

**PASSAIC COUNTY TECHNICAL AND
VOCATIONAL HIGH SCHOOL
(A COMPONENT UNIT OF THE COUNTY OF PASSAIC)
WAYNE, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

**PASSAIC COUNTY TECHNICAL
AND
VOCATIONAL HIGH SCHOOL**

**Passaic County Technical and Vocational High School
(a component unit of the County of Passaic)
Wayne, New Jersey**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2016**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Passaic County Technical and Vocational High School

(a component unit of the County of Passaic)

For The Fiscal Year Ended June 30, 2016

Prepared by

Passaic County Technical and Vocational High School

Business Office

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INTRODUCTORY SECTION

Passaic County Technical Institute

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Diana C. Lobosco

Chief School Administrator

Richard J. Giglio

Business Administrator

To the Citizens and
Honorable President and
Members of the Board of Education
Passaic County Technical Institute
County of Passaic
Wayne, New Jersey

The Comprehensive Annual Financial Report of the Passaic County Technical Institute 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. 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 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 management's discussion and analysis, 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 the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES**

The Passaic County Technical Institute is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB Statement #14. All funds and account groups of the District are included in this report. The Passaic County Technical Institute Board of Education constitutes the District's reporting entity

The District is a county vocational school district that services eleven districts in the County of Passaic and approximately six out-of-county districts. The students are accepted through a point system based on criteria such as: elementary test results, attendance records, vocational aptitude, and administrative recommendations.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular and special needs vocational training, as well as a full academic component for regular and special needs students. The District completed the 2015-2016 fiscal year with an enrollment of 3,317 students, which is the same number of as the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT		
<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>PERCENT CHANGE</u>
2006-2007	2484.9	9.49
2007-2008	2799.4	12.66
2008-2009	3058.5	9.26
2009-2010	3150.8	3.02
2010-2011	3229.0	2.48
2011-2012	3237.5	.26
2012-2013	3244.5	.22
2013-2014	3251.0	.20
2014-2015	3317.0	2.03
2015-2016	3317.0	.00

The causes for the fluctuations in enrollment each year can vary, but are dependent on spacing for programs, enrollment interest in programs, returning to the home districts, or suspensions.

2. **ECONOMIC CONDITION AND OUTLOOK**

The Passaic County area has experienced a tremendous change from a dependence in the manufacturing industry to one of non-manufacturing services. Growth in retailing, wholesaling, finance and insurance has changed the economy from blue collar to white collar, from narrow to more diversified. Passaic County continues to attract large corporate employers. Additionally, many national and regional retail chains have chosen Passaic County in which to do business.

3. MAJOR INITIATIVES

A. STAFF DEVELOPMENT

During the 2015-2016 school year the district provided two full-day and three half-days for professional development. However, the full range of the district's staff development program encompasses many independent activities in which teachers have been engaged. These include graduate level courses with tuition reimbursement and opportunities to attend conferences, seminars and meetings as well as an array of workshops. The focus of these activities is consistent with the Common Core Standards, New Jersey Professional Development Standards, The TEACHNJ Act of 2012, School Improvement Panel, PARCC testing, the Next Generation Science Standards and the requirement for 21st Century CTE programs.

Over 9500 hours of professional development were recorded in the district's professional development database during school year 2015-2016. Our diverse faculty attended an equally diverse set of offerings ranging from pedagogical to vocational issues.

As a comprehensive vocational high school, our needs are unique and cross the spectrum from issues involving pedagogy, counseling, academic subjects, basic skills and ESL and a full range of vocational education areas. Meeting these needs is a monumental challenge. Our 350 teachers attended seminars and workshops designed to provide high quality and relevant professional development. We have developed an application which allows us to both analyze the type and level of participation of each of our staff members. Professional development is evaluated on a regular basis for alignment with individual Professional Growth Plans, TEACHNJ and PARCC testing. As the implementation of the PARCC testing began in March 2015, teachers received the necessary training to administer the PARCC test to 2,556 9th, 10th and 11th grade students.

PCTI also continues a commitment to excellence in technology. On-line classes are offered at no charge to teachers. These courses are part of our effort to enhance the technological proficiencies of our entire staff to maximize our large investment in educational technology. As "the magnet school for technology" in our county, we are proud to state that the courses offered are state-of-the-art and include choices that integrate technology into the curriculum. These offerings were made available to faculty during school time, after school, on weekends and during the summer. PCTI offered extensive technology training in Blackboard, Google Chrome and PowerSchool as well as on going in-service workshops related to teaching in a one-to-one educational environment.

PCTI funds allocated to outside seminars and release time are provided in the spirit of upgrading faculty teaching skills and pedagogy. Follow-up evaluation is conducted and documented for each conference attended by staff. Additionally, a survey is distributed to all staff who participate in district sponsored PD activities.

Administration continues to receive training for the Stronge Evaluation Model with all certified in Inter-rater reliability.

In conclusion, staff development has turned a new page, both nationally and at Passaic County Technical Institute, where the administration and teaching staff have joined in an unprecedented alliance to provide staff development that meets the needs of teachers and students alike. The School Improvement Panel has been instituted and has provided leadership in identifying and addressing the needs of the school community.

Comprised of two teachers and six administrators, the School Improvement Panel has created a long-range professional development plan. It should be noted that PCTI's professional development plan is distributed to the entire administrative team. It is an integral part of the planning process in developing professional improvement plans throughout the entire district. Survey results are carefully monitored and are the determining factor in planning PD activities committed to the goals of TEACHNJ.

B. COMMUNICATIONS

The Administration, Board of Education and staff of Passaic County Technical Institute remain committed to keeping an open line of communication with parents and the community. Communication continues to be a priority as PCTI expands and enhances its programs and offerings to ensure that our students are well-prepared to compete in our global society. At the start of the 2015-2016 school year we welcomed 850 Freshmen students, bringing our daytime student enrollment to over 3,200 students. In addition, our adult and continuing education programs serve approximately 1,000 adult students throughout the year. Therefore, it is essential that the PCTI mission is effectively communicated to our newcomers, parents, upperclassmen and staff, as well as to the greater community.

Our communication efforts are many and varied. Prior to the opening of school each year, a specially designed orientation program is planned not only for our 850 incoming freshmen, but for their parents as well. Students and parents are acclimated to the PCTI experience while school policies, procedures and expectations are clearly outlined for all, making the transition to PCTI a smooth and exciting experience. Parents are also encouraged to attend and actively participate in PTSO (Parent/Teacher/Student Organization) monthly meetings and principal's parent meetings. A special annual Student Activities/Art Calendar is developed and presented to parents and staff in September containing valuable information about sports and school functions, PTSO meeting dates, school holidays and closures, school/staff contact information and more. Parents are encouraged to take part in functions such as Financial Aide Workshops, Saturday Computer Workshops, Back-to-School Night, Open House, Alumni Homecoming Day, School Musical Production, and the PTSO sponsored scholarship fundraising events. Our Saturday Academy program for 7th and 8th graders, expose prospective parents and students to the many learning opportunities available at PCTI.

Our District website and publications also assist us in communicating with parents and the community on an ongoing basis. Our district website is key in communicating

PCTI's programs, activities, events and daily announcements to the PCTI community and beyond. Our district publications, which include PCTI's "Technician" newsletter, as well as the district's annual report, district video, program brochures, media publications, press releases, social media venues and other informational publications also assist us in this regard. Our Open House welcomed over 3500 parents and students interested in a PCTI Education. A special informational picture booklet detailing the many programs offered at PCTI including the 14 schools and academies from which to choose, as well as academics, athletics, student activities and the application process, was designed by the Communications staff and provided to our Open House visitors. Special Saturday tours for prospective students and parents are hosted on Saturdays in November, December and January to give visitors a more intimate look at the school and facilities. Throughout the year, a comprehensive communications packet is provided to all visitors and prospective students & parents and includes the many publications, annual report, newsletters, informational booklet and other interesting details about the school. Our "Tech Bullpen" school store provides PCTI "Spirit-Wear" for students, staff and families to keep PCTI spirit alive. Our business and industry leaders and partners remain on our communications listings and play a key role in serving on our Business Partner Advisory Council. Their participation and interest in our school provides direction and vision enabling PCTI to meet the challenges of the ever-changing workplace.

PCTI continues to be an active and bustling campus as we continue to receive requests from hundreds of State, County, and other outside agencies during the year. At any given time of day or evening, weekdays and weekends, numerous functions are hosted on our campus.

Character education and patriotism are vital components to the district's culture and we remain very proud of our students, who continuously display a spirit of generosity, respect, and compassion for others. Students donate thousands of hours every year assisting in the community and take their personal and civic responsibilities most seriously, bringing to life the six pillars of character education: respect, responsibility, trustworthiness, caring, fairness and citizenship. Our outside entrance marquee and in-school monitors throughout the campus serve as a daily reminder of activities & events and student & staff accomplishments, and display character building quotes as well. Our students continue to be ambassadors for our school and demonstrate the true ideals, traditions and expectations of our student body throughout the year. This extraordinary spirit of both students and staff gave birth to our communication campaigns, the "PCTI Supercharged" Wellness Campaign, PCTI's "Embracing Change" Campaign, PCTI's Attitude is Everything", "It Starts with One: One Person, One School, One Community, One World" Campaign and the most recent "No Place Else" Campaign. All have raised a heightened awareness among the entire school community focusing on positive values, teamwork, environmental, and wellness themes.

C. CURRICULUM

The 2015-2016 school year continued with a new era in curriculum implementation at PCTI. This marked the ninth year of the “Schools of” paradigm which is defined as “smaller schools-within-a-school.” The eleven schools and three academies now in effect remain as semi-autonomous, independent schools. At PCTI, more than 340 skilled and dedicated staff of professionals teach not only academics and technological skills, but also promote civic responsibility while delivering the curriculum in specialized career areas including:

- . Academy of Finance
- . Academy of Medical Arts
- . Academy of Information Technology
- . School of Applied Technology
- . School of Cosmetology
- . School of Automotive Technology
- . School of Culinary Arts
- . School of Education & Human Services
- . School of Communication Arts
- . School of Construction Technology
- . School of Service Careers
- . School of Business Careers
- . School of Performing Arts
- . School of Engineering (Project Lead the Way)

PCTI's challenging academic component includes many high level courses. From Physics to Forensics, PCTI students take advantage of a rigorous academic curriculum that prepares them for acceptance at some of the nation's finest four-year colleges and universities. Students may take honors courses in English, Science, Mathematics and Social Studies. Advanced Placement courses in English, U.S. History, Calculus and Spanish are also available to qualified students. Recognizing the value of preparing our students to succeed in a global society we now include Japanese, Chinese and Arabic language studies in our curriculum. Gifted and Talented, Bilingual/ESL, Special Needs and Basic Skills Improvement programs address the needs of the students with special learning requirements. The campus also serves as the North Jersey Regional Center for the Hearing Impaired. PCTI's numerous student activities also provide students with the opportunity to test their knowledge and skills in regional, state and national competition. At PCTI students are encouraged to enjoy "a total high school experience" which challenges them to Believe...Achieve...and Succeed...at all levels. PCTI completed its one-to-one initiative. All 2,552 students were issued Chrome books in the 2015-2016 school year. Chrome books played an essential role in administering the PARCC testing. Extensive curriculum revisions were authored in 2015-2016. The curriculum is now web based with easy access available to the entire campus. The level of commitment to our long range plan is evident in the progress shown toward updating all areas.

The district's "College Connections" program includes agreements with 13 colleges where both juniors and seniors gain earn college credit at a reduced fee. Students in Computer Science, Engineering - Project Lead The Way, Academy of Medical Arts, The Academy of Finance, Criminal Justice and Child Development can earn as many as 22 college credits by taking college courses provided by area colleges and universities. A collaborative effort with Seton Hall University dubbed Project Acceleration will give over 200 of our seniors the opportunity to earn up to 22 college credits in Calculus, Computer Science, AP History, French, Spanish, Japanese, Sociology and Chemistry. An agreement with NJIT and Seton Hall University's middle college program will give our students a head start at these prestigious institutions. On the career side, technical majors continue to offer the opportunity for internships and cooperative education placements in area businesses and firms. As a result of such programs, graduates are well prepared for the academic rigors of college or entry-level career employment.

Testing continues to be a priority at Passaic County Technical Institute. Student performance on PARCC testing is most important. The curriculum includes after school programs to assist students experiencing difficulties in Language Arts and Mathematics. In addition, Passaic County Technical Institute now offers SAT prep classes to improve student scores.

D. TECHNOLOGY

PCTI's truly "converged network" is illustrated by our devotion to deliver all communication and data services either wirelessly or over a single set of wires. Technologies such as Telephony, Public Address, Video distribution, Surveillance and Access Control have been unified and are delivered via IP to all corners of the campus. We continue to invest in state-of-the-art video surveillance and access control technologies in order to provide a safe environment for our students and staff. From any location on campus, our security staff can monitor the 200+ surveillance cameras or, for areas equipped with access control, perform a full lockdown.

Each PCTI classroom has a wealth of technology that is typically seen only in corporate or university environments. The Technology Department constantly researches new and cutting edge technologies to both enhance PCTI's technological prowess and provide our students with the highest in performance and reliability.

Accomplishments and Enhancements for the 2015-2016 school year included:

- Expanded Access Control system to the N Building
- Distributed laptops to the freshman, sophomore and junior classes for the 1:1 learning project
- Continued testing VDI technologies so that the school community has access to our learning systems anytime and anywhere

- Completed key infrastructure upgrades to accelerate the deployment of high-speed WiFi (802.11ac) throughout the campus. Students that are part of our 1:1 initiative will enjoy high speed WiFi whenever they are on campus
- PCTI's Educational Foundation continued to award iPads to teachers with innovative plans to integrate the device into their classroom activities.
- Began deploying digital public address (PA) speakers and clocks. These new devices plug directly into the network and are fully integrated with the campus phone system.

PCTI considers there to be two fundamental equalizers in life today, one being education, and the other the Internet. PCTI is dedicated to working to eliminate the barriers of time, distance and socioeconomic status. In the past, these barriers have prevented many individuals from gaining access to educational opportunities. Technology is truly changing the way we work, live, play and learn.

E. FACILITY AND BUILDING RENOVATIONS

Major projects completed in the 2015-2016 school year were:

	<u>Estimated Cost</u>
1. H-Wing Extension	\$5,797,642
2. C-Wing Bathroom Renovation	272,059
3. B-Wing Roof replacement	542,480
4. Field Turf Replacement – Baseball Field	418,153
5. Field Turf Replacement – Soccer Field	481,461

In March 2014, PCTI was approved for a school facilities project pursuant to Section 5 of the Educational Facilities Construction and Financing Act, P.L. 2000, c.72 and the New Jersey Department of Education implementing regulators at N.J.A.C. 6A:26-1 at seq. The approved project includes demolition of the Q Building, construction of an addition to the H-Wing, renovations to B-Wing and the removal of Temporary Classroom Units. Preliminary project cost is \$8,155,622. Under this act, the project qualifies for 75.4088% State Aid, or \$6,150,057. The District will fund the remaining balance. The initial phase of this project (construction of an addition to the H-Wing and removal of the temporary classroom units) was completed during the summer of 2015. A bid was awarded in January 2016 for the second phase of the project (B-wing renovation) and this was completed during the summer of 2016, in time for the opening of school September 2016.

In addition, a bid was awarded in May 2016 for the A Wing roof replacement which will be done during the summer of 2016. Cost of this project is \$418,000.

STEM ACADEMY

On April 14, 2015, at its public meeting, the Board of Chosen Freeholders of the County of Passaic, adopted a resolution supporting the implementation of a new STEM Academy at PCTI and expressed the intention of issuing bonds as necessary to effectuate the implementation.

On August 16, 2016, The County authorized a bond ordinance providing an appropriation of \$30,000,000 for this project. PCTI anticipates receiving approximately 50% debt service aid on this project through special legislation under the Educational Facilities Construction and Financing Act.

Bids for the construction are expected to be awarded in the fall of 2016, with the initial 300 students attending September 2018.

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 School Board of Estimates. 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 reappropriations 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**

This year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements-and Management's Discussion and Analysis- for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements-These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Fund financial statements-These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons-These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is located in the financial section of this report following the audit opinion and provides an assessment of the School District finances for 2016 and a discussion of current issues that affect the outlook for the future.

7) **CASH MANAGEMENT**

The Cash Management policy of the District is guided by State statute that requires the District to deposit public funds in public depositories 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. The District's bank of record is Columbia Bank.

8) **DEBT ADMINISTRATION**

At June 30, 2016, the District does not have any debt service. All bonded long-term debt is included in the County of Passaic debt structure.

9) **RISK MANAGEMENT**

The Board carries various forms of insurance, including but not limited to general liability, automobile, property, computer, worker's compensation, excess liability, supplemental worker's compensation, and fidelity bonds. The District's agent of record is Employee Benefits Consulting Services Group, Wayne, New Jersey.

10) **OTHER INFORMATION**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm, Ferraioli, Wielkotz, Cerullo & Cuva, 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 for Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) **ACKNOWLEDGMENTS**

We would like to extend our appreciation to the Board of Education Commissioners of the Passaic County Technical Institute for their support in providing fiscal accountability to the taxpayers of the County of Passaic. It is through their contributions toward the development and maintenance of our financial operations that the preparation of this report could be possible.

We would be remiss if we did not recognize the efforts of our financial and accounting staff who, on a daily basis, maintain the integrity and efficiency of the financial information from which this report is derived. Their dedicated services are greatly appreciated.



