

# **Comprehensive Annual Financial Report**

of the

Atlantic County Vocational School District  
Board of Education  
Mays Landing, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

Atlantic County Vocational School District  
Board of Education  
Finance Department



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## **Introductory Section**

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# ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

5080 Atlantic Avenue, Mays Landing, New Jersey 08330

Website: [www.acitech.org](http://www.acitech.org)

Philip J. Guenther, Ed. D.  
Superintendent  
609-625-2249, ext. 1401  
Fax: 609-625-2876

Lisa Mooney, CPA  
Business Administrator  
625-625-2249, ext. 1410  
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October 24, 2017

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

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

The comprehensive annual financial report of the Atlantic County Vocational School District (District) for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

**ECONOMIC CONDITION AND OUTLOOK:** The economic forecast for the Atlantic County Institute of Technology continues to be positive due to the growth of the full time programs. The district had its largest freshman class enroll for the 2017-2018 school year. This summer the district completed a renovation of surplus shop spaces which allowed for the creation of additional classrooms. With the new classrooms, the district has reached its maximum enrollment capacity with over 1,550 students. Applications continue to exceed available capacity at ACIT with over 1000 applications submitted for the freshman class in 2017. State aid was adjusted in the 2017-2018 school year budget and the district received an additional \$1.2 million in aid. Half of the additional aid is being used in 2017-2018 budget

and half is being deferred for use in the 2018-2019 budget. The additional aid provided funds to enhance the renovation project and is being used for non-recurring costs.

The casino industry in Atlantic City seems to have stabilized. Showboat, Trump Plaza, Revel and Trump Taj Mahal Casinos have all closed in recent years putting over 8,000 residents out of work. The Gateway Project in Atlantic City is under construction with the first phase expected to be completed in the spring of 2018 bringing economic growth to the area. The Gateway Project includes a Stockton University satellite campus, dorms and a parking garage. South Jersey Energy is also relocating its corporate offices to the Gateway Project. The Stockton Aviation Research Park broke ground in May 2017. The 17.2 million dollar project is being constructed on a 58 acre park adjacent to the FAA Williams Hughes Technical Center. This project is a major step in diversifying the region's economy and places Atlantic County in a position to leverage the economic possibilities of the aviation industry. Housing foreclosure rates continue to exceed national averages.

**MAJOR INITIATIVES:** The Atlantic County Vocational School District provides the most comprehensive technical education facilities in Atlantic County. The Atlantic County Institute of Technology (ACIT) is the school of choice for a diverse student body of approximately 1600 full time students from all over Atlantic County. ACIT offers eight Academy Programs and six Career Major Programs in a state-of-the-art facility that was recently renovated and expanded. Through these programs, students have the opportunity to complete an array of academic and career and technical courses to earn both a high school diploma and a technical certification. The success of the academic and career and technical programs at ACIT has been recognized with a National Blue Ribbon School designation, and by US News & World Report "America's Best High Schools," as a Bronze Level School.

As a comprehensive career technical high school, ACIT continues to provide each student with the opportunity to reach his or her potential to become a productive and successful member of the community. This is accomplished by offering students an innovative curriculum that combines academic instruction, career technical education, internships, and structured work experiences designed to bridge the gap between classroom learning and workplace skills. Honors, Advanced Placement and Dual Credit Courses in English, history, the sciences, and math also are offered along with specialized instruction focusing on project-based learning. The academic curriculum is contextual, challenging and enhanced by the extensive use of instructional technology by our faculty and students. All classrooms and technical lab areas are equipped with cutting-edge technology reflecting the current trends in each career area as well as advanced instructional technology including interactive whiteboards and wireless internet. Every student is provided a Chromebook as part of a 1:1 program to facilitate 21<sup>st</sup> century learning activities that can continue seamlessly from the classroom into the home. These curriculum components are coupled with enriching out-of-the-classroom experiences such as field trips, job shadowing, paid internships and co-ops.

Since the transformation of ACIT into a modern comprehensive technical high school in 2012, enrollment has expanded over 50%, and applications for admission continue to far exceed the number of available positions in the freshman class. With the expanded enrollment, extensive renovations had to be completed to existing spaces this summer to create eight additional classrooms and new technical labs for our Engineering, CADD, and Fashion programs. A large maker-space was created to house CNC machines, laser cutters, and 3d printers to support STEM project-based learning activities. Additionally, the Building Trades and Auto Technology shops were upgraded with new shop lighting, equipment, windows, doors, and paint.

The district also operates the Atlantic County Alternative High School (ACAHS) which is housed in a separate wing at the Atlantic County Special Services School District. The ACAHS offers a supportive, non-traditional effective learning environment for approximately 100 at-risk students from across the county by providing for flexible educational objectives that take into consideration the learning styles and individual needs of these students. Students are provided with a personalized learning plan which is supported by access to a Chromebook and abundant online resources.

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

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

continue to encourage student involvement, enhance school spirit, and provide an atmosphere for excellence.

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

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

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

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

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates. Annual appropriated budgets are adopted for the General Fund and the Special Revenue Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

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

**CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1(E) and 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. New Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 1(E), Notes to the Financial Statements.

**RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**OTHER INFORMATION:**

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

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

Respectfully submitted,

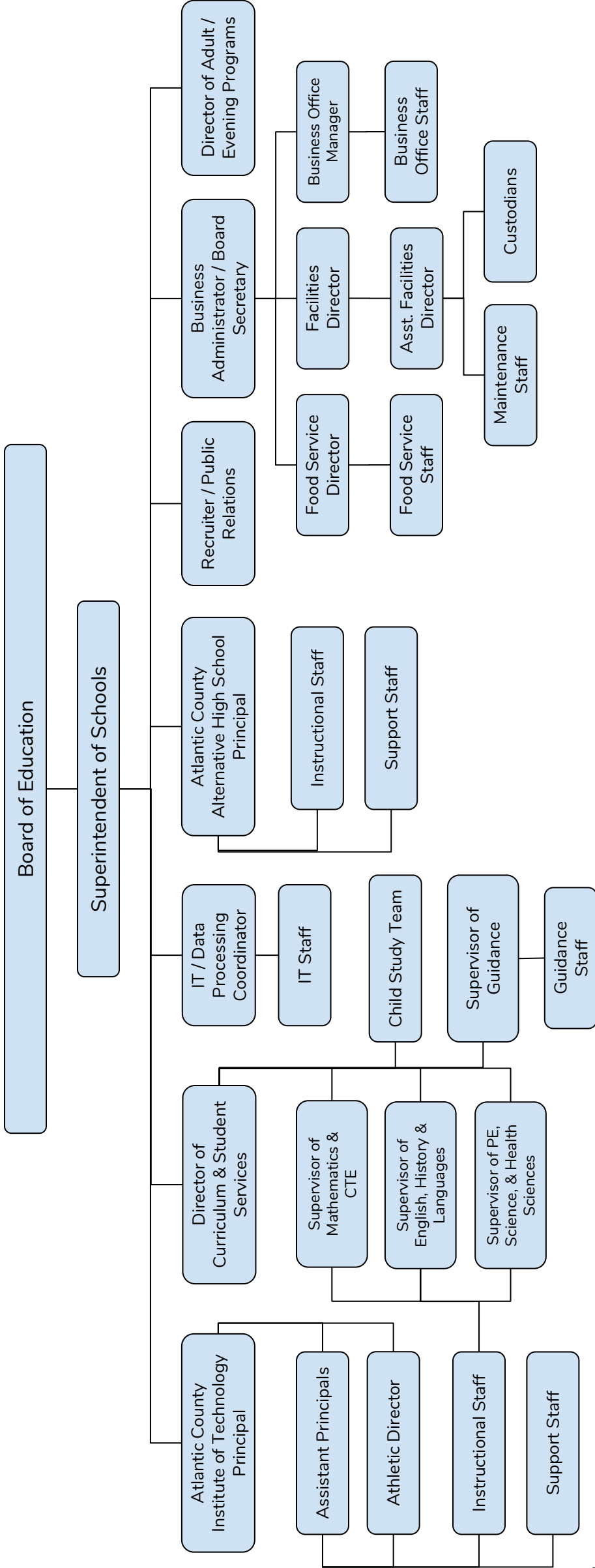
*Philip J. Guenther, Ed.D.*

Philip J. Guenther, Ed. D.  
Superintendent

*Lisa Mooney, CPA*

Lisa Mooney, CPA  
Board Secretary/Business Administrator

# Atlantic County Vocational School District Organizational Chart



**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT**

**MAYS LANDING, NEW JERSEY**

**ROSTER OF OFFICIALS**

June 30, 2017

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Philip S. Munafo, President	2020
Augustus C. Harmon, Vice President	2019
Marilyn Gallagher	2019
Dr. Norman Hirschfeld	2018
Mark W. Ludwick	2020
Joseph F. Zondlo	2018
Kathleen Quish	Ex-officio
Dr. Richard Stepura, Executive County Superintendent	Ex-officio

**Other Officials**

Philip J. Guenther, Ed. D., Superintendent

Lisa Mooney, CPA, Board Secretary/Business Administrator

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
Consultants and Advisors**

**Architect of Record**

Larry Merighi  
Manders Merighi Portadin Farrell Architects, LLC  
1138 E. Chestnut Avenue #4  
Vineland, NJ 08360

**Attorneys**

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Nehmad, Perillo & Davis  
4030 Ocean Heights Avenue  
Egg Harbor Township, NJ 08234

John Hegarty  
Jasinski Firm  
8025 Black Horse Pike, Suite 470  
West Atlantic City, NJ 08232

Louis J. Grecco, Esq.  
800 Route 50, Suite 2B  
Mays Landing, NJ 08330

**Audit Firm**

Ford Scott & Associates, LLC  
Certified Public Accountants  
1535 Haven Avenue  
Ocean City, NJ 08226

**Official Depository**

Ocean First Bank  
5401 Harding Highway  
Mays Landing, NJ 08330

## **Insurance Agents**

David Miller  
C.J. Adams Company  
332 Tilton Road  
Northfield, NJ 08225

Jeffrey Dunn  
Glenn Insurance  
500 E. Absecon Blvd.  
Absecon, NJ 08201

Innovative Risk Solutions, Inc.  
3330 Bargaintown Road, Suite 2  
Egg Harbor Township, NJ 08234



## **Financial Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

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## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Vocational School District, County of Atlantic, New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Vocational School District, County of Atlantic New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Required Supplementary 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Atlantic County Vocational School District's basic financial statements. The introductory section, combining and individual non-major 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)*, the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, and individual non-major 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)*, the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information is the responsibility of management and was 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 non-major 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 state financial assistance as required by NJ OMB 15-08, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2017 on our consideration of the Atlantic County Vocational School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Atlantic County Vocational School District's internal control over financial reporting and compliance.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*

**FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767**

**October 24, 2017**

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**Required Supplementary Information**  
**Part I**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Atlantic County Vocational School District's ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District decreased \$2,778,005.66 after adjusting the governmental funds fund balance for depreciation expense, capital outlays, and compensated absences.
- The State of New Jersey reimbursed the District \$650,022.81 during the fiscal year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed \$868,746.00 for TPAF Pension Contributions on-behalf of the district. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 6% of the total general fund expenditures. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2017 the District had excess surplus in the amount of \$2,968,522.78, of which \$1,702,301.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2018.
- During the fiscal year ended June 30, 2017, the District's expenditures were \$371,095.43 more than total revenues. During the prior fiscal year, revenue exceeded expenditures by \$515,232.00.
- In the District's business-type activities, net position decreased \$22,924.36 as a result of an increase in food and labor costs during the year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service and transportation enterprise	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures, and changes in fund balance	Statement of net position  Statement of Activities  Statement of cash flows	Statement of fiduciary net position  Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that will come due during the current year or sooner; no capital assets or debt are included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short- term and long-term.
Type of inflow/outflow information	All revenues and expenses during the current year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the current year, regardless of when cash is received or paid.	All revenues and expenses during the current year, regardless of when cash is received or paid.

## Government-wide Statements

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

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

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

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

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

## Fund Financial Statements

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

The District has three kinds of funds:

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

of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's governmental activities net position decreased between fiscal years 2017 and 2016 as a result of expenditures exceeding revenues. The enrollment of the district continues to increase which results in higher costs related to labor and supplies. Also, the State of New Jersey continues to defer the final two state aid payments to the subsequent fiscal year which has an effect on the revenue realized by the District. The business-type activities net position decreased due to higher food and labor costs.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Current and other assets	\$ 5,287,511.47	5,677,912.00	227,290.96	260,871.00
Capital assets, net	46,220,658.33	47,180,448.00	81,488.63	104,440.00
<b>Total assets</b>	<b><u>51,508,169.80</u></b>	<b><u>52,858,360.00</u></b>	<b><u>308,779.59</u></b>	<b><u>365,311.00</u></b>
Deferred outflows of resources	4,273,954.00	2,232,077.00		
Long-term liabilities	12,460,850.56	8,840,521.00		
Other liabilities	194,892.90	214,198.00	1,457.86	35,300.00
<b>Total liabilities</b>	<b><u>12,655,743.46</u></b>	<b><u>9,054,719.00</u></b>	<b><u>1,457.86</u></b>	<b><u>35,300.00</u></b>
Deferred infows of resources		131,332.00		
Net position				
Invested in capital assets, net	46,220,658.33	47,180,448.00	81,488.63	104,440.00
Restricted	4,143,828.62	3,893,865.00		
Unrestricted	(7,238,106.61)	(5,169,927.00)	225,833.10	225,571.00
<b>Total net position</b>	<b><u>\$ 43,126,380.34</u></b>	<b><u>45,904,386.00</u></b>	<b><u>307,321.73</u></b>	<b><u>330,011.00</u></b>

As required by New Jersey Statutes, the unrestricted net position, on the budgetary basis of accounting, of the District are not permitted to exceed 6% of total general fund expenditures, after reductions for On-behalf TPAF pension, post-retirement and social security, and assets acquired under capital leases. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2017 the District had excess surplus in the amount of \$2,968,522.78, of which \$1,702,301.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2018.

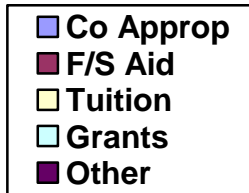
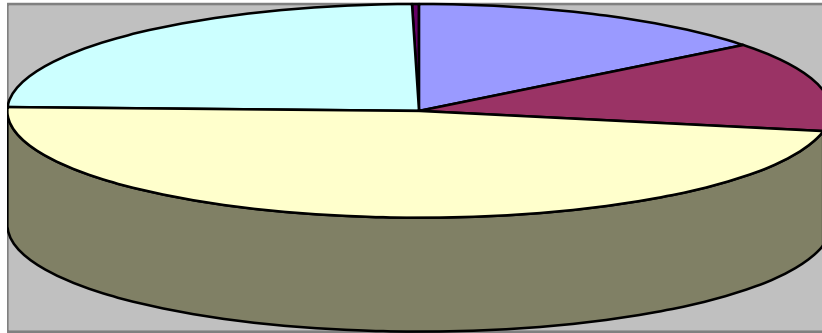
**Changes in net position.** The total revenue of the District increased \$3,137,120.31 due to an increase in charges for services and operating grants & contributions related to pension payments made by the State of New Jersey on-behalf of the District.

Approximately 47.61% of the District's revenue comes from charges for services. The County of Atlantic levies property taxes on properties located in the County. This tax is collected by the various municipalities and remitted to the County on a quarterly basis. A portion of this tax levy is appropriated in the County's annual budget and remitted to the District on a monthly basis. The District expenses are primarily related to instruction, administration, and plant operations.

**Analysis of Major Revenue Categories on an Entity Wide Basis**

	2017		2016	
	Amount	Percentage	Amount	Percentage
County Appropriation	\$ 4,019,431.00	14.44%	4,019,431.00	16.27%
aid	3,787,981.50	13.61%	3,843,858.00	15.56%
Charges for Services	13,252,667.30	47.61%	12,361,763.00	50.05%
Operating Grants and Contributions	6,674,249.40	23.98%	4,300,759.00	17.41%
Other	102,487.11	0.37%	173,885.00	0.70%
<b>Totals</b>	<b>\$ 27,836,816.31</b>	<b>100.00%</b>	<b>24,699,696.00</b>	<b>100.00%</b>

**2017 Revenue**



## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2017 and 2016 fiscal years.

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>						
Program revenue						
Charges for services	\$ 13,252,667.30	12,361,763.00	546,167.86	630,799.00	13,798,835.16	12,992,562.00
Operating grants & contrib	6,674,249.40	4,300,759.00	617,605.68	606,229.00	7,291,855.08	4,906,988.00
General revenues						
County Appropriation	4,019,431.00	4,019,431.00			4,019,431.00	4,019,431.00
Federal and state aid not restricted to specific purposes	3,787,981.50	3,843,858.00			3,787,981.50	3,843,858.00
Other restricted income	-	76,151.00			-	76,151.00
Miscellaneous income	102,599.84	64,187.00			102,599.84	64,187.00
Bond proceeds		33,547.00			-	33,547.00
<b>Total revenues</b>	<b>27,836,929.04</b>	<b>24,699,696.00</b>	<b>1,163,773.54</b>	<b>1,237,028.00</b>	<b>29,000,702.58</b>	<b>25,936,724.00</b>
<b>Expenses</b>						
Instructional services	14,228,135.46	7,615,963.00			14,228,135.46	7,615,963.00
Support services	16,386,799.34	18,146,639.00	1,186,697.90	1,199,973.00	17,573,497.24	19,346,612.00
<b>Total expenses</b>	<b>30,614,934.80</b>	<b>25,762,602.00</b>	<b>1,186,697.90</b>	<b>1,199,973.00</b>	<b>31,801,632.70</b>	<b>26,962,575.00</b>
<b>Change in net position</b>	<b>\$ (2,778,005.76)</b>	<b>(1,062,906.00)</b>	<b>(22,924.36)</b>	<b>37,055.00</b>	<b>(2,800,930.12)</b>	<b>(1,025,851.00)</b>

## Business-type Activities

Revenues of the District's business-type activities decreased approximately 6% when compared to the previous fiscal year while expenditures decreased 1% over the past fiscal year. Factors contributing to these results included:

- During the 2017 fiscal year the District saw increases in food costs, as well as an increase in labor costs due to a new union contract.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$43,433,702.07 which is \$2,800,930.02 lower than the beginning of the year. The most significant changes are an increase in overall salaries as well as regular and vocational instruction costs. Also, the State of New Jersey continues to defer the final state aid payment to the subsequent fiscal year which has an affect on the revenue recognized by the District.

