

**Comprehensive Annual
Financial Report**

of the

**Board of Education for Vocational Schools
Cape May County**

Cape May County, New Jersey

For the Fiscal Year Ended June 30, 2017

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION:	
Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION:	
Independent Auditor's Report	8-10
Required Supplementary Information - Part I Management Discussion and Analysis	11-19
Basic Financial Statements	
A District-Wide Financial Statements	
A-1 Statement of Net Position	20
A-2 Statement of Activities	21
B Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	22
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	23
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Proprietary Funds:	
B-4 Statement of Net Position	25
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	26.
B-6 Statement of Cash Flows	27
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	28
B-8 Statement of Changes in Fiduciary Net Position	29
Notes to the Financial Statements	30-53

TABLE OF CONTENTS

	Page
Required Supplementary Information - Part II	
C Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	54-60
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	N/A
C-1b Education Jobs Fund Program - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	61
Notes to Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	62
Required Supplementary Information - Part III	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability (PERS)	63
L-2 Schedule of District Contributions (PERS)	64
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability (TPAF)	65
Other Supplementary Information	
E Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures - Special Revenue Fund - Budgetary Basis	66-70
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A
F Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	71
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	72
F-2a-b Schedule of Project Expenditures, Project Balance and Project Status - Budgetary Basis	73-74
G Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	75
G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	76
G-3 Combining Statement of Cash Flows	77
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

TABLE OF CONTENTS

	Page
H Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	78
H-2 Combining Statement of Changes in Fiduciary Net Position	79
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	80-81
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	82
I Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations under Capital Leases	83
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
 STATISTICAL SECTION: (Unaudited)	
Financial Trends	
J-1 Net Assets by Component	84
J-2 Changes in Net Assets	85-86
J-3 Fund Balances - Governmental Funds	87
J-4 Changes in Fund Balances - Governmental Funds	88
J-5 General Fund Other Local Revenue by Source	89
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	N/A
J-7 Direct and Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers	N/A
J-9 Property Tax Levies and Collections	N/A
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	N/A
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin	N/A
Demographic and Economic Data	
J-14 Demographic and Economic Statistics	90
J-15 Principal Employers	N/A
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	91
J-17 Operating Statistics	92
J-18 School Building Information	93
J-19 Schedule of Required Maintenance Expenditures by School Facility	94
J-20 Insurance Schedule	95-96

TABLE OF CONTENTS

	Page
SINGLE AUDIT SECTION:	
K-1 Independent Auditor's Report - Governmental Auditing Standards	97-98
K-2 Independent Auditor's Report - Single Audit	99-101
K-3 Schedule of Expenditures of Federal Awards, Schedule A	102
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	103
K-5 Notes to the Schedules of Awards and Financial Assistance	104-106
K-6 Schedule of Findings and Questioned Costs	107-109
K-7 Status of Prior Year Findings	110

Introductory Section

CAPE MAY COUNTY TECHNICAL SCHOOL DISTRICT



188 Crest Haven Road, Cape May Court House, NJ 08210

Dr. Nancy M. Hudanich, Superintendent
Paula J. Smith, Business Administrator/Board Secretary

October 13, 2017

Honorable President and
Members of the Board of Education
Cape May County Technical School District
County of Cape May, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Cape May County Technical School 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the Basic Financial Statements and Schedules, as well as the Auditor's Report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as revised in 1996, and the U.S. Office of Management and Budget Circular Uniform Guidance, "Audits of States, Local Governments and Nonprofit Organizations," and the State of NJ 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.

1. REPORTING ENTITY AND ITS SERVICES: The District is a component unit of the County of Cape May within the criteria set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. All funds of the District are included in this report.

2. MAJOR INITIATIVES: The District implemented a variety of initiatives during the 2016-17 school year.

Instruction continued to be enhanced by our project based cross curricular delivery which provides an effective platform to keep students engaged and focused on learning outcomes. The purchase of additional Smart Boards continue to offer teachers and students an excellent instructional venue that assures educational success. The implementation of real world projects that provide application of students' acquired knowledge ensures that all students understand the academic relevance of their course work within the needs of their careers. Every course is academically rigorous and adapted to meet the dynamic demands of the global economy which requires the Technical School District to continuously update and align curriculum to industry standards. Technology is used to implement the hybrid summer Bridging program which continues to provide the support needed for our new, at-risk 9th and 10th grade students by enhancing and strengthening the students' study skills and academics to provide the educational foundation to succeed at the Technical District. The mandated tutoring program that has been in place for several years continues to help students in all grades to be successful in achieving passing grades in their classes. Students are placed in mandatory tutoring which is provided at no charge to our students.

During the 2016-17 school year, all of the graduating seniors achieved the necessary scores required by the Department of Education. The District assessed and analyzed student data results for the mandated biology end of course test and PARCC assessments. As the DOE continued to benchmark and align curriculum standards to assessments our instructional staff used this data to enhance instruction. Also, 96% of the graduating class of 2016 completed a 3 year sequential program in a technical career major and structured learning experience.

The District continues to offer online courses for our students through our affiliation with the Middle States accredited Virtual High School. The District utilized this hybrid course (online and face to face) model to implement the Financial Literacy course/credits requirement instituted by the NJ Department of Education and it has proved to be successful for our 9th, 10th and 11th graders. Our students also received training on the skills required to participate in online learning. Interdisciplinary teaching and learning enabled the students to engage in co-curricular projects, presentation and classes. Both the academic and technical teachers developed and implemented classwork, short and long term interdisciplinary projects that culminated in the celebration of each with an instructional focus.

The District and our students continued to receive recognition at both the state and national levels during the school year. Our students competed in various SKILLS USA competitions and many received medal recognition. For the first time over the past 4 years we were able to send students to the National SKILLS USA competition. Members of the FFA chapter earned first and second place honors in several different competitions state-wide including a National Chapter Award.

All technical career schedules reflect the needs of students and the requirements of the curriculum with most technical majors operating on a two-period per day schedule. The high school site committees focused on interdisciplinary projects, peer leadership, mentoring and ongoing teacher support. Teachers received training on problem based learning and the integration of academic and career courses using various instructional strategies.

This past year the district teachers, administrators and support staff received ongoing professional development for teaching and learning. The DOE required evaluation process was in place and student growth objectives were designed, validated and met. Evaluations for all staff indicated effective instructional or administrative responsibilities.

The technology infrastructure continues to be enhanced each year to support upgraded and new technology and programming. In addition to our being a wireless campus, our online collaborative network that utilizes a Moodle server has ensured students and staff enjoy an advertisement free safe environment for teaching, learning and collaboration. The teachers and students had access to desktop and lap top computers for online research and collaboration in all their courses. Furthermore, the district focused on and upgraded our network security software and documented all necessary procedures. Through the use of network virtualization the District has been able to build maximum network capacity while maintaining a keen eye on financial efficiencies and data security.

During the 16/17 school year, District officials along with the Board of Education also continued to assess and address the infrastructure maintenance. This iterative activity not only ensures a suitable and safe learning environment for our students but also insures timely infrastructure upgrades and maintenance for sustainable efficiencies. As stated last year, the Board of Public Utilities approved a \$1.2 million Energy Savings Improvement Plan (ESIP) in March 2016 and we started to implement the Regular Operating District (ROD) grant. Both the ESIP and ROD projects are not only making a positive impact on our physical plant; they are also greatly enhancing our instructional environment.