Diana C. Lobosco
Chief School Administrator



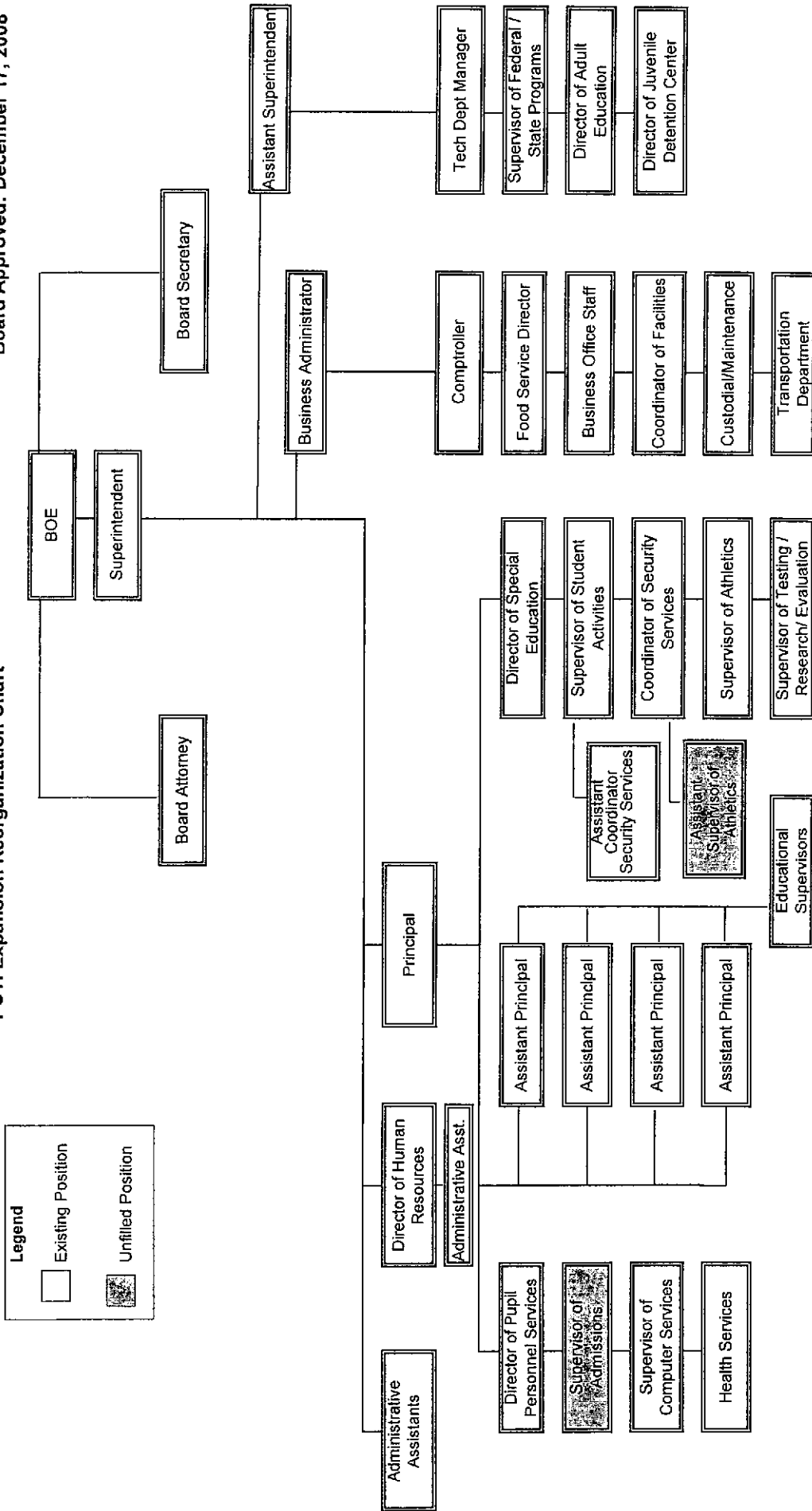
Mae Remer
Board Secretary



Richard J. Giglio
School Business Administrator

PCTI Expansion Reorganization Chart

Board Approved: December 17, 2008



**PASSAIC COUNTY TECHNICAL INSTITUTE
BOARD OF EDUCATION
Wayne, New Jersey**

**ROSTER OF OFFICIALS
June 30, 2016**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Albert A. Alexander, President	2017
Damaris M. Solomon, Vice President	2019
Glenn L. Brown	2018
Michael Coscia	2016
Robert Davis, Interim	Indefinite

OTHER OFFICIALS

Diana C. Lobosco, Chief School Administrator

Mae Remer, Board Secretary

Richard J. Giglio, School Business Administrator

Rita Pascrell, Treasurer

Gerald S. Keegan, Esq., Board Counsel

Albert C. Buglione, Esq., Board Counsel

**PASSAIC COUNTY TECHNICAL INSTITUTE
BOARD OF EDUCATION
Wayne, New Jersey**

CONSULTANTS AND ADVISORS

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Trustees
Passaic County Technical and Vocational High School District
County of Passaic, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Passaic County Technical and Vocational High School, a component unit of the County of Passaic, State of New Jersey, as of and for the 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Passaic County Technical and Vocational High School District Board of Education, in the County of Passaic, 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 identified 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 the 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 Passaic County Technical and Vocational High School District Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2016 on our consideration of the Passaic County Technical and Vocational High School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that

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report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Passaic County Technical and Vocational High School District Board of Education's internal control over financial reporting and compliance.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

October 21, 2016

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

As management of the Passaic County Technical and Vocational High School District (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of Passaic County Technical and Vocational High School District for the fiscal year ended June 30, 2016.

The management’s discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District’s financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$1,410,838.43. Net position of governmental activities increased \$1,344,828.32 while net position of business-type activity increased by \$66,010.11. These variances are primarily the result of excess revenues and unexpended budget appropriations in 2015-16 and increased revenues of the business-type activities.
- General revenues accounted for \$87,598,905.13 in revenue or 93.92 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,672,042.30 or 6.08 percent of total revenues of \$93,270,947.43.
- The School District had \$89,701,910.15 in expenses related to governmental activities; only \$3,448,226.13 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$87,598,512.34 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Passaic County Technical and Vocational High School District’s basic financial statements. The Passaic County Technical and Vocational High School District’s basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Passaic County Technical and Vocational High School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Passaic County Technical and Vocational High School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Passaic County Technical and Vocational High School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Passaic County Technical and Vocational High School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Passaic County Technical and Vocational High School District include instruction, support services and special schools. The business-type activities of the Passaic County Technical and Vocational High School District include the food service program and student store.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Passaic County Technical and Vocational High School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Passaic County Technical and Vocational High School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

USING THIS ANNUAL REPORT, (continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Passaic County Technical and Vocational High School District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, and capital projects fund which are all considered to be major funds.

The Passaic County Technical and Vocational High School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with their budgets.

Proprietary Funds

The Passaic County Technical and Vocational High School District maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Passaic County Technical and Vocational High School District uses enterprise funds to account for its food service program and student store.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

USING THIS ANNUAL REPORT, (continued)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Passaic County Technical and Vocational High School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our 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. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. 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 in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net positions were \$31,895,890.28 at June 30, 2016 and \$30,485,051.85 at June 30, 2015. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those net position items for day-to-day operations. Our analysis below focuses on the net position for 2016 compared to 2015 (Table 1) and change in net position (Table 2) of the School District.

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and Other Assets	9,442,546.13	9,934,205.29	466,962.03	398,900.30	9,909,508.16	10,333,105.59
Capital Assets	<u>57,699,855.64</u>	<u>55,271,079.97</u>	<u>76,598.71</u>	<u>65,936.66</u>	<u>57,776,454.35</u>	<u>55,337,016.63</u>
Total Assets	<u>67,142,401.77</u>	<u>65,205,285.26</u>	<u>543,560.74</u>	<u>464,836.96</u>	<u>67,685,962.51</u>	<u>65,670,122.22</u>
Deferred Outflows	<u>4,098,803.00</u>	<u>1,559,969.00</u>	—	—	<u>4,098,803.00</u>	<u>1,559,969.00</u>
Current Liabilities	10,925,114.98	10,602,564.56	32,120.86	19,407.19	10,957,235.84	10,621,971.75
Noncurrent Liabilities	<u>27,525,236.39</u>	<u>24,289,291.62</u>	—	—	<u>27,525,236.39</u>	<u>24,289,291.62</u>
Total Liabilities	<u>38,450,351.37</u>	<u>34,891,856.18</u>	<u>32,120.86</u>	<u>19,407.19</u>	<u>38,482,472.23</u>	<u>34,911,263.37</u>
Deferred Inflows	<u>1,406,403.00</u>	<u>1,833,776.00</u>	—	—	<u>1,406,403.00</u>	<u>1,833,776.00</u>
Net Position						
Invested in Capital						
Assets - Net of Debt	57,699,855.64	55,271,079.97	76,598.71	65,936.66	57,776,454.35	55,337,016.63
Restricted	(7,614,143.30)	(6,064,608.81)	—	—	(7,614,143.30)	(6,064,608.81)
Unrestricted	<u>(18,701,261.94)</u>	<u>(19,166,849.08)</u>	<u>434,841.17</u>	<u>379,493.11</u>	<u>(18,266,420.77)</u>	<u>(18,787,355.97)</u>
Total Net Position	<u>31,384,450.40</u>	<u>30,039,622.08</u>	<u>511,439.88</u>	<u>445,429.77</u>	<u>31,895,890.28</u>	<u>30,485,051.85</u>

The deficit in unrestricted net position represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills *today*, including all of our noncapital liabilities (compensated absences, unfunded pension obligations for example), we would have a deficit.

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2016 compared to 2015.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues:						
Charges for Services and Sales			956,705.98	906,783.15	956,705.98	906,783.15
Operating Grants and Contributions	3,448,226.13	3,565,207.58	1,267,110.19	1,186,027.55	4,715,336.32	4,751,235.13
General Revenues:						
Taxes:						
County taxes, levied for general purposes	7,044,585.00	7,044,585.00			7,044,585.00	7,044,585.00
Federal and State Aid not Restricted	37,922,768.31	33,824,114.86			37,922,768.31	33,824,114.86
Tuition Received	39,442,372.71	37,997,988.48			39,442,372.71	37,997,988.48
Investment Earnings	1,452.65	3,276.50	392.79	307.76	1,845.44	3,584.26
GED Testing Fees	5,912.00	89,583.96			5,912.00	89,583.96
Miscellaneous Income	787,473.32	472,630.08			787,473.32	472,630.08
Capital Projects Fund						
By Passaic County	2,000,000.00	979,000.00			2,000,000.00	979,000.00
Federal and State Aid-Capital Outlay	<u>393,948.35</u>	<u>328,557.82</u>			<u>393,948.35</u>	<u>328,557.82</u>
Total Revenues and Transfers	<u>91,046,738.47</u>	<u>84,304,944.28</u>	<u>2,224,208.96</u>	<u>2,093,118.46</u>	<u>93,270,947.43</u>	<u>86,398,062.74</u>

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Functions/Program Expenses						
Instruction:						
Regular	21,443,928.38	21,799,677.27			21,443,928.38	21,799,677.27
Other Special						
Instruction	460,477.05	660,575.21			460,477.05	660,575.21
Vocational	13,967,643.47	13,434,967.22			13,967,643.47	13,434,967.22
Other Instruction	2,935,343.89	2,725,227.02			2,935,343.89	2,725,227.02
Support Services:						
Student & Instruction						
Related Services	12,300,377.76	11,922,617.95			12,300,377.76	11,922,617.95
School Administrative						
Services	2,084,488.10	2,195,343.44			2,084,488.10	2,195,343.44
General Administrative						
Services	2,280,495.68	1,620,371.28			2,280,495.68	1,620,371.28
Central Services and Admin.						
Info. Tech.	2,320,268.16	2,451,295.32			2,320,268.16	2,451,295.32
Plant Operations and						
Maintenance	8,577,501.50	8,807,018.09			8,577,501.50	8,807,018.09
Pupil Transportation	1,171,995.82	1,013,172.25			1,171,995.82	1,013,172.25
Unallocated Benefits	17,471,581.94	14,370,882.56			17,471,581.94	14,370,882.56
Special Schools	1,400,843.71	1,391,593.22			1,400,843.71	1,391,593.22
Capital Outlay-						
Non-depreciable	84,377.00	437,084.78			84,377.00	437,084.78
Unallocated depreciation	3,202,587.69	2,972,051.86			3,202,587.69	2,972,051.86
Food Service			2,048,140.89	1,972,723.83	2,048,140.89	1,972,723.83
Student Store	<u> </u>	<u> </u>	<u>110,057.96</u>	<u>107,054.00</u>	<u>110,057.96</u>	<u>107,054.00</u>
Total Expenses and Transfers	<u>89,701,910.15</u>	<u>85,801,877.47</u>	<u>2,158,198.85</u>	<u>2,079,777.83</u>	<u>91,860,109.00</u>	<u>87,881,655.30</u>
Increase or (Decrease) in						
Net Position	<u>1,344,828.32</u>	<u>(1,496,933.19)</u>	<u>66,010.11</u>	<u>13,340.63</u>	<u>1,410,838.43</u>	<u>(1,483,592.56)</u>

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$91,860,109.00. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$7,044,585.00 because some of the cost was paid by those who benefitted from the programs \$956,705.98, by other governments and organizations who subsidized certain programs with grants and contributions \$4,715,336.32, and by miscellaneous sources \$80,554,320.13.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund and the special revenue fund. The capital projects fund is funded by the County of Passaic bond ordinances. Therefore, no budget is presented.

During the fiscal year ended June 30, 2016, the School District amended the budgets of these major governmental funds several times. The general fund was increased by \$35,030.00 for additional state aid. The special revenue fund was increased by \$883,574.11 for increases in federal, state and local grants.

General Fund

The general fund actual revenue was \$75,208,545.99. That amount is \$8,314,640.99 above the final amended budget of \$66,893,905.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$7,961,293.17 for TPAF pension and social security reimbursements and \$353,347.82 for excesses in other anticipated revenues.

The actual expenditures of the general fund were \$76,304,260.43 including transfers which is \$2,922,393.13 above the final amended budget of \$73,381,867.30. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$7,961,293.17 for TPAF pension and social security reimbursements and \$5,038,900.04 of unexpended budgeted funds.

General fund had total revenues of \$75,208,545.99 and total expenditures of \$76,304,260.43 with an ending fund balance of \$10,200,813.60 on the budgetary basis of accounting.

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

Special Revenue Fund

The special revenue fund actual revenue was \$3,842,174.48. That amount is \$216,310.63 below the final amended budget of \$4,058,485.11. The variance between the actual revenues and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$3,842,174.48, which is \$216,310.63 below the final amended budget of \$4,058,485.11. The variance between the actual expenditures and the final budget was fully budgeted state and federal grant programs. Expenditures will be incurred in the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2016 the School District had \$94,199,684.98 invested in sites, buildings, equipment and construction in progress. Of this amount \$36,423,230.63 in depreciation has been taken over the years. We currently have a net book value of \$57,776,454.35. Total additions for the year were \$5,647,969.51, the majority of which was for various technology, office equipment, facility improvements and for construction in progress for facility improvements. Table 3 shows fiscal year 2016 balances compared to 2015.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Sites and Improvements	2,345,793.73	1,490,894.63			2,345,793.73	1,490,894.63
Buildings and Improvements	44,912,119.17	39,901,646.97			44,912,119.17	39,901,646.97
Furniture, Equipment and Vehicles	8,800,850.61	8,539,182.58	76,598.71	65,936.66	8,877,449.32	8,605,119.24
Construction in Progress	<u>1,641,092.13</u>	<u>5,339,355.79</u>			<u>1,641,092.13</u>	<u>5,339,355.79</u>
	<u>57,699,855.64</u>	<u>55,271,079.97</u>	<u>76,598.71</u>	<u>65,936.66</u>	<u>57,776,454.35</u>	<u>55,337,016.63</u>

For more detailed information, please refer to the Notes to Basic Financial Statements.

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Debt Administration

At June 30, 2016, the District does not have any debt. All bonded long-term debt is included in the County of Passaic debt structure.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Many factors were considered by the District's administration during the development of the 2016/2017 budget. The primary factors were the District's projected student enrollment, State Aid and the tuition rate, as well as salary and health benefit increases. Since PCTI's student enrollment was not expected to be increase, State Aid remained flat, and the tuition rate remained the same, the District was forced to explore other cost saving measures to compensate for increasing costs.

PCTI was able to find cost savings through employee retirements and hiring replacements at lower salaries. Employee contributions of health benefits continue to be a major impact on the reduction of health costs, as well as a reasonable increase in the rate. By carefully watching expenses from the previous year, including not replacing certain employees that have left, PCTI was able to generate substantial surplus and appropriated \$3,588,000.00 in 2016/2017, to offset expenses.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Passaic County Technical and Vocational High School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Richard J. Giglio
School Business Administrator
Passaic County Technical Institute
45 Reinhardt Road
Wayne, NJ 07470

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	3,498,618.19	308,306.00	3,806,924.19
Receivables, net	4,439,198.79	71,149.15	4,510,347.94
Inventory		87,506.88	87,506.88
Restricted assets:			
Capital reserve account - cash	1,504,729.15		1,504,729.15
Capital assets:			
Land and construction in progress	1,641,092.13		1,641,092.13
Other capital assets, net	56,058,763.51	76,598.71	56,135,362.22
Total Assets	<u>67,142,401.77</u>	<u>543,560.74</u>	<u>67,685,962.51</u>
DEFERRED OUTFLOWS			
Deferred Outflows of Resources Related to PERS - Pension	<u>4,098,803.00</u>		<u>4,098,803.00</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,717,305.96	31,115.86	1,748,421.82
Deposits payable	2,000.00		2,000.00
Intergovernmental loans payable	9,118,872.45		9,118,872.45
Unearned revenue	86,936.57	1,005.00	87,941.57
Noncurrent liabilities:			
Due within one year	112,816.00		112,816.00
Due beyond one year	27,412,420.39		27,412,420.39
Total liabilities	<u>38,450,351.37</u>	<u>32,120.86</u>	<u>38,482,472.23</u>
DEFERRED INFLOWS			
Deferred Inflows of Resources Related to PERS - Pension	<u>1,406,403.00</u>		<u>1,406,403.00</u>
NET POSITION			
Invested in capital assets, net of related debt	57,699,855.64	76,598.71	57,776,454.35
Restricted for:			
Capital projects	(7,614,143.30)		(7,614,143.30)
Unrestricted (Deficit)	(18,701,261.94)	434,841.17	(18,266,420.77)
Total net position	<u>31,384,450.40</u>	<u>511,439.88</u>	<u>31,895,890.28</u>

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

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:							
Instruction:							
Regular	17,931,254.73	3,512,673.64		2,106,952.39		(19,336,975.98)	(19,336,975.98)
Other special instruction	377,871.04	82,606.01				(460,477.05)	(460,477.05)
Vocational	11,576,127.42	2,391,516.05				(13,967,643.47)	(13,967,643.47)
Other instruction	2,550,493.38	384,850.51				(2,935,343.89)	(2,935,343.89)
Support services:							
Student & instruction related services	10,418,296.27	1,882,081.48		1,341,273.74		(10,959,104.01)	(10,959,104.01)
School administrative services	1,703,430.66	381,057.44				(2,084,488.10)	(2,084,488.10)
General administrative services	2,089,662.34	190,833.34				(2,280,495.68)	(2,280,495.68)
Central Services & Admin. Info. Technology	1,995,896.53	324,371.63				(2,320,268.16)	(2,320,268.16)
Plant operations and maintenance	7,794,409.45	783,092.05				(8,577,501.50)	(8,577,501.50)
Pupil transportation	1,171,995.82	-				(1,171,995.82)	(1,171,995.82)
Unallocated benefits	17,471,581.94	194,714.40				(17,471,581.94)	(17,471,581.94)
Special schools	1,206,129.31					(1,400,843.71)	(1,400,843.71)
Capital outlay - non-depreciable	84,377.00					(84,377.00)	(84,377.00)
Unallocated depreciation	3,202,587.69					(3,202,587.69)	(3,202,587.69)
Total governmental activities	79,574,113.58	10,127,796.57	-	3,448,226.13	-	(86,253,684.02)	(86,253,684.02)
Business-type activities:							
Food Service	2,048,140.89		836,551.38	1,267,110.19	-	55,520.68	55,520.68
Student Store	110,057.96		120,154.60			10,096.64	10,096.64
Total business-type activities	2,158,198.85		956,705.98	1,267,110.19	-	65,617.32	65,617.32
Total primary government	81,732,312.43		956,705.98	4,715,336.32	-	(86,188,066.70)	(86,188,066.70)
General revenues:							
Taxes:							
County taxes, levied for general purposes						7,044,585.00	7,044,585.00
Federal and State aid not restricted						37,922,768.31	37,922,768.31
Tuition received						39,442,372.71	39,442,372.71
Investment earnings						1,452.65	1,845.44
GED testing fees						5,912.00	5,912.00
Miscellaneous income						787,473.32	787,473.32
Capital Projects - funded by Passaic County						2,000,000.00	2,000,000.00
Federal and State aid - capital outlay						393,948.35	393,948.35
Total general revenues, special items, extraordinary items and transfers						87,598,512.34	87,598,512.34
Change in Net Assets						1,344,828.32	1,410,838.43
Net Position—beginning						30,039,622.08	30,485,051.85
Net Position—ending						31,384,450.40	31,895,890.28

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

FUND FINANCIAL STATEMENTS

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	3,498,618.19			3,498,618.19
Interfund receivables	764,871.18			764,871.18
Receivables from other governments	122,093.70	866,826.80	11,783.93	1,000,704.43
Tuitions receivable	3,335,075.42			3,335,075.42
Other receivables	94,223.90			94,223.90
Restricted cash and cash equivalents	<u>1,504,729.15</u>			<u>1,504,729.15</u>
Total assets	<u>9,319,611.54</u>	<u>866,826.80</u>	<u>11,783.93</u>	<u>10,198,222.27</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	273,269.01	74,491.50		347,760.51
Accrued salaries & benefits	367,544.79	36,706.66		404,251.45
Interfund payables		743,892.21	11,783.93	755,676.14
Intergovernmental loans payable			9,118,872.45	9,118,872.45
Deposits payable	2,000.00			2,000.00
Unearned revenue	<u>75,200.14</u>	<u>11,736.43</u>		<u>86,936.57</u>
Total liabilities	<u>718,013.94</u>	<u>866,826.80</u>	<u>9,130,656.38</u>	<u>10,715,497.12</u>
Fund Balances:				
Restricted for:				
Capital reserve account	1,504,729.15			1,504,729.15
Excess surplus	93,017.76			93,017.76
Capital projects fund			(9,819,872.45)	(9,819,872.45)
Committed to:				
Other purposes			701,000.00	701,000.00
Assigned to:				
Other purposes	909,735.21			909,735.21
Designated by the BOE for subsequent year's expenditures	3,592,753.44			3,592,753.44
Unassigned:				
General fund	2,501,362.04			2,501,362.04
Total Fund balances	<u>8,601,597.60</u>	<u>-</u>	<u>(9,118,872.45)</u>	<u>(517,274.85)</u>
Total liabilities and fund balances	<u>9,319,611.54</u>	<u>866,826.80</u>	<u>11,783.93</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$93,826,899.10 and the accumulated depreciation is \$36,127,043.46. 57,699,855.64

Accounts Payable for subsequent Pension payment is not a payable in the funds (965,294.00)

Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.