## General Fund Budgetary Highlights

As further explained in the Footnotes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type I School District, are approved by the Board of School Estimates. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for

purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions and Post-Retirement Medical Contributions, which are not budgeted, the District's actual revenue exceed the budget by \$54,171.91. This is a result of receiving additional unbudgeted tuition revenue for the LPN, cosmetology, and Adult Night School programs. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions and Post-Retirement Medical Contributions, actual expenditures were below the budgeted appropriations by \$1,656,318.93. The most significant variances occurred in the area of transportation contracted services, health benefits, energy and PERS retirement contributions. This is due to increased employee contributions for health benefits, a change in the health benefit plan offered to employees, and a revision to the transportation contract. Audit exhibit C-1 does not include current year depreciation expense.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2017, the District had invested \$46.2 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of \$959,789.67, or 2.03%, over last year.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 78,120.00	78,120.00			78,120.00	78,120.00
Const in Progress	516,227.85	57,941.00			516,227.85	57,941.00
Land Improvements	527,500.84	541,308.00			527,500.84	541,308.00
Buildings and Impr	44,303,340.45	45,499,104.00			44,303,340.45	45,499,104.00
Machinery and Equip	795,469.19	1,003,975.00	81,488.63	104,440.00	876,957.82	1,108,415.00
<b>Total</b>	<b>\$ 46,220,658.33</b>	<b>47,180,448.00</b>	<b>81,488.63</b>	<b>104,440.00</b>	<b>46,302,146.96</b>	<b>47,284,888.00</b>

Additional information on the District's capital assets can be found in Note 4 of the Notes to Financial Statements.

### Long-term Debt

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the County and provision for amortization of principal and interest on the outstanding debt is included in the County budget. Additional information on the District's long-term debt can be found in Note 14 of the Notes to Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District continues to experience increased enrollment due to the growth of the full time programs. In 2017/2018 the District's enrollment continues to increase and total enrollment has exceeded 1,550. Renovations and improvements were made during the summer to the shop areas to create additional classroom spaces. The South Wing functions as a Freshman Campus beginning with the 2016/2017 school year. Future class sizes will be limited by the size of the graduating class as the facility has reached capacity. State aid was adjusted in the 2017/2018 school year budget and the district received



an additional \$1.2 million in aid. Half of the additional aid is being used in the 2017/2018 budget and half is being deferred for use in the 2018/2019 budget. The additional aid provided funds to enhance the renovation project and is being used for non-recurring costs.

The casino industry in Atlantic City seems to have stabilized. Showboat, Trump Plaza, Revel and Trump Taj Mahal Casinos have all closed in recent years putting over 8,000 residents out of work. The Gateway Project in Atlantic City is under construction with the first phase expected to be completed in the spring of 2018 bringing economic growth to the area. The Gateway Project includes a Stockton University satellite campus, dorms and a parking garage. South Jersey Energy is also relocating its corporate offices to the Gateway Project. The Stockton Aviation Research Park broke ground in May 2017. The 17.2 million dollar project is being constructed on a 58 acre park adjacent to the FAA William Hughes Technical Center. The project is a major step in diversifying the region's economy and places Atlantic County in a position to leverage the economic possibilities of the aviation industry. Housing foreclosure rates continue to exceed national averages.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

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**DISTRICT - WIDE FINANCIAL STATEMENTS**

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**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Statement of Net Position**  
**June 30, 2017**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,291,854.12	160,207.69	3,452,061.81
Internal Funds	13,102.00	(13,102.00)	0.00
Receivables, Net	1,982,555.35	54,563.54	2,037,118.89
Restricted Assets:			
Capital Reserve Account	-	-	-
Inventory		25,621.73	25,621.73
Capital Assets:			
Capital Assets not Being Depreciated			
Construction in Progress	516,227.85		516,227.85
Land	78,120.00		78,120.00
Capital Assets Being Depreciated, Net	45,626,310.48	81,488.63	45,707,799.11
<b>Total Assets</b>	<b>51,508,169.80</b>	<b>308,779.59</b>	<b>51,816,949.39</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	4,273,954.00	-	4,273,954.00
<b>Total Deferred Outflows of Resources</b>	<b>4,273,954.00</b>	<b>-</b>	<b>4,273,954.00</b>
<b>LIABILITIES</b>			
Accounts Payable	167,665.56	-	167,665.56
Unearned Revenue	27,227.34	1,457.86	28,685.20
Noncurrent Liabilities			
Due Within One Year	238,023.93		238,023.93
Due Beyond One Year	801,944.63		801,944.63
Net Pension Liability	11,420,882.00		11,420,882.00
<b>Total Liabilities</b>	<b>12,655,743.46</b>	<b>1,457.86</b>	<b>12,657,201.32</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	-	-	-
<b>NET POSITION</b>			
Net Investment in Capital Assets	46,220,658.33	81,488.63	46,302,146.96
Restricted for:			
Other Purposes	4,143,828.62	-	4,143,828.62
Unrestricted	(7,238,106.61)	225,833.10	(7,012,273.51)
<b>Total Net Position</b>	<b>\$ 43,126,380.34</b>	<b>307,321.73</b>	<b>43,433,702.07</b>

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

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Statement of Activities  
For the Fiscal Year Ended June 30, 2017**

Function/Programs	Program Revenue					Net (Expense Revenue and Changes in Net Position)		
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
<b>Instruction:</b>								
Regular Instruction	\$ 6,318,017.27	1,578,947.35		1,945,528.77	-	(5,951,435.85)	-	(5,951,435.85)
Vocational Education	4,201,451.38	1,131,660.28	13,252,667.30	1,000,743.40	-	8,920,299.04	-	8,920,299.04
Other Instruction	733,356.56	264,702.62		234,080.32	-	(763,978.86)	-	(763,978.86)
<b>Support Services:</b>								
Student & Instruction Related Services	2,743,847.44	611,050.64		1,053,340.43	-	(2,301,557.65)	-	(2,301,557.65)
School Administrative Services	725,552.08	195,721.14		173,079.01	-	(748,194.21)	-	(748,194.21)
Other Administrative Services	1,906,756.22	545,437.45		482,338.15	-	(1,969,855.52)	-	(1,969,855.52)
Plant Operation and Maintenance	4,506,053.04	1,283,357.60		1,134,891.52	-	(4,654,519.12)	-	(4,654,519.12)
Pupil Transportation	575,100.75	224,150.91		198,219.86	-	(601,031.80)	-	(601,031.80)
Unallocated Benefits	6,346,190.04	(6,346,190.04)			-	-	-	-
Capital Outlay	712,000.00				-	(712,000.00)	-	(712,000.00)
Special Schools	1,846,609.91	511,162.05		452,027.93	-	(1,905,744.03)	-	(1,905,744.03)
<b>Total Governmental Activities</b>	<b>30,614,934.70</b>	<b>0.00</b>	<b>13,252,667.30</b>	<b>6,674,249.40</b>	<b>-</b>	<b>(10,688,018.00)</b>	<b>-</b>	<b>(10,688,018.00)</b>
<b>Business-Type Activities:</b>								
Food Service	964,395.90		316,047.86	617,605.68	-	(30,742.36)	(30,742.36)	(30,742.36)
Personal Aide Program	222,302.00		230,120.00		-	7,818.00	7,818.00	7,818.00
<b>Total Business-Type Activities</b>	<b>1,186,697.90</b>	<b>-</b>	<b>546,167.86</b>	<b>617,605.68</b>	<b>-</b>	<b>(22,924.36)</b>	<b>(22,924.36)</b>	<b>(22,924.36)</b>
<b>Total Primary Government</b>	<b>\$ 31,801,632.60</b>	<b>0.00</b>	<b>13,798,835.16</b>	<b>7,291,855.08</b>	<b>-</b>	<b>(10,688,018.00)</b>	<b>(22,924.36)</b>	<b>(10,710,942.36)</b>
<b>General Revenues:</b>								
County Appropriation, Levied for General Purposes						4,019,431.00		4,019,431.00
Federal and State Aid not Restricted						3,787,981.50		3,787,981.50
Investment Earnings						-		-
Miscellaneous Income						102,487.11		102,487.11
Special Items: Cancellation of Prior Year Purchase Orders						112.73		112.73
Transfers						-		-
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>						<b>7,910,012.34</b>		<b>7,910,012.34</b>
<b>Change in Net Position</b>						<b>(2,778,005.66)</b>	<b>(22,924.36)</b>	<b>(2,800,930.02)</b>
<b>Net Position - Beginning</b>						<b>45,904,386.00</b>	<b>330,246.09</b>	<b>46,234,632.09</b>
<b>Net Position - Ending</b>						<b>\$ 43,126,380.34</b>	<b>307,321.73</b>	<b>43,433,702.07</b>

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

**FUND FINANCIAL STATEMENTS**

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**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Governmental Funds  
Balance Sheet  
June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,291,854.12			3,291,854.12
Receivables, Net	24,495.00			24,495.00
Due from Other Funds	269,864.29			269,864.29
Receivables from Other Governments	1,611,989.76	346,070.59		1,958,060.35
Restricted Cash & Cash Equivalents	-			-
<b>Total Assets</b>	<b><u>5,198,203.17</u></b>	<b><u>346,070.59</u></b>	<b><u>-</u></b>	<b><u>5,544,273.76</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	78,357.26	89,308.30	-	167,665.56
Due to Other Funds	-	256,762.29	-	256,762.29
Unearned Revenue	27,227.34	-	-	27,227.34
<b>Total Liabilities</b>	<b><u>105,584.60</u></b>	<b><u>346,070.59</u></b>	<b><u>-</u></b>	<b><u>451,655.19</u></b>
Fund Balances:				
Restricted for:				
Excess surplus	1,266,221.78			1,266,221.78
Excess surplus - designated for subsequent year's expenditures	1,702,301.00			1,702,301.00
Capital Projects	-	-	-	-
Committed to:				
Capital Reserve Account	884,159.55	-	-	884,159.55
Maintenance Reserve Account	291,146.29	-	-	291,146.29
Assigned to:				
Designated by the BOE for Subsequent Year's Expenditures	-	-	-	-
Reserve for Encumbrances	35,224.75	-		35,224.75
Unassigned:				
General Fund	913,565.20	-	-	913,565.20
<b>Total Fund Balances</b>	<b><u>5,092,618.57</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>5,092,618.57</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 5,198,203.17</u></b>	<b><u>346,070.59</u></b>	<b><u>-</u></b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$66,055,979.22 and the accumulated depreciation is \$19,835,320.89	46,220,658.33
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	(7,146,928.00)
Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds	(1,039,968.56)
Net position of governmental activities	<b><u>\$ 43,126,380.34</u></b>

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

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
County Appropriation	\$ 4,019,431.00			4,019,431.00
Tuition Charges	13,252,667.30			13,252,667.30
Miscellaneous	101,687.11	800.00		102,487.11
Total Local Sources	17,373,785.41	800.00	-	17,374,585.41
State Sources	5,953,914.31	226,518.00		6,180,432.31
Federal Sources	-	916,368.59		916,368.59
Total Revenues	<u>23,327,699.72</u>	<u>1,143,686.59</u>	<u>-</u>	<u>24,471,386.31</u>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	4,556,292.46	549,243.00		5,105,535.46
Vocational Instruction	3,100,967.28			3,100,967.28
Other Instruction	475,946.25			475,946.25
Support Services:				
Student & Instruction Related Serv.	1,636,651.08	512,979.59		2,149,630.67
School Administrative Services	535,222.88			535,222.88
Other Administrative Services	1,376,345.06			1,376,345.06
Plant Operation and Maintenance	3,258,050.73			3,258,050.73
Transportation Services	357,124.99			357,124.99
Employee Benefits	6,346,190.04			6,346,190.04
Capital Outlay	1,360,646.22	81,464.00	57,941.00	1,500,051.22
Special Schools	1,349,529.89			1,349,529.89
Total Expenditures	<u>24,352,966.88</u>	<u>1,143,686.59</u>	<u>57,941.00</u>	<u>25,554,594.47</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,025,267.16)</u>	<u>-</u>	<u>(57,941.00)</u>	<u>(1,083,208.16)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Cancellation of Prior Year Purchase Orders	112.73			112.73
Capital Leases (non-budgeted)	712,000.00			712,000.00
Total Other Financing Sources and Uses	<u>712,112.73</u>	<u>-</u>	<u>-</u>	<u>712,112.73</u>
Net Changes in Fund Balance	(313,154.43)	-	(57,941.00)	(371,095.43)
Fund Balance - July 1	5,405,773.00	-	57,941.00	5,463,714.00
Fund Balance - June 30	<u>\$ 5,092,618.57</u>	<u>-</u>	<u>-</u>	<u>5,092,618.57</u>

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

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2017**

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ (371,095.43)

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 capital outlays exceeded depreciation for the period.

	Depreciation expense	\$ (1,747,840.89)	
	Capital Outlays	<u>788,051.22</u>	
			(959,789.67)

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of of employee contributions is reported as pension expense.

	District pension contributions - PERS	(1,421,879.00)	
	Cost of benefits earned net of employee contributions	<u>342,577.00</u>	
			(1,079,302.00)

In the statement of activities, only the loss on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale (if any) increases financial resources. Thus, the change in net assets differs from the change in fund balance by book value of the assets disposed.

-

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

			(712,000.00)
	Capital lease proceeds		

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

			322,967.03
	Capital lease payments		

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

21,214.41

			<u>\$ (2,778,005.66)</u>
	Change in Net Position of Governmental Activities		

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

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2017**

	<u>Non-Major Funds</u>	<u>Total 2017</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 160,207.69	160,207.69
Intergovernmental Accounts Receivable		
Federal	31,797.64	31,797.64
State	424.80	424.80
Other	22,341.10	22,341.10
Inventory	25,621.73	25,621.73
	<u>240,392.96</u>	<u>240,392.96</u>
Total Current Assets		
Noncurrent Assets:		
Furniture, Machinery & Equipment	215,919.64	215,919.64
Less Accumulated Depreciation	<u>(134,431.01)</u>	<u>(134,431.01)</u>
Total Noncurrent Assets	<u>81,488.63</u>	<u>81,488.63</u>
	<u>321,881.59</u>	<u>321,881.59</u>
Total Assets		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	-	-
Interfunds Payable	13,102.00	13,102.00
Unearned Revenue	1,457.86	1,457.86
	<u>14,559.86</u>	<u>14,559.86</u>
Total Current Liabilities		
<b>NET POSITION</b>		
Invested in Capital Assets Net of Related Debt	81,488.63	81,488.63
Unrestricted	225,833.10	225,833.10
	<u>\$ 307,321.73</u>	<u>307,321.73</u>
Total Net Position		

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

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2017**

	Non-Major Funds	Total 2017
Operating Revenue:		
Charges for Service:		
Daily Sales - Non-reimbursable Programs	\$ 166,792.07	166,792.07
Daily Sales - Reimbursable Programs	74,618.27	74,618.27
Special Functions	73,255.39	73,255.39
Miscellaneous	231,502.13	231,502.13
Total Operating Revenue	546,167.86	546,167.86
Operating Expenses:		
Cost of Sales - reimbursable programs	304,925.50	304,925.50
Cost of Sales - non-reimbursable programs	104,857.79	104,857.79
Salaries	513,805.63	513,805.63
Fringe Benefits	215,646.75	215,646.75
Other Purchased Services	11,439.49	11,439.49
Miscellaneous Expenditures	-	-
General Supplies	13,071.73	13,071.73
Depreciation	22,951.01	22,951.01
Total Operating Expenses	1,186,697.90	1,186,697.90
Operating Income (Loss)	(640,530.04)	(640,530.04)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	7,719.31	7,719.31
Federal Sources:		
School Breakfast Program	150,339.65	150,339.65
National School Lunch Program	398,506.90	398,506.90
National School Lunch Program - Performance Based	8,763.66	8,763.66
Food Distribution Program	52,276.16	52,276.16
Interest and Investment Income	-	-
Total Nonoperating Revenues (Expenses)	617,605.68	617,605.68
Income (loss) before Contributions & Transfers	(22,924.36)	(22,924.36)
Capital Contributions (Uses)	-	-
Transfers In (Out)	-	-
Changes in Net Position	(22,924.36)	(22,924.36)
Total Net Position - Beginning	330,246.09	330,246.09
Total Net Position - Ending	\$ 307,321.73	307,321.73

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

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Comparative Statement of Cash Flows**  
**For the Year Ended June 30, 2017**

	Non-Major Funds	Total 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 537,385.07	537,385.07
Payments to Employees	(512,793.63)	(512,793.63)
Payments for Employee Benefits	(215,646.75)	(215,646.75)
Payments for Supplies and Services	(416,168.08)	(416,168.08)
Net Cash Provided by (Used for) Operating Activities	(607,223.39)	(607,223.39)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	7,753.51	7,753.51
Federal Sources	557,140.57	557,140.57
Operating Subsidies and Transfers to Other Funds	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	564,894.08	564,894.08
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of Capital Assets	(0.00)	(0.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(0.00)	(0.00)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest and Dividends	-	-
Net Cash Provided by (Used for) Investing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(42,329.31)	(42,329.31)
Balance - Beginning of Year	202,537.00	202,537.00
Balance - End of Year	160,207.69	160,207.69
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	(640,530.04)	(640,530.04)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation	22,951.01	22,951.01
Federal Commodities - Non-Cash	52,276.16	52,276.16
(Increase) Decrease in Accounts Receivable	(9,146.10)	(9,146.10)
(Increase) Decrease in Inventories	(12,269.73)	(12,269.73)
Increase (Decrease) in Accounts Payable	(20,868.00)	(20,868.00)
Increase (Decrease) in Deferred Revenue	363.31	363.31
Total Adjustments	33,306.65	33,306.65
Net Cash Provided by (Used for) Operating Activities	\$ (607,223.39)	(607,223.39)

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

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Fiduciary Funds  
Statement of Net Position  
June 30, 2017**

	Private Purpose		Student Activity	Agency Fund
	Unemployment Compensation	Scholarship Fund		
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 183,118.10	3,634.31	126,745.72	5,365.24
Total Assets	<u>183,118.10</u>	<u>3,634.31</u>	<u>126,745.72</u>	<u>5,365.24</u>
<b>LIABILITIES</b>				
Unemployment Claims Payable	17,205.37	-		
Scholarships Payable				
Payable to Student Groups	-	-	126,745.72	
Payroll Deductions & Withholdings	-	-		5,365.24
Total Liabilities	<u>17,205.37</u>	<u>-</u>	<u>126,745.72</u>	<u>5,365.24</u>
<b>NET POSITION</b>				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 165,912.73</u>			
Reserved for Scholarships		<u>3,229.31</u>		

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

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2017**

	Unemployment Compensation	Scholarship Fund
<b>ADDITIONS</b>		
Contributions:		
Employee Salary Deductions	\$ 40,920.22	
Donations		2,524.84
Board Contributions	28,400.00	
Total Contributions	69,320.22	2,524.84
Investment Earnings:		
Interest	399.93	
Net Investment Earnings	399.93	-
Total Additions	69,720.15	2,524.84
<b>DEDUCTIONS</b>		
Unemployment Claims	86,982.42	
Scholarships Awarded		2,838.53
Total Deductions	86,982.42	2,838.53
Changes in Net Position	(17,262.27)	(313.69)
Net Position - Beginning of the Year	183,175.00	3,543.00
Net Position - End of the Year	\$ 165,912.73	3,229.31

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



## **Notes to the Financial Statements**

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Atlantic County Vocational School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. REPORTING ENTITY**

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Atlantic County Vocational School District is a Type I District located in the County of Atlantic, State of New Jersey. As a Type I District, the School District functions independently through a Board of Education. The Board is comprised of six members appointed to four-year terms, appointed by the Board of Chosen Freeholders, and the County Superintendent of Schools as an ex-officio member. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the District is to educate students in grades 9-12 for both regular and vocational programs and operate the adult and continuing education programs. The District had an enrollment at June 30, 2017 of 1,541 students.