The District continues to evaluate our educational programs through the use of a 15 question Senior Exit Survey conducted by the Guidance Department. This self-reflection of our graduating students' perceptions of their years at the Tech provides meaningful data for the staff as we reflect on our students' perceived instructional experiences and their preparedness for their next stage of life.

The Post-Secondary Division continues to grow and served over 1800 county residents this year. The Practical Nursing and Dental Assisting programs prepared almost 50 students for a new career. Along with the apprenticeships, adult high school and continuing education divisions is the district's initiative to provide High School Equivalency Diplomas to adult learners. Participants attended classes both on our campus

and at our satellite learning centers and over 125 diplomas were issued. The District is still committed to providing a county-wide summer school for high school credit recovery, and the Summer Time Adventures program which provides two weeks of fun filled education activities for young county residents and visitors.

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2017.

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

6. DEBT ADMINISTRATION: In accordance with the statutes governing Type 1 School Districts, the bonded debt is assumed by County of Cape May, New Jersey, and provisions for amortization of principal and interest on the outstanding debt is included in the county budget. The County sold \$14,769,000 of bonds in September 2006 to fund the renovations and addition to the Technical High School.

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. 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.

9. OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as revised in 1996, and the related OMB Circular Uniform Guidance and 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 reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGMENTS:

With the support of the Board of Chosen Freeholders, the Cape May County Technical School will continue to provide for the educational needs of students of all ages throughout the county. The increased technology in the District will help assure that our high school students are computer literate early in their secondary education and that they will be able to use that technology and knowledge to help create for themselves a challenging and rewarding future. We will continue to offer educational programs for adults who need to upgrade their skills or learn new ones and we will continue to make learning enjoyable and interesting through our varied evening program that provides dozens of vocational and avocational classes.

Our teachers and administration are dedicated to helping students of all ages reach their potential and to help students realize that learning is a journey, not a destination that ends with graduation.

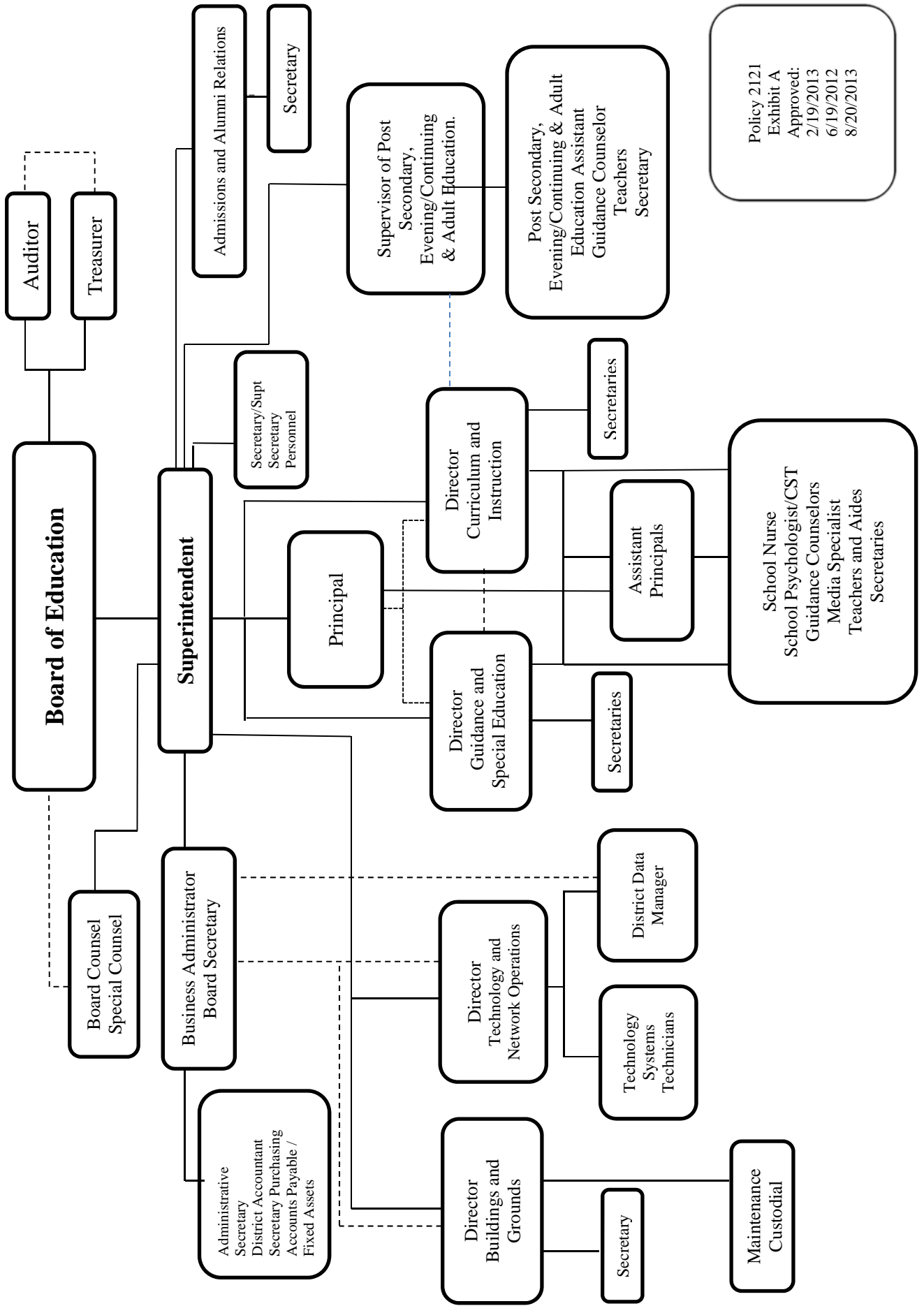
Respectfully submitted,

Nancy M. Hudanich
Dr. Nancy M. Hudanich
Superintendent

Paula J. Smith
Paula J. Smith
Business Administrator/Board Secretary

Cape May County Technical School District

Organizational Chart



Policy 2121
Exhibit A
Approved:
2/19/2013
6/19/2012
8/20/2013

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2017

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Robert L. Boyd, President	10/31/2020
Alan I. Gould, Vice-President	10/31/2019
Anthony L. Anzelone (Remains on Board until new appointment)	10/31/2013
Kerry Higgs, Board Member	10/31/2019
Dr. Richard Stepura, County Superintendent	Ex-Officio
 OTHER OFFICIALS	
Dr. Nancy V. Hudanich, Superintendent	
Paula J. Smith, Business Administrator/Board Secretary	
James V. Craft, Treasurer	
Stephen Vitiello, Principal	
Jacqueline McAlister, Supervisor of Post Secondary, Evening/Continuing and Adult Education	
James Owens, Director of Buildings and Grounds	

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY, NEW JERSEY**

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

Certified Public Accountants
1535 Haven Avenue
Ocean City, NJ 08226-0538

ATTORNEY

Cooper Levinson, PA

1125 Atlantic Avenue
3rd Floor
Atlantic City, N.J. 08401

SERVICE BUREAU

Educational Management by Computer Center

Division of Gloucester County Special Services
204 East Holly Avenue
Sewell, NJ 08080

OFFICIAL DEPOSITORY

Sturdy Savings Bank

506 S. Main Street
Cape May Court House, NJ 08210

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Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
For Vocational Schools
County of Cape May, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education for Vocational Schools, County of Cape May, State of New Jersey (a component unit of the County of Cape May), as of and for the 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. 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 opinion.