Deferred Outflows of Resources Related to PERS Pension Liability 4,098,803.00

Deferred Inflows of Resources Related to PERS Pension Liability (1,406,403.00)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7) (27,525,236.39)

Net position of governmental activities 31,384,450.40

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

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
County Tax levy	7,044,585.00			7,044,585.00
Tuition from LEA's	38,977,436.00			38,977,436.00
Other Tuition	464,936.71			464,936.71
GED testing fees	5,912.00			5,912.00
Interest Earned on Capital Reserve	1,452.65			1,452.65
Miscellaneous	787,473.32	20,645.00		808,118.32
Total - Local Sources	47,281,795.68	20,645.00	-	47,302,440.68
State Sources	28,218,782.17	113,171.68		28,331,953.85
Federal Sources	85,818.14	3,708,357.80		3,794,175.94
Total Revenues	<u>75,586,395.99</u>	<u>3,842,174.48</u>	<u>-</u>	<u>79,428,570.47</u>
EXPENDITURES				
Current:				
Regular Instruction	15,824,302.34	2,106,952.39		17,931,254.73
Other Special Instruction	377,871.04			377,871.04
Vocational Education	11,576,127.42			11,576,127.42
Other Instruction	2,550,493.38			2,550,493.38
Support Services and Undistributed Costs:				
Student & Instruction Related Services	9,077,022.53	1,341,273.74		10,418,296.27
School Administrative Services	1,703,430.66			1,703,430.66
General Administrative Services	2,089,662.34			2,089,662.34
Central Services & Admin. Info. Technology	1,995,896.53			1,995,896.53
Plant Operations and Maintenance	7,794,409.45			7,794,409.45
Pupil Transportation	1,171,995.82			1,171,995.82
Unallocated Benefits	17,660,548.74			17,660,548.74
Special Schools	1,206,129.31			1,206,129.31
Capital Outlay	3,276,370.87	393,948.35	2,045,421.14	5,715,740.36
Total Expenditures	<u>76,304,260.43</u>	<u>3,842,174.48</u>	<u>2,045,421.14</u>	<u>82,191,856.05</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(717,864.44)</u>	<u>-</u>	<u>(2,045,421.14)</u>	<u>(2,763,285.58)</u>
OTHER FINANCING SOURCES (USES)				
Funded by Passaic County			2,000,000.00	2,000,000.00
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>2,000,000.00</u>	<u>2,000,000.00</u>
Net Change in Fund Balances	(717,864.44)	-	(45,421.14)	(763,285.58)
Fund Balance / (Deficit) — July 1	9,319,462.04		(9,073,451.31)	246,010.73
Fund Balance / (Deficit) — June 30	<u>8,601,597.60</u>		<u>(9,118,872.45)</u>	<u>(517,274.85)</u>

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

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
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) (763,285.58)

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	(3,202,587.69)	
Depreciable Capital outlays	<u>5,631,363.36</u>	2,428,775.67

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

In the current year, these amounts consist of:

Principal Payments on Unfunded Pension Obligations	99,996.00
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(Increase)/Decrease in compensated absences payable	7,883.23
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District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 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.

District Pension Contributions	914,370.00	
Less: Pension Expense	<u>(1,342,911.00)</u>	
(Increase)/Decrease in Pension Expense		(428,541.00)

Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase in On-behalf State Aid TPAF Pension	9,618,168.00
Increase in On-behalf TPAF Pension Expense	(9,618,168.00)

Change in net position of governmental activities	<u><u>1,344,828.32</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities - Enterprise Fund		
	Food Service Program	Student Store	Total Enterprise Fund
ASSETS			
Current assets:			
Cash and cash equivalents	241,382.02	66,923.98	308,306.00
Accounts receivable:			
State	845.67	-	845.67
Federal	55,844.83	-	55,844.83
Other	13,635.15	823.50	14,458.65
Inventories	41,145.54	46,361.34	87,506.88
Total current assets	352,853.21	114,108.82	466,962.03
Noncurrent assets:			
Capital assets:			
Equipment	372,785.88	-	372,785.88
Less accumulated depreciation	(296,187.17)	-	(296,187.17)
Total capital assets (net of accumulated depreciation)	76,598.71	-	76,598.71
Total assets	429,451.92	114,108.82	543,560.74
LIABILITIES			
Current liabilities:			
Accounts payable	29,731.21	1,384.65	31,115.86
Unearned revenue	1,005.00	-	1,005.00
Total current liabilities	30,736.21	1,384.65	32,120.86
Total liabilities	30,736.21	1,384.65	32,120.86
NET POSITION			
Invested in capital assets net of related debt	76,598.71	-	76,598.71
Unrestricted	322,117.00	112,724.17	434,841.17
Total net position	398,715.71	112,724.17	511,439.88

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

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Fund		
	Food Service Program	Student Store	Total Enterprise Fund
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	142,585.37	-	142,585.37
Daily sales - non-reimbursable programs	14,530.10	-	14,530.10
Special functions	679,435.91	-	679,435.91
Miscellaneous	-	120,154.60	120,154.60
Total operating revenues	<u>836,551.38</u>	<u>120,154.60</u>	<u>956,705.98</u>
Operating expenses:			
Cost of sales	1,277,293.72	98,909.31	1,376,203.03
Salaries	558,130.90	9,824.93	567,955.83
Employee benefits	116,893.71	751.61	117,645.32
Cleaning repair & maintenance	59,414.31	-	59,414.31
Purchased services	6,562.00	-	6,562.00
Miscellaneous expense	673.85	-	673.85
General supplies	23,228.30	572.11	23,800.41
Depreciation	5,944.10	-	5,944.10
Total Operating Expenses	<u>2,048,140.89</u>	<u>110,057.96</u>	<u>2,158,198.85</u>
Operating income (loss)	<u>(1,211,589.51)</u>	<u>10,096.64</u>	<u>(1,201,492.87)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	18,535.15		18,535.15
Federal sources:			
National school lunch program	923,760.36		923,760.36
National school breakfast program	186,461.14		186,461.14
Food distribution program	138,353.54		138,353.54
Interest and investment revenue	317.52	75.27	392.79
Total nonoperating revenues (expenses)	<u>1,267,427.71</u>	<u>75.27</u>	<u>1,267,502.98</u>
Income (loss) before contributions & transfers	<u>55,838.20</u>	<u>10,171.91</u>	<u>66,010.11</u>
Transfers in (out)	-		-
Change in net position	<u>55,838.20</u>	<u>10,171.91</u>	<u>66,010.11</u>
Total net position—beginning	<u>342,877.51</u>	<u>102,552.26</u>	<u>445,429.77</u>
Total net position—ending	<u><u>398,715.71</u></u>	<u><u>112,724.17</u></u>	<u><u>511,439.88</u></u>

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

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Fund		
	Food Service Program	Student Store	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	829,420.23	119,361.10	948,781.33
Payments to employees	(567,326.28)	(9,824.93)	(577,151.21)
Payments for employee benefits	(116,893.71)	(751.61)	(117,645.32)
Payments to suppliers	(1,203,418.15)	(113,140.26)	(1,316,558.41)
Net cash provided by (used for) operating activities	<u>(1,058,217.91)</u>	<u>(4,355.70)</u>	<u>(1,062,573.61)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	19,091.65		19,091.65
Federal Sources	1,139,844.15		1,139,844.15
Net cash provided by (used for) non-capital financing activities	<u>1,158,935.80</u>	<u>-</u>	<u>1,158,935.80</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(16,606.15)	-	(16,606.15)
Net cash provided by (used for) capital and related financing activities	<u>(16,606.15)</u>	<u>-</u>	<u>(16,606.15)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	317.52	75.27	392.79
Net cash provided by (used for) investing activities	<u>317.52</u>	<u>75.27</u>	<u>392.79</u>
Net increase (decrease) in cash and cash equivalents	84,429.26	(4,280.43)	80,148.83
Balances—beginning of year	156,952.76	71,204.41	228,157.17
Balances—end of year	<u>241,382.02</u>	<u>66,923.98</u>	<u>308,306.00</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(1,211,589.51)	10,096.64	(1,201,492.87)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	5,944.10	-	5,944.10
Food Distribution Program Donated Commodities	138,353.54		138,353.54
(Increase) decrease in accounts receivable, net	(7,131.15)	(793.50)	(7,924.65)
(Increase) decrease in inventories	(1,944.36)	(8,223.04)	(10,167.40)
Increase (decrease) in unearned revenue	1,005.00		1,005.00
Increase (decrease) in accounts payable	17,144.47	(5,435.80)	11,708.67
Total adjustments	<u>153,371.60</u>	<u>(14,452.34)</u>	<u>138,919.26</u>
Net cash provided by (used for) operating activities	<u>(1,058,217.91)</u>	<u>(4,355.70)</u>	<u>(1,062,573.61)</u>

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

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Unemployment Compensation Trust Fund	Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	605,880.70	84,210.56	2,963,354.45
Other Accounts Receivable			1,470.00
Total assets	605,880.70	84,210.56	2,964,824.45
LIABILITIES			
Payable to student groups			257,274.39
Due to General Fund			9,195.04
Summer payroll due employees			2,277,093.59
Payroll deductions and withholdings			406,075.61
Reserve for Employee's FSA/DDC			15,185.82
Total liabilities	-	-	2,964,824.45
NET POSITION			
Held in trust for unemployment claims and other purposes	605,880.70		
Reserved for scholarships		84,210.56	

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

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

	Unemployment Compensation Trust Fund	Scholarship Fund
ADDITIONS		
Contributions:		
Plan member	53,713.91	-
Other	-	54,000.00
Total Contributions	53,713.91	54,000.00
Investment earnings:		
Interest	606.48	45.13
Net investment earnings	606.48	45.13
Total additions	54,320.39	54,045.13
DEDUCTIONS		
Unemployment claims	55,322.07	
Scholarships awarded		65,000.00
Total deductions	55,322.07	65,000.00
Change in net position	(1,001.68)	(10,954.87)
Net position—beginning of the year	606,882.38	95,165.43
Net position—end of the year	605,880.70	84,210.56

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

NOTES TO THE FINANCIAL STATEMENTS

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education (“Board”) of the Passaic County Technical and Vocational High School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of officials appointed by the County of Passaic Board of Chosen Freeholders and the County Superintendent of Schools 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. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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 Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization’s board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board would be includable in the reporting entity of the County of Passaic on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Passaic County Technical and Vocational High School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board’s accounting policies are described below.

A. Basis of Presentation:

The Board’s basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS, (continued)

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes 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). The financial resources are derived from sale of bonds by the County of Passaic, lease purchases and other revenues.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

PROPRIETARY FUNDS, (continued)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board 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 Board's Enterprise Fund is comprised of the Food Service Fund and School Store.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance and the Passaic County Technical and Vocational High School Scholarship Funds, Payroll Fund, Employee Flexible Spending Account/Dependent Child Care Account and Student Activities Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Measurement Focus: (continued)

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting: (continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made a supplemental budget appropriation in the general fund budget during the fiscal year for adult education programs aid. The special revenues fund was increased by \$883,574.11 for additional aid allotted to the District.

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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. 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 Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

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

F. Cash, Cash Equivalents and Investments:

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

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

Additionally, the Board 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 a 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.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

G. Tuition Revenues/Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value fo the asset or materially extend an asset's life are not.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

K. Capital Assets: (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. Compensated Absences:

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

M. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

N. Accrued Liabilities and Long-term Obligations: (continued):

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Accounting and Financial Reporting for Pensions: (continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report 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. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report 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 period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

Q. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Q. Fund Balances: (continued)

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

R. Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

S. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

T. Contributed Capital:

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

U. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

V. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation.

W. Use of Estimates:

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

X. Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

X. Recent Accounting Pronouncements: (continued)

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68”. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement is effective for fiscal years beginning after June 15, 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued 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. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

X. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The District believes this Statement will have no impact on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which establishes the criteria for identifying the applicable pension plans and addresses measurement and recognition for pension liabilities, expense and expenditures; note disclosures of descriptive information about the plan, benefit terms, and contributions items; and required supplementary information presenting required contribution amounts for the past 10 fiscal years. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participation*, which permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The District does not believe this Statement will have any effect on future financial statements.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

X. Recent Accounting Pronouncements: (continued)

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statement 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 is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2016, \$-0- of the District's bank balance of \$12,079,200.24 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, 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; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES:

Receivables at June 30, 2016, consisted of accounts receivable, other, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$122,758.26	\$845.67	\$123,603.93
Federal Aid	866,162.24	55,844.83	922,007.07
Passaic County	11,783.93		11,783.93
Tuition	3,335,075.42		3,335,075.42
Interfunds	764,871.18		9,195.04
Other	<u>94,223.90</u>	<u>14,458.65</u>	<u>108,682.55</u>
Gross Receivables	5,194,874.93	71,149.15	4,510,347.94
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$5,194,874.93</u>	<u>\$71,149.15</u>	<u>\$4,510,347.94</u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY:

Balances due to/from other funds at June 30, 2016, consist of the following:

\$743,892.21	Due to the General Fund from the Special Revenue Fund representing short term loans.
9,195.04	Due to the General Fund from the Agency Fund representing short term loans.
<u>11,783.93</u>	Due to the General Fund from the Capital Projects Fund representing short term loans.
<u>\$764,871.18</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

There were no operating transfers to or from other funds at June 30, 2016.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 6. CAPITAL ASSETS:

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

	<u>Balance</u> <u>6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/16</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Construction in Progress	<u>\$5,339,355.79</u>	<u>\$1,442,757.56</u>	<u>(\$5,141,021.22)</u>	<u>\$1,641,092.13</u>
Total Capital Assets, Not Being Depreciated	<u>5,339,355.79</u>	<u>1,442,757.56</u>	<u>(5,141,021.22)</u>	<u>1,641,092.13</u>
Capital Assets Being Depreciated				
Sites and Improvements	2,056,240.98	930,727.02		2,986,968.00
Buildings and Improvements	61,231,532.34	1,500,229.98	5,141,021.22	67,872,783.54
Furniture, Equipment and Vehicles	<u>19,568,406.63</u>	<u>1,757,648.80</u>	_____	<u>21,326,055.43</u>
Total Capital Assets, Being Depreciated	<u>82,856,179.95</u>	<u>4,188,605.80</u>	<u>5,141,021.22</u>	<u>92,185,806.97</u>
Less Accumulated Depreciation:				
Sites and Improvements	(565,346.35)	(75,827.92)		(641,174.27)
Buildings and Improvements	(21,329,885.37)	(1,630,779.00)		(22,960,664.37)
Furniture, Equipment and Vehicles	<u>(11,029,224.05)</u>	<u>(1,495,980.77)</u>	_____	<u>(12,525,204.82)</u>
Total Accumulated Depreciation	<u>(32,924,455.77)</u>	<u>(3,202,587.69)</u>	<u>0.00</u>	<u>(36,127,043.46)</u>
Total Capital Assets, Being Depreciated, Net	<u>49,931,724.18</u>	<u>986,018.11</u>	<u>5,141,021.22</u>	<u>56,058,763.51</u>
Governmental Activities Capital Assets, Net	<u>\$55,271,079.97</u>	<u>\$2,428,775.67</u>	<u>\$0.00</u>	<u>\$57,699,855.64</u>
	<u>Balance</u> <u>6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/16</u>
Business-Type Activity				
Furniture and Equipment	<u>\$356,179.73</u>	<u>\$16,606.15</u>	\$ _____	<u>\$372,785.88</u>
Totals	<u>356,179.73</u>	<u>16,606.15</u>	<u>0.00</u>	<u>372,785.88</u>
Less Accumulated Depreciation				
Furniture and Equipment	<u>(290,243.07)</u>	<u>(5,944.10)</u>	_____	<u>(296,187.17)</u>
Total Accumulated Depreciation	<u>(290,243.07)</u>	<u>(5,944.10)</u>	<u>0.00</u>	<u>(296,187.17)</u>
Business-Type Activity Capital Assets, Net	<u>\$65,936.66</u>	<u>\$10,662.05</u>	<u>\$0.00</u>	<u>\$76,598.71</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated depreciation”.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the fiscal year ended June 30, 2016 were as follows:

	Balance <u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2016</u>	Amounts Due Within <u>One Year</u>
Unfunded Pension Obligations	\$233,965.00		(\$99,996.00)	\$133,969.00	\$112,816.00
Net Pension Liability - PERS	20,530,801.00	3,343,824.00		23,874,625.00	0.00
Compensated absences payable	<u>3,524,525.62</u>	<u>269,867.29</u>	<u>(277,750.52)</u>	<u>3,516,642.39</u>	<u>0.00</u>
	<u>\$24,289,291.62</u>	<u>\$3,613,691.29</u>	<u>(\$377,746.52)</u>	<u>\$27,525,236.39</u>	<u>\$112,816.00</u>

NOTE 8. OPERATING LEASES:

The District has commitments to lease copiers under an operating lease that expires in 2019. Total operating lease payments made during the year ended June 30, 2016 were \$246,659.28. Future minimum lease payments are as follows:

Year <u>Ending</u>	<u>Amount</u>
6/30/17	\$202,039.18
6/30/18	101,099.72
6/30/19	33,546.25
6/30/20	<u>2,322.71</u>
Total future minimum lease payments	<u>\$339,007.86</u>

NOTE 9. DESCRIPTION OF FACILITY LEASING ARRANGEMENTS:

The District conducts the LPN Program from leased facilities. The lease expires on December 31, 2016.