In evaluating how to define the governmental reporting entity, the District follows the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, under which the financial statements include all the organizations, activities, functions, and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. On this basis, the District's financial reporting entity has no component units. But, as a Type I District, would be considered a component unit of the County of Atlantic. The County of Atlantic however reports on the regulatory basis of accounting which does not recognize component units. If the County followed Generally Accepted Accounting Principles (GAAP) reporting, the Board of Education would be a component unit of the County of Atlantic.

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

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

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017  
(CONTINUED)**

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program and personal aide program are classified as business-type activities.

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

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

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

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

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

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017  
(CONTINUED)**

The following fund types are used by the District:

**1. Governmental Funds:**

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Fund Balances – Governmental Funds**

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

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

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

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

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

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

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

**2. Proprietary Funds:**

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017  
(CONTINUED)**

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs.

The District's Enterprise Fund is comprised of the following;

**Food Service Fund**, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

**Personal Aide Fund**, which accounts for all revenues and expenses pertaining to the District's personal aide operations.

**3. Fiduciary Funds:**

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

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

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

**D. BASIS OF ACCOUNTING**

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

**1. Accrual:**

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

**2. Modified Accrual:**

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017  
(CONTINUED)**

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public 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.

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

**2. Investments:**

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

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2017, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	21,393.60
Supplies		<u>4,228.13</u>
	\$	<u><u>25,621.73</u></u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2017 is \$78.75.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017  
(CONTINUED)**

**4. Capital Assets:**

Capital assets purchased or acquired with an original cost of \$2,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years

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

**5. Revenues:**

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

**6. Expenditures:**

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

**7. Compensated absences:**

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

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

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



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**8. Interfund Activity:**

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

**9. Budgets/Budgetary Control:**

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

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Regular Vocational Programs - Instruction		
Salaries of Teachers	\$	(135,880.10)
Undistributed Expenditures - General Admin		
Legal Services	\$	191,925.00
Unallocated Benefits - Employee Benefits		
Health Benefits	\$	(182,325.00)

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

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

**10. Tuition Receivable:**

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

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**11. Use of Estimates:**

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

**12. Allocation of Costs:**

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

**13. Pensions:**

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

**F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

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

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

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosure". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No.73". This statement is

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effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting, however will affect the disclosure of pension related items.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83 "Certain Asset Retirement Obligations". This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities". This statement, which is effective for fiscal periods after December 15, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Omnibus 2017. This statement, which is effective for fiscal periods after June 15, 2017, will not have any effect on the District's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 88 "Certain Debt Extinguishment Issues". This statement, which is effective for fiscal periods after June 15, 2017, will not have any effect on the District's financial reporting.

**NOTE 2. INVESTMENTS**

As of June 30, 2017, the District had no investments.

**Interest 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 District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the 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.

**Concentration of Credit Risk.** The District places no limit on the amount the District may invest in any one issuer.

**NOTE 3. 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 the 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, 2017, \$228,192.09 of the government's bank balance of \$4,473,146.27 was exposed to custodial credit risk.

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**NOTE 4. FIXED ASSETS**

Capital Asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2017</u>
<b>Governmental Activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 78,120.00			78,120.00
Construction in process	57,941.00	458,286.85		516,227.85
Total capital assets not being depreciated	<u>136,061.00</u>	<u>458,286.85</u>	<u>-</u>	<u>594,347.85</u>
Land Improvements	690,358.00			690,358.00
Bldg and bldg improve	57,587,654.00	57,941.00		57,645,595.00
Machinery & equipment	7,040,106.00	271,823.37	(186,251.00)	7,125,678.37
Total at historical cost	<u>65,318,118.00</u>	<u>329,764.37</u>	<u>(186,251.00)</u>	<u>65,461,631.37</u>
Less accum depr for:				
Land Improvements	(149,050.00)	(13,807.16)		(162,857.16)
Bldg and bldg improve	(12,088,550.00)	(1,253,704.55)		(13,342,254.55)
Equipment	(6,036,131.00)	(480,329.18)	186,251.00	(6,330,209.18)
Total accum deprec	<u>(18,273,731.00)</u>	<u>(1,747,840.89)</u>	<u>186,251.00</u>	<u>(19,835,320.89)</u>
Total capital assets being depr, net of accum depr	<u>47,044,387.00</u>	<u>(1,418,076.52)</u>	<u>-</u>	<u>45,626,310.48</u>
<b>Governmental Activities Capital Assets, net</b>	<u>\$ 47,180,448.00</u>	<u>(959,789.67)</u>	<u>-</u>	<u>46,220,658.33</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 215,920.00		0.36	215,919.64
Less accum depr for:				
Equipment	(111,480.00)	(22,951.00)	0.01	(134,431.01)
<b>Business-Type Activities Capital Assets, net</b>	<u>\$ 104,440.00</u>	<u>(22,951.00)</u>	<u>0.37</u>	<u>81,488.63</u>

Depreciation expense was charged to governmental functions as follows:

<b>Instruction:</b>	
Regular Instruction	\$ 434,867.02
Vocational Education	311,677.10
Other Instruction	72,903.28
<b>Support Services:</b>	
Student & Instruction Related Services	168,292.99
School Administrative Services	53,904.69
Other Administrative Services	150,222.08
Plant Operation & Maintenance	353,456.94
Pupil Transportation	61,734.70
<b>Special Schools</b>	140,782.10
Total Depreciation Expense	<u>\$ 1,747,840.89</u>

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**NOTE 5. PENSION PLANS**

*Description of Plans*

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans 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 the reports can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

*Teachers' Pension and Annuity Fund*

The Teachers' Pension and Annuity Fund was established in January, 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*

The Public Employees' Retirement System was established in January, 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 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 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost sharing multiple employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.20% and the PERS rate is 7.20% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2017, 2016, and 2015 were \$1,596,574.00, \$530,654.00, and \$770,161.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required

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contributions for each year. The School District's contributions to PERS for the years ending June 30, 2017, 2016 and 2015 were \$330,952.48.00, \$299,815.00, and \$259,192.00 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2017, 2016 and 2015, the State of New Jersey contributed \$723,863.00, \$631,862.00, and \$472,514.00, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$650,022.81, \$619,571, and \$577,812.00, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

For the DCRP, members contribute at a uniform rate of 6.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were 2 employees enrolled in the DCRP for the year ended June 30, 2017.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place July of each subsequent fiscal year.

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- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

*Significant Legislation - Continued*

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

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

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

**NOTE 6. PUBLIC EMPLOYEES RETIREMENT SYSTEM**

At June 30, 2017, the District reported a liability of \$11,420,882 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District's proportion was .03856174110%, which was an increase of 5.97% from its proportion measured as of June 30, 2015.

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For the year ended June 30, 2017, the District recognized pension expense of \$1,079,302.00. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 212,394.00	
Changes of assumptions	2,365,797.00	
Net difference between projected and actual earnings on pension plan investments	435,489	
Changes in proportion and differences between District contributions and proportionate share of contributions	1,260,274.00	
District contributions subsequent to the measurement date	342,577.00	
 Total	 \$ 4,616,531.00	 \$ -

\$342,577 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2016) 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,	
2018	\$ 967,222.00
2019	967,222.00
2020	1,105,734.00
2021	925,315.00
2022	308,461.00
Total	\$ 4,273,954.00

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.65%



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Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2014 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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 inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

*Discount Rate*

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participated employers as of June 30, 2016, 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:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the net pension liability	\$ 13,686,828	11,420,882	9,552,155.92

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017  
(CONTINUED)**

*Pension plan fiduciary net position.*

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

**NOTE 7. TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		<u>52,139,130.00</u>
Total	\$	<u>52,139,130.00</u>

The net pension liability was measured as of June 30, 2016 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$3,365,480 and revenue of \$3,365,480 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 183,739.00	89,167.00
Changes of assumptions	10,407,596.00	
Net difference between projected and actual earnings on pension plan investments	\$ 950,921	
Changes in proportion and differences between District contributions and proportionate share of contributions		110,224.00
District contributions subsequent to the measurement date	<u>552,100.00</u>	
Total	<u>\$ 12,094,356.00</u>	<u>199,391.00</u>

\$552,100 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2016) 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:

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
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Year ended June 30,	
2018	\$ 1,666,319.00
2019	1,666,319.00
2020	1,952,060.00
2021	1,825,608.00
2022	1,542,134.00
Thereafter	2,690,428.00
Total	<u>\$ 11,342,868.00</u>

*Actuarial assumptions.* The total pension liability in the June 30, 2016 actuarial valuation was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.50%		
Salary increases			
2012-2021	Varies based on experience		
Thereafter	Varies based on experience		
Investment rate of return	7.65%		

Pre-retirement, post-retirement and disable mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 20012 to June 30, 2015.

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging market equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

*Discount rate.* The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.22% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.22%) or 1-percentage point higher (4.22%) than the current rate:

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
District's proportionate share of the net pension liability	\$ -	-	-

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
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(CONTINUED)**

*Pension plan fiduciary net position.*

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

**NOTE 8. POST-RETIREMENT BENEFITS**

P.L. 1984, Chapter 384 and P.L. 1990, Chapter 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, Chapter 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 funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, Chapter 62, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

**NOTE 9. LABOR CONTRACTS**

As of June 30, 2017 the District's employees were organized in the following collective bargaining unit.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
Atlantic County Vocational School Education Association	All full-time and part-time employees working twenty-five or more hours per week, whether under contract or on leave, including all non-supervisory certificated staff members and non-certified employees including secretaries, clerks, custodians, maintenance personnel, and aides.	June 30, 2019

In addition to the above contract, the Board of Education has entered into individual employment agreements with the Superintendent and Business Administrator. The expiration of these contracts will vary depending on the position.

**NOTE 10. DEFERRED COMPENSATION**

The Board offers its employees a deferred compensation plan 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:

- Frank J. Siracusa & Sons
- AXA Equitable
- Lincoln Investments
- The Travelers

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017  
(CONTINUED)**

**NOTE 11. COMPENSATED ABSENCES**

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

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

In the district-wide Statement of Net position, the liabilities whose average maturities are greater than one year are reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017 no liability existed for compensated absences. In the proprietary fund types.

**NOTE 12. CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) 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 NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	\$	756,970.00
Interest earnings		400.00
Deposits:		
Cancellation of prior year purchase order - balance on Annex Project		8,789.55
Transfer of Current Year Surplus, 6/26/17		200,000.00
		\$ 966,159.55
Withdrawals:		
Budgeted withdrawal for local share		82,000.00
Ending balance, June 30, 2017		\$ 884,159.55

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017  
(CONTINUED)**

**NOTE 13. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the Atlantic County Vocational School District on March 25, 2012, for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (NJSA 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (NJAC 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility.

Beginning balance, July 1, 2016		\$	442,079.00
Interest earnings			100.00
Deposits:			
Return unexpended portion of budgeted withdrawal			98,967.29
			541,146.29
Withdrawals:			
Budgeted withdrawal for local share			250,000.00
			250,000.00
Ending balance, June 30, 2017		\$	291,146.29

**NOTE 14. GENERAL LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Amounts Due</u> <u>Within One Year</u>
<b>Governmental Activities</b>					
Compensated Absences Payable	\$ 672,150.00	10,011.65	31,226.06	650,935.59	
Obligations Under Capital Leases		712,000.00	322,967.03	389,032.97	238,023.93
Net Pension Liability	8,168,371.00	3,595,088.00	342,577.00	11,420,882.00	
<b>Total</b>	\$ 8,840,521.00	4,317,099.65	696,770.09	12,460,850.56	238,023.93

During the fiscal year ended June 30, 2017 the business-type activities had no liabilities reported in the long-term obligations account group.

Compensated absences and capital leases will be liquidated in the General Fund.



**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
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**Capital Leases Payable** – Commencing September 30, 2015, the District is leasing Chromebooks and one 54 passenger school bus totaling \$265,000 under a capital lease. The lease is for a term of 3 years and semiannual lease payments in the amount of \$45,228.43 are made. Payments include interest at a rate of 1.482% per annum.

Also, commencing October 1, 2016, the District is leasing additional Chromebooks totaling \$447,000 under a capital lease. The lease is for a term of 3 years and semiannual payments in the amount of \$76,434.50 are made. Payments include interest at a rate of 1.64% per annum.

The following is a schedule of the future minimum lease payments under the capital leases and the net minimum lease payments at June 30, 2017.

		Total	
FY18	\$	243,325.86	
FY19		152,869.00	
Total minimum lease payments		396,194.86	
Less amount representing interest		7,161.89	
Present value of lease payments	\$	389,032.97	

**NOTE 15. OPERATING LEASES**

The District has commitments to lease certain office equipment under operating leases that expire in fiscal year 2019. Total operating lease payments made during the year ended June 30, 2017 were \$62,736.56. Future minimum lease payments are as follows:

		Payment	
Fiscal Year End June 30			
FY18	\$	63,205.20	
FY19		52,671.00	
Total	\$	115,876.20	

**NOTE 16. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2017:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 269,864.29	
Special Revenue Fund		256,762.29
Enterprise Fund		13,102.00
Total	\$ 269,864.29	\$ 269,864.29

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds and to cover cash overdrafts for pooled funds. The governmental fund interfunds were eliminated in the governmental-wide statements.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017  
(CONTINUED)**

**NOTE 17. FUND BALANCE APPROPRIATED**

General Fund – Of the \$5,092,618.57 General Fund fund balance, at June 30, 2017, \$35,224.75 is reserved for encumbrances; \$2,968,522.78 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$1,702,301.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2018); \$884,159.55 has been reserved in the Capital Reserve Account; \$291,146.29 has been reserved in the Maintenance Reserve Account; \$0.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2018; and \$913,565.20 has been classified as Unassigned.

**NOTE 18. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. 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, 2017 is \$2,968,522.78, of which \$1,702,301.00 has been included in the 2018 fiscal year budget. The excess fund balance at June 30, 2016 was \$1,598,221.78.

**NOTE 19. 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 and surety bonds. During the fiscal year ended June 30, 2017, the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance - The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of 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 prior year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 28,400.00	40,920.22	399.93	86,982.42	165,912.73
2015-2016	50,000.00	38,476.00	479.00	62,054.00	183,175.00
2014-2015	50,000.00	38,086.00	346.00	58,510.00	156,274.00

**NOTE 20. LITIGATION**

From time to time, the District is a defendant or plaintiff in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements..

