Other Support Services	17	18	18	18	18	17	18	18	16	16
Total	231	231	237	236	231	229	241	237	231	232

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	SCHOOL	PUPIL/TEACHER RATIO SENIOR HIGH	ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2016	2,047	\$ 30,742,819	\$ 15,018	4.51%	13	13	1,309	1,239	-1%	94.65%	
2015	2,072	29,776,378	14,371	-0.81%	13	13	1,321	1,249	1%	94.55%	
2014	2,020	29,265,892	14,488	-13.21%	13	13	1,311	1,246	-23%	95.04%	
2013	1,760	29,380,096	16,693	6.58%	13	13	1,666	1,544	0.26%	92.68%	
2012	1,748	27,378,524	15,663	1.24%	13	13	1,662	1,565	9.59%	94.16%	
2011	1,702	26,330,803	15,471	-2.08%	13	13	1,525	1,428	-5.28%	93.64%	
2010	1,743	27,538,685	15,800	-1.57%	13	13	1,604	1,496	6.91%	93.27%	
2009	1,619	25,987,436	16,052	-2.13%	14	14	1,507	1,404	4.13%	93.17%	
2008	1,543	25,306,579	16,401	6.04%	13	13	1,451	1,356	4.23%	93.45%	
2007	1,566	24,220,805	15,467	5.22%	14	14	1,396	1,301	-2.05%	93.19%	

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

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

DISTRICT BUILDINGS	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
High School:										
Brick Center (1972):										
Square Feet	85,870	85,870	85,870	85,870	85,870	85,870	85,870	85,870	85,870	85,870
Capacity (Students)	894	894	894	894	894	894	894	894	894	894
Enrollment	921	792	877	794	833	804	807	795	788	766
Jackson Center (1974):										
Square Feet	51,300	51,300	51,300	51,300	51,300	51,300	51,300	51,300	51,300	51,300
Capacity (Students)	454	454	454	454	454	454	454	454	454	454
Enrollment	342	345	355	366	348	358	339	366	281	279
Toms River Center (1975):										
Square Feet	56,725	56,725	56,725	56,725	56,725	56,725	56,725	56,725	56,725	56,725
Capacity (Students)	554	554	554	554	554	554	554	554	554	554
Enrollment	662	888	712	579	599	574	596	526	549	593
Waretown (1974):										
Square Feet	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Capacity (Students)	260	260	260	260	260	260	260	260	260	260
Enrollment	237	258	303	276	256	229	278	261	202	230
NLC (1994):										
Square Feet	61,506	61,506	61,506	61,506	61,506	61,506	61,506	61,506	61,506	61,506
Capacity (Students)	340	340	340	340	340	340	340	340	340	340
Enrollment	354	319	337	316	298	293	321	279	275	235
MATES (2006):										
Square Feet - 51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598
Capacity (Students)	250	250	250	250	250	250	250	250	250	250
Enrollment	274	274	266	266	249	232	220	227	205	183
Cuisine on the Green (2013):										
Square Feet - 4,200	4,200	4,200								
Capacity (Students)	18	18								
Enrollment	16	27								

Number of Schools at June 30, 2016:

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

SCHOOL FACILITIES	PROJECT #	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Brick Center	Required Maintenance	\$ 142,653	\$ 94,169	\$ 143,145	\$ 176,216	\$ 178,991	\$ 138,190	\$ 137,560	\$ 174,708	\$ 119,474	\$ 56,569
Jackson Center	Required Maintenance	87,537	57,786	87,839	108,132	109,836	84,798	84,412	107,207	73,314	19,864
Toms River Center	Required Maintenance	94,022	62,066	94,345	116,142	117,972	91,080	90,665	115,148	78,745	56,159
Ocean Center (Waretown)	Required Maintenance	38,906	25,683	39,039	48,059	48,816	37,688	37,516	47,648	32,584	9,285
Navy Lakehurst Center	Required Maintenance	85,402	56,376	85,696	105,495	107,157	82,730	82,353	104,592	71,526	52,403
Administration Building	Required Maintenance	9,532	6,292	9,565	11,775	11,960	9,234	9,192	11,674	7,983	23,606
Building 33-NAES	Required Maintenance	-	-	8,576	10,557	10,723	8,278	8,242	10,467	7,158	5,401
Building 487A-NAES	Required Maintenance	-	-	-	-	-	-	-	-	-	10,505
Student Services Center	Required Maintenance	4,863	3,210	4,880	6,007	6,102	4,711	4,690	5,956	4,073	1,445
MATES	Required Maintenance	83,643	55,215	83,932	103,323	104,950	81,027	80,657	102,438	70,053	38,224
Total		\$ 546,558	\$ 360,797	\$ 557,017	\$ 685,706	\$ 696,507	\$ 537,736	\$ 535,287	\$ 679,838	\$ 464,910	\$ 273,461

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

Source: District records

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016**

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

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Ocean County Vocational-Technical School District
County of Ocean
Toms River, New Jersey 08075

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Ocean County Vocational-Technical School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Ocean County Vocational-Technical School District basic financial statements, and have issued our report thereon dated September 14, 2016.