Rental expense, under operating leases, was \$79,304.64 for the year ended June 30, 2016.

The following is a schedule, by year, of the total future minimum rental payments required under operating leases that have initial or remaining lease terms in excess of one year at June 30, 2016:

Year Ending <u>June 30,</u>	<u>Amount</u>
2017	<u>\$39,652.00</u>

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. PENSION PLANS:

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

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

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements Fund Based Statements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. PENSION PLANS: (continued)

each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board’s contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/16	\$914,370.00	\$18,488.70
6/30/15	903,997.00	12,115.33
6/30/14	854,725.00	9,323.74

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI
<u>Ending</u> 6/30/16	<u>Contributions</u> \$2,441,050.00	<u>Contributions</u> \$3,051,406.00	<u>Premium</u> \$121,598.00
6/30/15	1,591,890.00	2,708,942.00	114,529.00
6/30/14	1,236,040.00	2,205,526.00	109,101.00

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. PENSION PLANS: (continued)

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,347,239.17 during the year ended June 30, 2016 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported a liability of \$23,874,625.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was 0.10635526505 percent, which was a decrease of 0.0033018011 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$1,342,911.00. 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	\$2,563,944.00	\$
Difference in actual and expected experience	569,565.00	
Net difference between projected and actual earnings on pension plan investments		383,858.00
Changes in proportion and differences between District contributions and proportionate share of contributions		1,022,545.00
District contributions subsequent to the measurement date	<u>965,294.00</u>	
Total	<u>\$4,098,803.00</u>	<u>\$1,406,403.00</u>

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. PENSION PLANS: (continued)

The \$965,294.00 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$500,575.00
2018	500,575.00
2019	797,246.00
2020	450,680.00

Additional Information

Local Group Collective balances at June 30, 2015 and 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
District's Proportion	0.1063552605%	0.1096570616%

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the July 1, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. PENSION PLANS: (continued)

Mortality Rates

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

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	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%
	<u>100.00%</u>	

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of 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 Collective Net Pension Liability to Changes in the Discount Rate

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

	<u>June 30, 2015</u>		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
District's proportionate share of the pension liability	\$29,673,237	\$23,874,625	\$19,013,110

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. PENSION PLANS: (continued)

Teachers Pensions and Annuity Fund (TPAF)

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.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>199,492,538.00</u>
	<u>\$199,492,538.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the proportion of the TPAF net pension liability associated with the District was 0.3156314236%.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$12,180,816.00 for contributions provided by the State in the District-Wide Financial Statements.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. PENSION PLANS: (continued)

Actuarial Assumptions

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

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

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

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. PENSION PLANS: (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging 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%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 11. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension 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 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 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.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

NOTE 12. DEFERRED COMPENSATION:

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

Ameriprise
MetLife
AXA Equitable

Lincoln Investment
Grant American Life
Valic

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 13. 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.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$606.48	\$53,713.91	\$55,322.07	\$605,880.70
2014-2015	596.81	53,290.56	52,012.85	606,882.38
2013-2014	598.22	51,959.93	47,311.16	605,007.86

NOTE 14. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Passaic County Technical and Vocational High Board of Education by inclusion of \$1.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). 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.* 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 14. CAPITAL RESERVE ACCOUNT: (continued)

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

Beginning balance, July 1, 2015		\$3,008,842.50
Increase – Interest Earnings	\$1,452.65	
– Board Resolution	<u>500,000.00</u>	
		501,452.65
Decrease – Budgeted Withdrawal		<u>2,005,566.00</u>
Ending balance, June 30, 2016		<u>\$1,504,729.15</u>

NOTE 15. DEFICIT FUND BALANCES:

The District has an accumulated deficit of \$9,118,872.45 in the Capital Projects Fund as of June 30, 2016. This deficit is the result of the County of Passaic utilizing temporary financing to fund expenditures for certain capital projects. As the County permanently finances these appropriations, the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under accounting principles generally accepted in the United States of America.

NOTE 16. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$8,601,597.60 General Fund fund balance at June 30, 2016, \$909,735.21 is reserved for encumbrances; \$93,017.76 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$0.00 of the total reserve for excess surplus has been appropriated and included an anticipated revenue for the year ending June 30, 2017); \$1,504,729.15 has been reserved in the Capital Reserve Account; \$3,588,000.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$2,501,362.04 is unreserved and undesignated; and \$4,753.44 is Semi Funds designated for future use.

NOTE 17. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2016 is \$93,017.76 of which \$93,017.76 is the result of current year operations.

**Passaic County Technical and Vocational High School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 18. INVENTORY:

Inventory in the Enterprise Funds at June 30, 2016 consisted of the following:

Food	\$33,664.04
Supplies	<u>53,842.84</u>
	<u>\$87,506.88</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 19. REVOLVING LINE OF CREDIT:

The Board entered into an agreement with Columbia Bank for a \$3,000,000.00 revolving line of credit. The line of credit is to be utilized for cash flow purposes. During the 2015-2016 school year, the Board did not utilize this line of credit.

NOTE 20. CONTINGENT LIABILITIES:

Litigation:

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

Grants:

The Board received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Board at June 30, 2016.

NOTE 21. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through October 21, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
County Tax Levy	7,044,585.00		7,044,585.00	7,044,585.00	-
Tuition from LEA's	38,992,161.00		38,992,161.00	38,977,436.00	(14,725.00)
Other Tuition	449,158.00		449,158.00	464,936.71	15,778.71
GED Testing Center Fees	102,460.00		102,460.00	5,912.00	(96,548.00)
Interest Earned on Capital Reserve			-	1,452.65	1,452.65
Miscellaneous	362,588.00		362,588.00	787,473.32	424,885.32
Total - Local Sources	<u>46,950,952.00</u>	<u>-</u>	<u>46,950,952.00</u>	<u>47,281,795.68</u>	<u>330,843.68</u>
State Sources:					
Equalization Aid	17,510,284.00		17,510,284.00	17,510,284.00	-
Special Education Aid	2,005,270.00		2,005,270.00	2,005,270.00	-
Security Aid	263,335.00		263,335.00	263,335.00	-
PARCC Readiness Aid	32,860.00		32,860.00	32,860.00	-
Per Pupil Growth Aid	32,860.00		32,860.00	32,860.00	-
Adult Education Programs Aid		35,030.00	35,030.00	35,030.00	-
On-behalf TPAF NCGI Premium (non-budgeted)			-	121,598.00	121,598.00
On-behalf TPAF Pension Contributions (non-budgeted)			-	2,441,050.00	2,441,050.00
On-behalf TPAF Post Retirement Medical (non-budgeted)			-	3,051,406.00	3,051,406.00
TPAF Social Security (Reimbursed - Non-Budgeted)			-	2,347,239.17	2,347,239.17
Total - State Sources	<u>19,844,609.00</u>	<u>35,030.00</u>	<u>19,879,639.00</u>	<u>27,840,932.17</u>	<u>7,961,293.17</u>
Federal Sources:					
Medical Assistance Program	63,314.00		63,314.00	85,818.14	22,504.14
Total - Federal Sources	<u>63,314.00</u>	<u>-</u>	<u>63,314.00</u>	<u>85,818.14</u>	<u>22,504.14</u>
TOTAL REVENUES	<u>66,858,875.00</u>	<u>35,030.00</u>	<u>66,893,905.00</u>	<u>75,208,545.99</u>	<u>8,314,640.99</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Grade 9-12 - Instruction					
Salaries of Teachers	14,566,089.00	(313,000.00)	14,253,089.00	14,150,847.77	102,241.23
Other Salaries for Instruction	546,796.00	20,000.00	566,796.00	493,057.97	73,738.03
Purchased Professional-Educational Services	21,760.00	2,010.00	23,770.00	7,608.59	16,161.41
Purchased Technical Services	31,700.00	(600.00)	31,100.00	12,150.00	18,950.00
Other Purchased Services (400-500 series)	344,712.00	30,470.00	375,182.00	350,784.10	24,397.90
General Supplies	761,588.25	(32,074.00)	729,514.25	573,936.14	155,578.11
Textbooks	252,000.00	1,097.00	253,097.00	109,044.43	144,052.57
Other Objects	16,800.00	9,897.00	26,697.00	19,467.03	7,229.97
Regular Programs - Home Instruction:					
Salaries of Teachers	80,000.00	24,000.00	104,000.00	97,534.31	6,465.69
Purchased Professional-Educational Services	5,000.00	7,300.00	12,300.00	9,872.00	2,428.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>16,626,445.25</u>	<u>(250,900.00)</u>	<u>16,375,545.25</u>	<u>15,824,302.34</u>	<u>551,242.91</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	630,151.00	(239,000.00)	391,151.00	271,627.57	119,523.43
Other Purchased Services (400-500 series)	19,352.00		19,352.00	18,993.99	358.01
General Supplies	9,000.00		9,000.00	2,389.47	6,610.53
Textbooks	20,000.00		20,000.00	3,689.80	16,310.20
Other Objects	7,500.00		7,500.00	5,738.01	1,761.99
Total Basic Skills/Remedial - Instruction	<u>686,003.00</u>	<u>(239,000.00)</u>	<u>447,003.00</u>	<u>302,438.84</u>	<u>144,564.16</u>
Bilingual Education - Instruction					
Salaries of Teachers	180,917.00	(200.00)	180,717.00	75,040.45	105,676.55
Other Purchased Services (400-500 series)		200.00	200.00	135.00	65.00
General Supplies	4,000.00		4,000.00	256.75	3,743.25
Textbooks	600.00	(400.00)	200.00		200.00
Total Bilingual Education - Instruction	<u>185,517.00</u>	<u>(400.00)</u>	<u>185,117.00</u>	<u>75,432.20</u>	<u>109,684.80</u>
Regular Vocational Programs - Instruction					
Salaries of Teachers	9,139,233.00	300.00	9,139,533.00	9,059,147.68	80,385.32
Other Salaries for Instruction	114,877.00	(10,000.00)	104,877.00	102,359.23	2,517.77
Purchased Professional-Educational Services	34,700.00	(1,018.00)	33,682.00	1,190.00	32,492.00
Purchased Technical Services	5,000.00	5,000.00	10,000.00	3,250.00	6,750.00
Other Purchased Services (400-500 series)	301,521.00	16,431.00	317,952.00	212,969.24	104,982.76
General Supplies	1,236,336.27	74,101.00	1,310,437.27	1,003,530.80	306,906.47
Textbooks	508,865.00	(192,009.00)	316,856.00	209,542.37	107,313.63
Other Objects	88,075.00	15,760.00	103,835.00	35,771.28	68,063.72
Total Regular Vocational Programs - Instruction	<u>11,428,607.27</u>	<u>(91,435.00)</u>	<u>11,337,172.27</u>	<u>10,627,760.60</u>	<u>709,411.67</u>

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Special Vocational Programs - Instruction					
Salaries of Teachers	941,005.00	(28,600.00)	912,405.00	833,510.97	78,894.03
Other Salaries for Instruction	24,741.00	33,875.00	58,616.00	41,323.11	17,292.89
Purchased Professional-Educational Services		10,925.00	10,925.00	9,861.62	1,063.38
Purchased Technical Services	27,000.00	4,500.00	31,500.00	30,525.60	974.40
Other Purchased Services (400-500 series)	8,388.00	2,300.00	10,688.00	10,172.01	515.99
General Supplies	2,545.00	21,850.00	24,395.00	22,973.51	1,421.49
Total Special Vocational Programs - Instruction	<u>1,003,679.00</u>	<u>44,850.00</u>	<u>1,048,529.00</u>	<u>948,366.82</u>	<u>100,162.18</u>
TOTAL VOCATIONAL PROGRAMS	<u>12,432,286.27</u>	<u>(46,585.00)</u>	<u>12,385,701.27</u>	<u>11,576,127.42</u>	<u>809,573.85</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	458,499.00		458,499.00	456,382.84	2,116.16
Purchased Services (300-500 series)	110,000.00	18,000.00	128,000.00	114,319.07	13,680.93
Supplies and Materials	175,000.00	12,000.00	187,000.00	152,016.77	34,983.23
Other Objects	150,000.00	49,530.00	199,530.00	197,301.82	2,228.18
Total School-Sponsored Cocurricular Activities - Instruction	<u>893,499.00</u>	<u>79,530.00</u>	<u>973,029.00</u>	<u>920,020.50</u>	<u>53,008.50</u>
School-Sponsored Athletics - Instruction					
Salaries	868,319.00	70,641.00	938,960.00	938,476.90	483.10
Purchased Services (300-500 series)	65,158.00	(24,795.00)	40,363.00	38,557.01	1,805.99
Supplies and Materials	211,700.00	84,265.00	295,965.00	294,429.88	1,535.12
Other Objects	128,000.00	11,630.00	139,630.00	138,788.31	841.69
Total School-Sponsored Athletics - Instruction	<u>1,273,177.00</u>	<u>141,741.00</u>	<u>1,414,918.00</u>	<u>1,410,252.10</u>	<u>4,665.90</u>
Other Instructional Programs - Instruction					
Salaries	161,500.00	65,230.00	226,730.00	220,220.78	6,509.22
Supplies and Materials	500.00		500.00		500.00
Total Other Instructional Programs - Instruction	<u>162,000.00</u>	<u>65,230.00</u>	<u>227,230.00</u>	<u>220,220.78</u>	<u>7,009.22</u>
TOTAL INSTRUCTION	<u>32,258,927.52</u>	<u>(250,384.00)</u>	<u>32,008,543.52</u>	<u>30,328,794.18</u>	<u>1,679,749.34</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	993,947.00	30,448.00	1,024,395.00	1,004,791.86	19,603.14
Other Purchased Services (400-500 series)	11,884.00		11,884.00	11,609.40	274.60
Supplies and Materials	20,130.00	(2,000.00)	18,130.00	3,530.56	14,599.44
Total Undistributed Expend. - Attend. & Social Work	<u>1,025,961.00</u>	<u>28,448.00</u>	<u>1,054,409.00</u>	<u>1,019,931.82</u>	<u>34,477.18</u>
Undist. Expend. - Health Services					
Salaries	538,133.00	(67,671.00)	470,462.00	425,953.11	44,508.89
Purchased Professional and Technical Services	22,813.00	15,000.00	37,813.00	30,557.00	7,256.00
Other Purchased Services (400-500 series)	1,050.00	38.00	1,088.00	888.00	200.00
Supplies and Materials	25,000.00	(500.00)	24,500.00	17,001.12	7,498.88
Other Objects	3,000.00	500.00	3,500.00	3,125.00	375.00
Total Undistributed Expenditures - Health Services	<u>589,996.00</u>	<u>(52,633.00)</u>	<u>537,363.00</u>	<u>477,524.23</u>	<u>59,838.77</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	2,363,866.00	(171,183.00)	2,192,683.00	2,142,273.99	50,409.01
Salaries of Secretarial and Clerical Assistants	367,142.00	40,000.00	407,142.00	396,778.20	10,363.80
Other Salaries	108,882.00	2,742.00	111,624.00	105,628.20	5,995.80
Purchased Professional - Educational Services	2,500.00		2,500.00	1,387.50	1,112.50
Other Purchased Prof. and Tech. Services	153,104.00	7,000.00	160,104.00	122,409.59	37,694.41
Other Purchased Services (400-500 series)	12,692.00		12,692.00	9,790.94	2,901.06
Supplies and Materials	69,500.00	6,000.00	75,500.00	72,114.56	3,385.44
Other Objects	3,000.00	7,000.00	10,000.00	8,313.80	1,686.20
Total Undist. Expend. - Guidance	<u>3,080,686.00</u>	<u>(108,441.00)</u>	<u>2,972,245.00</u>	<u>2,858,696.78</u>	<u>113,548.22</u>
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	1,196,555.00	(178,299.00)	1,018,256.00	984,421.20	33,834.80
Salaries of Secretarial and Clerical Assistants	179,525.00		179,525.00	176,835.20	2,689.80
Purchased Professional - Educational Services	500.00		500.00		500.00
Other Purchased Prof. and Tech. Services	8,000.00	1,000.00	9,000.00	6,150.00	2,850.00
Other Purchased Services (400-500 series)	7,372.00	2,130.00	9,502.00	9,495.97	6.03
Supplies and Materials	6,000.00	1,700.00	7,700.00	6,917.54	782.46
Total Undist. Expend. - Child Study Team	<u>1,397,952.00</u>	<u>(173,469.00)</u>	<u>1,224,483.00</u>	<u>1,183,819.91</u>	<u>40,663.09</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	969,451.00	246,546.00	1,215,997.00	1,215,996.92	0.08
Salaries of Secretarial and Clerical Assistants	328,358.00	49,734.00	378,092.00	378,091.77	0.23
Purchased Prof- Educational Services		1,585.00	1,585.00	275.00	1,310.00
Other Purch Prof. and Tech. Services		1,250.00	1,250.00	1,250.00	-
Other Purch Services (400-500)	11,477.00	(1,000.00)	10,477.00	8,706.82	1,770.18
Supplies and Materials	39,021.60	(4,000.00)	35,021.60	26,211.16	8,810.44
Other Objects	17,860.00	5,000.00	22,860.00	18,517.82	4,342.18
Total Undist. Expend. - Improvement of Inst. Services	<u>1,366,167.60</u>	<u>299,115.00</u>	<u>1,665,282.60</u>	<u>1,649,049.49</u>	<u>16,233.11</u>