**NOTE 21. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through October 24, 2017, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

**Required Supplementary Information**  
**Part II**

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**BUDGETARY COMPARISON SCHEDULES**

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**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
<b>REVENUES:</b>					
Local Sources:					
County Appropriation	\$ 4,019,431.00	-	4,019,431.00	4,019,431.00	-
Tuition from LEA's within State	12,854,243.00	-	12,854,243.00	12,915,041.30	60,798.30
Tuition - Other	360,000.00	-	360,000.00	337,626.00	(22,374.00)
Interest Earned on Maintenance Reserve Funds	100.00	-	100.00	-	(100.00)
Interest Earned on Capital Reserve Funds	400.00	-	400.00	-	(400.00)
Rental Fees	7,500.00	-	7,500.00	12,495.43	4,995.43
Other Restricted Miscellaneous Revenue	45,200.00	-	45,200.00	58,240.07	13,040.07
Unrestricted Miscellaneous Revenue	17,500.00	-	17,500.00	30,951.61	13,451.61
<b>Total Local Sources</b>	<b>17,304,374.00</b>	<b>-</b>	<b>17,304,374.00</b>	<b>17,373,785.41</b>	<b>69,411.41</b>
State Sources:					
Categorical Special Education Aid	480,007.00	-	480,007.00	480,007.00	-
Equalization Aid	3,097,385.00	-	3,097,385.00	3,097,385.00	-
Categorical Security Aid	80,831.00	-	80,831.00	80,831.00	-
Adjustment Aid	2.00	-	2.00	2.00	-
PARCC Readiness Aid	13,060.00	-	13,060.00	13,060.00	-
Per Pupil Growth Aid	13,060.00	-	13,060.00	13,060.00	-
Professional Learning Community Aid	16,580.00	-	16,580.00	16,580.00	-
Department of Education-Lead Test Reimbursement	-	-	-	7,085.50	7,085.50
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	-	-
TPAF-Long-Term Disability Insurance	-	-	-	3,965.00	3,965.00
TPAF - Post Retirement Medical	-	-	-	723,863.00	723,863.00
Teachers Pension and Annuity Fund	-	-	-	868,746.00	868,746.00
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)	-	-	-	650,022.81	650,022.81
<b>Total State Sources</b>	<b>3,700,925.00</b>	<b>-</b>	<b>3,700,925.00</b>	<b>5,954,607.31</b>	<b>2,253,682.31</b>
Federal Sources:					
Medicaid Reimbursement	22,325.00	-	22,325.00	-	(22,325.00)
<b>Total Federal Sources</b>	<b>22,325.00</b>	<b>-</b>	<b>22,325.00</b>	<b>-</b>	<b>(22,325.00)</b>
<b>Total Revenues</b>	<b>21,027,624.00</b>	<b>-</b>	<b>21,027,624.00</b>	<b>23,328,392.72</b>	<b>2,300,768.72</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction					
Salaries of Teachers (Grades 9-12)	3,700,256.00	42,940.00	3,743,196.00	3,740,454.73	2,741.27
Regular Programs - Undistributed					
Purchased Professional Educational Services	3,000.00	-	3,000.00	2,370.00	630.00
Purchased Technical Services	12,300.00	(2,097.00)	10,203.00	8,063.95	2,139.05
Other Purchased Services (400-500 series)	168,572.00	44,220.80	212,792.80	212,792.80	-
General Supplies	177,325.40	111,600.00	288,925.40	253,639.28	35,286.12
Textbooks	71,333.00	(5,000.00)	66,333.00	62,474.03	3,858.97
Other Objects	2,730.00	-	2,730.00	893.00	1,837.00
Regular Programs - Home Instruction					
Salaries of Teachers	28,000.00	12,000.00	40,000.00	37,220.00	2,780.00
Purchased Professional - Educational Services	2,500.00	6,500.00	9,000.00	5,160.00	3,840.00
Purchased Technical Services	4,000.00	1,997.00	5,997.00	5,997.00	-
Other Purchased Services (400-500 series)	1,200.00	1,500.00	2,700.00	2,335.23	364.77
<b>Total Regular Programs - Instruction</b>	<b>4,171,216.40</b>	<b>213,660.80</b>	<b>4,384,877.20</b>	<b>4,331,400.02</b>	<b>53,477.18</b>
Resource Room - Instruction					
Salaries of Teachers	235,615.00	(10,000.00)	225,615.00	224,113.80	1,501.20
General Supplies	4,750.00	-	4,750.00	778.64	3,971.36
<b>Total Resource Room - Instruction</b>	<b>240,365.00</b>	<b>(10,000.00)</b>	<b>230,365.00</b>	<b>224,892.44</b>	<b>5,472.56</b>
Regular Vocational Programs - Instruction					
Salaries of Teachers	2,370,573.00	(29,024.60)	2,341,548.40	2,326,346.70	15,201.70
Other Salaries for Instruction	-	16,074.60	16,074.60	16,074.60	-
Purchased Professional & Educational Services	60,575.00	4,996.00	65,571.00	64,545.50	1,025.50
Purchased Technical Services	15,155.00	-	15,155.00	10,903.85	4,251.15
Other Purchased Services (400-500 series)	26,000.00	15,000.00	41,000.00	35,858.50	5,141.50
General Supplies	269,903.32	(10,996.00)	258,907.32	249,428.57	9,478.75
Textbooks	25,643.00	-	25,643.00	23,334.26	2,308.74
Other Objects	11,973.00	(2,000.00)	9,973.00	6,308.75	3,664.25
<b>Total Regular Vocational Programs - Instruction</b>	<b>2,779,822.32</b>	<b>(5,950.00)</b>	<b>2,773,872.32</b>	<b>2,732,800.73</b>	<b>41,071.59</b>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Special Vocational Programs - Instruction					
Salaries of Teachers	494,979.00	(135,880.10)	359,098.90	358,965.30	133.60
Other Salaries for Instruction	7,000.00	1,000.00	8,000.00	8,000.00	-
General Supplies	2,250.00	(1,000.00)	1,250.00	1,201.25	48.75
Other Objects	500.00	-	500.00	-	500.00
Total Special Vocational Programs - Instruction	<u>504,729.00</u>	<u>(135,880.10)</u>	<u>368,848.90</u>	<u>368,166.55</u>	<u>682.35</u>
<b>TOTAL VOCATIONAL PROGRAMS - INSTRUCTION</b>	<u>3,284,551.32</u>	<u>(141,830.10)</u>	<u>3,142,721.22</u>	<u>3,100,967.28</u>	<u>41,753.94</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	66,300.00	1,100.00	67,400.00	66,700.00	700.00
Purchased Services (300-500 series)	8,000.00	5,872.60	13,872.60	13,872.60	-
Supplies & Materials	2,500.00	(2,500.00)	-	-	-
Other Objects	7,000.00	65.68	7,065.68	7,065.68	-
Total School-Spon. Cocurricular Activities - Inst.	<u>83,800.00</u>	<u>4,538.28</u>	<u>88,338.28</u>	<u>87,638.28</u>	<u>700.00</u>
School-Sponsored Athletics - Instruction					
Salaries	180,015.00	25,965.47	205,980.47	202,256.87	3,723.60
Purchased Services (300-500 series)	87,201.00	(42,438.75)	44,762.25	36,047.60	8,714.65
Supplies & Materials	60,091.62	-	60,091.62	48,589.53	11,502.09
Other Objects	15,785.00	(925.00)	14,860.00	12,030.13	2,829.87
Total School-Sponsored Athletics - Inst.	<u>343,092.62</u>	<u>(17,398.28)</u>	<u>325,694.34</u>	<u>298,924.13</u>	<u>26,770.21</u>
Other Instructional Programs - Instruction					
Salaries	73,825.00	16,380.10	90,205.10	89,090.85	1,114.25
Supplies & Materials	500.00	-	500.00	292.99	207.01
Total Other Instructional Programs - Inst.	<u>74,325.00</u>	<u>16,380.10</u>	<u>90,705.10</u>	<u>89,383.84</u>	<u>1,321.26</u>
<b>TOTAL INSTRUCTION</b>	<u>8,197,350.34</u>	<u>65,350.80</u>	<u>8,262,701.14</u>	<u>8,133,205.99</u>	<u>129,495.15</u>
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expend. - Attendance & Social Work					
Salaries	-	-	-	-	-
Total Undistributed Expend. - Attend & Social Work	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undistributed Expend. - Health Services					
Salaries	218,377.00	-	218,377.00	213,641.00	4,736.00
Purchased Professional and Technical Services	2,000.00	-	2,000.00	2,000.00	-
Other Purchased Services (400-500 series)	500.00	-	500.00	25.00	475.00
Supplies & Materials	12,000.00	(2,431.04)	9,568.96	6,639.98	2,928.98
Other Objects	500.00	103.00	603.00	603.00	-
Total Undistributed Expend. - Health Services	<u>233,377.00</u>	<u>(2,328.04)</u>	<u>231,048.96</u>	<u>222,908.98</u>	<u>8,139.98</u>
Undistributed Expend. - Guidance					
Salaries of Other Professional Staff	546,560.00	(8,853.34)	537,706.66	534,332.84	3,373.82
Salaries of Secretarial and Clerical Assistants	79,505.00	583.00	80,088.00	79,918.13	169.87
Other Salaries	5,000.00	-	5,000.00	3,016.38	1,983.62
Purchased Professional-Educational Services	1,000.00	-	1,000.00	1,000.00	-
Purchased Professional & Technical Services	14,000.00	-	14,000.00	4,616.00	9,384.00
Other Purchased Services (400-500 series)	20,540.00	17,245.34	37,785.34	37,631.44	153.90
Supplies & Materials	19,360.00	(8,360.00)	11,000.00	9,593.84	1,406.16
Other Objects	2,114.00	-	2,114.00	1,835.00	279.00
Total Undistributed Expend. - Guidance	<u>688,079.00</u>	<u>615.00</u>	<u>688,694.00</u>	<u>671,943.63</u>	<u>16,750.37</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	85,140.00	(200.00)	84,940.00	83,285.00	1,655.00
Salaries of Secretarial & Clerical Assistants	37,175.00	1,086.00	38,261.00	38,260.80	0.20
Purchased Professional - Educational Services	1,000.00	-	1,000.00	228.42	771.58
Other Purchased Services (400-500 series)	6,000.00	(305.00)	5,695.00	5,041.08	653.92
Supplies & Materials	12,000.00	-	12,000.00	7,551.31	4,448.69
Other Objects	750.00	-	750.00	574.00	176.00
Total Undist. Expend. - Child Study Teams	<u>142,065.00</u>	<u>581.00</u>	<u>142,646.00</u>	<u>134,940.61</u>	<u>7,705.39</u>