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 Board of Education for Vocational Schools, County of Cape May, State of New Jersey (a component unit of the County of Cape May), as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *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 Board of Education for Vocational Schools, County of Cape May's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial assistance as required by NJ OMB 15-08 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 Office of Management and Budget Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2017 on our consideration of the Board of Education for Vocational Schools, County of Cape May'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 Board of Education for Vocational Schools, County of Cape May's internal control over financial reporting and compliance.

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 13, 2017

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REQUIRED SUPPLEMENTARY INFORMATION – PART I

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**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

The discussion and analysis of Cape May County Technical School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Cape May County Technical School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the school district's most significant funds with all other non-major funds presented in total in one column. In the case of Cape May County Technical District, the General Fund is the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the school district to provide programs and activities, the view of the school district as a whole looks at all financial transactions and ask the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the school district's net position and changes in those position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the school district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the school district's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the school district is divided into two distinct kinds of activities:

- Governmental Activities - All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the school district's funds. The school district uses many funds to account for a multitude of financial transaction. The school district's governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

Governmental Funds

The school district's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Reporting the School District's Most Significant Funds (Continued)

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The Notes to the Financial Statements are listed in the table of contents of this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole. Net Position may serve over time as a useful indicator of a government's financial position.

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

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

The following schedule provides a summary of the School District's net position for 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Assets		
Current and Other Assets	\$ 5,256,187.79	6,804,863.18
Capital Assets	<u>33,191,671.84</u>	<u>16,024,458.46</u>
Total Assets	<u>38,447,859.63</u>	<u>22,829,321.64</u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	<u>1,912,038.00</u>	<u>767,348.00</u>
Liabilities		
Long-Term Liabilities	2,379,248.75	720,138.20
Other Liabilities	605,563.47	555,784.08
Net Pension Liability	<u>7,246,012.00</u>	<u>5,846,524.00</u>
Total Liabilities	<u>10,230,824.22</u>	<u>7,122,446.28</u>
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	<u>406,963.00</u>	<u>284,886.00</u>
Net Position		
Net Investment in Capital Assets	33,191,671.84	16,024,458.46
Restricted	3,774,362.69	5,282,762.97
Unrestricted	<u>(7,243,924.12)</u>	<u>(5,117,884.07)</u>
Total Net Position	<u>\$ 29,722,110.41</u>	<u>16,189,337.36</u>

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**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

The following schedule shows the changes in net position for fiscal year 2017 and 2016.

	2017	2016
Revenues		
Program Revenues:		
Charges for Services	\$ 6,602,723.95	6,261,787.13
Operating Grants and Contributions	5,254,104.70	4,165,497.75
Capital Grants and Contributions	-	942,560.00
General Revenues:		
County Appropriation	7,614,862.00	7,864,862.00
Grants and Entitlements	1,403,215.00	1,436,040.00
Other	181,493.34	166,725.63
Total Revenues	21,056,398.99	20,837,472.51
Program Expenses		
Instruction	10,598,848.49	11,082,361.49
Support Services:		
Student and Instruction Related Services	1,909,663.75	1,709,225.83
General Administration, School Administration,	2,994,606.26	2,385,527.09
Plant Operations and Maintenance of Facilities	3,856,242.61	3,249,769.18
Pupil Transportation	209,012.07	135,641.14
Capital Outlay	3,740,575.82	-
Adult and Continuing Education	2,259,705.55	1,691,571.85
Other Special Items	(18,491,214.93)	15,805.71
Food Service	277,107.81	275,386.27
Other Enterprise Funds	169,078.51	165,083.50
Total Expenses	7,523,625.94	20,710,372.06
Increase/(Decrease) in Net Assets	\$ 13,532,773.05	127,100.45

The increase in Operating Grants and Contributions, as well as the various support service expense categories, is primarily due to an increase in pension related costs as allocated based on GASB 68 guidelines.

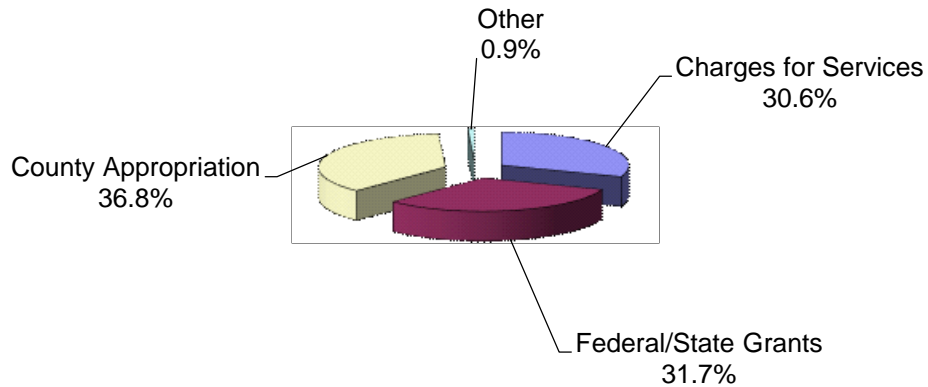
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**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

Governmental Activities

The County Appropriation made up 36.8% of revenues for governmental activities for the Cape May County Technical School District for fiscal year 2017. The District's total revenues were \$20,693,953.53 for the year ended June 30, 2017. Charges for Service for operating purposes accounted for another 30.6% of revenue.

Sources of Revenue for Fiscal Year 2017

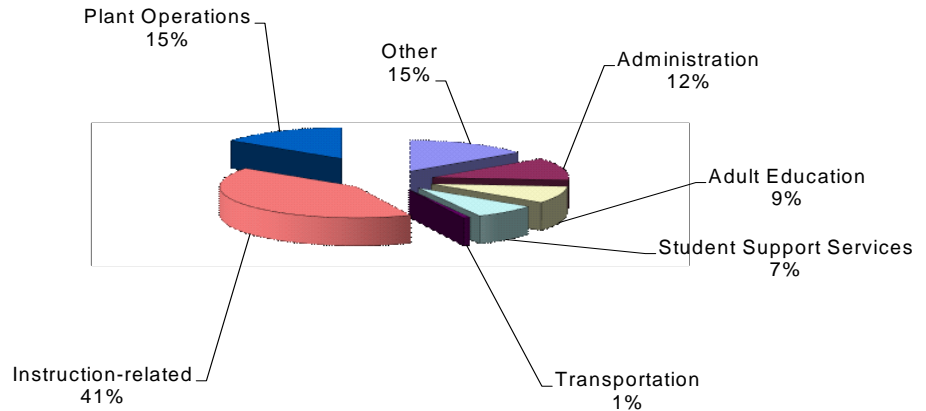


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**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

The total cost of all program and services was \$25,568,654.55. Instruction comprises 41% of District expenses.

Cost of Programs and Services for Fiscal Year 2017



Business-Type Activities

Revenues for the District's business-type activities (food service program, Early Childhood/Lab School/Summertime Adventure, Jobs Card, and Education Technology Training Center) were comprised of charges for services and federal and state reimbursements.