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	868,292.00	44,155.00	912,447.00	906,185.03	6,261.97
Salaries of Technology Coordinators	161,078.00	393.00	161,471.00	161,470.10	0.90
Purchased Professional and Technical Services	589,350.08	(1,393.00)	587,957.08	500,305.51	87,651.57
Other Purchased Services (400-500 series)	16,236.00	4,000.00	20,236.00	16,311.58	3,924.42
Supplies and Materials	481,761.23	500.00	482,261.23	288,628.08	193,633.15
Other Objects	720.00		720.00	65.00	655.00
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>2,117,437.31</u>	<u>47,655.00</u>	<u>2,165,092.31</u>	<u>1,872,965.30</u>	<u>292,127.01</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Serv	50,000.00		50,000.00	15,035.00	34,965.00
Other Purchased Services (400-500 series)	1,000.00	(1,000.00)	-	-	-
Total Undist. Expend. - Instructional Staff Training Serv.	<u>51,000.00</u>	<u>(1,000.00)</u>	<u>50,000.00</u>	<u>15,035.00</u>	<u>34,965.00</u>
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	800,186.00	925.00	801,111.00	800,859.55	251.45
Legal Services	172,437.00	43,000.00	215,437.00	214,108.27	1,328.73
Audit Fees	48,450.00	275.00	48,725.00	48,725.00	-
Architectural / Engineering Services	200,000.00	340,000.00	540,000.00	537,464.47	2,535.53
Other Purchased Professional Services	6,000.00		6,000.00	5,105.00	895.00
Purchased Technical Services	26,000.00	(15,000.00)	11,000.00		11,000.00
Communications/Telephone	231,740.00	45,300.00	277,040.00	239,169.24	37,870.76
BOE Other Purchased Services	6,000.00	(140.00)	5,860.00	5,426.67	433.33
Other Purchased Services (400-500 series)	40,944.00	17,086.00	58,030.00	52,329.39	5,700.61
General Supplies	47,670.00	23,150.00	70,820.00	65,704.19	5,115.81
Miscellaneous Expenditures	85,538.00	19,200.00	104,738.00	95,676.21	9,061.79
BOE Membership Dues and Fees	26,000.00	(460.00)	25,540.00	25,094.35	445.65
Total Undist. Expend. - Supp. Serv. - General Administration	<u>1,690,965.00</u>	<u>473,336.00</u>	<u>2,164,301.00</u>	<u>2,089,662.34</u>	<u>74,638.66</u>
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,376,661.00	(50,241.00)	1,326,420.00	1,325,347.00	1,073.00
Salaries of Secretarial and Clerical Assistants	407,436.00	(122,759.00)	284,677.00	273,815.36	10,861.64
Purchased Professional and Technical Services	8,000.00	50,000.00	58,000.00	52,650.00	5,350.00
Other Purchased Services (400-500 series)	11,372.00		11,372.00	6,184.79	5,187.21
Supplies and Materials	31,500.00	8,000.00	39,500.00	34,363.01	5,136.99
Other Objects	13,150.00	1,000.00	14,150.00	11,070.50	3,079.50
Total Undist. Expend. - Support Serv. - School Administration	<u>1,848,119.00</u>	<u>(114,000.00)</u>	<u>1,734,119.00</u>	<u>1,703,430.66</u>	<u>30,688.34</u>
Undist. Expend. - Central Services					
Salaries	1,319,161.00	(73,199.00)	1,245,962.00	1,239,809.55	6,152.45
Purchased Professional Services	551,800.00	3,000.00	554,800.00	539,080.88	15,719.12
Purchased Technical Services	17,500.00		17,500.00	16,610.00	890.00
Miscellaneous Purchased Services (400-500 series)	42,172.00	5,410.00	47,582.00	42,678.98	4,903.02
Supplies and Materials	27,000.00	7,191.00	34,191.00	26,814.67	7,376.33
Miscellaneous Expenditures	8,120.00	2,500.00	10,620.00	9,439.81	1,180.19
Total Undist. Expend. - Central Services	<u>1,965,753.00</u>	<u>(55,098.00)</u>	<u>1,910,655.00</u>	<u>1,874,433.89</u>	<u>36,221.11</u>
Undist. Expend. - Admin. Information Technology					
Salaries	111,485.00	9,978.00	121,463.00	121,462.64	0.36
Total Undist. Expend. - Admin. Information Technology	<u>111,485.00</u>	<u>9,978.00</u>	<u>121,463.00</u>	<u>121,462.64</u>	<u>0.36</u>
Undist. Expend. - Required Maint. for School Facilities					
Salaries	981,016.00	(7,978.00)	973,038.00	943,374.61	29,663.39
Cleaning, Repair and Maintenance Services	770,350.00	367,000.00	1,137,350.00	1,077,075.89	60,274.11
General Supplies	168,000.00	(14,000.00)	154,000.00	128,534.45	25,465.55
Other Objects	7,600.00	(3,000.00)	4,600.00	4,600.00	-
Total Undist. Expend. - Required Maint. for School Facilities	<u>1,926,966.00</u>	<u>342,022.00</u>	<u>2,268,988.00</u>	<u>2,153,584.95</u>	<u>115,403.05</u>
Undist. Expend. - Custodial Services					
Salaries	1,970,794.00	(403,800.00)	1,566,994.00	1,525,146.30	41,847.70
Purchased Professional and Technical Services	302,200.00	(5,000.00)	297,200.00	234,350.51	62,849.49
Cleaning, Repair and Maintenance Services	153,100.00	(3,401.00)	149,699.00	116,228.28	33,470.72
Rental of Land & Building Other than Lease Purchase Agreement	8,116.00		8,116.00	35,116.19	2,199.81
Other Purchased Property Services	87,000.00	(8,474.00)	78,526.00	69,822.41	8,703.59
Insurance	453,543.00	60,274.00	513,817.00	513,594.67	222.33
Miscellaneous Purchased Services	1,000.00		1,000.00	915.00	85.00
General Supplies	227,000.00	55,800.00	282,800.00	254,557.31	28,242.69
Energy (Electricity)	1,236,022.00	(288,626.00)	947,396.00	824,809.63	122,586.37
Energy (Natural Gas)	134,142.00	(1,563.00)	132,579.00	96,786.31	35,792.69
Energy (Oil)	370,000.00	(209,100.00)	160,900.00	99,076.13	61,823.87
Energy (Gasoline)	30,000.00	36,000.00	66,000.00	41,920.85	24,079.15
Other Objects	8,000.00	(1,000.00)	7,000.00	6,353.02	646.98
Total Undist. Expend. - Custodial Service	<u>4,980,917.00</u>	<u>(739,690.00)</u>	<u>4,241,227.00</u>	<u>3,818,676.61</u>	<u>422,550.39</u>
Undist. Expend. - Care & Upkeep of Grounds					
Purchased Professional and Technical Services	117,000.00	4,000.00	121,000.00	118,476.07	2,523.93
General Supplies	11,000.00		11,000.00	7,480.91	3,519.09
Total Undist. Expend. - Care & Upkeep of Towns	<u>128,000.00</u>	<u>4,000.00</u>	<u>132,000.00</u>	<u>125,956.98</u>	<u>6,043.02</u>

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Security					
Salaries	935,396.00	(29,000.00)	906,396.00	817,837.47	88,558.53
Purchased Professional and Technical Services	941,657.00	(87,000.00)	854,657.00	843,525.46	11,131.54
General Supplies	20,000.00	29,500.00	49,500.00	34,247.98	15,252.02
Other Objects	2,500.00	(1,500.00)	1,000.00	580.00	420.00
Total Undist. Expend. - Security	<u>1,899,553.00</u>	<u>(88,000.00)</u>	<u>1,811,553.00</u>	<u>1,696,190.91</u>	<u>115,362.09</u>
Total Undist. Expend. - Operation & Maint. Of Plant Services	<u>8,935,436.00</u>	<u>(481,668.00)</u>	<u>8,453,768.00</u>	<u>7,794,409.45</u>	<u>659,358.55</u>
Undist. Expend. - Student Transportation Services					
Cleaning, Repair and Maintenance Services	10,000.00	1,000.00	11,000.00	6,746.37	4,253.63
Contract Services (Other than Between Home & School)-Vendors	925,544.00	231,176.00	1,156,720.00	1,096,009.16	60,710.84
Miscellaneous Purchased Services - Transportation	57,230.00	(14,440.00)	42,790.00	41,962.86	827.14
General Supplies	17,000.00	9,940.00	26,940.00	22,007.84	4,932.16
Transportation Supplies	6,000.00	6,000.00	6,000.00	3,334.40	2,665.60
Other Objects	2,000.00	-	2,000.00	1,935.19	64.81
Total Undist. Expend. - Student Transportation Services	<u>1,017,774.00</u>	<u>227,676.00</u>	<u>1,245,450.00</u>	<u>1,171,995.82</u>	<u>73,454.18</u>
UNALLOCATED BENEFITS					
Social Security Contributions	780,508.00	20,800.00	801,308.00	798,987.28	2,320.72
Other Retirement Contributions - PERS	1,001,491.00	(48,268.00)	953,223.00	917,582.71	35,640.29
Other Retirement Contributions - Regular	-	19,000.00	19,000.00	18,488.70	511.30
Other Retirement Contributions - ERIP	111,853.00	-	111,853.00	111,853.00	-
Workmen's Compensation	488,505.00	(44,300.00)	444,205.00	444,199.60	5.40
Health Benefits	7,934,252.00	(438,013.00)	7,496,239.00	6,851,924.81	644,314.19
Tuition Reimbursement	114,000.00	-	114,000.00	98,892.23	15,107.77
Other Employee Benefits	104,000.00	78,061.00	182,061.00	179,576.72	2,484.28
Unused Sick Payment to Terminated/Retired Staff	200,000.00	94,000.00	294,000.00	277,750.52	16,249.48
TOTAL UNALLOCATED BENEFITS	<u>10,734,609.00</u>	<u>(318,720.00)</u>	<u>10,415,889.00</u>	<u>9,699,255.57</u>	<u>716,633.43</u>
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	121,598.00	(121,598.00)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	2,441,050.00	(2,441,050.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	3,051,406.00	(3,051,406.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	2,347,239.17	(2,347,239.17)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,961,293.17</u>	<u>(7,961,293.17)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>10,734,609.00</u>	<u>(318,720.00)</u>	<u>10,415,889.00</u>	<u>17,660,548.74</u>	<u>(7,244,659.74)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>35,933,340.91</u>	<u>(218,821.00)</u>	<u>35,714,519.91</u>	<u>41,492,966.07</u>	<u>(5,778,446.16)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>68,192,268.43</u>	<u>(469,205.00)</u>	<u>67,723,063.43</u>	<u>71,821,760.25</u>	<u>(4,098,696.82)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 9-12	40,000.00	11,600.00	51,600.00	43,506.99	8,093.01
Vocational Programs:					
Vocational Programs - Regular Programs	-	19,530.00	19,530.00	19,428.49	101.51
Other Instructional Programs:					
School-Sponsored and Other Instructional Program	56,544.37	70,470.00	127,014.37	72,011.22	55,003.15
Undistributed:					
Undist.Expend.-Support Serv.-Students - Reg.	5,000.00	7,655.00	12,655.00	10,580.24	2,074.76
Undist.Expend.-Support Serv.-Inst. Staff	798,000.00	1,000.00	799,000.00	603,667.76	195,332.24
Undistributed Expenditures - General Admin.	4,360.00	33,900.00	38,260.00	23,010.49	15,249.51
Undistributed Expenditures - Central Office	36,977.00	7,334.00	44,311.00	43,933.10	377.90
Undistributed Expenditures - Req. Maint. For School Facilities	-	264,600.00	264,600.00	10,845.00	253,755.00
Undistributed Expenditures - Custodial Services	-	8,000.00	8,000.00	7,670.34	329.66
Undistributed Expenditures - Security	-	34,900.00	34,900.00	34,188.66	711.34
Total Equipment	<u>940,881.37</u>	<u>458,989.00</u>	<u>1,399,870.37</u>	<u>868,842.29</u>	<u>531,028.08</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	154,446.00	-	154,446.00	68,430.75	86,015.25
Construction Services	1,832,120.00	-	1,832,120.00	1,355,536.81	476,583.19
Supplies and Materials	19,000.00	-	19,000.00	19,000.00	-
Land and Improvements	943,000.00	-	943,000.00	899,614.02	43,385.98
Assesment for Debt Service on SDA Funding	64,947.00	-	64,947.00	64,947.00	-
Total Facilities Acquisition and Construction Services	<u>3,013,513.00</u>	<u>-</u>	<u>3,013,513.00</u>	<u>2,407,528.58</u>	<u>605,984.42</u>
TOTAL CAPITAL OUTLAY	<u>3,954,394.37</u>	<u>458,989.00</u>	<u>4,413,383.37</u>	<u>3,276,370.87</u>	<u>1,137,012.50</u>

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
SPECIAL SCHOOLS					
Post Secondary Programs - Instruction					
Salaries of Teachers	414,716.00	23,892.08	438,608.08	437,990.92	617.16
Purchased Professional and Technical Services		65.00	65.00	65.00	-
General Supplies	4,000.00	816.00	4,816.00	2,800.07	2,015.93
Textbooks	2,000.00	2,153.92	4,153.92	1,483.18	2,670.74
Other Objects	21,997.50	(11,811.00)	10,186.50	8,381.26	1,805.24
Total Post Secondary Programs - Instruction	<u>442,713.50</u>	<u>15,116.00</u>	<u>457,829.50</u>	<u>450,720.43</u>	<u>7,109.07</u>
Post Secondary Programs - Support Services					
Salaries	165,976.00	(36,000.00)	129,976.00	126,336.34	3,639.66
Personal Services - Employee Benefits	86,439.00	30,667.00	117,106.00	116,583.56	522.44
Other Purchased Services (400-500 series)	158,099.00	28,246.00	186,345.00	184,943.06	1,401.94
Supplies and Materials	14,902.00	(2,999.00)	11,903.00	10,914.85	988.15
Total Post Secondary Programs - Support Services	<u>425,416.00</u>	<u>19,914.00</u>	<u>445,330.00</u>	<u>438,777.81</u>	<u>6,552.19</u>
Total Post Secondary Programs	<u>868,129.50</u>	<u>35,030.00</u>	<u>903,159.50</u>	<u>889,498.24</u>	<u>20,213.45</u>
Other Special Schools - Support Services					
Salaries	14,000.00	10,000.00	24,000.00	23,924.36	75.64
Supplies and Materials	12,000.00		12,000.00	8,587.80	3,412.20
Other Objects	12,000.00		12,000.00	11,001.08	998.92
Total Other Special Schools - Support Services	<u>38,000.00</u>	<u>10,000.00</u>	<u>48,000.00</u>	<u>43,513.24</u>	<u>4,486.76</u>
Total Other Special Schools	<u>38,000.00</u>	<u>10,000.00</u>	<u>48,000.00</u>	<u>43,513.24</u>	<u>4,486.76</u>
Accred. Even./Adult H.S./Post-Grad.-Supp. Service					
Salaries		216.00	216.00	215.32	0.68
Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service	<u>-</u>	<u>216.00</u>	<u>216.00</u>	<u>215.32</u>	<u>0.68</u>
Total Accred. Even./Adult H.S./Post-Grad.	<u>-</u>	<u>216.00</u>	<u>216.00</u>	<u>215.32</u>	<u>0.68</u>
Adult Education-Local-Instruction					
Salaries of Teachers	1,000.00	785.00	1,785.00	1,784.63	0.37
Other Salaries for Instruction	1,000.00		1,000.00	531.14	468.86
General Supplies	6,000.00	(1,200.00)	4,800.00	3,851.12	948.88
Other Objects	1,600.00	(754.00)	846.00	191.20	654.80
Total Adult Education-Local-Instruction	<u>9,600.00</u>	<u>(1,169.00)</u>	<u>8,431.00</u>	<u>6,358.09</u>	<u>2,072.91</u>
Adult Education-Local -Support Serv.					
Salaries	30,900.00	393.00	31,293.00	28,745.16	2,547.84
Personal Services - Employee Benefits	7,400.00	776.00	8,176.00	8,175.95	0.05
Total Adult Education-Local -Support Serv.	<u>38,300.00</u>	<u>1,169.00</u>	<u>39,469.00</u>	<u>36,921.11</u>	<u>2,547.89</u>
Total Adult Education-Local	<u>47,900.00</u>	<u>-</u>	<u>47,900.00</u>	<u>43,279.20</u>	<u>4,620.80</u>
Vocational Evening-Local-Instruction					
Salaries of Teachers	70,000.00		70,000.00	69,051.06	948.94
General Supplies	13,227.00		13,227.00	9,901.58	3,325.42
Total Vocational Evening-Local-Instruction	<u>83,227.00</u>	<u>-</u>	<u>83,227.00</u>	<u>78,952.64</u>	<u>4,274.36</u>
Vocational Evening-Local-Support Services					
Salaries	41,705.00	(3,971.00)	37,734.00	29,789.50	7,944.50
Personal Services - Employee Benefits	8,753.00		8,753.00	7,533.95	1,219.05
Other Purchased Services (400-500 series)	10,000.00	3,971.00	13,971.00	13,573.00	398.00
Total Vocational Evening-Local-Support Services	<u>60,458.00</u>	<u>-</u>	<u>60,458.00</u>	<u>50,896.45</u>	<u>9,561.55</u>
Total Vocational Evening-Local	<u>143,685.00</u>	<u>-</u>	<u>143,685.00</u>	<u>129,849.09</u>	<u>13,835.91</u>
GED Test Centers					
Salaries	101,000.00		101,000.00	98,778.55	2,221.45
Other Objects	1,460.00		1,460.00	995.67	464.33
Total GED Test Centers	<u>102,460.00</u>	<u>-</u>	<u>102,460.00</u>	<u>99,774.22</u>	<u>2,685.78</u>
TOTAL SPECIAL SCHOOLS	<u>1,200,174.50</u>	<u>45,246.00</u>	<u>1,245,420.50</u>	<u>1,206,129.31</u>	<u>39,291.19</u>
TOTAL EXPENDITURES	<u>73,346,837.30</u>	<u>35,030.00</u>	<u>73,381,867.30</u>	<u>76,304,260.43</u>	<u>(2,922,393.13)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,487,962.30)</u>	<u>-</u>	<u>(6,487,962.30)</u>	<u>(1,095,714.44)</u>	<u>5,392,247.86</u>
Other Financing Sources/(Uses):					
Operating Transfer In:					
Operating Transfer Out:					
Total Other Financing Sources/(Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(6,487,962.30)</u>	<u>-</u>	<u>(6,487,962.30)</u>	<u>(1,095,714.44)</u>	<u>5,392,247.86</u>

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	11,296,528.04		11,296,528.04	11,296,528.04	-
Fund Balance, June 30	4,808,565.74	-	4,808,565.74	10,200,813.60	5,392,247.86
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for Prior Year Encumbrances	(147,396.30)		(147,396.30)	(147,396.30)	-
Increase in Capital Reserve:					
Principal				500,000.00	500,000.00
Interest			-	1,452.65	1,452.65
Withdrawal from Capital Reserve	(2,005,566.00)		(2,005,566.00)	(2,005,566.00)	-
Budgeted Fund Balance	(4,335,000.00)	-	(4,335,000.00)	554,342.58	4,889,342.58
	(6,487,962.30)	-	(6,487,962.30)	(1,097,167.07)	5,390,795.23
Recapitulation:					
Restricted Fund Balance:					
Reserve for Excess Surplus				93,017.76	
Capital Reserve				1,504,729.15	
Assigned Fund Balance:					
Year End Encumbrances				909,735.21	
Designated for Subsequent Year's Expenditures - Semi				4,753.44	
Designated for Subsequent Year's Expenditures				3,588,000.00	
Unassigned Fund Balance				4,100,578.04	
				10,200,813.60	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(1,599,216.00)	
Fund Balance per Governmental Funds (GAAP)				8,601,597.60	