Internal Control Over Financial Reporting

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey
September 14, 2016

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

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

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Ocean County Vocational-Technical School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; the New Jersey State Aid/Grant Compliance Supplement; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of

compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Ocean County Vocational-Technical School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, Ocean County Vocational-Technical School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey
September 14, 2016

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OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUB-RECIPIENTS	JUNE 30, 2016	
										UNEARNED REVENUE/ (ACCOUNTS RECEIVABLE)	GRANTOR
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:											
Child Nutrition Cluster											
Cash Assistance:											
National School Lunch Program	10.555	1616INJ304N0199	\$ 9,709	7/1/14-6/30/15	\$ (609)	\$ -	609	\$ -	\$ -	\$ -	\$ -
National School Lunch Program	10.555	1616INJ304N0199	9,420	7/1/15-6/30/16	-	-	7,655	(9,420)	-	-	(1,765)
National Performance Based Lunch	10.555	1616INJ304N0199	685	7/1/14-6/30/15	(42)	-	42	-	-	-	-
National Performance Based Lunch	10.555	1616INJ304N0199	675	7/1/15-6/30/16	-	-	545	(675)	-	-	(130)
Total Child Nutrition Cluster					(651)	-	8,851	(10,095)	-	-	(1,895)
Total U.S. Department of Agriculture					(651)	-	8,851	(10,095)	-	-	(1,895)

**U.S. DEPARTMENT OF EDUCATION PASSED-
THROUGH STATE DEPARTMENT OF EDUCATION:**

Student Financial Assistance Cluster:											
Fiduciary Fund:											
Pell Grant	84.063	P063P154338	1,250,251	7/1/15-6/30/16	94	-	1,250,251	(1,250,345)	-	-	-
Total Fiduciary Fund					94	-	1,250,251	(1,250,345)	-	-	-
Special Revenue Fund:											
Perkins Grant - Secondary	84.048A	V048A140030	394,092	7/1/15-6/30/16	-	-	394,023	(394,023)	-	-	-
Perkins Grant - Secondary Reserve	84.048A	V048A140030	65,577	7/1/15-6/30/16	-	-	65,577	(65,577)	-	-	-
Total Student Financial Assistance Cluster					94	-	1,709,851	(1,709,945)	-	-	-
Special Education Cluster:											
IDEA, Part B											
Total Special Education Cluster	84.027	H027A150100	307,731	9/1/15-8/31/16	-	-	307,731	(307,731)	-	-	-
Title I											
Title II-A	84.010A	S010A150030	301,571	9/1/15-8/31/16	-	-	301,571	(301,571)	-	-	-
NOAA Grant	84.367	S367A150029	40,520	9/1/15-8/31/16	-	-	40,520	(40,520)	-	-	-
	11.463	N/A	23,010	9/1/15-12/31/17	-	-	5,752	(7,890)	-	-	(2,138)
Total Special Revenue Fund					-	-	1,115,174	(1,117,312)	-	-	(2,138)
Total U.S. Department of Education					94	-	2,365,425	(2,367,657)	-	-	(2,138)
Total Federal Financial Assistance					\$ (557)	\$ -	\$ 2,374,276	\$ (2,377,752)	\$ -	\$ -	\$ (4,033)