- The combined Business-Type Activities expenses exceeded revenues by \$10,862.74.
- Charges for services of the combined Business-Type Activities represent \$261,286.38 of revenue. This represents amounts paid by students and others for daily food service and various fees and charges.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$101,113.38.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following schedule shows the total cost of services and the net cost of services for 2017 and 2016. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
Instruction	\$ 10,598,848.49	2,160,027.76	11,082,361.49	2,395,170.42
Support Services:				
Pupils & Instructional Staff	1,909,663.75	1,315,509.63	1,709,225.83	1,299,488.09
General and School				
Administration and				
Business Operations	2,994,606.26	2,364,325.51	2,385,527.09	2,178,889.58
Operation and Maintenance				
of Facilities	3,856,242.61	3,039,361.85	3,249,769.18	2,188,203.78
Pupil Transportation	209,012.07	173,757.89	135,641.14	135,550.13
Adult and Continuing Education	2,259,705.55	1,289,701.69	1,691,571.85	1,072,607.00
Capital Outlay	3,740,575.82	3,731,541.33		
Total Expenses	<u>\$ 25,568,654.55</u>	<u>14,074,225.66</u>	<u>20,254,096.58</u>	<u>9,269,909.00</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$17,805,512.53 and expenditures were \$20,920,311.33. The net change in fund balance for the year was most significant in the Capital Projects Fund, a decrease of \$1,434,660.28.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2017, and the amount and percentage of total revenues compared to prior year revenues.

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

Revenue	2016-2017 Amount	Percentage of Total	2015-2016 Amount	Percentage of Total
Local Sources	\$ 14,172,217.41	79.59%	14,016,665.60	75.88%
State Sources	3,077,969.12	17.29%	3,909,474.78	21.16%
Federal Sources	555,326.00	3.12%	546,783.82	2.96%
Total	\$ 17,805,512.53	100.00%	18,472,924.20	100.00%

The following schedule represents a summary of general fund, special revenue fund, and capital projects fund expenditures for the fiscal year ended June 30, 2017, and the percentage of total expenditures compared to prior year amounts.

Expenditures	2016-2017 Amount	Percentage of Total	2015-2016 Amount	Percentage of Total
Current Expense:				
Instruction	\$ 6,046,229.14	28.89%	5,943,336.27	35.33%
Undistributed Expenditures	9,639,114.99	46.08%	9,102,473.02	54.13%
Capital Outlay	4,089,057.21	19.55%	520,967.21	3.10%
Special Schools	1,145,909.99	5.48%	1,250,999.27	7.44%
Total	\$ 20,920,311.33	100.00%	16,817,775.77	100.00%

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over-expenditures in specific line item accounts. A few of these revisions bear notation:

TPAF Social Security and On-Behalf TPAF Pension are recorded as both non-budget revenue and expenditure lines in the budgetary comparison schedule. These amounts reflect contributions made by the State of New Jersey to the District's Teachers retirement plans. This amount was more than \$1.5 million during 2016/2017.

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

Capital Assets

At the end of the fiscal year 2017, the School District had \$33,191,671.84 invested in land improvement, building, furniture and equipment, and vehicles. The following table shows fiscal year 2017 balances compared to 2016.

	2017	2016
Construction in Progress	\$ 2,383,671.49	54,704.83
Land Improvements	2,085.00	3,475.00
Buildings and Improvements	29,126,427.65	14,478,554.40
Machinery and Equipment	1,679,487.70	1,411,019.63
Total	\$ 33,191,671.84	15,947,753.86

Overall capital assets increased \$17,243,917.98 from fiscal year 2016 to fiscal year 2017. The increase in capital assets is due primarily to new additions to capital assets offset by depreciation expense. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

The Cape May County Technical School District is a Type I district. As such, all debt of the district is considered the obligation of the County of Cape May. The Board of School Estimates has authorized a capital project in the amount of \$14,769,143 and the County sold bonds in September 2006.

For the Future

The Cape May County Technical School District is in good financial condition presently. The School District is proud of the community and Board of Chosen Freeholder support and of the public schools.

In conclusion, the Cape May County Technical School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Paula Smith, School Business Administrator/Board Secretary at the Board of Education, 188 Crest Haven Road, Cape May Court House, N.J. 08210.

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BASIC FINANCIAL STATEMENTS

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DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

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Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,677,095.42	498,566.91	3,175,662.33
Cash Held by Fiscal Agents	339,728.22		339,728.22
Due from Payroll Agency Fund	3,660.00	-	3,660.00
Receivables, Net	495,358.13	3,159.61	498,517.74
Restricted Assets:			
Capital Reserve Account	1,233,341.29	-	1,233,341.29
Inventory	-	5,278.21	5,278.21
Capital Assets:			
Construction in Progress	2,383,671.49	-	2,383,671.49
Capital Assets Being Depreciated, Net	30,655,680.96	152,319.39	30,808,000.35
Total Assets	<u>37,788,535.51</u>	<u>659,324.12</u>	<u>38,447,859.63</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,912,038.00	-	1,912,038.00
Total Deferred Outflows of Resources	<u>1,912,038.00</u>	<u>-</u>	<u>1,912,038.00</u>
LIABILITIES			
Accounts Payable	425,089.63	2,941.18	428,030.81
Unearned Revenue	162,707.22	14,825.44	177,532.66
Noncurrent Liabilities			
Due Within One Year	80,763.90		80,763.90
Due Beyond One Year	2,298,484.85	-	2,298,484.85
Net Pension Liability	7,246,012.00	-	7,246,012.00
Total Liabilities	<u>10,213,057.60</u>	<u>17,766.62</u>	<u>10,230,824.22</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	406,963.00	-	406,963.00
NET POSITION			
Net Investment in Capital Assets	33,039,352.45	152,319.39	33,191,671.84
Restricted for:			
Capital Projects	2,826,822.69	-	2,826,822.69
Maintenance Reserve	947,540.00	-	947,540.00
Unrestricted	(7,733,162.23)	489,238.11	(7,243,924.12)
Total Net Position	<u>\$ 29,080,552.91</u>	<u>641,557.50</u>	<u>29,722,110.41</u>

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

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Statement of Activities
For the Fiscal Year Ended June 30, 2017**