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	-	32,381.43	32,381.43	20,645.00	(11,736.43)
State Sources	90,460.00	24,207.68	114,667.68	113,171.68	(1,496.00)
Federal Sources	3,084,451.00	826,985.00	3,911,436.00	3,708,357.80	(203,078.20)
Total Revenues	3,174,911.00	883,574.11	4,058,485.11	3,842,174.48	(216,310.63)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,654,864.00	(94,676.79)	1,560,187.21	1,523,181.27	37,005.94
Other Salaries for Instruction		15,689.98	15,689.98	15,689.98	-
Purchased Professional - Educational Services		54,880.00	54,880.00	54,880.00	-
Purchased Professional and Technical Services		220,000.00	220,000.00	204,114.50	15,885.50
Other Purchased Services (400-500 series)		5,586.42	5,586.42	4,395.00	1,191.42
General Supplies	557,407.00	(205,972.11)	351,434.89	296,586.64	54,848.25
Other Objects		8,306.00	8,306.00	8,105.00	201.00
Total instruction	2,212,271.00	3,813.50	2,216,084.50	2,106,952.39	109,132.11
Support services:					
Salaries of Other Professional Staff	360,946.00	22,978.00	383,924.00	380,924.00	3,000.00
Other Salaries	97,728.00	8,018.81	105,746.81	105,549.01	197.80
Personal Services - Employee Benefits	410,112.00	338,007.50	748,119.50	726,839.29	21,280.21
Purchased Professional - Educational Services		51,240.00	51,240.00	17,819.00	33,421.00
Other Purchased Professional Services		60,000.00	60,000.00	60,000.00	-
Purchased Technical Services		4,000.00	4,000.00	2,384.85	1,615.15
Other Purchased Services (400-500 series)		55,208.26	55,208.26	42,661.92	12,546.34
Supplies & Materials		6,039.00	6,039.00	5,095.67	943.33
Total support services	868,786.00	545,491.57	1,414,277.57	1,341,273.74	73,003.83
Facilities acquisition and const. serv.:					
Buildings		16,250.00	16,250.00	16,250.00	-
Instructional Equipment	93,854.00	318,019.04	411,873.04	377,698.35	34,174.69
Total facilities acquisition and const. serv.	93,854.00	334,269.04	428,123.04	393,948.35	34,174.69
Total Expenditures	3,174,911.00	883,574.11	4,058,485.11	3,842,174.48	216,310.63
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Year Ended June 30, 2016

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	75,208,545.99	3,842,174.48
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,599,216.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,977,066.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	75,586,395.99	3,842,174.48
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	76,304,260.43	3,842,174.48
Differences - budget to GAAP	NONE	
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Pension expense recognized for GAAP but not for budgetary purposes.	N/A	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	76,304,260.43	3,842,174.48

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June30,</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Covered Payrol -PERS Employee's</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a perecentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2015	0.1096570616%	\$ 20,530,801	\$ 7,332,995	279.98%	52.08%
2016	0.1063552605%	23,874,625	7,345,743	325.01%	47.93%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's PERS Covered- Employee Payroll</u>	<u>Contributions as a Percentage of PERS Covered- Employee Payroll</u>
2015	\$ 903,997	\$ 903,997	\$ -	\$7,332,995	12.33%
2016	914,370	914,370	-	7,345,743	12.45%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June30,</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)</u>	<u>District's Covered Payrol -TPAF Employee's</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a perecntage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2015	0.3179694117%	\$ -	\$ 169,944,302	\$ 32,784,464	0.00%	33.64%
2016	0.3156314236%	\$ -	199,492,538	33,054,451	0.00%	28.71%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2016**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.29%) to the current measurement date (3.80%), resulting in a change in the discount rate from 5.39% to 4.90%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.29%) to the current measurement date (3.80%), resulting in a change in the discount rate from 4.68% to 4.13%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

Supplementary Schedules

SPECIAL REVENUE FUND

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2016

	Total	Title I Part A Improving Basic Programs	Title II Part A Teacher and Principal Train/Recruiting	Title III English Language Enhancement	I.D.E.A., Part B Basic	Totals 2016
REVENUES						
Local Sources	20,645.00					20,645.00
State Sources	113,171.68					113,171.68
Federal Sources	718,627.59	2,004,322.53	144,966.69	10,537.14	829,903.85	3,708,357.80
Total Revenues	852,444.27	2,004,322.53	144,966.69	10,537.14	829,903.85	3,842,174.48
EXPENDITURES:						
Instruction:						
Salaries of Teachers	55,195.21	1,149,976.46	68,006.00	5,606.00	244,397.60	1,523,181.27
Other Salaries for Instruction	15,689.98					15,689.98
Purchased Professional - Educational Services	54,880.00					54,880.00
Purchased Professional and Technical Services	-	204,114.50				204,114.50
Other Purchased Services (400-500 series)	4,395.00					4,395.00
General Supplies	248,242.65	40,197.13			8,146.86	296,586.64
Other Objects	8,105.00					8,105.00
Total instruction	386,507.84	1,394,288.09	68,006.00	5,606.00	252,544.46	2,106,952.39
Support services:						
Salaries of Other Professional Staff	45,916.00				335,008.00	380,924.00
Other Salaries	7,994.81	97,554.20				105,549.01
Personal Services - Employee Benefits	-	466,129.07	16,960.69	1,398.14	242,351.39	726,839.29
Purchased Professional - Educational Services	14,286.00			3,533.00		17,819.00
Other Purchased Professional Services	-		60,000.00			60,000.00
Purchased Technical Services	-	2,384.85				2,384.85
Other Purchased Services (400-500 series)	4,966.68	37,695.24				42,661.92
Supplies & Materials	2,150.00	2,945.67				5,095.67
Other Objects	-					-
Total support services	75,313.49	606,709.03	76,960.69	4,931.14	577,359.39	1,341,273.74
Facilities acquisition and const. serv.:						
Construction Services	16,250.00					16,250.00
Instructional Equipment	374,372.94	3,325.41				377,698.35
Noninstructional Equipment	-					-
Total facilities acquisition and const. serv.	390,622.94	3,325.41	-	-	-	393,948.35
Total Expenditures	852,444.27	2,004,322.53	144,966.69	10,537.14	829,903.85	3,842,174.48
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2016

	Total Brought Forward (Ex. E-1b)	Adult Basic Education	Arnold Foundation	Total Carried Forward
REVENUES				
Local Sources	16,250.00		4,395.00	20,645.00
State Sources	113,171.68			113,171.68
Federal Sources	603,627.59	115,000.00		718,627.59
Total Revenues	733,049.27	115,000.00	4,395.00	852,444.27
EXPENDITURES:				
Instruction:				
Salaries of Teachers	-	55,195.21		55,195.21
Other Salaries for Instruction	-	15,689.98		15,689.98
Purchased Professional - Educational Services	54,880.00			54,880.00
Purchased Professional and Technical Services	-			-
Other Purchased Services (400-500 series)	-		4,395.00	4,395.00
General Supplies	236,242.65	12,000.00		248,242.65
Other Objects	8,105.00			8,105.00
Total instruction	299,227.65	82,885.19	4,395.00	386,507.84
Support services:				
Salaries of Other Professional Staff	21,796.00	24,120.00		45,916.00
Other Salaries	-	7,994.81		7,994.81
Personal Services - Employee Benefits	-			-
Purchased Professional - Educational Services	14,286.00			14,286.00
Other Purchased Professional Services	-			-
Purchased Technical Services	-			-
Travel	-			-
Other Purchased Services (400-500 series)	4,966.68			4,966.68
Supplies & Materials	2,150.00			2,150.00
Other Objects	-			-
Total support services	43,198.68	32,114.81	-	75,313.49
Facilities acquisition and const. serv.:				
Construction Services	16,250.00			16,250.00
Instructional Equipment	374,372.94			374,372.94
Noninstructional Equipment	-			-
Total facilities acquisition and const. serv.	390,622.94	-	-	390,622.94
Total Expenditures	733,049.27	115,000.00	4,395.00	852,444.27
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2016

	Race to the Top	Vocational Education				Total Carried Forward
		NJSBA Safety Grant	Carl Perkins	Carl Perkins Post-Secondary	Carl Perkins Reserve	
REVENUES						
Local Sources		16,250.00				16,250.00
State Sources	14,308.00		479,766.36	88,649.00	109,553.23	113,171.68
Federal Sources						603,627.59
Total Revenues	14,308.00	16,250.00	479,766.36	88,649.00	109,553.23	733,049.27
EXPENDITURES:						
Instruction:						
Salaries of Teachers						-
Other Salaries for Instruction						-
Purchased Professional - Educational Services			5,000.00	49,880.00		54,880.00
Purchased Professional and Technical Services						-
Other Purchased Services (400-500 series)			169,294.32	10,722.00	56,226.33	236,242.65
General Supplies				8,105.00		8,105.00
Other Objects						-
Total instruction	-	-	174,294.32	68,707.00	56,226.33	299,227.65
Support services:						
Salaries of Other Professional Staff						21,796.00
Other Salaries						-
Personal Services - Employee Benefits						-
Purchased Professional - Educational Services	14,286.00					14,286.00
Other Purchased Professional Services						-
Purchased Technical Services						-
Other Purchased Services (400-500 series)	22.00		3,348.00	1,020.00		4,966.68
Supplies & Materials						2,150.00
Other Objects						-
Total support services	14,308.00	-	3,348.00	1,020.00	-	43,198.68
Facilities acquisition and const. serv.:						
Construction Services		16,250.00				16,250.00
Instructional Equipment			302,124.04	18,922.00	53,326.90	374,372.94
Noninstructional Equipment						-
Total facilities acquisition and const. serv.	-	16,250.00	302,124.04	18,922.00	53,326.90	390,622.94
Total Expenditures	14,308.00	16,250.00	479,766.36	88,649.00	109,553.23	733,049.27
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

CAPITAL PROJECTS FUND

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2016

Revenues and Other Financing Sources	
Funded by Passaic County	2,000,000.00
Total Revenues	2,000,000.00
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	
Construction Services	2,045,421.14
Equipment	
Total Expenditures	2,045,421.14
Excess (deficiency) or Revenues over (under) Expenditures	(45,421.14)
Fund balance - Beginning	(9,073,451.31)
Fund balance - Ending	(9,118,872.45)

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Capital Projects Fund
Summary Statement of Project Expenditures
For the Year Ended June 30, 2016

Project Title/Issue	Date	Appropriations	Expenditures to Date		Reduction in Appropriation Adjustment	Unexpended Balance June 30, 2016
			Prior Years	Current Year		
Professional Services	04/05	18,749.13	18,749.13			
Equipment	05/06	257,915.87	257,915.87			
Professional Services	06/07	95,486.30	95,486.30			
Equipment	06/07	326,110.00	326,110.00			
Construction	09/10	652,872.00	652,872.00			
Construction	09/10	850,000.00	850,000.00			
Construction	09/10	722,713.24	664,936.24	43,725.00		14,052.00
Equipment	09/10	326,435.47	326,435.47			
Equipment	09/10	129,308.00	129,308.00			
Equipment	09/10	100,000.00	100,000.00			
Construction	10/11	789,000.00	789,000.00			
Equipment	10/11	177,515.08	71,764.00			105,751.08
Construction	11/12	333,083.25	333,083.25			
Equipment	11/12	97,213.00	97,213.00			
Equipment and Various Improvments	12/13	951,308.00		597,504.66		353,803.34
Equipment and Various Improvments	13/14	979,308.00		417,703.00		561,605.00
Equipment and Various Improvments	14/15	979,308.00	33,816.00	258,075.00		687,417.00
H-Wing Addition & B-Wing Renovations	14/15	6,250,667.00	5,063,283.52	728,413.48		458,970.00
Equipment and Various Improvments	15/16	979,308.00				979,308.00
		<u>15,016,300.34</u>	<u>9,809,972.78</u>	<u>2,045,421.14</u>	-	<u>3,160,906.42</u>
<u>Analysis</u>						
Project Balance - June 30, 2016						3,160,906.42
Unfunded Authorizations						<u>(12,279,778.87)</u>
Fund Balance (Deficit) - June 30, 2016						<u>(9,118,872.45)</u>

PROPRIETARY FUNDS

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Combining Statement of Net Position
Enterprise Funds
June 30, 2016

	<u>Food Service Program</u>	<u>Student Store</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	241,382.02	66,923.98	308,306.00
Accounts receivable:			
State	845.67		845.67
Federal	55,844.83		55,844.83
Other	13,635.15	823.50	14,458.65
Inventories	41,145.54	46,361.34	87,506.88
Total current assets	<u>352,853.21</u>	<u>114,108.82</u>	<u>466,962.03</u>
Noncurrent assets:			
Capital assets:			
Equipment	372,785.88		372,785.88
Less accumulated depreciation	<u>(296,187.17)</u>		<u>(296,187.17)</u>
Total capital assets (net of accumulated depreciation)	<u>76,598.71</u>	-	<u>76,598.71</u>
Total assets	<u>429,451.92</u>	<u>114,108.82</u>	<u>543,560.74</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	29,731.21	1,384.65	31,115.86
Unearned revenue	<u>1,005.00</u>		<u>1,005.00</u>
Total current liabilities	<u>30,736.21</u>	<u>1,384.65</u>	<u>32,120.86</u>
NET POSITION			
Invested in capital assets net of related debt	76,598.71		76,598.71
Unrestricted	<u>322,117.00</u>	<u>112,724.17</u>	<u>434,841.17</u>
Total net position	<u>398,715.71</u>	<u>112,724.17</u>	<u>511,439.88</u>

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2016

	<u>Food Service Program</u>	<u>Student Store</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	142,585.37		142,585.37
Daily sales - non-reimbursable programs	14,530.10		14,530.10
Special functions	679,435.91		679,435.91
Miscellaneous		120,154.60	120,154.60
Total operating revenues	<u>836,551.38</u>	<u>120,154.60</u>	<u>956,705.98</u>
Operating expenses:			
Cost of sales	1,277,293.72	98,909.31	1,376,203.03
Salaries	558,130.90	9,824.93	567,955.83
Employee benefits	116,893.71	751.61	117,645.32
Cleaning repair & maintenance	59,414.31		59,414.31
Purchased services	6,562.00		6,562.00
Miscellaneous expense	673.85		673.85
General supplies	23,228.30	572.11	23,800.41
Depreciation	5,944.10		5,944.10
Total Operating Expenses	<u>2,048,140.89</u>	<u>110,057.96</u>	<u>2,158,198.85</u>
Operating income (loss)	<u>(1,211,589.51)</u>	<u>10,096.64</u>	<u>(1,201,492.87)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	18,535.15		18,535.15
Federal sources:			
National school lunch program	923,760.36		923,760.36
National school breakfast program	186,461.14		186,461.14
Food distribution program	138,353.54		138,353.54
Interest and investment revenue	317.52	75.27	392.79
Total nonoperating revenues (expenses)	<u>1,267,427.71</u>	<u>75.27</u>	<u>1,267,502.98</u>
Income (loss) before contributions & transfers	<u>55,838.20</u>	<u>10,171.91</u>	<u>66,010.11</u>
Transfers in (out)			-
Change in net position	<u>55,838.20</u>	<u>10,171.91</u>	<u>66,010.11</u>
Total net position—beginning	<u>342,877.51</u>	<u>102,552.26</u>	<u>445,429.77</u>
Total net position—ending	<u>398,715.71</u>	<u>112,724.17</u>	<u>511,439.88</u>

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2016

	<u>Food Service Program</u>	<u>Student Store</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	829,420.23	119,361.10	948,781.33
Payments to employees	(567,326.28)	(9,824.93)	(577,151.21)
Payments for employee benefits	(116,893.71)	(751.61)	(117,645.32)
Payments to suppliers	<u>(1,203,418.15)</u>	<u>(113,140.26)</u>	<u>(1,316,558.41)</u>
Net cash provided by (used for) operating activities	<u>(1,058,217.91)</u>	<u>(4,355.70)</u>	<u>(1,062,573.61)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	19,091.65		19,091.65
Federal Sources	<u>1,139,844.15</u>		<u>1,139,844.15</u>
Net cash provided by (used for) non-capital financing activities	<u>1,158,935.80</u>	<u>-</u>	<u>1,158,935.80</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	<u>(16,606.15)</u>		<u>(16,606.15)</u>
Net cash provided by (used for) capital and related financing activities	<u>(16,606.15)</u>	<u>-</u>	<u>(16,606.15)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	<u>317.52</u>	<u>75.27</u>	<u>392.79</u>
Net cash provided by (used for) investing activities	<u>317.52</u>	<u>75.27</u>	<u>392.79</u>
Net increase (decrease) in cash and cash equivalents	<u>84,429.26</u>	<u>(4,280.43)</u>	<u>80,148.83</u>
Balances—beginning of year	<u>156,952.76</u>	<u>71,204.41</u>	<u>228,157.17</u>
Balances—end of year	<u><u>241,382.02</u></u>	<u><u>66,923.98</u></u>	<u><u>308,306.00</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(1,211,589.51)	10,096.64	(1,201,492.87)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	5,944.10		5,944.10
Food Distribution Program Donated Commodities	138,353.54		138,353.54
(Increase) decrease in accounts receivable, net	(7,131.15)	(793.50)	(7,924.65)
(Increase) decrease in inventories	(1,944.36)	(8,223.04)	(10,167.40)
Increase (decrease) in unearned revenue	1,005.00		1,005.00
Increase (decrease) in accounts payable	17,144.47	(5,435.80)	11,708.67
Total adjustments	<u>153,371.60</u>	<u>(14,452.34)</u>	<u>138,919.26</u>
Net cash provided by (used for) operating activities	<u>(1,058,217.91)</u>	<u>(4,355.70)</u>	<u>(1,062,573.61)</u>

FIDUCIARY FUND

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Unemployment Compensation Trust Fund	Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	605,880.70	84,210.56	2,963,354.45
Other Accounts Receivable			1,470.00
Total assets	605,880.70	84,210.56	2,964,824.45
LIABILITIES			
Payable to student groups			257,274.39
Due to General Fund			9,195.04
Summer payroll due employees			2,277,093.59
Payroll deductions and withholdings			406,075.61
Reserve for Employee's FSA/DDC			15,185.82
Total liabilities	-	-	2,964,824.45
NET POSITION			
Held in trust for unemployment claims and other purposes	605,880.70		
Reserved for scholarships		84,210.56	

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

	Unemployment Compensation Trust Fund	Scholarship Fund
ADDITIONS		
Contributions:		
Plan member	53,713.91	
Other		54,000.00
Total Contributions	53,713.91	54,000.00
Investment earnings:		
Interest	606.48	45.13
Net investment earnings	606.48	45.13
Total additions	54,320.39	54,045.13
DEDUCTIONS		
Unemployment claims	55,322.07	
Scholarships awarded		65,000.00
Total deductions	55,322.07	65,000.00
Change in net position	(1,001.68)	(10,954.87)
Net position—beginning of the year	606,882.38	95,165.43
Net position—end of the year	605,880.70	84,210.56

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2016</u>
HIGH SCHOOL:				
General Organization Account	297,342.69	411,359.07	451,427.37	257,274.39
	<u>297,342.69</u>	<u>411,359.07</u>	<u>451,427.37</u>	<u>257,274.39</u>