**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	395,197.00	(15,000.00)	380,197.00	373,584.06	6,612.94
Salaries of Other Professional Staff	11,800.00		11,800.00	10,880.00	920.00
Salaries of Secretarial and Clerical Assistants	85,042.00	(5,000.00)	80,042.00	79,596.84	445.16
Purchased Professional-Educational Services	5,000.00	(3,500.00)	1,500.00	370.00	1,130.00
Other Purchased Services (400-500 series)	8,500.00		8,500.00	7,366.42	1,133.58
Supplies & Materials	10,000.00	8,500.00	18,500.00	17,052.68	1,447.32
Other Objects	4,530.00		4,530.00	896.00	3,634.00
Total Undist. Expend. - Improvement of Inst. Serv.	<u>520,069.00</u>	<u>(15,000.00)</u>	<u>505,069.00</u>	<u>489,746.00</u>	<u>15,323.00</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	78,509.00	4,244.00	82,753.00	78,003.48	4,749.52
Purchased Professional & Technical Services	2,250.00	671.10	2,921.10	2,921.10	-
Other Purchased Services (400-500 series)	4,740.00		4,740.00	3,866.56	873.44
Supplies & Materials	21,000.00	(671.10)	20,328.90	19,989.59	339.31
Other Objects	500.00		500.00	372.00	128.00
Total Undistributed Expenditures - Educational Media Services - School Library	<u>106,999.00</u>	<u>4,244.00</u>	<u>111,243.00</u>	<u>105,152.73</u>	<u>6,090.27</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional-Educational Services	18,241.00		18,241.00	11,959.13	6,281.87
Other Purchased Services (400-500 series)	-		-	-	-
Total Undistributed Expenditures - Instructional Staff Training Services	<u>18,241.00</u>	<u>-</u>	<u>18,241.00</u>	<u>11,959.13</u>	<u>6,281.87</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	248,110.00		248,110.00	247,686.96	423.04
Legal Services	38,000.00	(5,000.00)	33,000.00	26,714.84	6,285.16
Audit Fees	25,000.00		25,000.00	24,000.00	1,000.00
Architectural/Engineering Services	25,639.54	191,925.00	217,564.54	184,190.40	33,374.14
Other Purchased Professional Services	4,000.00	(646.50)	3,353.50	821.68	2,531.82
Purchased Technical Services	17,500.00	(3,148.50)	14,351.50	14,351.50	-
Communications/Telephone	67,788.00	(2,245.00)	65,543.00	53,973.89	11,569.11
Other Purchased Services (400-500 series)	87,998.27		87,998.27	85,692.19	2,306.08
General Supplies	4,400.00		4,400.00	4,284.53	115.47
BOE In-House Training/Meeting Supplies	500.00	6,440.00	6,940.00	6,884.96	55.04
BOE Membership Dues and Fees	19,800.00	(12,144.00)	7,656.00	7,655.14	0.86
Miscellaneous Expenditures	3,300.00	13,144.00	16,444.00	16,406.00	38.00
Total Undistributed Expenditures - Support Services - General Administration	<u>542,035.81</u>	<u>188,325.00</u>	<u>730,360.81</u>	<u>672,662.09</u>	<u>57,698.72</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	329,657.00	(11,781.00)	317,876.00	313,696.40	4,179.60
Salaries of Secretarial and Clerical Assistants	98,337.00	35,576.00	133,913.00	133,793.16	119.84
Unused Vacation Payment to Terminated/Retired Staff		32,696.00	32,696.00	32,695.83	0.17
Purchased Professional & Technical Services	250.00		250.00	-	250.00
Other Purchased Services (400-500 series)	30,980.00	8,000.00	38,980.00	38,684.00	296.00
Supplies & Materials	14,000.00	(3,100.00)	10,900.00	7,810.21	3,089.79
Other Objects	20,940.00	(12,020.00)	8,920.00	8,543.28	376.72
Total Undistributed Expenditures - Support Services - School Administration	<u>494,164.00</u>	<u>49,371.00</u>	<u>543,535.00</u>	<u>535,222.88</u>	<u>8,312.12</u>
Undist. Expend. - Central Services					
Salaries	231,597.00	(12,422.09)	219,174.91	207,457.74	11,717.17
Unused Vacation Payment to Terminated/Retired Staff		4,582.09	4,582.09	4,582.09	-
Purchased Professional Services	78,238.00		78,238.00	72,841.57	5,396.43
Purchased Technical Services	16,000.00	2,000.00	18,000.00	17,801.92	198.08
Misc. Purchased Services (400-500 series)	10,048.00	1,000.00	11,048.00	10,430.73	617.27
Supplies & Materials	54,981.38	1,100.00	56,081.38	26,034.36	30,047.02
Miscellaneous Expenditures	500.00		500.00	485.00	15.00
Total Undistributed Expenditures - Central Services	<u>391,364.38</u>	<u>(3,740.00)</u>	<u>387,624.38</u>	<u>339,633.41</u>	<u>47,990.97</u>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Undist. Expend. - Admin. Info. Tech					
Salaries	219,625.00	30,118.45	249,743.45	241,709.67	8,033.78
Unused Vacation Payment to Terminated/Retired Staff		661.55	661.55	661.55	-
Purchased Technical Services	93,902.25	(20,220.80)	73,681.45	64,807.48	8,873.97
Other Purchased Services (400-500 series)	1,000.00		1,000.00	-	1,000.00
Supplies & Materials	71,406.66		71,406.66	56,870.86	14,535.80
Other Objects	250.00		250.00	-	250.00
<b>Total Undistributed Expenditures - Admin Info Tech</b>	<b>386,183.91</b>	<b>10,559.20</b>	<b>396,743.11</b>	<b>364,049.56</b>	<b>32,693.55</b>
Undist. Expend. - Required Maint. School Facilities					
Salaries	429,564.00	(27,413.88)	402,150.12	384,403.67	17,746.45
Unused Vacation Payment to Terminated/Retired Staff	-	13,208.88	13,208.88	13,208.88	-
Cleaning, Repair and Maintenance Service	517,455.71	42,607.47	560,063.18	461,095.89	98,967.29
Lead Testing of Drinking Water		7,085.50	7,085.50	7,085.50	-
General Supplies	134,001.03	(24,692.97)	109,308.06	93,731.33	15,576.73
Other Objects	3,500.00	7,000.00	10,500.00	9,852.88	647.12
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>1,084,520.74</b>	<b>17,795.00</b>	<b>1,102,315.74</b>	<b>969,378.15</b>	<b>132,937.59</b>
Undist. Expend. - Custodial Services					
Salaries	610,720.00	32,500.00	643,220.00	632,353.78	10,866.22
Unused Vacation Payment to Terminated/Retired Staff	-		-	-	-
Purchased Professional and Technical Services	10,000.00		10,000.00	-	10,000.00
Cleaning, Repair and Maintenance Service	81,000.00	(12,000.00)	69,000.00	46,109.36	22,890.64
Rental of Land and Buildings, Other Than Lease Purch	10,000.00		10,000.00	7,899.20	2,100.80
Other Purchased Property Services	38,000.00		38,000.00	30,382.24	7,617.76
Insurance	131,000.00	(11,935.56)	119,064.44	111,122.88	7,941.56
Miscellaneous Purchased Services	1,000.00		1,000.00	-	1,000.00
General Supplies	95,000.00	12,000.00	107,000.00	106,505.63	494.37
Energy (Natural Gas)	160,000.00		160,000.00	139,088.30	20,911.70
Energy (Electricity)	660,000.00		660,000.00	613,184.18	46,815.82
Energy (Oil)	5,000.00		5,000.00	1,016.06	3,983.94
Energy (Gasoline)	7,000.00	(4,000.00)	3,000.00	2,744.96	255.04
Other Objects	1,200.00		1,200.00	717.65	482.35
<b>Total Undistributed Expend. - Custodial Services</b>	<b>1,809,920.00</b>	<b>16,564.44</b>	<b>1,826,484.44</b>	<b>1,691,124.24</b>	<b>135,360.20</b>
<b>Total Undistributed Expenditures</b>					
Operations and Maintenance of Plant	2,894,440.74	34,359.44	2,928,800.18	2,660,502.39	268,297.79
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	69,706.00	(39,745.00)	29,961.00	29,960.66	0.34
Purchased Professional and Technical Services	5,000.00		5,000.00	-	5,000.00
Cleaning, Repair and Maintenance Service	103,250.00	(17,000.00)	86,250.00	61,854.27	24,395.73
Supplies and Materials	18,000.00		18,000.00	11,579.77	6,420.23
<b>Total Undistributed Expend.-Care &amp; Upkeep of Grounds</b>	<b>195,956.00</b>	<b>(56,745.00)</b>	<b>139,211.00</b>	<b>103,394.70</b>	<b>35,816.30</b>
Undistributed Expend. - Security					
Salaries	376,723.00	21,450.00	398,173.00	396,409.96	1,763.04
Purchased Professional and Technical Services	86,100.00	(3,143.00)	82,957.00	82,957.00	-
Cleaning, Repair and Maintenance Service	4,214.00	(1,972.29)	2,241.71	2,171.39	70.32
Supplies and Materials	7,500.00	5,115.29	12,615.29	12,615.29	-
<b>Total Undistributed Expend.-Security</b>	<b>474,537.00</b>	<b>21,450.00</b>	<b>495,987.00</b>	<b>494,153.64</b>	<b>1,833.36</b>
Undist. Expend. - Student Transportation Serv.					
Management Fee - ESC Transportation Program	17,500.00		17,500.00	17,500.00	-
Other Purchased Professional & Technical Services	250.00		250.00	50.00	200.00
Cleaning, Repair and Maintenance Service	4,250.00	(3,250.00)	1,000.00	876.76	123.24
Lease Purchase Payments-School Buses	30,457.00		30,457.00	30,456.86	0.14
Contracted Services (Other Than Between Home & School)-Vendors	541,030.00		541,030.00	287,857.26	253,172.74
Contracted Services (Other Than Between Home & School)-Joint Agreements	10,000.00		10,000.00	1,281.01	8,718.99
General Supplies	15,000.00	7,250.00	22,250.00	19,103.10	3,146.90
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>618,487.00</b>	<b>4,000.00</b>	<b>622,487.00</b>	<b>357,124.99</b>	<b>265,362.01</b>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Unallocated Benefits - Employee Benefits					
Group Insurance	600.00	(115.50)	484.50	484.50	-
Social Security Contribution	306,871.00	(2,491.50)	304,379.50	266,372.15	38,007.35
TPAF Contributions - ERIP	25,000.00	(393.00)	24,607.00	24,607.00	-
Other Retirement Contributions - PERS	382,000.00	(5,000.00)	377,000.00	330,952.48	46,047.52
Other Retirement Contributions - DCRP	10,500.00	3,000.00	13,500.00	12,394.50	1,105.50
Unemployment Compensation	28,400.00		28,400.00	28,400.00	-
Workmen's Compensation	155,000.00	11,935.56	166,935.56	165,755.56	1,180.00
Health Benefits	3,839,099.00	(182,325.00)	3,656,774.00	3,122,337.83	534,436.17
Tuition Reimbursement	57,500.00	5,000.00	62,500.00	57,710.00	4,790.00
Other Employee Benefits	104,500.00		104,500.00	67,259.21	37,240.79
Unused Vacation Payment to Term/Retired Staff	23,696.00		23,696.00	23,320.00	376.00
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>4,933,166.00</b>	<b>(170,389.44)</b>	<b>4,762,776.56</b>	<b>4,099,593.23</b>	<b>663,183.33</b>
On-Behalf Contributions					
On-Behalf TPAF Pension (nonbudgeted)					
TPAF-Long-Term Disability Insurance			-	3,965.00	(3,965.00)
TPAF - Post Retirement Medical			-	723,863.00	(723,863.00)
Teachers Pension and Annuity Fund			-	868,746.00	(868,746.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	650,022.81	(650,022.81)
<b>Total On-Behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,246,596.81</b>	<b>(2,246,596.81)</b>
<b>Total Personal Services - Employee Benefits</b>	<b>4,933,166.00</b>	<b>(170,389.44)</b>	<b>4,762,776.56</b>	<b>6,346,190.04</b>	<b>(1,583,413.48)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>12,639,164.84</b>	<b>65,302.16</b>	<b>12,704,467.00</b>	<b>13,509,584.78</b>	<b>(805,117.78)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>20,836,515.18</b>	<b>130,652.96</b>	<b>20,967,168.14</b>	<b>21,642,790.77</b>	<b>(675,622.63)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Grades 9-12	12,000.00	(9,550.00)	2,450.00	2,349.99	100.01
Vocational Programs - Regular	32,715.00	(9,000.00)	23,715.00	23,689.00	26.00
Undistributed Expenditures:					
Support Services-Students-Regular		2,328.04	2,328.04	2,208.17	119.87
Admin Info Technology	49,905.00	(1,600.00)	48,305.00	46,430.22	1,874.78
Operation & Maintenance of Plant Services	-	4,000.00	4,000.00	-	4,000.00
Custodial Services	24,188.20	(4,000.00)	20,188.20	20,165.84	22.36
Upkeep of Grounds	5,300.00	(1,400.00)	3,900.00	3,900.00	-
School Buses	91,616.15		91,616.15	91,616.15	-
<b>Total Equipment</b>	<b>215,724.35</b>	<b>(19,221.96)</b>	<b>196,502.39</b>	<b>190,359.37</b>	<b>6,143.02</b>
Facilities Acquisition and Construction Services:					
Architect/Engineering Services	6,750.00	6,000.00	12,750.00	12,750.00	-
Construction Services	460,326.00	(17,864.90)	442,461.10	433,671.95	8,789.15
General Supplies		11,864.90	11,864.90	11,864.90	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>467,076.00</b>	<b>-</b>	<b>467,076.00</b>	<b>458,286.85</b>	<b>8,789.15</b>
Interest Deposit to Capital Reserve	400.00		400.00	-	400.00
Assets Acquired Under Capital Leases (non-budgeted)					
Current Expense					
Regular Programs - Instruction			-	712,000.00	(712,000.00)
<b>Total Assets Acquired Under Capital Leases (non-budgeted)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>712,000.00</b>	<b>(712,000.00)</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>683,200.35</b>	<b>(19,221.96)</b>	<b>663,978.39</b>	<b>1,360,646.22</b>	<b>(696,667.83)</b>
<b>SPECIAL SCHOOLS</b>					
Post-Secondary - Instruction:					
Salaries of Teachers	293,733.00	(59,950.00)	233,783.00	224,337.93	9,445.07
Purchased Professional & Technical Services	5,000.00	987.50	5,987.50	5,987.50	-
Other Purchased Services (400-500 series)	2,260.00	(987.50)	1,272.50	100.00	1,172.50
General Supplies	23,000.00	(20,612.70)	2,387.30	1,750.31	636.99
Textbooks	46,000.00	(20,500.00)	25,500.00	25,412.53	87.47
<b>Total Post-Secondary - Instruction</b>	<b>369,993.00</b>	<b>(101,062.70)</b>	<b>268,930.30</b>	<b>257,588.27</b>	<b>11,342.03</b>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
<b>Post-Secondary - Support Services:</b>					
Salaries	46,248.00	(28,996.00)	17,252.00	17,164.14	87.86
Unused Vacation Payment to Termin/Retired Staff		5,612.70	5,612.70	5,612.70	-
Other Purchased Services	14,400.00		14,400.00	14,400.00	-
Other Objects	7,946.93		7,946.93	4,810.00	3,136.93
<b>Total Post-Secondary - Support Services</b>	<b>68,594.93</b>	<b>(23,383.30)</b>	<b>45,211.63</b>	<b>41,986.84</b>	<b>3,224.79</b>
<b>Total Post-Secondary Programs</b>	<b>438,587.93</b>	<b>(124,446.00)</b>	<b>314,141.93</b>	<b>299,575.11</b>	<b>14,566.82</b>
<b>Other Special Schools - Instruction:</b>					
Salaries of Teachers	576,954.00	41,527.50	618,481.50	611,334.81	7,146.69
Purchased Professional & Technical Services	26,500.00	2,874.00	29,374.00	29,374.00	-
General Supplies	20,013.54	(6,874.00)	13,139.54	11,259.48	1,880.06
Textbooks	7,500.00	(7,500.00)	-	-	-
Other Objects	4,000.00		4,000.00	2,537.96	1,462.04
<b>Total Other Special Schools - Instruction</b>	<b>634,967.54</b>	<b>30,027.50</b>	<b>664,995.04</b>	<b>654,506.25</b>	<b>10,488.79</b>
<b>Other Special Schools - Support Services:</b>					
Salaries	142,038.00	(123,115.00)	18,923.00	18,921.70	1.30
ACAHS Purchased Educational Services	3,600.00	127,102.50	130,702.50	130,702.50	-
Other Purchased Services	109,220.00	(22,000.00)	87,220.00	85,511.96	1,708.04
General Supplies	7,000.00	1,000.00	8,000.00	4,755.55	3,244.45
Other Objects	2,500.00		2,500.00	1,706.00	794.00
<b>Total Other Special Schools - Support Services</b>	<b>264,358.00</b>	<b>(17,012.50)</b>	<b>247,345.50</b>	<b>241,597.71</b>	<b>5,747.79</b>
<b>Total Other Special Schools</b>	<b>899,325.54</b>	<b>13,015.00</b>	<b>912,340.54</b>	<b>896,103.96</b>	<b>16,236.58</b>
<b>Vocational Evening - Local - Instruction:</b>					
Salaries of Teachers	70,800.00		70,800.00	58,230.00	12,570.00
General Supplies	7,500.00		7,500.00	7,478.07	21.93
Textbooks	17,500.00		17,500.00	13,682.15	3,817.85
Other Objects	1,000.00		1,000.00	240.20	759.80
<b>Total Vocational Evening - Local - Instruction</b>	<b>96,800.00</b>	<b>-</b>	<b>96,800.00</b>	<b>79,630.42</b>	<b>17,169.58</b>
<b>Vocational Evening - Local - Support Services:</b>					
Salaries	73,920.00		73,920.00	64,542.99	9,377.01
Purchased Professional & Technical Services	3,500.00		3,500.00	3,000.00	500.00
Other Purchased Services (400-500 series)	18,840.00		18,840.00	6,677.41	12,162.59
<b>Total Vocational Evening - Support</b>	<b>96,260.00</b>	<b>-</b>	<b>96,260.00</b>	<b>74,220.40</b>	<b>22,039.60</b>
<b>Total Vocational Evening</b>	<b>193,060.00</b>	<b>-</b>	<b>193,060.00</b>	<b>153,850.82</b>	<b>39,209.18</b>
<b>TOTAL SPECIAL SCHOOLS</b>	<b>1,530,973.47</b>	<b>(111,431.00)</b>	<b>1,419,542.47</b>	<b>1,349,529.89</b>	<b>70,012.58</b>
<b>TOTAL EXPENDITURES</b>	<b>23,050,689.00</b>	<b>-</b>	<b>23,050,689.00</b>	<b>24,352,966.88</b>	<b>(1,302,277.88)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,023,065.00)</b>	<b>-</b>	<b>(2,023,065.00)</b>	<b>(1,024,574.16)</b>	<b>998,490.84</b>
<b>Other Financing Sources/(Uses):</b>					
Interest Earned on Maintenance Reserve	(100.00)		(100.00)	-	100.00
Cancellation of Prior Year Purchase Orders				112.73	112.73
<b>Operating Transfers In:</b>					
Withdrawal from Capital Reserve-Local Share	82,000.00		82,000.00	-	(82,000.00)
Withdrawal from Maintenance Reserve	250,000.00		250,000.00	-	(250,000.00)
<b>Operating Transfers Out:</b>					
Capital Leases (non-budgeted)	-		-	712,000.00	712,000.00
<b>Total Other Financing Sources:</b>	<b>331,900.00</b>	<b>-</b>	<b>331,900.00</b>	<b>712,112.73</b>	<b>380,212.73</b>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,691,165.00)	-	(1,691,165.00)	(312,461.43)	1,378,703.57
Fund Balance July 1	5,775,177.00	-	5,775,177.00	5,775,177.00	-
Fund Balance June 30	<u>\$ 4,084,012.00</u>	<u>-</u>	<u>4,084,012.00</u>	<u>5,462,715.57</u>	<u>1,378,703.57</u>

**Recapitulation:**

Nonspendable Fund Balance:

Restricted Fund Balance:

Excess Surplus-Designated for Subsequent Year's Expenditures

1,702,301.00

Excess Surplus - Current Year

1,266,221.78

Committed Fund Balance:

Capital Reserve Account

884,159.55

Maintenance Reserve

291,146.29

Year End Encumbrances

35,224.75

Assigned Fund Balance:

Year End Encumbrances

Designated for Subsequent Year's Expenditures

-

Unassigned Fund Balance

1,283,662.20

5,462,715.57

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment not recognized on GAAP Basis

(370,097.00)

Fund Balance per Governmental Funds (GAAP)

\$ 5,092,618.57

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		800.00	800.00	800.00	-
State Sources		226,518.00	226,518.00	226,518.00	-
Federal Sources	\$ 701,970.00	214,398.59	916,368.59	916,368.59	-
<b>Total Revenues</b>	<b>701,970.00</b>	<b>441,716.59</b>	<b>1,143,686.59</b>	<b>1,143,686.59</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	54,642.00	(27,851.00)	26,791.00	26,791.00	-
Salaries of Teachers	355,845.00	(3,897.00)	351,948.00	351,948.00	-
Purchased Professional - Technical Services		5,000.00	5,000.00	5,000.00	-
Purchased Professional - Educational Services		31,563.00	31,563.00	31,563.00	-
General Supplies	123,990.00	9,951.00	133,941.00	133,941.00	-
<b>Total Instruction</b>	<b>534,477.00</b>	<b>14,766.00</b>	<b>549,243.00</b>	<b>549,243.00</b>	<b>-</b>
Support Services:					
Salaries		16,418.00	16,418.00	16,418.00	-
Salaries - Program Directors	89,682.00	38,709.00	128,391.00	128,391.00	-
Salaries - Secretarial and Clerical Assistants		17,114.00	17,114.00	17,114.00	-
Personal Services - Employee Benefits		184,193.00	184,193.00	184,193.00	-
Purchased Professional - Technical Services	77,811.00	(12.00)	77,799.00	77,799.00	-
Purchased Professional - Educational Services		30,000.00	30,000.00	30,000.00	-
Travel		982.00	982.00	982.00	-
Other Purchased Services (400-500 series)		20,162.00	20,162.00	20,162.00	-
Leases/Rentals		29,283.59	29,283.59	29,283.59	-
Supplies & Materials		8,337.00	8,337.00	8,337.00	-
Other Objects		300.00	300.00	300.00	-
<b>Total Support Services</b>	<b>167,493.00</b>	<b>345,486.59</b>	<b>512,979.59</b>	<b>512,979.59</b>	<b>-</b>
Facilities Acquisition and Constr. Services:					
Instructional Equipment		81,464.00	81,464.00	81,464.00	-
<b>Total Facilities Acquisition and Constr. Services</b>	<b>-</b>	<b>81,464.00</b>	<b>81,464.00</b>	<b>81,464.00</b>	<b>-</b>
<b>Total Outflows</b>	<b>701,970.00</b>	<b>441,716.59</b>	<b>1,143,686.59</b>	<b>1,143,686.59</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Required Supplementary Information  
Budget to GAAP Reconciliation  
Note to RSI  
For the Year Ended June 30, 2017**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 23,328,392.72	[C-2]	1,143,686.59
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				
Encumbrances at June 30, 2017				-
Encumbrances at June 30, 2016				-
Final State Aid payment was delayed until July 2016 is recorded as GAAP revenue but is not recognized as budgetary revenue.		369,404.00		-
Final State Aid payment was delayed until July 2017 is recorded as budgetary revenue but is not recognized under GAAP.		(370,097.00)		-
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>23,327,699.72</u>	[B-2]	<u>1,143,686.59</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	24,352,966.88	[C-2]	1,143,686.59
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances at June 30, 2017				-
Encumbrances at June 30, 2016				-
	[B-2]	<u>\$ 24,352,966.88</u>	[B-2]	<u>1,143,686.59</u>

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**Required Supplementary Information**  
**Part III**

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**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Public Employee Retirement System  
Last Four Fiscal Years**

	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0385617411%	0.036000000000%	0.033000000000%	0.028000000000%
District's proportionate of the net pension liability (asset)	\$ 11,420,882	\$ 8,168,371	\$ 6,169,549	\$ 5,406,898
District's covered payroll	2,402,216	2,457,572	2,855,066	2,521,515
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	475.43%	332.38%	216.09%	214.43%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for four years. Additional years will be presented as they become available.

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Schedule of District Contributions  
Public Employee Retirement System  
Last Four Fiscal Years**

	2017	2016	2015	2014
Contractually required contribution	\$ 348,258	312,839	\$ 259,192	\$ 227,073
Contributions in relation to the contractually required contribution	<u>348,258</u>	<u>312,839</u>	<u>259,192</u>	<u>227,073</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
District's covered-employee payroll	2,402,216	2,457,572	\$ 2,855,066	\$ 2,521,515
Contributions as a percentage of covered-employee payroll	14.50%	12.73%	9.08%	9.01%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for four years. Additional years will be presented as they become available.

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Teachers' Pension and Annuity Fund  
Last Four Fiscal Years**

	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00000%	0.05505%	0.05210%	0.04400%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>52,139,130</u>	<u>34,797,055</u>	<u>27,845,391</u>	<u>22,280,767</u>
Total	<u>\$ 52,139,130</u>	<u>34,797,055</u>	<u>27,845,391</u>	<u>22,280,767</u>
District's covered payroll	9,024,983	8,555,743	8,353,845	7,377,883
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for four years. Additional years will be presented as they become available.