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	BALANCES RECEIVABLE	JUNE 30, 2016		MEMO CUMULATIVE TOTAL
										REPAYMENT OF PRIOR YEARS'	UNEARNED REVENUE/ (ACCOUNTS RECEIVABLE)	
State Department of Education:												
General Fund:												
Categorical Special Education Aid	16-495-034-5120-089	\$708,060	7/1/15-6/30/16	\$ -	\$ -	\$ 708,060	\$ (708,060)	\$ -	\$ -	\$ -	\$ -	\$ (70,806)
Equalization Aid	16-495-034-5120-078	2,014,757	7/1/15-6/30/16	-	-	2,014,757	(2,014,757)	-	-	-	-	(201,476)
Categorical Security Aid	16-495-034-5120-084	134,823	7/1/15-6/30/16	-	-	134,823	(134,823)	-	-	-	-	(13,482)
Adjustment Aid	16-495-034-5120-085	2,686,465	7/1/15-6/30/16	-	-	2,686,465	(2,686,465)	-	-	-	-	(263,639)
Adult Education Aid	16-100-034-5120-510	548,432	7/1/15-6/30/16	-	-	548,432	(548,432)	-	-	-	-	(54,843)
PARCC Readiness Aid	16-495-034-5120-098	13,780	7/1/15-6/30/16	-	-	13,780	(13,780)	-	-	-	-	(1,378)
Per Pupil Growth Aid	16-495-034-5120-097	13,780	7/1/15-6/30/16	-	-	13,780	(13,780)	-	-	-	-	(1,378)
On-Behalf TPAF Pension Contribution (Non-Budgeted)	16-495-034-5094-002	885,066	7/1/13-6/30/14	-	-	885,066	(885,066)	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical (Non-Budgeted)	16-495-034-5094-001	1,053,869	7/1/13-6/30/14	-	-	1,053,869	(1,053,869)	-	-	-	-	-
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	15-495-034-5094-003	812,947	7/1/14-6/30/15	(39,451)	-	39,451	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	16-495-034-5094-003	797,569	7/1/15-6/30/16	-	-	759,210	(797,569)	-	-	(38,359)	-	797,569
Total General Fund				(39,451)		8,857,693	(8,856,601)	-	-	(38,359)	-	(607,002)
Special Revenue Fund:												
Apprentice Coordinator Grant (CAC)	WDP 01-15-0115	22,000	7/1/14-6/30/15	(5,500)	-	5,500	-	-	-	-	-	-
Apprentice Coordinator Grant (NJ Build)	WDP 01-15-0115	2,500	7/1/14-6/30/15	(625)	-	625	-	-	-	-	-	-
Apprentice Coordinator Grant (CAC)	WDP 01-16-0115	22,000	7/1/15-6/30/16	-	-	16,500	(22,000)	-	-	(5,500)	-	22,000
Apprentice Coordinator Grant (NJ Build)	WDP 01-16-0115	2,500	7/1/15-6/30/16	-	-	1,875	(2,500)	-	-	(625)	-	2,500
Perkins Grant - Post Secondary	16-100-034-5062-032	148,456	7/1/15-6/30/16	-	-	148,386	(148,386)	-	-	-	-	148,386
Total Special Revenue Fund				(6,125)		172,886	(172,886)	-	-	(6,125)	-	172,886
School Projects Fund:												
Capital Development Authority- Ocean Center Windows	G5-6148	24,800	Open	(24,800)	-	-	-	-	-	(24,800)	-	-
Brick Center Security	G5-6121	43,273	Open	(10,721)	-	-	(40,093)	-	-	(50,814)	-	40,093
Marine Science Academy Security	G5-6149	23,665	Open	(3,359)	-	-	(32,749)	-	-	(36,108)	-	32,749
Toms River Center Security	G5-6122	35,159	Open	(12,741)	-	-	(43,854)	-	-	(56,595)	-	43,854
Ocean Center Security	G5-6147	39,216	Open	-	-	-	(28,547)	-	-	(28,547)	-	28,547
Jackson Center Security	G5-6146	37,188	Open	-	-	-	(30,252)	-	-	(30,252)	-	30,252
Total Capital Projects Fund				(51,621)		-	(175,495)	-	-	(227,116)	-	175,495
State Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program (State Share)	15-100-010-3350-023	496	7/1/14-6/30/15	(31)	-	31	-	-	-	-	-	-
National School Lunch Program (State Share)	16-100-010-3350-023	500	7/1/15-6/30/16	-	-	407	(500)	-	-	(93)	-	500
Total Enterprise Fund				(31)		438	(500)	-	-	(93)	-	500
Total State Financial Assistance				\$ (97,228)		\$ 9,031,017	(9,205,482)	\$ -	\$ -	(271,693)	\$ -	(607,002)
Less: Awards Not Subject to New Jersey OMB Circular 15-08:												
On-Behalf TPAF Pension Contribution							885,066					
On-Behalf TPAF Post-Retirement Medical							1,053,869					
Total State Financial Assistance Subject to New Jersey OMB Circular 15-08							\$ (7,266,547)					

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016**

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

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

Note 3. Relationship to Basic Financial Statements

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

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 grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016**

Note 3. Relationship to Basic Financial Statements (continued):

revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$54,836) for the general fund and \$0 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	State	Federal	Total
General Fund	\$ 8,801,765	\$ -	\$ 8,801,765
Special Revenue Fund	172,886	1,117,312	1,290,198
Capital Project Fund	137,058	-	137,058
Food Service Fund	500	10,095	10,595
Fiduciary Fund	-	1,250,345	1,250,345
Total Financial Assistance	<u>\$ 9,112,209</u>	<u>\$ 2,377,752</u>	<u>\$ 11,489,961</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

Note 6. Federal and State Loans Outstanding

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance?	No

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.027	H027A150100	I.D.E.A., Part B, Basic Regular
84.010A	S010A150030	NCLB, Title I

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance or New Jersey OMB Circular Letter 15-08 as applicable?	No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-089	Special Educational Categorical Aid
495-034-5120-085	Adjustment Aid
100-034-5120-510	Adult and Post-Graduate Program Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

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

No Current Year Findings

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

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

No Current Year Findings

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, United States OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, as applicable.

No Prior Year Findings