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2016</u>
Payroll Deductions and Withholdings	44,775.94	22,207,372.33	21,846,072.66	406,075.61
Summer Payroll	2,146,233.04	2,278,167.94	2,147,307.39	2,277,093.59
Employee's FSA/DDC	<u>10,473.16</u>	<u>44,449.84</u>	<u>39,737.18</u>	<u>15,185.82</u>
	<u><u>2,201,482.14</u></u>	<u><u>24,529,990.11</u></u>	<u><u>24,033,117.23</u></u>	<u><u>2,698,355.02</u></u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
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- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
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Demographic and Economic Information

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- J-16 Full-time Equivalent District Employees by Function/Program
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of related debt	40,507,713.21	42,260,441.57	43,251,832.92	44,783,910.14	44,605,267.91	44,461,014.51	47,260,581.07	48,466,318.96	55,271,079.97	57,699,855.64
Restricted	611,042.00	1,593,509.21	2,592,349.02	161,672.25	(577,276.01)	600,425.28	(919,441.58)	281,369.18	(6,064,608.81)	(7,614,143.30)
Unrestricted	(3,667,662.00)	(3,453,496.13)	(2,899,131.05)	807,025.18	2,329,645.74	4,788,455.74	5,875,794.62	4,468,941.13	(19,166,849.08)	(18,701,261.94)
Total governmental activities net position	37,451,093.21	40,400,454.65	42,945,050.89	45,752,607.57	46,357,637.64	49,849,895.53	52,216,934.11	53,216,629.27	30,039,622.08	31,384,450.40
Business-type activities										
Invested in capital assets, net of related debt	23,542.00	17,721.45	25,399.36	20,541.02	17,032.18	13,981.59	34,605.95	36,028.91	65,936.66	76,598.71
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	486,051.00	270,014.56	331,837.82	376,891.87	377,230.10	309,940.17	342,666.13	396,060.23	379,493.11	434,841.17
Total business-type activities net position	509,593.00	287,736.01	357,237.18	397,432.89	394,262.28	323,921.76	377,272.08	432,089.14	445,429.77	511,439.88
District-wide										
Invested in capital assets, net of related debt	40,531,255.21	42,278,163.02	43,277,232.28	44,804,451.16	44,622,300.09	44,474,996.10	47,295,187.02	48,502,347.87	55,337,016.63	57,776,454.35
Restricted	611,042.00	1,593,509.21	2,592,349.02	161,672.25	(577,276.01)	600,425.28	(919,441.58)	281,369.18	(6,064,608.81)	(7,614,143.30)
Unrestricted	(3,181,611.00)	(3,183,481.57)	(2,567,293.23)	1,183,917.05	2,706,875.84	5,098,395.91	6,218,460.75	4,865,001.36	(18,787,355.97)	(18,266,420.77)
Total district net position	37,960,686.21	40,688,190.66	43,302,288.07	46,150,040.46	46,751,899.92	50,173,817.29	52,594,206.19	53,648,718.41	30,485,051.85	31,895,890.28

Source: CAFR Schedule A-1

GASB No. 63 became effective for the Fiscal Year Ended June 30, 2013 which required a change in language from net assets to net position. This required presentation did not impact any of the balances from the prior years.

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	7,144,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00
Unrestricted grants and contributions	16,709,490.00	17,715,124.81	22,390,012.96	24,565,965.66	21,966,106.69	24,346,462.91	26,301,267.59	25,741,071.78	33,824,114.86	37,922,768.31
Tuition Received	29,754,574.55	33,600,545.50	36,421,752.98	36,929,083.16	37,137,986.96	39,644,580.90	37,166,748.45	37,681,707.34	37,997,988.48	39,442,372.71
GED Testing fees					21,970.00	60,230.00	85,643.66	56,357.47	89,583.96	5,912.00
Miscellaneous income	237,881.00	284,758.58	367,880.93	479,164.35	363,893.75	411,164.65	399,749.00	322,684.55	475,906.58	788,925.97
Special Item - Funded by Passaic County		2,937,308.00		978,759.00	(57,235.32)				979,000.00	2,000,000.00
Special Item - Funds to Passaic County	420,138.00	239,493.57	328,091.60	759,711.49	823,310.66	656,297.97	497,825.56	413,908.04	328,557.82	393,948.35
Federal and State Aid - capital outlay	54,266,668.55	61,821,815.46	66,552,323.47	70,757,268.66	67,300,617.74	72,163,321.43	71,495,819.26	71,260,314.18	80,739,736.70	87,598,512.34
Total governmental activities	12,546.00	8,511.56	2,638.00	2,718.35	1,783.72	1,160.92	624.80	319.25	307.76	392.79
Business-type activities:										
Investment earnings						(102,712.17)				
Transfers										
Total business-type activities	12,546.00	8,511.56	2,638.00	2,718.35	1,783.72	(102,712.17)	624.80	319.25	307.76	392.79
Total district-wide	54,279,214.55	61,830,327.02	66,554,961.47	70,759,987.01	67,302,401.46	72,061,770.18	71,496,444.06	71,260,633.43	80,740,044.46	87,598,905.13
Change in Net Position										
Governmental activities	209,982.55	2,949,362.11	2,544,596.24	2,612,263.00	605,030.07	3,492,257.89	2,367,038.58	999,695.16	(1,496,933.19)	1,344,828.32
Business-type activities	55,354.00	(221,857.20)	69,501.16	40,195.72	(3,170.61)	(70,340.52)	53,350.32	54,817.06	13,340.63	66,010.11
Total district	265,336.55	2,727,504.91	2,614,097.40	2,652,458.72	601,859.46	3,421,917.37	2,420,388.90	1,054,512.22	(1,483,592.56)	1,410,838.43

Source: CAFR Schedule A-2

GASB No. 63 became effective for the Fiscal Year Ended June 30, 2013 which required a change in language from net assets to net position. This required presentation did not impact any of the balances from the prior years.

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
 Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	1,380,021.00	1,501,741.60	3,223,401.50	583,439.68	723,961.54	1,723,961.54	1,000,001.00	4,005,494.38	4,008,770.88	1,597,746.91
Unreserved	1,638,875.00	2,060,669.07	2,234,591.66	4,836,126.55	391,855.37	1,250,145.66	8,276,038.75	4,784,779.35	3,509,691.25	4,502,488.65
Restricted					3,600,000.00	5,732,676.46	1,617,684.88	2,289,435.56	1,800,999.91	2,501,362.04
Committed					2,296,205.66	2,220,902.81	10,893,724.63	11,079,709.29	9,319,462.04	8,601,597.60
Assigned					7,012,022.57	10,927,686.47				
Unassigned	3,018,896.00	3,562,410.67	5,457,993.16	5,419,566.23						
Total general fund										
All Other Governmental Funds										
Reserved	1,113.00	486,037.68	282,192.96	53,345.10	701,472.00	256,115.00	272,612.50	7,086,993.97	763,692.48	701,000.00
Committed										
Unreserved, reported in:										
Special revenue fund	(92,181.00)	(102,201.80)								
Capital projects fund	(770,093.00)	(394,270.07)	(913,245.44)	(475,112.53)	(1,670,604.38)	(1,905,836.38)	(2,192,055.08)	(9,811,190.79)	(9,837,143.79)	(9,819,872.45)
Total all other governmental funds	(861,161.00)	(10,434.19)	(631,052.48)	(421,767.43)	(969,132.38)	(1,649,721.38)	(1,919,442.58)	(2,724,196.82)	(9,073,451.31)	(9,118,872.45)

Source: CAFR Schedule B-1

GASB No. 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years. Prior years have not been restated above, nor or they required to be.

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	7,144,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00	7,044,585.00
Tuition charges	29,754,574.00	33,600,545.50	36,421,752.98	36,929,083.16	37,137,986.96	39,644,580.90	37,166,748.45	37,681,707.34	37,997,988.48	39,442,372.71
Interest earnings	167,373.00	160,797.11	50,155.13	67,088.60	44,357.38	30,606.86	24,929.63	10,977.76	3,276.50	1,452.65
GED Testing fees					21,970.00	60,230.00	85,643.66	56,357.47	89,583.96	5,912.00
Miscellaneous	74,678.00	128,325.88	338,511.77	416,819.26	368,314.38	414,211.56	473,554.81	326,092.29	539,018.08	808,118.32
State sources	19,402,606.00	21,177,809.72	22,687,527.99	21,469,683.81	21,998,315.48	23,697,073.16	26,330,010.58	25,784,836.86	26,355,072.90	28,331,953.85
Federal sources	3,344,011.00	3,663,805.21	3,942,806.27	7,847,709.98	4,778,241.74	4,867,163.20	3,801,334.19	4,054,094.05	3,858,239.36	3,794,175.94
Total revenue	59,887,827.00	65,775,868.42	70,485,339.14	73,774,969.81	71,393,770.94	75,758,450.68	74,926,806.32	74,958,650.77	75,887,764.28	79,428,570.47
Expenditures										
Instruction										
Regular Instruction	14,826,810.00	16,756,630.25	16,552,555.18	17,174,019.34	16,063,662.21	16,782,997.87	17,110,904.19	17,722,212.17	18,436,384.67	17,931,254.73
Other special instruction	630,256.00	348,189.65	422,049.08	409,274.47	305,486.04	373,055.94	367,274.36	562,701.87	544,044.91	377,871.04
Vocational education	6,127,123.00	7,256,774.81	8,814,758.13	9,281,321.45	9,411,268.83	9,769,917.02	10,234,672.43	10,417,683.89	11,151,358.06	11,576,127.42
Other instruction	1,293,372.00	1,375,637.85	1,537,885.06	1,727,563.99	1,644,929.27	1,762,006.47	1,911,473.19	2,138,647.51	2,365,317.29	2,550,493.38
Support Services:										
Student & instruction related services	8,530,810.00	9,652,268.30	9,689,691.35	9,937,948.15	10,398,020.68	10,047,629.75	10,053,671.06	9,669,468.50	10,165,856.43	10,418,296.27
General administrative services	1,168,891.00	1,207,167.36	1,196,599.77	1,212,950.75	1,397,188.74	1,401,210.76	1,386,002.99	1,757,382.97	1,790,734.69	2,089,662.34
School Administrative services	718,055.00	761,785.68	855,252.44	1,584,981.88	1,489,467.18	1,694,174.17	1,755,728.74	1,773,672.84	1,437,319.29	1,703,430.66
Central Services & Admin. Info. Technology	1,092,820.00	1,474,880.57	1,464,695.66	1,618,990.41	1,451,924.75	1,462,272.37	1,797,943.53	1,956,976.72	2,132,705.20	1,995,896.53
Plant operations and maintenance	7,226,310.00	7,989,063.57	8,715,228.80	8,445,309.65	7,444,425.84	7,171,641.92	7,584,320.36	7,853,711.22	8,060,250.09	7,794,409.45
Pupil transportation	719,797.00	844,725.46	870,960.09	880,634.00	658,909.02	779,394.54	828,695.58	929,095.46	1,013,172.25	1,171,995.82
Unallocated employee benefits	12,514,275.00	13,913,812.49	13,904,365.83	16,062,955.95	17,131,234.25	17,985,908.59	16,051,862.06	15,552,270.95	16,465,411.27	17,660,548.74
Special Schools	1,766,551.00	2,005,338.27	2,084,637.66	2,377,328.25	1,176,838.96	1,048,556.75	1,081,151.75	1,094,907.08	1,199,814.22	1,206,129.31
Capital outlay	4,781,161.00	3,732,660.59	3,101,695.89	3,869,592.40	1,718,088.46	2,244,609.63	5,066,789.12	4,148,689.17	10,213,897.65	5,715,740.36
Total expenditures	61,396,231.00	67,318,934.85	69,210,374.94	74,582,870.69	70,291,444.23	72,523,375.78	75,230,489.36	75,577,420.35	84,976,266.02	82,191,856.05
Excess (Deficiency) of revenues over (under) expenditures	(1,508,404.00)	(1,543,066.43)	1,274,964.20	(807,900.88)	1,102,326.71	3,235,074.90	(303,683.04)	(618,769.58)	(9,088,501.74)	(2,763,285.58)
Other Financing sources (uses)										
Funded by County of Passaic	-	2,937,308.00	-	978,759.00	(57,235.32)	-	-	-	979,000.00	2,000,000.00
Returned to Passaic County	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(57,235.32)	-	-	-	-	-
Total other financing sources (uses)	-	2,937,308.00	-	978,759.00	(57,235.32)	-	-	-	979,000.00	2,000,000.00
Net change in fund balances	(1,508,404.00)	1,394,241.57	1,274,964.20	170,858.12	1,045,091.39	3,235,074.90	(303,683.04)	(618,769.58)	(8,109,501.74)	(763,285.58)

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

General Fund Other Local Revenue by Source
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tuition Charges	Facility Rental	Interest Income	Prior Year Refunds	Management Fee	GED Revenue	E-Rate	Miscellaneous	County Tax Levy	Total
2016	39,442,372.71	118,025.00	8,559.26	7,041.78	181,848.00	5,912.00	431,519.90	41,932.03	7,044,585.00	47,281,795.68
2015	37,997,988.68	102,600.00	8,206.34	54,631.54	178,284.00	89,583.96	96,759.54	35,424.96	7,044,585.00	45,608,064.02
2014	37,681,707.34	113,175.00	10,977.76	7,755.94	178,284.00	56,357.47		12,491.85	7,044,585.00	45,105,334.36
2013	37,166,748.45	123,111.00	24,929.63	7,959.66	174,792.00	85,643.66		68,956.71	7,044,585.00	44,696,726.11
2012	39,644,580.90	118,265.76	30,606.86	61,419.21	171,360.00	60,230.00		29,512.82	7,044,585.00	47,160,560.55
2011	37,137,986.96	124,448.19	44,357.38	25,954.89	168,000.00	21,970.00		1,133.29	7,044,585.00	44,568,435.71
2010	36,929,083.16	75,802.60	67,088.60	52,144.32	168,000.00	83,003.06		33,125.77	7,044,585.00	44,452,832.51
2009	36,421,752.98	63,367.42	50,155.13	42,527.15	162,000.00			49,831.23	7,044,585.00	43,834,218.91
2008	33,600,545.50	57,809.38	160,797.11	18,221.54				47,930.55	7,044,585.00	40,929,889.08
2007	29,754,575.00	39,450.00	167,373.00	18,082.00				12,975.00	7,144,585.00	37,137,040.00

Source: District records.

Exhibit J-6

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Assessed Value and Actual Value of Taxable Property
For the County of Passaic
Last Ten Fiscal Years**

<u>Year Ended December 31,</u>	<u>Net Assessed Valuation</u>	<u>Estimated Actual Equalized Valuations</u>	<u>Percentage of Net Assessed to Estimated Valuations</u>
2015	32,820,350,395	45,505,119,344	72.12%
2014	35,314,594,449	46,694,641,422	75.63%
2013	35,516,401,486	47,074,403,060	75.45%
2012	36,091,527,559	49,831,673,730	72.43%
2011	34,115,939,359	53,342,056,687	63.96%
2010	33,772,107,167	55,645,717,304	60.69%
2009	33,948,296,609	57,882,171,238	58.65%
2008	30,307,653,137	56,290,518,188	53.84%
2007	30,268,051,426	52,440,489,938	57.72%
2006	21,394,285,749	45,986,845,299	46.52%

Source: Passaic County, Abstract of Ratables.

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

**County of Passaic Tax Rates
Per \$100 of Assessed Valuation
Last Ten Fiscal Years**

<u>Year Ended December 31,</u>	<u>County</u>
2015	0.7510
2014	0.6968
2013	0.6665
2012	0.6256
2011	0.5669
2010	0.5284
2009	0.4937
2008	0.4950
2007	0.4852
2006	0.5142

Source: Passaic County Board of Taxation.

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

Schedule of Principal Taxpayers - County of Passaic

Current and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank Optional	% of District's Equalized Valuation	Taxable Assessed Value	Rank Optional	% of District's Equalized Valuation
Willow Brook Mall	156,000,000	1	0.34%	156,000,000	1	0.34%
Hoffman LaRoche	132,047,700	2	0.29%	139,334,100	2	0.30%
North Jersey District Water	59,146,200	3	0.13%			
Clifton Commons, LLC	40,863,500	4	0.09%	40,863,500	6	0.09%
Toys "R" Us, Inc.	38,527,100	5	0.08%			
Castelton Assoc., LLC	35,026,800	6	0.08%			
Rose Manor Estates	33,028,100	7	0.07%	36,178,000	8	0.08%
Wayne PSC, LLC	32,612,000	8	0.07%			
Public Service	32,535,600	9	0.07%	32,376,200	10	0.07%
Mt. View Crossing	31,970,400	10	0.07%	53,000,000	4	0.12%
Mandelbaum/Mandelbaum & RMJJ				71,500,000	3	0.16%
American Home Products				50,049,500	5	0.11%
Levco Associates				37,300,000	7	0.08%
Totowa VF LLC				33,000,000	9	0.07%
	<u>591,757,400</u>		<u>1.30%</u>	<u>649,601,300</u>		<u>1.41%</u>

Source: Passaic County Board of Taxation.

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

**County School Tax Levies and Collections
Last Ten Years**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2016	7,044,585.00	7,044,585.00	100.00%	
2015	7,044,585.00	7,044,585.00	100.00%	
2014	7,044,585.00	7,044,585.00	100.00%	
2013	7,044,585.00	7,044,585.00	100.00%	
2012	7,044,585.00	7,044,585.00	100.00%	
2011	7,044,585.00	7,044,585.00	100.00%	
2010	7,044,585.00	7,044,557.00	100.00%	28.00
2009	7,044,585.00	7,044,566.00	100.00%	19.00
2008	7,044,585.00	7,044,575.00	100.00%	10.00
2007	7,144,585.00	6,549,202.00	91.67%	595,383.00

Source: Districts Records

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		

NOT APPLICABLE

Exhibit J-11

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			

NOT APPLICABLE

Exhibit J-12

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
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NOT APPLICABLE

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Legal Debt Margin Information,
Last Ten Fiscal Years

NOT APPLICABLE

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

**Demographic and Economic Statistics
Last Ten Years**

<u>Year Ended June 30,</u>	<u>School District Population (1)</u>	<u>Personal Income in Thousands \$ (2)</u>	<u>Per Capita Income (3)</u>	<u>Unemployment Rate (4)</u>
2016	510,916		N/A	6.90
2015	509,913		N/A	8.10
2014	507,456		43,687	9.90
2013	505,392		41,857	11.30
2012	504,193		41,824	11.10
2011	502,273		41,371	11.30
2010	491,778		39,807	11.20
2009	488,364		38,932	6.80
2008	487,067		39,907	5.30
2007	487,544		37,830	5.60

Source:

- (1) U.S. Bureau of the Census, Population Division,
(Estimates July 1, 2006-2015)
- (2) Personal income of the District is not available.
- (3) U.S. Department of Commerce, County Information 2005-2014
- (4) N.J. Department of Labor.