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**SPECIAL REVENUE FUND**

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Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Year Ended June 30, 2017

	No Child Left Behind		IDEA Part B	Carl D. Perkins Vocational			Apprenticeship Coordinator
	Title 1 Part A	Title II Part A		Summer Secondary	Secondary Reserve	Post Secondary	
<b>REVENUES:</b>							
Local Sources							
State Sources							
Federal Sources	\$ 432,004.00	15,577.00	264,055.00	134,480.00	90,114.00	12,356.00	
<b>Total Revenues</b>	<b>432,004.00</b>	<b>15,577.00</b>	<b>264,055.00</b>	<b>134,480.00</b>	<b>40,969.00</b>	<b>12,356.00</b>	
<b>EXPENDITURES:</b>							
Instruction:							
Salaries			26,791.00				
Salaries of Teachers	230,421.00		59,276.00				
Purchased Professional - Technical Services							
Purchased Professional - Educational Services				31,563.00			
General Supplies	2,232.00			80,206.00	13,342.00	31,361.00	
<b>Total Instruction</b>	<b>232,653.00</b>	<b>-</b>	<b>86,067.00</b>	<b>111,769.00</b>	<b>13,342.00</b>	<b>31,361.00</b>	<b>-</b>
Support Services:							
Salaries					11,098.00		
Salaries - Program Directors	17,920.00	5,680.00	94,791.00				10,000.00
Salaries - Secretarial and Clerical Assistants	17,114.00						
Personal Services - Employee Benefits	102,742.00	434.00	64,752.00		849.00		765.00
Purchased Professional - Technical Services	34,211.00	9,463.00	18,445.00		15,680.00		
Purchased Professional - Educational Services							
Travel							156.00
Other Purchased Services (400-500 series)	19,064.00						1,098.00
Leases/Rentals							
Supplies & Materials	8,000.00						
Other Objects	300.00						337.00
<b>Total Support Services</b>	<b>199,351.00</b>	<b>15,577.00</b>	<b>177,988.00</b>	<b>-</b>	<b>27,627.00</b>	<b>-</b>	<b>12,356.00</b>
Facilities Acquisition and Constr. Services:							
Instructional Equipment				22,711.00		58,753.00	
<b>Total Facilities Acquisition and Constr. Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,711.00</b>	<b>-</b>	<b>58,753.00</b>	<b>-</b>
Contribution to Charter Schools							
<b>Total Expenditures</b>	<b>432,004.00</b>	<b>15,577.00</b>	<b>264,055.00</b>	<b>134,480.00</b>	<b>40,969.00</b>	<b>90,114.00</b>	<b>12,356.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-	-

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2017**

	Total Brought Forward	FEMA Generator Project	Atlantic Cape Community College Learning Center	AtlantiCare	Totals
<b>REVENUES:</b>					
Local Sources	-			800.00	800.00
State Sources	102,470.00		124,048.00		226,518.00
Federal Sources	887,085.00	29,283.59			916,368.59
<b>Total Revenues</b>	<b>989,555.00</b>	<b>29,283.59</b>	<b>124,048.00</b>	<b>800.00</b>	<b>1,143,686.59</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	26,791.00				26,791.00
Salaries of Teachers	289,697.00		62,251.00		351,948.00
Purchased Professional - Technical Services	-		5,000.00		5,000.00
Purchased Professional - Educational Services	31,563.00				31,563.00
General Supplies	127,141.00		6,000.00	800.00	133,941.00
<b>Total Instruction</b>	<b>475,192.00</b>	<b>-</b>	<b>73,251.00</b>	<b>800.00</b>	<b>549,243.00</b>
Support Services:					
Salaries	11,098.00		5,320.00		16,418.00
Salaries - Program Directors	128,391.00				128,391.00
Salaries - Secretarial and Clerical Assistants	17,114.00				17,114.00
Personal Services - Employee Benefits	169,542.00		14,651.00		184,193.00
Purchased Professional - Technical Services	77,799.00				77,799.00
Purchased Professional - Educational Services	-		30,000.00		30,000.00
Travel	156.00		826.00		982.00
Other Purchased Services (400-500 series)	20,162.00				20,162.00
Leases/Rentals	-	29,283.59			29,283.59
Supplies & Materials	8,337.00				8,337.00
Other Objects	300.00				300.00
<b>Total Support Services</b>	<b>432,899.00</b>	<b>29,283.59</b>	<b>50,797.00</b>	<b>-</b>	<b>512,979.59</b>
Facilities Acquisition and Constr. Services:					
Instructional Equipment	81,464.00				81,464.00
<b>Total Facilities Acquisition and Constr. Services</b>	<b>81,464.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,464.00</b>
Contribution to Charter Schools	-				-
<b>Total Expenditures</b>	<b>989,555.00</b>	<b>29,283.59</b>	<b>124,048.00</b>	<b>800.00</b>	<b>1,143,686.59</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CAPITAL PROJECTS FUND**

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**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Capital Projects Fund  
Summary Statement of Project Expenditures  
For the Fiscal Year Ended June 30, 2017**

Number	Issue / Project Title	Original Date	Appropriations	Prior Years	Expenditures to Date Current Year	Unexpended Balance
0120-010-14-1005	Install New Digital Security Cameras at Main High School Buidling	2/12/2014	\$ 108,500.00	50,559.00	57,941.00	-
			<u>\$ 108,500.00</u>	<u>50,559.00</u>	<u>57,941.00</u>	<u>-</u>

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Capital Projects Fund**

**Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis  
For the Year Ended June 30, 2017**

**REVENUES AND OTHER FINANCING SOURCES:**

State Sources:	
SDA Grants	\$ -
Local Sources	
Capital Reserve	-
	-
Total Revenues	-
 <b>EXPENDITURES</b>	
Purchased Professional and Technical Services	-
Construction Services	57,941.00
	57,941.00
Total Expenditures	57,941.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,941.00)
Fund Balances, July 1	57,941.00
Fund Balances, June 30	\$ -

**Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
 Install New Digital Security Cameras at Main High School Building  
 From Inception and for the Year Ended June 30, 2017**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Transfer from Capital Reserve	\$ 43,400.00		43,400.00	43,400.00
State Sources - ROD Grant	65,100.00		65,100.00	65,100.00
<b>Total Revenues</b>	<b>108,500.00</b>	<b>-</b>	<b>108,500.00</b>	<b>108,500.00</b>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased Professional/Technical Services	500.00		500.00	2,500.00
Construction Services	50,059.00	57,941.00	108,000.00	106,000.00
<b>Total Expenditures</b>	<b>50,559.00</b>	<b>57,941.00</b>	<b>108,500.00</b>	<b>108,500.00</b>
Excess (Deficiency) of Revenues Over Expenditures	<b>\$ 57,941.00</b>	<b>(57,941.00)</b>	<b>-</b>	<b>-</b>
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	0120-010-14-1005			
Grant Date	2/12/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Cost Authorized	108,500.00			
Additional Authorized Cost	-			
Revised Authorized Cost	108,500.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100.00%			
Original Target Completion Date	8/31/2015			
Revised Target Completion Date	8/31/2016			

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**PROPRIETARY FUNDS**

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**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Combining Schedule of Net Position**  
**June 30, 2017**

	Food Service	Non-Major Fund Personal Aide Fund	Total Non-Major Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 160,207.69		160,207.69
Intergovernmental Accounts Receivable			
Federal	31,797.64		31,797.64
State	424.80		424.80
Other	1,421.10	20,920.00	22,341.10
Inventory	25,621.73		25,621.73
<b>Total Current Assets</b>	<b>219,472.96</b>	<b>20,920.00</b>	<b>240,392.96</b>
Noncurrent Assets:			
Furniture, Machinery & Equipment	215,919.64		215,919.64
Less Accumulated Depreciation	(134,431.01)	-	(134,431.01)
<b>Total Noncurrent Assets</b>	<b>81,488.63</b>	<b>-</b>	<b>81,488.63</b>
<b>Total Assets</b>	<b>300,961.59</b>	<b>20,920.00</b>	<b>321,881.59</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	-		-
Interfunds Payable	-	13,102.00	13,102.00
Unearned Revenue	1,457.86		1,457.86
<b>Total Current Liabilities</b>	<b>1,457.86</b>	<b>13,102.00</b>	<b>14,559.86</b>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt	81,488.63	-	81,488.63
Unrestricted	218,015.10	7,818.00	225,833.10
<b>Total Net Position</b>	<b>\$ 299,503.73</b>	<b>7,818.00</b>	<b>307,321.73</b>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2017**

	Food Service	Non-Major Fund Personal Aide Fund	Total Non-Major Funds
Operating Revenue:			
Charges for Service:			
Daily Sales - Non-reimbursable Programs	\$ 166,792.07	-	166,792.07
Daily Sales - Reimbursable Programs	74,618.27	-	74,618.27
Special Functions	73,255.39	-	73,255.39
Miscellaneous	1,382.13	230,120.00	231,502.13
Total Operating Revenue	<u>316,047.86</u>	<u>230,120.00</u>	<u>546,167.86</u>
Operating Expenses:			
Cost of Sales - reimbursable programs	304,925.50	-	304,925.50
Cost of Sales - non-reimbursable programs	104,857.79		104,857.79
Salaries	394,468.45	119,337.18	513,805.63
Fringe Benefits	112,681.93	102,964.82	215,646.75
Other Purchased Services	11,439.49	-	11,439.49
Miscellaneous Expenditures	-	-	-
General Supplies	13,071.73	-	13,071.73
Depreciation	22,951.01	-	22,951.01
Total Operating Expenses	<u>964,395.90</u>	<u>222,302.00</u>	<u>1,186,697.90</u>
Operating Income (Loss)	(648,348.04)	7,818.00	(640,530.04)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	7,719.31	-	7,719.31
Federal Sources:			
School Breakfast Program	150,339.65		150,339.65
National School Lunch Program	398,506.90	-	398,506.90
National School Lunch Program - Performance Based	8,763.66	-	8,763.66
Food Distribution Program	52,276.16	-	52,276.16
Interest and Investment Income	-	-	-
Total Nonoperating Revenues (Expenses)	<u>617,605.68</u>	<u>-</u>	<u>617,605.68</u>
Income (loss) before Contributions & Transfers	(30,742.36)	7,818.00	(22,924.36)
Capital Contributions (Uses)			-
Transfers In (Out)	-	-	-
Changes in Net Position	(30,742.36)	7,818.00	(22,924.36)
Total Net Position - Beginning	330,246.09	-	330,246.09
Total Net Position - Ending	<u>\$ 299,503.73</u>	<u>7,818.00</u>	<u>307,321.73</u>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2017**

	Food Service	Non-Major Fund Personal Aide Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 316,095.07	221,290.00	537,385.07
Payments to Employees	(394,468.45)	(118,325.18)	(512,793.63)
Payments for Employee Benefits	(112,681.93)	(102,964.82)	(215,646.75)
Payments for Supplies and Services	(416,168.08)	-	(416,168.08)
Net Cash (Used for) Operating Activities	<u>(607,223.39)</u>	<u>(0.00)</u>	<u>(607,223.39)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	7,753.51	-	7,753.51
Federal Sources	557,140.57	-	557,140.57
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>564,894.08</u>	<u>-</u>	<u>564,894.08</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Capital Assets	(0.00)	-	(0.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(0.00)</u>	<u>-</u>	<u>(0.00)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest and Dividends	-	-	-
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(42,329.31)	(0.00)	(42,329.31)
Balance - Beginning of Year	202,537.00	-	202,537.00
Balance - End of Year	<u>160,207.69</u>	<u>(0.00)</u>	<u>160,207.69</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	(648,348.04)	7,818.00	(640,530.04)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	22,951.01	-	22,951.01
Federal Commodities - Non-Cash	52,276.16	-	52,276.16
(Increase) in Accounts Receivable	(316.10)	(8,830.00)	(9,146.10)
(Increase) in Inventories	(12,269.73)		(12,269.73)
Increase/(Decrease) in Accounts Payable	(21,880.00)	1,012.00	(20,868.00)
Increase in Deferred Revenue	363.31	-	363.31
Total Adjustments	<u>41,124.65</u>	<u>(7,818.00)</u>	<u>33,306.65</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (607,223.39)</u>	<u>-</u>	<u>(607,223.39)</u>

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**FIDUCIARY FUNDS**

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Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2017

	<i>Private Purpose</i>		<i>Agency Funds</i>		Totals
	Unemployment Compensation Trust	Scholarship	Student Activities	Agency Funds	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 183,118.10	3,634.31	126,745.72	5,365.24	318,863.37
Total Assets	<u>183,118.10</u>	<u>3,634.31</u>	<u>126,745.72</u>	<u>5,365.24</u>	<u>318,863.37</u>
<b>LIABILITIES</b>					
Unemployment Claims Payable	17,205.37				17,205.37
Scholarships Payable		405.00			405.00
Payable to Student Groups			126,745.72		126,745.72
Payroll Deductions & Withholdings				5,365.24	5,365.24
Total Liabilities	<u>17,205.37</u>	<u>405.00</u>	<u>126,745.72</u>	<u>5,365.24</u>	<u>149,721.33</u>
<b>NET POSITION</b>					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 165,912.73</u>				165,912.73
Reserved for Scholarships		<u>3,229.31</u>			3,229.31
Total Net Position					<u>169,142.04</u>
Total Liabilities and Net Position					<u>318,863.37</u>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2017**

	Unemployment Compensation Trust	Scholarship	Totals
<b>ADDITIONS</b>			
Local Sources:			
Employee Salary Deductions	\$ 40,920.22		40,920.22
Donations		2,524.84	2,524.84
Board Contributions	28,400.00		30,924.84
Total Contributions	<u>69,320.22</u>	<u>2,524.84</u>	<u>74,369.90</u>
Investments Earnings:			
Interest	399.93		399.93
Net Investment Earnings	<u>399.93</u>	<u>-</u>	<u>399.93</u>
Total Additions	<u>69,720.15</u>	<u>2,524.84</u>	<u>74,769.83</u>
Deductions			
Unemployment Claims	86,982.42		86,982.42
Scholarships Awarded		2,838.53	2,838.53
Total Deductions	<u>86,982.42</u>	<u>2,838.53</u>	<u>89,820.95</u>
Change in Net Position	(17,262.27)	(313.69)	(15,051.12)
Net Position - Beginning of the Year	<u>183,175.00</u>	<u>3,543.00</u>	<u>186,718.00</u>
Net Position - End of the Year	<u>\$ 165,912.73</u>	<u>3,229.31</u>	<u>171,666.88</u>

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2017**

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 116,302.00	195,085.26	184,641.54	126,745.72
Total Assets	116,302.00	195,085.26	184,641.54	126,745.72
<b>LIABILITIES:</b>				
Due to Student Groups	116,302.00	195,085.26	184,641.54	126,745.72
Total Liabilities	\$ 116,302.00	195,085.26	184,641.54	126,745.72

Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 As of June 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 13,463.00	6,508,699.24	6,516,797.00	5,365.24
Total Assets	<u>13,463.00</u>	<u>6,508,699.24</u>	<u>6,516,797.00</u>	<u>5,365.24</u>
<b>LIABILITIES:</b>				
Payroll Deductions & Withholding	13,463.00	6,508,699.24	6,516,797.00	5,365.24
Total Liabilities	<u>\$ 13,463.00</u>	<u>6,508,699.24</u>	<u>6,516,797.00</u>	<u>5,365.24</u>

**LONG-TERM DEBT**

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**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Long-Term Debt  
Schedule of Obligations under Capital Leases  
June 30, 2017**

Series	Date of Inception	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2016	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2017
Purchase of 500 Chromebooks and 1 54 Passenger School Bus	5/22/2015	1.48%	\$ 265,000.00		265,000.00	175,538.71	89,461.29
Purchase of 1,115 Chromebooks	5/24/2016	1.64%	447,000.00		447,000.00	147,428.32	299,571.68
				\$ -	712,000.00	322,967.03	389,032.97

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## **Statistical Section**

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Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Net Position by Component,  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

Exhibit J-1

	Fiscal Year Ending June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Invested in capital assets	\$ 10,690,660.00	11,708,103.00	18,486,060.00	38,156,011.00	48,057,457.00	49,310,133.00	48,316,134.00	48,284,262.00	47,180,448.00	46,220,658.33
Restricted	341,660.00	310,023.00	453,811.00	2,256,793.00	3,688,036.00	3,815,380.00	4,202,792.00	4,093,343.00	3,893,865.00	4,143,828.62
Unrestricted	785,834.00	997,259.00	555,067.00	(285,079.00)	(305,556.00)	(68,597.00)	152,435.00	(5,410,313.00)	(5,169,927.00)	(7,238,106.61)
Total governmental activities net position	11,818,154.00	13,015,385.00	19,494,938.00	40,127,725.00	51,339,937.00	53,056,916.00	52,673,361.00	46,967,292.00	45,904,366.00	43,126,380.34
<b>Business-type activities</b>										
Invested in capital assets	6,698.00	4,912.00	3,144.00	1,376.00	2,174.00	296,813.00	269,626.00	77,561.00	104,440.00	81,489.00
Restricted	90,214.00	70,425.00	104,843.00	180,563.00	193,715.00	179,541.00	202,684.00	215,395.00	225,571.00	225,833.10
Unrestricted	96,912.00	75,337.00	107,987.00	181,939.00	195,889.00	476,354.00	472,310.00	292,966.00	330,011.00	307,322.10
Total business-type activities net position	193,824.00	150,674.00	216,974.00	364,878.00	391,778.00	952,708.00	944,620.00	565,917.00	660,022.00	614,644.20
<b>District-wide</b>										
Invested in capital assets	10,697,358.00	11,713,015.00	18,489,204.00	38,157,387.00	48,059,631.00	49,606,946.00	48,587,760.00	48,361,823.00	47,284,888.00	46,302,147.33
Restricted	341,660.00	310,023.00	453,811.00	2,256,793.00	3,688,036.00	3,815,380.00	4,202,792.00	4,093,343.00	3,893,865.00	4,143,828.62
Unrestricted	876,048.00	1,067,684.00	659,910.00	(104,516.00)	(111,841.00)	110,944.00	395,119.00	(5,194,918.00)	(4,944,366.00)	(7,012,273.51)
Total district net position	\$ 11,915,066.00	13,090,722.00	19,602,925.00	40,309,664.00	51,535,826.00	53,533,270.00	53,145,671.00	47,260,248.00	46,234,397.00	43,433,702.44