Function/Programs	Expenses	Indirect Expense Allocation	Program Revenue			Net (Expense Revenue and Changes in Net Position)		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular Instruction	\$ 4,005,871.60	973,123.62	2,847,224.23	1,385,492.48		(746,278.51)	(746,278.51)	
Vocational Education	4,002,074.97	1,062,558.42	2,746,531.67	1,046,140.78		(1,271,960.94)	(1,271,960.94)	
Other Instruction	436,549.83	118,670.05	296,595.10	116,836.47		(141,788.31)	(141,788.31)	
Support Services:								
Student & Instruction Related Services	1,555,385.74	354,278.01		594,154.12		(1,315,509.63)	(1,315,509.63)	
School Administrative Services	569,621.89	159,445.56		156,981.96		(572,085.49)	(572,085.49)	
General Administrative and Business Services	1,784,812.29	480,726.52		473,298.80		(1,792,240.02)	(1,792,240.02)	
Plant Operation and Maintenance	3,026,542.11	829,700.50		816,880.76		(3,039,361.85)	(3,039,361.85)	
Pupil Transportation	173,204.63	35,807.44		35,254.18		(173,757.89)	(173,757.89)	
Unallocated Benefits	4,541,371.06	(4,541,371.06)				-	-	
Capital Outlay	3,740,575.82		451,086.57	9,034.49		(3,731,541.33)	(3,731,541.33)	
Adult and Continuing Education	1,732,644.62	527,060.93	6,341,437.57	518,917.29		(1,289,701.69)	(1,289,701.69)	
Total Governmental Activities	<u>25,568,654.55</u>	<u>-</u>	<u>6,341,437.57</u>	<u>5,152,991.32</u>	<u>-</u>	<u>(14,074,225.66)</u>	<u>(14,074,225.66)</u>	
Business-Type Activities:								
Food Service	277,107.81		185,323.13	101,113.38		9,328.70	9,328.70	
Early Childhood/Summertime Adventures	106,110.95		50,165.00			(55,945.95)	(55,945.95)	
Job Cards	19,249.62		23,748.25			4,498.63	4,498.63	
Education Technology Training Center	43,717.94		2,050.00			(41,667.94)	(41,667.94)	
Total Business-Type Activities	<u>446,186.32</u>	<u>-</u>	<u>261,286.38</u>	<u>101,113.38</u>	<u>-</u>	<u>(83,786.56)</u>	<u>(83,786.56)</u>	
Total Primary Government	<u>\$ 26,014,840.87</u>	<u>-</u>	<u>6,602,723.95</u>	<u>5,254,104.70</u>	<u>-</u>	<u>(14,074,225.66)</u>	<u>(14,158,012.22)</u>	
General Revenues:								
County Appropriation, Levied for General Purposes						7,614,862.00	7,614,862.00	
Federal and State Aid not Restricted						1,403,215.00	1,403,215.00	
Investment Earnings						-	45.70	
Miscellaneous Income						181,447.64	181,447.64	
Special Items: Loss on Disposal of Capital Assets						(7,594.40)	(7,594.40)	
Prior Adjustment to Fixed Assets						18,538,109.66	18,538,109.66	
Adjustment to Prior Year Receivables						(0.51)	(39,299.82)	
Transfers						(112,177.94)	112,177.94	
Total General Revenues, Special Items, Extraordinary Items and Transfers						<u>27,617,861.45</u>	<u>27,690,785.27</u>	
Change in Net Position						<u>13,543,635.79</u>	<u>13,532,773.05</u>	
Net Position - Beginning						15,536,917.12	16,189,337.36	
Net Position - Ending						<u>\$ 29,080,552.91</u>	<u>29,722,110.41</u>	

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

FUND FINANCIAL STATEMENTS

The individual fund financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

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Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Governmental Funds
Balance Sheet
June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,110,679.71	-	566,415.71	2,677,095.42
Cash Held by Fiscal Agents			339,728.22	339,728.22
Receivables, Net	82,786.66	2,000.00	-	84,786.66
Due from Other Funds	81,550.08	-	-	81,550.08
Due from Payroll Agency Fund	3,660.00	-	-	3,660.00
Receivables from Other Governments	2,592.00	215,979.47	192,000.00	410,571.47
Restricted Cash & Cash Equivalents	1,233,341.29	-		1,233,341.29
Total Assets	<u>3,514,609.74</u>	<u>217,979.47</u>	<u>1,098,143.93</u>	<u>4,830,733.14</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	402,163.59	22,926.04	-	425,089.63
Due to Other Funds	-	78,706.21	2,843.87	81,550.08
Unearned Revenue	46,360.00	116,347.22	-	162,707.22
Total Liabilities	<u>448,523.59</u>	<u>217,979.47</u>	<u>2,843.87</u>	<u>669,346.93</u>
Fund Balances:				
Restricted for:				
Capital Projects	-	-	501,463.17	501,463.17
Committed to:				
Capital Reserve Account	1,731,522.63	-	-	1,731,522.63
Maintenance Reserve Account	947,540.00	-	-	947,540.00
Other Purposes	-	-	593,836.89	593,836.89
Assigned to:				
Other Purposes	45,313.71	-	-	45,313.71
Unassigned:				
General Fund	341,709.81	-	-	341,709.81
Total Fund Balances	<u>3,066,086.15</u>	<u>-</u>	<u>1,095,300.06</u>	<u>4,161,386.21</u>
Total Liabilities and Fund Balances	<u>\$ 3,514,609.74</u>	<u>217,979.47</u>	<u>1,098,143.93</u>	

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

Capital assets used in governmental activities are not resources and therefore are not reported in the funds.

The cost of the assets is \$58,741,004.72 and the accumulated depreciation is \$25,701,652.27 33,039,352.45

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (2,379,248.75)

Pension Liabilities Net of Deferred Outflows & Inflows (5,740,937.00)

Net position of governmental activities **\$ 29,080,552.91**

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

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
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
REVENUES				
Local Sources:				
County Line Item Appropriation	\$ 7,614,862.00	-		7,614,862.00
Tuition Charges	5,890,351.00			5,890,351.00
Miscellaneous	632,534.21	34,470.20		667,004.41
Total Local Sources	14,137,747.21	34,470.20	-	14,172,217.41
State Sources	2,985,976.12	91,993.00		3,077,969.12
Federal Sources	-	555,326.00		555,326.00
Total Revenues	<u>\$ 17,123,723.33</u>	<u>681,789.20</u>	<u>-</u>	<u>17,805,512.53</u>
EXPENDITURES				
Current:				
Regular Instruction	2,495,166.54	427,404.64		2,922,571.18
Vocational Instruction	2,819,213.97			2,819,213.97
Other Instruction	304,443.99			304,443.99
Support Services:				
Student & Instruction Related Serv.	915,646.39	245,350.07		1,160,996.46
School Administrative Services	392,123.95			392,123.95
Other Administrative Services	1,249,658.04			1,249,658.04
Plant Operation and Maintenance	2,161,622.40	-		2,161,622.40
Transportation Services	133,343.08			133,343.08
Employee Benefits	4,541,371.06			4,541,371.06
Capital Outlay	278,906.44	9,034.49	3,801,116.28	4,089,057.21
Adult and Continuing Education	1,145,909.99			1,145,909.99
Total Expenditures	<u>16,437,405.85</u>	<u>681,789.20</u>	<u>3,801,116.28</u>	<u>20,920,311.33</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>686,317.48</u>	<u>-</u>	<u>(3,801,116.28)</u>	<u>(3,114,798.80)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(651,456.00)		651,456.00	-
Transfers to Cover Deficit	(112,177.94)			(112,177.94)
ESIP Lease Proceeds			1,715,000.00	1,715,000.00
Adjustment to Prior Year Receivable	(0.51)			(0.51)
Total Other Financing Sources and Uses	<u>(763,634.45)</u>	<u>-</u>	<u>2,366,456.00</u>	<u>1,602,821.55</u>
Net Changes in Fund Balance	(77,316.97)	-	(1,434,660.28)	(1,511,977.25)
Fund Balance - July 1	3,143,403.12	-	2,529,960.34	5,673,363.46
Fund Balance - June 30	<u>\$ 3,066,086.15</u>	<u>-</u>	<u>1,095,300.06</u>	<u>4,161,386.21</u>

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

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
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) \$ (1,511,977.25)

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	(1,787,398.06)	
	Prior Adjustment for Buildings and Improvements	16,209,143.00	
	Construction in Progress	2,328,966.66	
	Capital Assets charged to Accounts Payable	70,300.46	
	Capital Outlays	<u>278,180.93</u>	
			17,099,192.99

Governmental funds report district pension contributions as expenditures.