Exhibit J-15

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Principal Employers,
Current Year and Nine Years Ago

Employer	2015		2006			
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment

NOT AVAILABLE

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	141	157	169	180	176	171	172	166	169	172
Other special education	28	35	36	42	35	39	42	52	48	37
Vocational	95	108	112	97	109	101	96	95	93	102
Other instruction	2	2	2	4	3	3	3	3	3	3
Support Services:										
Student & instruction related services	88	90	92	97	94	93	90	91	90	92
General administrative services	9	9	10	12	10	8	8	9	9	7
School administrative services	8	7	7	13	12	16	17	17	15	14
Business administrative services	20	21	20	17	17	16	17	16	17	15
Plant operations and maintenance	82	85	86	84	78	77	75	70	70	68
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Special Schools	31	30	31	29	23	19	18	11	12	11
Food Service	13	14	13	13	13	13	12	15	16	14
Juvenile Detention Center	11	10								
ETTC	2									
Total	531	569	579	589	571	557	551	546	542	536

Source: District Personnel Records

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	<u>Pupil/Teacher Ratio</u>									
	Fiscal Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	2,517	56,615,070	22,493	0.01%	281	1:9	2,484.9	2,338.1	9.50%	94.09%
2008	2,785	63,586,274	22,832	1.51%	300	1:9	2,799.4	2,646.6	12.66%	94.54%
2009	3,020	66,108,679	21,890	-4.12%	317	1:9	3,058.5	2,891.4	9.26%	94.54%
2010	3,110	70,713,278	22,737	3.87%	319	1:09	3,150.8	3,002.1	3.02%	95.28%
2011	3,215	68,573,356	21,329	-6.19%	320	1:10	3,250.3	3,090.1	3.16%	95.07%
2012	3,198	70,278,766	21,976	3.03%	315	1:10	3,237.5	3,086.0	-0.39%	95.32%
2013	3,110	70,163,700	22,561	2.66%	306	1:10	3,244.5	3,086.5	0.22%	95.13%
2014	3,233	71,428,731	22,094	-2.07%	306	1:10	3,251.0	3,106.0	0.20%	95.54%
2015	3,317	74,762,368	22,539	2.02%	313	1:09	3,331.6	3,183.5	2.48%	95.55%
2016	3,387	76,476,116	22,579	0.18%	313	1:09	3,331.0	3,176.0	-0.02%	95.35%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

^a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4

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

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

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
 School Building Information
 Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>District Building</u>	430,424	430,424	430,424	430,424	430,424	430,424	430,424	430,424	430,424	430,424
<u>High School</u>										
Main, Rocco , T and Q Buildings and F-Wing	430,424	430,424	430,424	430,424	430,424	430,424	430,424	430,424	430,424	430,424
Square Feet	3,016	3,016	3,016	3,016	3,016	3,016	3,016	3,016	3,016	3,016
Capacity (students)	2,517	2,517	3,020	3,110	3,215	3,198	3,110	3,233	3,317	3,387
Enrollment										
<u>Other</u>										
Business Office	2,871	2,871	2,871	2,871	2,871	2,871	2,871	2,871	5,608	5,608
Square Feet										
Athletic Center	38,595	38,595	38,595	38,595	38,595	38,595	38,595	38,595	38,595	38,595
Square Feet										
Media Center	8,310	8,310	8,310	8,310	8,310	8,310	8,310	8,310	8,310	8,310
Square Feet										

Source: District records, ASSA

PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST EIGHT FISCAL YEARS

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

School Facilities	Project# (s)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Main Building	N/A	1,175,010	1,101,860	981,302	989,300	928,671	911,147	1,204,064	295,802	286,712	345,453
Rocco Building	N/A	197,823	185,507	165,210	166,557	156,350	153,400	202,715	49,801	48,270	58,160
T Building	N/A	55,028	51,602	45,956	46,331	43,492	42,671	56,389	13,853	13,427	16,178
Q Building	N/A	30,541	28,640	25,506	25,714	24,138	23,683	31,298	7,689	7,452	8,979
F Wing	N/A	228,141	213,938	190,530	192,083	180,311	176,909	233,781	57,433	55,668	67,073
HX Wing	N/A										
Phase I Expansion	SP#3995-050-03-0921	256,686	240,706	214,370	216,117	202,872	199,044	263,032	64,619	62,634	75,466
Athletic Center	SP#3995-050-03-0921	173,090	162,314	144,555	145,733	136,802	134,221	177,368	43,574	42,235	50,888
Media Center	SP#3995-050-03-0921	37,267	34,948	31,124	31,377	29,454	28,897	38,190	9,382	9,094	10,957
Grand Total		2,153,585	2,019,515	1,798,553	1,813,212	1,702,090	1,669,972	2,206,837	542,153	525,492	633,154

* 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

PASSAIC COUNTY TECHNICAL INSTITUTE AND VOCATIONAL HIGH SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2016

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - N.J. School Boards Association Insurance Group:		
Property:		
Blanket Building and Contents	\$ 102,136,272	\$ 5,000
Electronic Data processing	7,750,000	\$ 1,000
Equipment Breakdown	100,000,000	\$ 5,000
Liability:		
Comprehensive General Liability	16,000,000	
Bodily Injury from Products & Completed Operations	16,000,000	
Sexual Abuse	16,000,000	
Premises Medical Payments	10,000	
Employee Benefits	16,000,000	
Crime:		
Employee Dishonesty	1,000,000	1,000
Forgery or Alteration	1,000,000	1,000
Money Orders & Counterfeit Paper	50,000	500
Money & Securities	50,000	500
Computer Fraud	1,000,000	1,000
Automobile:		
Comprehensive Automobile Liability	16,000,000	1,000
Uninsured/Underinsured Motorists	1,000,000	
Personal Injury Protection	250,000	
Medical payments	10,000	
Garagekeepers Liability	Included	
Physical Damage Coverage	Included	
Errors and Omissions - N.J. School Boards Association Insurance Group	11,000,000	5,000
CAP Liability (Over \$11,000,000) Fireman's Fund Insurance	50,000,000	
Public Official Bonds - Selective Insurance Co.		
<u>Name</u>	<u>Position</u>	
Richard Giglio	Business Administrator	10,000
Rita Pascrell	Treasurer of School Monies	350,000
Storage Tank Liability - ACE	Each Occurrence	1,000,000
	Aggregate	2,000,000
Student Accident Insurance - Bollinger Insurance		
Maximum Benefit Blanket Athletic Coverage Including Football		5,000,000
Workers Compensation - N.J. School Boards Associatino Insurance Group	Statutory	
Employers Liability		2,000,000

SINGLE AUDIT SECTION

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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
Passaic County Technical and Vocational High School District
County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Passaic County Technical and Vocational High School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 21, 2016.

Internal Control Over Financial Reporting

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

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



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Passaic County Technical and Vocational High School District Board of Education's financial statements are free of 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Passaic County Technical and Vocational High School District Board of Education in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated October 21, 2016.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Licensed Public School Accountant
No. 881

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October 21, 2016

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Passaic County Technical and Vocational High School District School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Passaic County Technical and Vocational High School District Board of Education's major federal and state programs for the year ended June 30, 2016. The Passaic County Technical and Vocational High School District Board of Education'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 the Passaic County Technical and Vocational High School District Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Passaic County Technical and Vocational High School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Passaic County Technical and Vocational High School District Board of Education 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 the Passaic County Technical and Vocational High School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Passaic County Technical and Vocational High School District Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and 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 and state program and to test and report on internal control over compliance in accordance with the uniform Guidance and N.J. OMB 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 Passaic County Technical and Vocational High School District Board of Education's internal control over compliance.

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

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

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Certified Public Accountants
Pompton Lakes, New Jersey

October 21, 2016

PASSAIC COUNTY VOCATIONAL AND TECHNICAL HIGH SCHOOL
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2016

Federal Grant/Pass-Through Grantor Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period		Award Amount	Balance at June 30, 2015	Carryover/ Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Accounts Receivable	Deferred Revenue	Due To Grantor at	MEMO Cumulative Total Expenditures
				From	To										
U.S. Department of Education Passed-Through State Department of Education:															
General Fund:															
Medical Assistance Program (SEMI)	93.778	1605N5MAP		07/01/13	06/30/14	\$ 4,753.44			(4,753.44)						*
Medical Assistance Program (SEMI)	93.778	1605N5MAP		07/01/14	06/30/15	\$ 115,358.43	(27,680.03)		27,680.03	(4,753.44)		(4,753.44)			*
Medical Assistance Program (SEMI)	93.778	1605N5MAP		07/01/15	06/30/16	\$ 81,064.70			81,064.70	(81,064.70)					*
Total General Fund							(27,680.03)		108,744.73	(85,818.14)		(4,753.44)			* 85,818.14
U.S. Department of Agriculture Passed-Through State Department of Education:															
Enterprise Fund:															
U.S.D.A. Commodities Program	10.555	16161N1304N1099	N/A	07/01/14	06/30/15	116,587.02	870.00	(870.00)							*
U.S.D.A. Commodities Program	10.555	16161N1304N1099	N/A	07/01/15	06/30/16	138,488.54		870.00	138,488.54	(138,353.54)		1,005.00			* 138,353.54
School Breakfast Program	10.553	16161N1304N1099	N/A	07/01/14	06/30/15	141,661.59	(14,345.04)		14,345.04						*
School Breakfast Program	10.553	16161N1304N1099	N/A	07/01/15	06/30/16	186,461.14			174,417.39	(186,461.14)		(12,043.75)			* 186,461.14
National School Lunch Program	10.555	16161N1304N1099	N/A	07/01/14	06/30/15	910,212.10	(71,122.44)		71,122.44						*
National School Lunch Program	10.555	16161N1304N1099	N/A	07/01/15	06/30/16	923,760.36			879,959.28	(923,760.36)		(43,801.08)			* 923,760.36
Total Enterprise Fund							(84,597.48)		1,278,332.69	(1,248,575.04)		(55,844.83)	1,005.00		* 1,248,575.04
U.S. Department of Education Passed-Through State Department of Education:															
Special Revenue Fund:															
Title I - Improving Basic Programs	84.010	5010A150030	NCLB3995-15	07/01/14	06/30/15	2,137,871.68	(384,409.57)		384,409.57						*
Title I - Improving Basic Programs	84.010	5010A150030	NCLB3995-16	07/01/15	06/30/16	2,159,411.00			1,585,065.00	(2,004,322.53)		(419,257.53)			* 2,004,322.53
									1,969,474.57	(2,004,322.53)		(419,257.53)			* 2,004,322.53
Title II-A - Teacher & Principal Training/Recruiting	84.367	S367A150029	NCLB3995-15	07/01/14	06/30/15	129,169.00	(24,761.00)		24,761.00						*
Title II-A - Teacher & Principal Training/Recruiting	84.367	S367A150029	NCLB3995-16	07/01/15	06/30/16	145,688.00			110,905.00	(144,966.69)		(34,461.69)			* 144,966.69
									135,266.00	(144,966.69)		(34,461.69)			* 144,966.69
Title III - English Language Acquisition	84.365	S365A150030	NCLB3995-15	07/01/14	06/30/15	11,252.00	(2,191.00)		2,191.00						*
Title III - English Language Acquisition	84.365	S365A150030	NCLB3995-16	07/01/15	06/30/16	10,597.00			8,580.00	(10,537.14)		(1,957.14)			* 10,537.14
									10,771.00	(10,537.14)		(1,957.14)			* 10,537.14
I.D.E.A. Part B - Basic Regular	84.027	H027A150010	IDEA3995-15	07/01/14	06/30/15	798,813.79	(121,853.03)		121,853.03						*
I.D.E.A. Part B - Basic Regular	84.027	H027A150100	IDEA3995-16	07/01/15	06/30/16	837,981.00			679,549.00	(829,903.85)		(150,354.85)			* 829,903.85
									801,402.03	(829,903.85)		(150,354.85)			* 838,789.85
Race to the Top	84.413	B413A120008		07/01/12	11/30/15	149,070.00	(298.00)		14,606.00	(14,308.00)					* 113,863.00
Vocational Education:															
Carl Perkins	84.048	V048A140030	PERK3995-15	07/01/14	06/30/15	573,850.00	3,250.00				(3,250.00)				*
Carl Perkins	84.048	V048A140030	PERK3995-16	07/01/15	06/30/16	483,986.00			305,436.00	(479,766.36)		(74,330.36)			* 479,766.36
Carl Perkins - Reserve	84.048	V048A140030	PERK3995-16	07/01/15	06/30/16	109,556.00			66,478.00	(109,553.23)		(43,075.23)			* 109,553.23
									371,914.00	(589,319.59)		(217,405.59)			* 589,319.59
State Department of Labor & Workforce Dev. Pass Thru Paterson Public Schools															
Adult Basic Education	17.258			07/01/14	06/30/15	103,000.00	(23,525.00)		23,525.00						*
Adult Basic Education	17.258			07/01/15	06/30/16	115,000.00			77,028.00	(115,000.00)		(37,972.00)			* 115,000.00
									100,553.00	(115,000.00)		(37,972.00)			* 115,000.00
Total Special Revenue Fund						(553,787.60)			3,403,986.60	(3,708,357.80)		(861,408.80)			* 3,816,798.80
TOTAL FEDERAL FINANCIAL AWARDS						(666,065.11)			4,791,064.02	(5,042,750.98)		(922,007.07)	1,005.00		* 5,151,191.98

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

BOROUGH OF WOODLAND PARK 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	Grant Period		Award Amount	Balance at June 30, 2015		Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjustment/Repayment of Prior Year's Balance	Balance at June 30, 2016		MEMO
		From	To		Deferred Revenue/ (Accts. Receivable)	Due To Grantor					Accounts Receivable	Deferred Revenue	
State Department of Education:													
General Fund:													
Equalization Aid	16-495-034-5120-078	07/01/15	06/30/16	17,510,284.00	-	-	-	16,101,670.00	(17,510,284.00)	-	-	-	*
Special Education Categorical Aid	16-495-034-5120-089	07/01/15	06/30/16	2,005,270.00	-	-	-	1,843,956.00	(2,005,270.00)	-	-	-	*
Security Aid	16-495-034-5120-084	07/01/15	06/30/16	263,335.00	-	-	-	242,151.00	(263,335.00)	-	-	-	*
Per Pupil Growth Aid	16-495-034-5120-097	07/01/15	06/30/16	32,860.00	-	-	-	30,217.00	(32,860.00)	-	-	-	*
PARCC Readiness Aid	16-495-034-5120-098	07/01/15	06/30/16	32,860.00	-	-	-	30,217.00	(32,860.00)	-	-	-	*
State Aid - Public Cluster													
Adult Education Aid	16-100-034-5120-520	07/01/15	06/30/16	35,030.00	-	-	-	32,212.00	(35,030.00)	-	-	-	*
On-Behalf TPAF - Post Retirement Medical	16-495-034-5094-001	07/01/15	06/30/16	3,051,406.00	-	-	-	3,051,406.00	(3,051,406.00)	-	-	-	*
On-Behalf TPAF - Pension	16-495-034-5094-002	07/01/15	06/30/16	2,441,050.00	-	-	-	2,441,050.00	(2,441,050.00)	-	-	-	*
On-Behalf TPAF - Non-contributory Insurance	16-495-034-5094-004	07/01/15	06/30/16	121,598.00	-	-	-	121,598.00	(121,598.00)	-	-	-	*
Reimbursed TPAF - Social Security	15-495-034-5094-003	07/01/14	06/30/15	2,364,053.10	(117,821.32)	-	-	117,821.32	-	-	-	-	*
Reimbursed TPAF - Social Security	16-495-034-5094-003	07/01/15	06/30/16	2,347,239.17	-	-	-	2,230,178.91	(2,347,239.17)	-	-	-	*
Total General Fund					(117,821.32)	-	-	26,242,477.23	(27,840,932.17)	-	-	-	*
Special Revenue Fund:													
Vocational Education:													
Post Secondary - Perkins State Funds	16-100-034-5062-032	07/01/15	06/30/16	90,145.00	-	-	-	88,649.00	(88,649.00)	-	-	-	*
State Department of Labor & Workforce Dev.:													
Apprentice Coordinator	WDP 01-15-0116	07/01/14	06/30/15	24,500.00	(6,001.32)	-	-	6,001.32	-	-	-	-	*
Apprentice Coordinator	WDP 01-16-0116	07/01/15	06/30/16	24,523.00	-	-	-	19,104.68	(24,522.68)	-	-	-	*
Pass Thru: NJ Community Development Corp:													
School Based Youth Services Program				18,080.00	2,095.58	-	-	-	-	2,095.58	-	-	*
Total Special Revenue Fund					(3,905.74)	-	-	113,755.00	(113,171.68)	-	-	-	*
State Department of Agriculture:													
Enterprise Fund:													
National School Lunch Program (State Share)	15-100-010-3350-023	07/01/14	06/30/15	18,186.84	(1,402.17)	-	-	1,402.17	-	-	-	-	*
National School Lunch Program (State Share)	16-100-010-3350-023	07/01/15	06/30/16	18,535.15	-	-	-	17,689.48	(18,535.15)	-	-	-	*
Total Enterprise Fund					(1,402.17)	-	-	19,091.65	(18,535.15)	-	-	-	*
TOTAL					(123,129.23)	-	-	26,375,323.88	(27,972,639.00)	-	-	-	*
Less On-Behalf TPAF Pension and Annuity Aid													
On-Behalf TPAF - Post Retirement Medical	16-495-034-5094-001	07/01/15	06/30/16	3,051,406.00	-	-	-	3,051,406.00	(3,051,406.00)	-	-	-	*
On-Behalf TPAF - Pension Contributions	16-495-034-5094-002	07/01/15	06/30/16	2,441,050.00	-	-	-	2,441,050.00	(2,441,050.00)	-	-	-	*
On-Behalf TPAF - Non-contributory Insurance	16-495-034-5094-004	07/01/15	06/30/16	121,598.00	-	-	-	121,598.00	(121,598.00)	-	-	-	*
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION					(123,129.23)	-	-	20,761,269.88	(22,358,585.00)	-	-	-	*

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Passaic County Technical and Vocational High 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 and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$377,850.00 for the general fund and \$0.00 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$85,818.14	\$28,218,782.17	\$28,304,600.31
Special Revenue Fund	3,708,357.80	113,171.68	3,821,529.48
Enterprise Funds	<u>1,248,575.04</u>	<u>18,535.15</u>	<u>1,267,110.19</u>
Total Financial Awards	<u>\$5,042,750.98</u>	<u>\$28,350,489.00</u>	<u>\$33,393,239.98</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. The amount reported as 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. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s financial statements and the amounts subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

The Passaic County Technical and Vocational High School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
- 2. Material weakness(es) identified? _____ yes X no

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
- 2. Material weakness(es) identified? _____ yes X no

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553/10.555</u>	<u>16161NJ304N1099</u>	<u>Child Nutrition Cluster</u>
<u>84.010</u>	<u>5010A150030</u>	<u>Title I - Part A</u>
<u>84.027</u>	<u>H027A150100</u>	<u>IDEA Part B - Basic</u>

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

Auditee qualified as low-risk auditee? _____ X yes _____ no

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(continued)**

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? X yes _____ no

Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

2. Material weakness(es) identified? _____ yes X no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? _____ yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

16-495-034-5120-078
16-495-034-5120-089
16-495-034-5120-84
16-495-034-5120-097
16-495-034-5120-098
16-495-034-5095-002

State Aid Public Cluster:

Equalization Aid
Special Education Aid
Security Aid
Per Pupil Growth Aid
PARCC Readiness Aid
TPAF Social Security

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No matters were reported.

**PASSAIC COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Status of Prior Year Findings

There were no prior year audit findings.