Source: CAFR Schedule A-1

Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Changes in Net Position  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular instruction	3,563,264.00	3,482,141.00	3,959,822.00	3,430,737.00	4,351,474.00	2,631,543.00	3,303,691.00	3,743,935.00	4,242,790.00	7,896,964.62
Special education	6,314.00	257,258.00	273,568.00	291,624.00	179,263.00	202,001.00	651,248.00	1,096,963.00	478,575.00	5,333,111.66
Vocational instruction	1,503,460.00	1,777,019.00	1,754,228.00	1,210,601.00	1,373,524.00	1,945,370.00	2,162,094.00	2,178,746.00	2,444,622.00	998,059.18
Other instruction	56,192.00	221,857.00	237,012.00	261,795.00	276,365.00	259,977.00	389,359.00	390,951.00	449,976.00	
Support Services:										
Student & instruction related services	900,149.00	918,897.00	1,077,885.00	1,135,526.00	1,269,454.00	1,174,901.00	1,520,744.00	1,904,057.00	2,045,209.00	3,354,898.08
General administrative/Business services	1,368,219.00	1,306,280.00	1,210,658.00	1,277,501.00	1,251,827.00	329,374.00	391,674.00	391,674.00	378,325.00	2,452,193.67
School administrative services	352,642.00	337,100.00	349,873.00	402,616.00	437,510.00	1,015,782.00	1,031,846.00	979,367.00	1,125,358.00	921,273.22
Plant operations and maintenance	2,390,397.00	2,107,925.00	2,458,745.00	2,606,185.00	3,219,032.00	2,728,975.00	2,945,798.00	2,894,558.00	3,287,009.00	5,789,410.64
Pupil transportation	79,285.00	51,260.00	111,662.00	109,903.00	326,939.00	294,536.00	271,252.00	354,622.00	478,062.00	799,251.96
Special schools	1,975,820.00	1,494,080.00	1,368,185.00	1,156,001.00	1,421,388.00	1,251,896.00	1,297,355.00	1,335,515.00	1,400,071.00	2,357,771.66
Unallocated depreciation		542,583.00	556,839.00	556,839.00		562,861.00	1,361,962.00	1,447,657.00	1,537,599.00	
Capital outlay										
Unallocated benefits										
Total governmental activities expenses	12,195,742.00	12,498,400.00	13,358,477.00	12,438,328.00	14,106,746.00	16,095,575.00	19,533,823.00	23,189,093.00	25,762,602.00	30,614,934.69
Business-type activities:										
Food service	379,535.00	399,678.00	391,800.00	315,890.00	443,253.00	605,559.00	704,575.00	786,837.00	876,617.00	964,395.90
L'Academie Café	51.00	173.00	41.00		12,326.00	33,823.00	6,669.00	3,128.00		
Personal Aides	379,586.00	399,851.00	391,841.00	315,890.00	455,579.00	639,382.00	711,244.00	217,249.00	323,356.00	222,302.00
Total business-type activities expenses	12,575,323.00	12,898,251.00	13,750,318.00	12,754,218.00	14,562,325.00	16,734,957.00	20,245,067.00	24,196,307.00	26,962,575.00	31,801,632.59
Total district expenses										
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (Tuition)	2,887,084.00	3,411,327.00	4,210,065.00	4,071,130.00	6,162,637.00	7,120,722.00	8,986,914.00	10,880,468.00	12,361,763.00	13,252,667.30
Operating grants and contributions	1,933,317.00	1,401,501.00	1,578,212.00	3,822,622.00	1,373,005.00	1,552,505.00	1,993,333.00	3,553,246.00	4,300,759.00	6,674,249.40
Total governmental activities program revenues	4,820,401.00	4,812,828.00	5,788,277.00	7,893,752.00	7,535,642.00	8,673,227.00	10,980,247.00	14,433,714.00	16,662,522.00	19,926,916.70
Business-type activities:										
Charges for services:										
Food service	155,930.00	140,671.00	180,507.00	124,662.00	164,651.00	203,088.00	272,214.00	266,763.00	309,919.00	316,047.86
L'Academie Café								2,497.00		
Personal Aides	7,825.00	9,690.00	6,598.00	6,598.00	12,915.00	20,118.00	215.00	219,725.00	320,880.00	230,120.00
Operating grants and contributions	71,828.00	99,631.00	120,699.00	142,446.00	290,077.00	368,071.00	434,771.00	517,173.00	606,229.00	617,605.68
Total business-type activities program revenue	235,583.00	249,992.00	307,804.00	267,108.00	487,643.00	591,277.00	707,200.00	1,006,158.00	1,237,028.00	1,163,773.54
Total district program revenue	5,055,984.00	5,062,820.00	6,096,081.00	8,160,860.00	8,003,285.00	9,264,504.00	11,687,447.00	15,439,872.00	17,899,550.00	21,090,690.24

Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Changes in Net Position  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (7,375,341.00)	(7,683,572.00)	(7,570,200.00)	(4,544,576.00)	(6,571,104.00)	(7,422,348.00)	(8,553,576.00)	(8,755,379.00)	(9,100,080.00)	(10,688,017.99)
Business-type activities	(144,003.00)	(149,859.00)	(84,037.00)	(48,782.00)	12,064.00	(48,105.00)	(4,044.00)	(1,056.00)	37,055.00	(22,924.36)
Total district-wide net expense	<u>(7,519,344.00)</u>	<u>(7,833,431.00)</u>	<u>(7,654,237.00)</u>	<u>(4,593,358.00)</u>	<u>(6,559,040.00)</u>	<u>(7,470,453.00)</u>	<u>(8,557,620.00)</u>	<u>(8,756,435.00)</u>	<u>(9,063,025.00)</u>	<u>(10,710,942.35)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
County appropriation	3,750,840.00	3,882,000.00	3,882,000.00	3,882,000.00	3,920,820.00	3,999,236.00	4,019,431.00	4,019,431.00	4,019,431.00	4,019,431.00
Unrestricted grants and contributions	3,053,051.00	3,029,585.00	2,671,427.00	626,561.00	3,504,953.00	3,610,572.00	3,788,529.00	3,823,366.00	3,843,858.00	3,787,981.50
Miscellaneous income	541,759.00	524,976.00	504,849.00	636,052.00	214,607.00	253,296.00	138,128.00	194,943.00	140,338.00	102,487.11
Special items	27,933.00	1,507,060.00	7,107,055.00	20,153,704.00	(12,943.00)	1,276,223.00	223,833.00	356,528.00	33,547.00	112.72
Bond proceeds	(119,253.00)	(62,835.00)	(115,577.00)	(120,954.00)	10,155,879.00			178,288.00		
Transfers	7,254,330.00	8,880,786.00	14,049,754.00	25,177,363.00	17,783,316.00	9,139,327.00	8,170,021.00	8,572,566.00	8,037,174.00	7,910,012.33
Total governmental activities										
Business-type activities:										
Investment earnings	50.00		1,070.00	1,780.00						
Transfers	119,253.00		115,577.00	120,954.00				(178,288.00)		
Special items						328,570.00		(178,288.00)		
Total business-type activities	<u>119,303.00</u>	<u>8,880,786.00</u>	<u>116,647.00</u>	<u>122,734.00</u>	<u>17,783,316.00</u>	<u>9,467,897.00</u>	<u>8,170,021.00</u>	<u>8,394,288.00</u>	<u>8,037,174.00</u>	<u>7,910,012.33</u>
Total district-wide	<u>7,375,341.00</u>	<u>(7,833,431.00)</u>	<u>(7,654,237.00)</u>	<u>(4,593,358.00)</u>	<u>(6,559,040.00)</u>	<u>(7,470,453.00)</u>	<u>(8,557,620.00)</u>	<u>(8,756,435.00)</u>	<u>(9,063,025.00)</u>	<u>(10,710,942.35)</u>
Changes in Net Position										
Governmental activities	(121,011.00)	1,197,214.00	6,479,554.00	20,632,787.00	11,212,212.00	1,716,979.00	(363,555.00)	(182,813.00)	(1,062,906.00)	(2,778,005.66)
Business-type activities	(24,700.00)	(149,859.00)	32,610.00	73,952.00	12,064.00	280,465.00	(4,044.00)	(179,354.00)	37,065.00	(22,924.36)
Total district	<u>(145,711.00)</u>	<u>1,047,355.00</u>	<u>6,512,164.00</u>	<u>20,706,739.00</u>	<u>11,224,276.00</u>	<u>1,997,444.00</u>	<u>(387,599.00)</u>	<u>(362,167.00)</u>	<u>(1,025,851.00)</u>	<u>(2,800,930.02)</u>

Source: CAFR Schedule A-2

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Restricted				2,061,346.00	3,138,674.00	4,353,713.00	3,911,897.00	4,082,398.00	3,835,924.00	2,968,522.78
Committed				195,447.00	155,099.00					1,175,305.84
Assigned					294,263.00		130,159.00	114,608.00	756,591.00	35,224.75
Unassigned				337,128.00	280,915.00	30,544.00	625,497.00	740,531.00	813,258.00	913,565.20
Reserved	1,302,400.00	1,676,081.00	1,317,004.00							
Unreserved	442,240.00	303,539.00	334,006.00							
Total general fund	<u>1,744,640.00</u>	<u>1,979,620.00</u>	<u>1,651,010.00</u>	<u>2,593,921.00</u>	<u>3,868,951.00</u>	<u>4,384,257.00</u>	<u>4,667,553.00</u>	<u>4,937,537.00</u>	<u>5,405,773.00</u>	<u>5,092,618.57</u>
All Other Governmental Funds										
Assigned, reported in:										
Capital projects fund	43,651.00	5,302.00		98,622.00	-	-	290,895.00	10,945.00	57,941.00	
Total all other governmental funds	<u>\$ 43,651.00</u>	<u>5,302.00</u>	<u>-</u>	<u>98,622.00</u>	<u>-</u>	<u>-</u>	<u>290,895.00</u>	<u>10,945.00</u>	<u>57,941.00</u>	<u>-</u>

The requirements related to reporting fund balance in the general fund were modified by the Governmental Accounting Standards Board (GASB) effective for fiscal years ending June 30, 2011.

Source: CAFR Schedule B-1

Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
County appropriation	\$ 3,750,840.00	3,882,000.00	3,882,000.00	3,882,000.00	3,920,820.00	3,999,236.00	4,019,431.00	4,019,431.00	4,019,431.00	4,019,431.00
Tuition charges	2,382,682.00	2,933,201.00	3,793,099.00	3,595,520.00	5,644,715.00	7,120,722.00	8,986,914.00	10,880,468.00	12,361,763.00	13,252,667.30
Interest earnings	494,392.00	478,126.00	416,966.00	475,610.00	517,922.00	1,529,519.00	362,061.00	551,471.00	173,885.00	102,487.11
Miscellaneous	758,691.00	582,438.00	554,952.00	670,893.00	247,390.00	4,637,979.00	4,858,346.00	5,196,150.00	5,589,777.00	6,180,432.31
State sources	4,441,399.00	3,948,551.00	2,961,709.00	3,832,321.00	4,132,814.00	525,098.00	923,516.00	979,766.00	960,821.00	916,368.59
Federal sources	328,037.00	425,093.00	1,237,827.00	582,021.00	712,361.00	17,812,554.00	19,150,268.00	21,627,286.00	23,105,677.00	24,471,386.31
Total revenue	12,166,051.00	12,249,409.00	12,846,553.00	13,038,365.00	15,176,022.00	17,812,554.00	19,150,268.00	21,627,286.00	23,105,677.00	24,471,386.31
<b>Expenditures</b>										
Instruction:										
Regular instruction	3,132,428.00	3,087,879.00	2,738,063.00	2,581,770.00	3,339,398.00	2,631,543.00	3,303,691.00	3,743,935.00	4,242,790.00	5,105,535.46
Special instruction	4,401.00	207,650.00	223,043.00	219,459.00	126,221.00	202,001.00	651,248.00	1,096,963.00	478,575.00	478,575.00
Vocational instruction	1,245,576.00	1,527,234.00	1,189,920.00	911,027.00	995,292.00	1,945,370.00	2,162,094.00	2,178,746.00	2,444,622.00	3,100,967.28
Other instruction	18,624.00	181,323.00	195,901.00	197,012.00	163,870.00	259,977.00	389,359.00	390,951.00	449,976.00	475,946.25
Support Services:										
Student & instruction related services	771,310.00	785,008.00	912,017.00	854,530.00	1,001,429.00	1,174,901.00	1,520,744.00	1,904,057.00	2,045,209.00	2,149,630.67
General & business administrative services	559,621.00	521,739.00	487,793.00	412,165.00	400,363.00	329,374.00	350,863.00	391,674.00	378,325.00	672,662.09
School administrative services	272,118.00	274,877.00	288,624.00	302,985.00	319,512.00	429,229.00	443,993.00	438,341.00	456,423.00	535,222.88
Central services	391,086.00	394,298.00	381,197.00	348,107.00	306,564.00	360,305.00	354,424.00	346,599.00	355,816.00	339,633.41
Administrative information technology	128,389.00	189,624.00	163,923.00	201,100.00	197,000.00	226,248.00	233,429.00	194,427.00	313,119.00	364,049.56
Plant operations and maintenance	1,891,083.00	1,892,799.00	2,233,247.00	1,961,261.00	2,296,611.00	2,728,975.00	2,945,798.00	3,089,387.00	3,164,303.00	3,258,050.73
Pupil transportation	56,924.00	48,486.00	100,026.00	81,954.00	237,793.00	254,536.00	271,252.00	354,622.00	478,062.00	357,124.99
Unallocated employee benefits	1,625,521.00	1,457,076.00	2,756,669.00	2,960,107.00	3,204,269.00	3,687,556.00	4,261,864.00	5,015,019.00	5,826,663.00	6,346,190.04
Special schools	1,578,799.00	1,262,493.00	1,147,188.00	869,938.00	1,019,909.00	1,251,696.00	1,297,355.00	1,335,515.00	1,400,071.00	1,349,529.89
Capital outlay	89,488.00	1,603,955.00	7,349,026.00	20,228,790.00	10,856,697.00	1,815,537.00	389,963.00	1,040,658.00	556,491.00	1,500,051.22
Total Expenditures	11,765,368.00	13,434,441.00	20,166,637.00	32,128,205.00	24,464,928.00	17,297,248.00	18,576,077.00	21,520,894.00	22,590,445.00	25,554,594.47
Excess (Deficiency) of revenues over (under) expenditures	400,683.00	(1,185,032.00)	(7,320,084.00)	(19,089,840.00)	(9,288,906.00)	515,306.00	574,191.00	106,392.00	515,232.00	(1,083,208.16)
<b>Other Financing Sources (Uses)</b>										
Cancellation of prior year receivables		(62,835.00)			(12,943.00)					112.73
Cancellation of prior year purchase orders										712,000.00
Capital leases (non-budgeted)										
Bond proceeds	27,933.00	1,507,060.00	7,107,055.00	20,153,704.00	10,155,879.00					
Transfers in	(119,253.00)		(115,577.00)	(120,954.00)	420,999.00					
Transfers out	(91,320.00)	1,444,225.00	6,991,478.00	20,032,750.00	10,563,935.00					
Total other financing sources (uses)	\$ 309,363.00	259,193.00	(328,606.00)	942,910.00	1,275,029.00	515,306.00	574,191.00	106,392.00	515,232.00	(371,095.43)
Net change in fund balances										

Source: CAFR Schedule B-2

Exhibit J-5

Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 General Fund Other Local Revenue by Source,  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rent	Refund of Prior Year Revenue	Miscellaneous	Totals
2008		2,887,084.00	163,564.00		378,195.00	3,428,843.00
2009		2,933,201.00	183,516.00		820,606.00	3,937,323.00
2010		3,793,099.00	183,516.00	478,126.00	341,480.00	4,796,221.00
2011		4,071,130.00	106,052.00		530,419.00	4,707,601.00
2012	12,243.00	6,162,637.00	109,652.00		92,712.00	6,377,244.00
2013	7,619.00	7,120,722.00	35,705.00		234,913.00	7,398,959.00
2014	7,751.00	8,986,914.00	7,646.00		107,731.00	9,110,042.00
2015	7,751.00	10,880,468.00	7,646.00		138,131.00	11,033,996.00
2016	9,921.00	12,361,763.00	12,748.00		85,042.00	12,469,474.00
2017	7,246.75	13,252,669.00	12,495.43		82,743.23	13,355,154.41

Source: District Records



**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Demographic and Economic Statistics,  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	(a) Population	(b) Personal Income (thousands of dollars)	(c) Per Capita Personal Income	(d) Unemployment Rate
2008	271,712	10,625,569,472	39,106	5.8%
2009	274,761	10,757,717,433	39,153	7.0%
2010	275,076	10,877,880,420	39,545	12.1%
2011	275,763	11,399,490,894	41,338	12.4%
2012	276,321	11,585,310,567	41,927	12.9%
2013	276,321	11,511,256,539	41,659	12.0%
2014	275,499	11,939,024,664	43,336	10.4%
2015	274,219	11,981,999,205	43,695	10.4%
2016	270,991	11,840,951,745	43,695	9.4%
2017	270,991	11,840,951,745	43,695	7.4%

Source:

- (a) U.S. Bureau of Census - Population Division - Atlantic County
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income computed using Census Bureau midyear population estimates. Estimates for 2010-2015 reflect county population estimates available as of March 2016.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

**Exhibit J-16**

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular instruction	34.5	36.5	43.0	41.0	52.0	53.7	61.3	65.8	69.8	69.5
Resource room instruction										4.0
Special education instruction					12.5	12.5	8.7	22.3	19.0	13.3
Vocational education	25.0	25.0	22.0	20.0	22.0	27.8	33.5	33.8	34.2	35.2
Adult/continuing education programs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Services:										
Student & instruction related services	9.5	10.0	9.0	13.5	14.5	15.4	16.5	20.0	21.0	23.0
General administrative services	7.0	7.0	7.0	4.0	2.0	3.0	3.0	2.0	2.0	2.0
School administrative services	8.5	9.0	9.0	5.5	3.5	4.3	6.0	6.0	6.0	8.0
Business administrative services	4.5	4.0	4.0	4.0	7.0	7.0	7.0	7.0	8.0	8.0
Plant operations and maintenance	18.0	17.0	15.0	19.0	21.0	25.0	29.0	30.0	30.5	31.5
Pupil transportation	0.5	0.5	1.0							
Special schools	2.0	2.0	1.0	1.0	2.0	3.3	2.5	2.0	2.0	2.0
Food Service	4.0	4.0	5.0	5.0	5.0	7.5	8.5	9.5	10.5	13.0
Personal Aides										6.0
<b>Total</b>	<b>115.5</b>	<b>117.0</b>	<b>118.0</b>	<b>115.0</b>	<b>143.5</b>	<b>161.5</b>	<b>178.0</b>	<b>200.4</b>	<b>205.0</b>	<b>217.5</b>

Source: District Personnel Records (Position Control Roster, Payroll Breakdown Reports)

Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Operating Statistics,  
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Overall	District				
2008	788	11,675,880	14,817.11	-2.13%	60	13.1:1	13.1:1	788	752	5.32%	95.43%
2009	754	11,830,486	15,690.30	5.89%	61	14.5:1	14.5:1	754	733	-4.31%	97.21%
2010	800	12,817,611	16,022.01	2.11%	68	12.0:1	12.0:1	800	761	6.10%	95.13%
2011	854	11,901,415	13,936.08	-13.02%	72	11.8:1	11.8:1	831	798	3.88%	96.03%
2012	1,054	13,608,231	12,911.04	-7.36%	78	11.8:1	11.8:1	1,022	983	22.98%	96.18%
2013	1,129	15,481,711	13,712.76	6.21%	99	12.4:1	12.4:1	1,189	1,140	16.34%	95.88%
2014	1,267	18,186,114	14,353.68	4.67%	158	12.4:1	12.4:1	1,209	1,165	1.68%	96.36%
2015	1,445	20,480,236	14,173.17	-1.26%	124	12.4:1	12.4:1	1,398	1,320	15.63%	94.42%
2016	1,489	22,033,954	14,797.82	4.41%	125	11.9:1	11.9:1	1,489	1,401	6.51%	94.09%
2017	1,541	24,054,543	15,609.70	5.49%	124	11.9:1	11.9:1	1,548	1,457	3.96%	94.12%

Source: District records, ASSA and Schedule J-14

Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 School Building Information,  
 Last Ten Fiscal Years

Exhibit J-18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>District Buildings</b>										
<b>Technical School</b>										
Vocational School (1973, 2012)	143,230	143,230	143,230	143,230	237,998	237,998	237,998	237,998	237,998	237,998
Square Feet	412	412	412	412	1,314	1,314	1,314	1,314	1,314	1,314
Capacity (students)	653	804	717	774	931	1,040	1,192	1,387	1,416	1,033
Enrollment										
Annex Building (2003)	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130
Square Feet	428	428	428	428	428	428	428	428	428	428
Capacity (students)	70	79	83	80	123	89	75	58	73	429
Enrollment										
Wing at Atlantic County Special Services School Alternative High School - Enrollment Only										79

Number of Schools at June 30, 2017  
 High School - 1  
 Other - 1

Source: District Records (LRFP), ASSA, School Register Summaries

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**General Fund**  
**Last Ten Fiscal Years**  
*(Unaudited)*

**Exhibit J-19**

**Undistributed Expenditures - Required Maintenance for School Facilities**  
**11-000-261-XXX**

<u>Fiscal Year</u>	<u>Atlantic County Vocational School (only building)</u>
2017	\$ 969,378.15
2016	892,834.00
2015	821,423.00
2014	775,506.00
2013	693,574.00
2012	461,146.00
2011	359,838.00
2010	458,377.00
2009	496,539.00
2008	455,296.00

Source: District Records

**Atlantic County Vocational School District  
(A Component Unit of the County of Atlantic)  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2017  
(Unaudited)**

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
<b>Commercial Package Policy</b>		
Property, Inland Marine & Automobile Physical Damage:		
Limits of Liability - Per Occurance	93,498,239	5,000
Extra Expense	50,000,000	
Loss of Rents	115,000	
Business Income/Tuition	3,000,000	
Earthquake	50,000,000	5,000
Flood (Zones A & V)	500,000	10,000
Valuable Papers	10,000,000	
Terrorism (Aggregate)	1,000,000	
Public Official Bond:		
Public Agency Compliance Officer	75,000	500
Comprehensive General Liability Coverage:		
Each Occurrence	31,000,000	
Personal & Advertising Injury	31,000,000	
Products-Completed	31,000,000	
Medical Expense:		
Any One Person	5,000	
Per Accident	10,000	
Employee Benefits Liability:		
Each Claim	31,000,000	1,000
Aggregate	31,000,000	
Child Molestation/Sexual Abuse	17,000,000	
Annual Aggregate	17,000,000	
Terrorism (Aggregate)	1,000,000	
Mold (Sublimit)	25,000	
Electronic Data Processing		
Blanket EDP	2,500,000	1,000
Loss of Income	10,000	
Transit	25,000	
Virus	250,000	
Package Police Crime Coverage		
Faithful Performance	1,000,000	1,000
Forgery or Alteration	1,000,000	1,000
Theft, Disappearance, Destruction - Inside	25,000	500
Theft, Disappearance, Destruction - Outside	25,000	500
Computer Fraud	500,000	1,000
Money Orders & Counterfeit	25,000	
Currency		500

**Atlantic County Vocational School District**  
**(A Component Unit of the County of Atlantic)**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2017**  
*(Unaudited)*

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
Equipment Breakdown		
Limit	100,000,000	
Extra Expense	10,000,000	
Perishable Goods	500,000	
Expediting Expense	500,000	
Deductibles:		
Direct, per accident		5,000
Newly Acquired Locations		250,000
Business Auto		
Bodily Injury & Property Damage, Combined Single Limit	31,000,000	
Basic Personal Injury Protection	250,000	250
Auto Medical Payments		
Private Passenger Vehicles	10,000	
All Others	5,000	
Uninsured/Underinsured Motorists		
Private Passenger Vehicles	1,000,000	
All Others	\$15,000/\$30,000/\$5,000	
Comprehensive Coverage		1,000
Collision Coverage		1,000
Hired Car Physical Damage	110,000	1,000
Crisis Management		
Each School Violent Act	250,000	
Policy Aggregate Limit	1,000,000	
Retained Limit	25,000	
School Board Legal Liability:		
Coverage A	31,000,000	5,000
Coverage B    Each Occurance	100,000	5,000
Policy Period	300,000	5,000
Standard Worker's Compensation & Employer's Liability Policy:		
Workers Compensation - Coverage A	Statutory	
Employee Liability Agreement - Coverage B	2,000,000	
Pollution Liability:		
Each Occurance	1,000,000	25,000
Aggregate	2,000,000	
Policy Period	11,000,000	75,000
Occurrence/Aggregate Mold	500,000	100,000
Student Accident (Compulsory):		
Maximum Benefit	1,000,000	
Volunteer Accident:		
Maximum Benefit	250,000	

**Atlantic County Vocational School District  
 (A Component Unit of the County of Atlantic)  
 Insurance Schedule  
 For the Fiscal Year Ended June 30, 2017  
 (Unaudited)**

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
Student Accident (Catastrophic):		
Maximum Benefit, Excess Medical	5,000,000	25,000
Catastrophic Cash Benefit:		
Maximum Benefit Amount	1,000,000	
Accidental Death & Dismemberment	10,000	
Board Member Accident:		
Limit of Liability	100,000	
Aggregate	500,000	
Cyber Risk Liability		
Aggregate	2,000,000	
Retention	25,000	
Aviation Liability		
Each Occurrence	1,000,000	

Source: District Records.

Footnote: The policy is a combined policy with ACSSSD



## **Single Audit Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

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

We have audited, in accordance with the 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Vocational School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Atlantic County Vocational School District's basic financial statements, and have issued our report thereon dated October 24, 2017.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Atlantic County Vocational School District's 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 Atlantic County Vocational School District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Atlantic County Vocational School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could

have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*

**FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767**

**October 24, 2017**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## Independent Auditor's Report

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

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

We have audited the Atlantic County Vocational School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Atlantic County Vocational School District's major federal and state programs for the year ended June 30, 2017. The Atlantic County Vocational School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

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

Our responsibility is to express an opinion on compliance for each of the Atlantic County Vocational School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Uniform Guidance, and New Jersey OMB 15-08 *State Aid/Grant Compliance Supplement*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Atlantic County Vocational School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Atlantic County Vocational School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

## Report on Internal Control Over Compliance

Management of the Atlantic County Vocational School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Atlantic County Vocational School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 Uniform Guidance and NJ OMB 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 the Atlantic County Vocational School District's internal control over compliance.

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

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

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

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*  
**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**October 24, 2017**

Atlantic County Vocational School Districts  
(A Component Unit of the County of Atlantic)  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

Federal Grantor/Pass Through Grantor/ Program Title	Federal Award Amount	Balance Forward 2016	Carryover (Unexpended) Amount	Cash Received	Budgetary Expenditures		(MEMO) Program to Sub Recipients	(Accounts Payable) 06/30/2017	Deferred 06/30/2017	Due to Grantor June 30, 2017
					Pass Through	Direct				
<b>U.S. Department of Education</b>										
<b>Passed-Through State Department of Education</b>										
Special Revenue Fund:										
Title I, Part A Cluster:										
84.010A	432,004.00			324,145.00	(432,004.00)	(432,004.00)		(107,859.00)		
84.010A	418,641.00	(80,005.00)		80,005.00	(432,004.00)	(432,004.00)		(107,859.00)		
Total I, Part A Cluster		(80,005.00)		404,150.00	(432,004.00)	(432,004.00)				
Title II, Part A, Improving Teacher Quality										
84.367A	1,557.00			1,557.00	(1,557.00)	(1,557.00)				
Vocational Education:										
84.048A	134,489.00			134,489.00	(134,489.00)	(134,489.00)				
84.048A	40,989.00			40,989.00	(40,989.00)	(40,989.00)				
Total Carl Perkins Cluster				175,478.00	(175,478.00)	(175,478.00)				
Special Education Cluster (IDEA):										
84.027A	264,055.00	(48,220.00)		191,155.00	(264,055.00)	(264,055.00)		(82,900.00)		
84.027A	261,334.00	(48,220.00)		49,220.00	(264,055.00)	(264,055.00)		(82,900.00)		
Total Special Education Cluster (IDEA)		(48,220.00)		230,375.00	(264,055.00)	(264,055.00)				
FEMA Generator/Project	23,263.59				(23,263.59)	(23,263.59)		(23,263.59)		
Total Special Revenue Fund		(128,225.00)		825,551.00	(916,388.59)	(916,388.59)		(230,042.59)		
<b>U.S. Department of Agriculture</b>										
<b>Passed-Through State</b>										
Enterprise Funds:										
10.565	52,276.16	295.00		52,276.16	(52,276.16)	(52,276.16)				
10.565	43,352.00	235.00		52,276.16	(52,511.00)	(52,511.00)				
Total Food Distribution Program										
10.553	150,339.65	(7,290.00)		141,129.47	(150,339.65)	(150,339.65)		(9,211.18)		
10.553	144,714.00	(7,290.00)		143,418.47	(150,339.65)	(150,339.65)		(9,211.18)		
Total Child Nutrition Cluster										
10.555	388,506.90	(63,551.00)		376,441.22	(388,506.90)	(388,506.90)		(22,105.68)		
10.555	400,978.00	(53,521.00)		363,922.22	(398,506.90)	(398,506.90)		(22,105.68)		
Total National School Lunch Program										
10.555	8,763.66	(517.00)		8,282.88	(8,763.66)	(8,763.66)		(480.78)		
10.555	9,208.00	(517.00)		5,170.00	(8,763.66)	(8,763.66)		(480.78)		
Total National School Lunch Program - Performance Based										
Total Child Nutrition Cluster										
Total Enterprise Funds		(31,093.00)		609,416.73	(610,121.37)	(610,121.37)		(31,797.64)		
Total Federal Financial Awards		(160,318.00)		1,434,967.73	(1,526,489.90)	(1,526,489.90)		(251,840.23)		

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

Atlantic County Vocational School District  
(A Countywide Program)  
Schedule of State Financial Assistance  
For the Year Ended June 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2017		Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
				Deferred Revenue/(Accts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue			
<b>State Department of Education</b>														
General Fund:														
Equalization Aid	17-485-0345-120-078	7/1/2016	\$ 3,097,385.00	-	-	-	2,787,642.73	(3,097,385.00)	-	-	-	-	309,742.27	3,097,385.00
Special Education - Categorical Aid	17-485-0345-120-089	6/30/2017	480,007.00	-	-	-	432,005.73	(480,007.00)	-	-	-	-	48,001.27	480,007.00
Security Aid	17-485-0345-120-084	7/1/2016	80,831.00	-	-	-	72,747.80	(80,831.00)	-	-	-	-	8,083.20	80,831.00
Additional Adjustment Aid	17-485-0345-120-085	7/1/2016	2.00	-	-	-	1.80	(2.00)	-	-	-	-	0.20	2.00
PARCC Readiness Aid	17-485-0345-120-088	7/1/2016	13,060.00	-	-	-	11,753.98	(13,060.00)	-	-	-	-	1,306.02	13,060.00
Professional Learning Community Aid	17-485-0345-120-090	7/1/2016	16,580.00	-	-	-	14,921.98	(16,580.00)	-	-	-	-	1,658.02	16,580.00
Total State Aid Public Cluster	17-485-0345-120-101	6/30/2017	16,580.00	-	-	-	3,330,826.00	(3,330,826.00)	-	-	-	-	370,997.00	3,703,925.00
Lead Water Testing for Schools Aid	17-485-0345-120-104	7/1/2016	7,085.50	-	-	-	-	(7,085.50)	-	(7,085.50)	-	-	-	7,085.50
On-behalf TPAF Pension Contribution (Non-Budgeted)	17-485-0345-094-002	7/1/2016	888,746.00	-	-	-	888,746.00	(888,746.00)	-	-	-	-	888,746.00	888,746.00
On-behalf TPAF Pension Contribution (Budgeted)	17-485-0345-094-003	7/1/2016	7,952.00	-	-	-	7,952.00	(7,952.00)	-	-	-	-	7,952.00	7,952.00
On-behalf TPAF Long-Term Disability Insurance (Non-Budgeted)	17-485-0345-094-004	6/30/2017	3,956.00	-	-	-	3,956.00	(3,956.00)	-	-	-	-	3,956.00	3,956.00
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	17-485-0345-094-003	7/1/2016	650,022.81	-	-	-	618,119.32	(650,022.81)	(0.32)	(31,903.49)	-	-	650,022.81	650,022.81
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	17-485-0345-094-003	7/1/2015	619,571.00	(31,783.00)	-	-	31,783.32	-	-	-	-	-	619,571.00	619,571.00
Total General Fund		6/30/2016		(31,783.00)	-	-	5,577,304.64	(5,954,607.31)	(0.32)	(36,988.99)	-	-	370,997.00	6,953,127.81
Special Revenue Fund:														
Vocational Education:														
Vocational Aid - Apprenticeship Coordinator	17-100-0345-062-032	7/1/2016	12,356.00	-	-	-	10,376.00	(12,356.00)	-	(1,980.00)	-	-	12,356.00	12,356.00
Vocational Aid - Apprenticeship Coordinator	16-100-0345-062-032	7/1/2015	19,000.00	(6,742.00)	-	-	5,742.00	-	-	-	-	-	20,861.00	20,861.00
Carl Perkins Post Secondary	17-100-0345-062-032	7/1/2016	90,114.00	-	-	-	90,114.00	(90,114.00)	-	-	-	-	90,114.00	90,114.00
County Vocational C2 Comp (Atlantic Cape	17-100-0345-062-032	3/1/2016	600,000.00	(6,742.00)	-	-	106,232.00	(226,518.00)	-	(124,048.00)	-	-	124,048.00	124,048.00
Community College Partnership Program)														
Total Special Revenue Fund				(6,742.00)	-	-	106,232.00	(226,518.00)	-	(124,048.00)	-	-	-	247,379.00
State Department of Agriculture														
Enterprise Fund:														
National School Lunch Program	17-100-010-03560-023	7/1/2016	7,719.31	-	-	-	7,294.51	(7,719.31)	-	(424.80)	-	-	7,719.31	7,719.31
State Special Lunch Program	16-100-010-03560-023	7/1/2015	8,079.00	(459.00)	-	-	459.00	-	-	-	-	-	8,079.00	8,079.00
National School Lunch Program (State Share)														
Total Enterprise Fund				(459.00)	-	-	7,753.51	(7,719.31)	-	(424.80)	-	-	-	15,798.31
Total State Financial Assistance				(37,984.00)	-	-	5,691,290.15	(6,188,844.62)	(0.32)	(165,441.79)	-	-	370,997.00	6,826,365.12

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



**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
K-5 NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2017**

**Note 1: General**

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

**Note 2: Basis of Accounting**

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

The District has elected not to use the 10% de minimis indirect cost rate.

**Note 3: Relationship to Basic Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(693.00) for the General Fund and \$0.00 for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis on the following page:

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
K-5 NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2017  
(CONTINUED)**

**Note 3: Relationship to Basic Financial Statements - Continued**

	<u>General fund</u>	<u>Special Revenue fund</u>	<u>Food service fund</u>	<u>Total</u>
<b>State Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 5,954,607.31	226,518.00	7,719.31	6,188,844.62
Difference – budget to "GAAP"				
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	369,404.00			369,404.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(370,097.00)			(370,097.00)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 5,953,914.31</u>	<u>226,518.00</u>	<u>7,719.31</u>	<u>6,188,151.62</u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
K-5 NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2017  
(CONTINUED)**

	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<b>Federal Assistance:</b>			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 916,368.59	610,121.37	1,526,489.96
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(235.00)	(235.00)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 916,368.59</u>	<u>609,886.37</u>	<u>1,526,254.96</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, 2017. 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, 2017.



**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part I – Summary of Auditor's Results (cont'd)*

**State Awards Section**

- J) Internal Control over compliance:
- 1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_ yes  X  no
- K) Type of auditor's report on compliance for major programs \_\_\_\_\_  Unmodified  \_\_\_\_\_
- L) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? \_\_\_\_\_ yes  X  no

M) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	<b>State Aid - Public Cluster:</b>
_____	_____
17-495-034-5120-078	Equalization Aid
17-495-034-5120-089	Special Education Categorical Aid
17-495-034-5120-084	Security Aid
17-495-034-5120-085	Additional Adjustment Aid
17-495-034-5120-097	Per Pupil Growth Aid
17-495-034-5120-098	PARCC Readiness
17-495-034-5120-101	Professional Learning Community Aid
_____	_____
_____	_____

- N) Dollar threshold used to determine Type A programs: \_\_\_\_\_  \$ 750,000.00  \_\_\_\_\_
- O) Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no \_\_\_\_\_ n/a

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part 2 – Schedule of Financial Statement Findings*

NONE

*Part 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs*

**FEDERAL AWARDS**

NONE

**STATE AWARDS**

NONE

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*STATUS OF PRIOR YEAR FINDINGS*

NONE