However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

	District pension contributions - PERS	(594,224.00)	
	Cost of benefits earned net of employee contributions	<u>217,349.00</u>	
			(376,875.00)

Proceeds from debt issues are a financing source in the governmental funds.

They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

			(1,715,000.00)
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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.

			58,719.26
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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.

(7,594.40)

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 (+).

(2,829.81)

Change in Net Position of Governmental Activities

\$ 13,543,635.79

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

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Proprietary Funds
Statement of Net Position
June 30, 2017

	<u>Non-Major Funds</u>	<u>Total 2017</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 498,566.91	498,566.91
Intergovernmental Accounts Receivable	3,159.61	3,159.61
Interfund Accounts Receivable	-	-
Inventory	5,278.21	5,278.21
Total Current Assets	<u>507,004.73</u>	<u>507,004.73</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment		
Less Accumulated Depreciation	<u>152,319.39</u>	<u>152,319.39</u>
Total Noncurrent Assets	<u>152,319.39</u>	<u>152,319.39</u>
Total Assets	<u><u>659,324.12</u></u>	<u><u>659,324.12</u></u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,941.18	2,941.18
Interfunds Payable	-	-
Unearned Revenue	14,825.44	14,825.44
Total Current Liabilities	<u>17,766.62</u>	<u>17,766.62</u>
NET POSITION		
Invested in Capital Assets Net of Related Debt	152,319.39	152,319.39
Unrestricted	489,238.11	489,238.11
Total Net Position	<u><u>\$ 641,557.50</u></u>	<u><u>641,557.50</u></u>

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

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
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	\$ 93,445.88	93,445.88
Daily Sales - Reimbursable Programs	91,717.25	91,717.25
Special Functions	160.00	160.00
Early Childhood Program Fees	30,395.00	30,395.00
Summertime Adventure Fees	19,770.00	19,770.00
Cosmetology Revenue	2,890.00	2,890.00
Hotel/Motel	150.00	150.00
Bake Shop	2,630.00	2,630.00
Culinary Arts	18,078.25	18,078.25
ETTC Revenues	2,050.00	2,050.00
Miscellaneous	-	-
Total Operating Revenue	261,286.38	261,286.38
Operating Expenses:		
Cost of Sales		
Reimbursable Programs	82,393.99	82,393.99
Non-reimbursable Programs	39,928.20	39,928.20
Salaries	140,700.88	140,700.88
Fringe Benefits	1,489.36	1,489.36
Other Purchased Services	126,487.69	126,487.69
Miscellaneous Expenditures	6,820.53	6,820.53
General Supplies	33,563.97	33,563.97
Depreciation	14,801.70	14,801.70
Total Operating Expenses	446,186.32	446,186.32
Operating Income (Loss)	(184,899.94)	(184,899.94)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,145.44	2,145.44
Federal Sources:		
National School Lunch Program	66,481.74	66,481.74
School Breakfast Program	13,669.25	13,669.25
Food Distribution Program	18,816.95	18,816.95
Interest and Investment Income	45.70	45.70
Total Nonoperating Revenues (Expenses)	101,159.08	101,159.08
Income (loss) before Contributions & Transfers	(83,740.86)	(83,740.86)
Capital Contributions (Uses)	-	-
Adjustment to Prior Year Receivable	(39,299.82)	-
Transfers In (Out)	112,177.94	112,177.94
Changes in Net Position	(10,862.74)	28,437.08
Total Net Position - Beginning	652,420.24	652,420.24
Total Net Position - Ending	\$ 641,557.50	680,857.32

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

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Proprietary Funds
Comparative Statement of Cash Flows
For the Year Ended June 30, 2017

	Non-Major Funds	Total 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 257,555.85	257,555.85
Payments to Employees	(140,700.88)	(140,700.88)
Payments for Employee Benefits	(1,489.36)	(1,489.36)
Payments for Supplies and Services	(269,145.74)	(269,145.74)
Net Cash Provided by (Used for) Operating Activities	(153,780.13)	(153,780.13)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,427.95	2,427.95
Federal Sources	89,731.23	89,731.23
Operating Subsidies and Transfers to Other Funds	112,177.94	112,177.94
Net Cash Provided by (Used for) Noncapital Financing Activities	204,337.12	204,337.12
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(90,416.49)	(90,416.49)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(90,416.49)	(90,416.49)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest and Dividends	45.70	45.70
Net Cash Provided by (Used for) Investing Activities	45.70	45.70
Net Increase (Decrease) in Cash and Cash Equivalents	(39,813.80)	(39,813.80)
Balance - Beginning of Year	538,380.71	538,380.71
Balance - End of Year	498,566.91	498,566.91
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(184,899.94)	(184,899.94)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation	14,801.70	14,801.70
Federal Commodities - Non-Cash	18,816.95	18,816.95
(Increase) Decrease in Accounts Receivable	2,720.32	2,720.32
(Increase) Decrease in Inventories	(1,633.60)	(1,633.60)
Increase (Decrease) in Accounts Payable	2,865.29	2,865.29
Increase (Decrease) in Deferred Revenue	(6,450.85)	(6,450.85)
Increase (Decrease) in Interfund Payable	-	-
Total Adjustments	31,119.81	31,119.81
Net Cash Provided by (Used for) Operating Activities	\$ (153,780.13)	(153,780.13)

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

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Fiduciary Funds
Statement of Net Position
June 30, 2017

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 127,100.57	238,175.69	194,808.83
Total Assets	127,100.57	238,175.69	194,808.83
LIABILITIES			
Interfunds Payable	-	-	3,660.00
Flexible Spending Account			2,624.56
Payable to Student Groups	-	-	109,642.23
Payroll Deductions and Withholdings	-	-	78,882.04
Total Liabilities	-	-	194,808.83
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	\$ 127,100.57		
Reserved for Scholarships		238,175.69	

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

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017

	Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Other	\$ 43,062.88	109,024.00
Total Contributions	43,062.88	109,024.00
Investment Earnings:		
Interest	54.99	130.77
Net Investment Earnings	54.99	130.77
Total Additions	43,117.87	109,154.77
DEDUCTIONS		
Scholarships Awarded	-	9,450.00
Miscellaneous		25.50
Total Deductions	-	9,475.50
Changes in Net Position	43,117.87	99,679.27
Net Position - Beginning of the Year	83,982.70	138,496.42
Net Position - End of the Year	\$ 127,100.57	238,175.69

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

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
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 Cape May County Technical 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 Cape May County Technical School District is a Type I District located in the County of Cape May, State of New Jersey. As a Type I District, the School District functions independently through a Board of Education. The Board is comprised of four members appointed to four-year terms, 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 658 students.

In evaluating how to define the governmental reporting entity, the District follows the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, 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 Cape May. The County of Cape May 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 Cape May.

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.

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
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, Early Childhood/Summertime Adventure/Lab School, Job Cards and Education Technology Training Center 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.

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
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

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users 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;

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

An Early Childhood/Summertime Adventures Fund, which accounts for all revenues and expenses pertaining to these separate programs.

A Job Card Fund, which accounts for all revenues and expenses pertaining to the job cards operated by the district for different vocations such as culinary arts, the bake shop, auto mechanics, etc.

An Educational Technology Training Center Fund, which accounts for all revenues and expenses pertaining to the training center programs.

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.

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

Food	\$	4,548.45
Supplies		<u>729.76</u>
	\$	<u><u>5,278.21</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 \$3,462.68

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	50-65 years

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

5. Revenues:

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

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

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

8. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate 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:

Undistributed Expenditures - Custodial Services		
Lease Purchase Payments-ESIP	\$	98,260.00
Unallocated Benefits - Employee Benefits		
Health Benefits	\$	(368,817.34)
Transfer to Capital Projects Fund	\$	1,383,456.00

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.

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

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

10. Tuition 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.

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.

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

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 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 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. 86 "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. 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, \$5,526,190.16 of the government's bank balance of \$5,048,596.78 was exposed to custodial credit risk.

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**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

NOTE 3. 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>
Governmental Activities:				
Capital assets that are not being depreciated:				
Construction in process	\$ 54,704.83	2,328,966.66		2,383,671.49
Total capital assets not being depreciated	<u>54,704.83</u>	<u>2,328,966.66</u>	<u>-</u>	<u>2,383,671.49</u>
Land Improvements	750,180.00			750,180.00
Bldg and bldg improve	35,520,297.38	16,230,401.00		51,750,698.38
Machinery & equipment	3,770,479.66	327,223.39	(241,248.20)	3,856,454.85
Total at historical cost	<u>40,040,957.04</u>	<u>16,557,624.39</u>	<u>(241,248.20)</u>	<u>56,357,333.23</u>
Less accum depr for:				
Land Improvements	(746,705.00)	(1,390.00)		(748,095.00)
Bldg and bldg improve	(21,041,742.98)	(1,582,527.75)		(22,624,270.73)
Equipment	(2,359,460.03)	(203,480.31)	233,653.80	(2,329,286.54)
Total accum deprec	<u>(24,147,908.01)</u>	<u>(1,787,398.06)</u>	<u>233,653.80</u>	<u>(25,701,652.27)</u>
Total capital assets being depr, net of accum depr	<u>15,893,049.03</u>	<u>14,770,226.33</u>	<u>(7,594.40)</u>	<u>30,655,680.96</u>
Governmental Activities Capital Assets, net	<u>15,947,753.86</u>	<u>17,099,192.99</u>	<u>(7,594.40)</u>	<u>33,039,352.45</u>
Business-Type Activities:				
Equipment	142,331.03	96,986.49	(6,570.00)	232,747.52
Less accum depr for:				
Equipment	(65,626.43)	(16,279.95)	1,478.25	(80,428.13)
Business-Type Activities Capital Assets, net	<u>\$ 76,704.60</u>	<u>80,706.54</u>	<u>(5,091.75)</u>	<u>152,319.39</u>

Depreciation expense was charged to governmental functions as follows:

Instruction		
Regular Instruction	\$	383,003.12
Vocational Instruction		418,202.97
Other Instruction		46,706.29
Support Services		
Student & Instruction Related Services		139,437.16
School Administrative Services		62,754.77
General Administration and Business Services		189,204.90
Plant Operation and Maintenance		326,554.48
Pupil Transportation		14,093.13
Adult and Continuing Education		207,441.25
Total Depreciation Expense	\$	<u>1,787,398.06</u>

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

NOTE 4. 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.

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 \$631,289.00, \$452,184.00, and \$322,072.00,

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2017, 2016 and 2015 were \$230,049.30,, \$223,915.00, and \$221,409.00 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 \$526,008.00, \$538,426.00 and \$511,289.00, 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 \$424,371.12, \$432,102.78, and \$432,815.86, 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 ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

- 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.
- 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 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also required the State to make its full pension contribution, defined at 1/7th 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 5. PUBLIC EMPLOYEES RETIREMENT SYSTEM

At June 30, 2017, the District reported a liability of \$7,246,012 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

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

employers, actuarially determined. At June 30, 2016, the District's proportion was .02446561170%, which was a decrease of 6.06% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$376,875.00. 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	\$ 134,754.00	
Changes of assumptions	1,500,987.00	
Net difference between projected and actual earnings on pension plan investments	276,297	
Changes in proportion and differences between District contributions and proportionate share of contributions		406,963.00
District contributions subsequent to the measurement date	217,349.00	
Total	\$ 2,129,387.00	\$ 406,963.00

\$217,349 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	\$	340,608.00
2019		340,608.00
2020		389,385.00
2021		325,850.00
2022		108,624.00
Total	\$	1,505,075.00

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**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

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%

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:

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

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	\$ 8,683,648	7,246,012	6,060,393.27

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
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 6. 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>44,429,116.00</u>
Total	<u>\$</u>	<u>44,429,116.00</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 \$2,888,441 and revenue of \$2,888,441 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	\$ 156,569.00	75,981.00
Changes of assumptions	8,868,585.00	
Net difference between projected and actual earnings on pension plan investments	\$ 810,305	-
Changes in proportion and differences between District contributions and proportionate share of contributions		1,752,066.00
District contributions subsequent to the measurement date	<u>449,789.00</u>	
Total	<u>\$ 10,285,248.00</u>	<u>1,828,047.00</u>

\$449,789 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:

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

Year ended June 30,	
2018	\$ 1,176,325.00
2019	1,176,325.00
2020	1,378,042.00
2021	1,288,774.00
2022	1,088,658.00
Thereafter	1,899,288.00
Total	<u>\$ 8,007,412.00</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:

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

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	\$ -	-	-

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
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 TPAF financial report.

NOTE 7. POST-RETIREMENT BENEFITS

P.L. 1987, 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 c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for 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, c. 62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis in Fiscal Year 1994..

The State is also responsible for the cost attributable to P.L. 1992, c. 126,, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (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 8. 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:

Lincoln Investment Planning
AXA Equitable
ABCO-ING

NOTE 9. 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. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

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.

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

NOTE 10. OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire in fiscal years 2018 through 2022. Total operating lease payments made during the year ended June 30, 2017 were \$22,449.76. Future minimum lease payments are as follows:

Fiscal Year End June 30,	Payment
2018	\$ 26,548.50
2019	26,287.36
2020	25,100.70
2021	22,393.15
2022	15,719.00
Total	\$ <u>116,048.71</u>

NOTE 11. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of \$1.00 on October 17, 2000 retroactive to October 13, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A 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	\$ 1,882,528.63
Interest Earnings	450.00
Deposits:	
Transfer of Current Year Surplus, June 30, 2017	<u>500,000.00</u>
	2,382,978.63
Withdrawals:	
Transfer to Capital Projects Fund	<u>651,456.00</u>
Ending Balance, June 30, 2017	<u>\$ 1,731,522.63</u>

NOTE 12. MAINTENANCE RESERVE ACCOUNT

New Jersey Administrative Code 6A:23A-14.2 permits school districts to establish a maintenance reserve account for required maintenance of the District's facilities, in accordance with the Commissioner approved plan. The District can only increase the balance in this reserve account by appropriating funds in the annual general fund budget certified for taxes.

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

Beginning balance, July 1, 2016		\$	870,274.00
Interest earnings			150
Deposits:			
Transfer of Current Year Surplus			77,116.00
			\$ 947,390.00
Withdrawals:			
None			-
			-
Ending balance, June 30, 2017			\$ 947,390.00

NOTE 13. GENERAL LONG-TERM DEBT

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

	Balance June 30, 2016	Issued	Retired	Balance June 30, 2017
Governmental Activities				
Compensated Absences Payable	\$ 720,138.20	375,124.98	372,295.17	722,968.01
Net Pension Liability	5,846,524.00	1,616,837.00	217,349.00	7,246,012.00
Obligations under Capital Leases	6,566,662.20	1,715,000.00	58,719.26	1,656,280.74
Total Governmental Activities	6,566,662.20	3,706,961.98	648,363.43	9,625,260.75
Total Debt	\$ 6,566,662.20	3,706,961.98	648,363.43	9,625,260.75

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

Capital Leases Payable – Commencing May 26, 2016, the District is leasing various equipment totaling \$1,715,000 under capital leases. The lease is for a term of 15 years and semiannual lease payments in amounts ranging from \$51,380.00 to \$85,084.09 will be made to Sterling National Bank. Payments include interest at a rate of 2.59% per annum. The following is a schedule of the future minimum lease payments under the capital lease and the net minimum lease payments at June 30, 2017.

		Total
FY18	\$	123,141.99
FY19		126,111.99
FY20		129,147.99
FY21		132,252.08
FY22		132,415.98
FY23-FY27		712,197.95
FY28-FY31		650,322.24
Total minimum lease payments		2,005,590.22
Less amount representing interest		349,309.48
Present value of lease payments	\$	1,656,280.74

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 85,210.08	\$
Special Revenue Fund		78,706.21
Capital Projects Fund		2,843.87
Agency Fund		3,660.00
Total	\$ <u>85,210.08</u>	\$ <u>85,210.08</u>

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.

NOTE 15. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) – Of the \$3,066,086.15 General Fund fund balance, at June 30, 2017, \$0.00 is reserved as excess surplus in accordance with NJSA 18A:7F-7, \$1,731,522.63 has been reserved in the Capital Reserve Account; \$947,540.00 has been reserved in the Maintenance Reserve Account; \$0.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$45,313.71 has been assigned for other purposes and \$341,709.81 has been classified as Unassigned.

Capital Projects Fund – Of the \$1,095,300.06 Capital Projects Fund balance, at June 30, 2017, \$501,463.17 is restricted for a Capital project for additions and renovations to the Technical High School, approved on August 23, 2005; \$593,836.89 has been committed for construction contracts payable authorized by the Board of Education for various capital projects.

NOTE 16. 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 \$0.

NOTE 17. 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 converted from the "Benefit Reimbursement Method" to the "Contributory Method" beginning in January 2005. 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:

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(CONTINUED)**

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Ending Balance</u>
2015-2016	\$ 83,982.70	43,062.88	-	54.99	127,100.57
2014-2015	4,330.58	79,645.28	-	6.84	83,982.70
2014-2015	4,328.70	-	-	1.88	4,330.58

NOTE 18. LITIGATION

From time to time, the District is a defendant or plaintiff in legal proceedings relating to its operations as a school district. The District is involved in two litigations and the matters are ongoing and an estimate of damages cannot be determined at this time.

NOTE 19. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 13, 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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Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
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)
REVENUES:					
Local Sources:					
County Line Item Appropriation	\$ 7,614,862.00		7,614,862.00	7,614,862.00	-
Tuition	5,891,918.00		5,891,918.00	5,890,351.00	(1,567.00)
Nonresident Fees	16,678.00		16,678.00	34,411.06	17,733.06
Adult Educataion Testing Center Fees	4,600.00		4,600.00	8,572.00	3,972.00
Interest on Maintenance Reserve	150.00		150.00	-	(150.00)
Interest on Capital Reserve	150.00		150.00	-	(150.00)
Other Restricted Miscellaneous Revenue	455,902.00		455,902.00	416,675.51	(39,226.49)
Unrestricted Miscellaneous Revenue	64,400.00		64,400.00	172,875.64	108,475.64
Total Local Sources	14,048,660.00	-	14,048,660.00	14,137,747.21	89,087.21
State Sources:					
Categorical Special Education Aid	349,150.00		349,150.00	349,150.00	-
Categorical Security Aid	74,927.00		74,927.00	74,927.00	-
Adjustment Aid	952,562.00		952,562.00	952,562.00	-
PARCC Readiness Aid	6,450.00		6,450.00	6,450.00	-
Per Pupil Growth Aid	6,450.00		6,450.00	6,450.00	-
Professional Learning Community Aid	6,510.00		6,510.00	6,510.00	-
Lead Water Testing for Schools				2,592.00	2,592.00
TPAF Pension (On-Behalf - Non-Budgeted)					
Teachers Pension and Annuity Fund			-	631,289.00	631,289.00
TPAF - Post Retirement Medical			-	526,008.00	526,008.00
TPAF-Long-Term Disability Insurance Premium Contribution				1,093.00	1,093.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	424,371.12	424,371.12
Total State Sources	1,396,049.00	-	1,396,049.00	2,981,402.12	1,585,353.12
Total Revenues	15,444,709.00	-	15,444,709.00	17,119,149.33	1,674,440.33
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION GRADES 9-12					
Salaries of Teachers	2,410,791.00	(29,278.33)	2,381,512.67	2,378,615.20	2,897.47
Other Purchased Services (400-500 series)	20,640.00	-	20,640.00	18,660.92	1,979.08
General Supplies	56,717.00	16,382.17	73,099.17	67,583.11	5,516.06
Textbooks	35,000.00	(10,091.03)	24,908.97	24,908.97	-
Other Objects				-	-
Regular Programs - Home Instruction				-	-
Salaries of Teachers	6,600.00	(596.00)	6,004.00	3,637.50	2,366.50
Purchased Professional - Educational Services	1,000.00	596.00	1,596.00	1,596.00	-
Other Purchased Services (400-500 series)	750.00	-	750.00	164.84	585.16
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,531,498.00	(22,987.19)	2,508,510.81	2,495,166.54	13,344.27
VOCATIONAL PROGRAMS - INSTRUCTION					
Regular Vocational Programs - Instruction					
Salaries of Teachers	1,434,728.00	(2,645.96)	1,432,082.04	1,428,388.29	3,693.75
Other Salaries for Instruction	150,592.00	3,327.23	153,919.23	153,919.23	-
Other Purchased Services (400-500 series)	88,985.00	(15,156.24)	73,828.76	56,931.31	16,897.45
General Supplies	244,419.00	95,298.74	339,717.74	320,276.09	19,441.65
Textbooks		2,846.40	2,846.40	-	2,846.40
Other Objects	8,500.00	171.00	8,671.00	3,340.00	5,331.00
Total Regular Vocational Programs - Instruction	1,927,224.00	83,841.17	2,011,065.17	1,962,854.92	48,210.25
Special Vocational Programs - Instruction					
Salaries of Teachers	790,650.00	(8,286.80)	782,363.20	782,363.20	-
Other Salaries for Instruction		21,261.97	21,261.97	21,261.97	-
General Supplies	46,281.00	10,113.85	56,394.85	52,733.88	3,660.97
Textbooks				-	-
Total Special Vocational Programs - Instruction	836,931.00	23,089.02	860,020.02	856,359.05	3,660.97
TOTAL VOCATIONAL PROGRAMS - INSTRUCTION	2,764,155.00	106,930.19	2,871,085.19	2,819,213.97	51,871.22

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)**

**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)
School-Spon. Cocurricular Activities - Instruction					
Salaries	45,100.00	(8,174.61)	36,925.39	34,650.00	2,275.39
Purchased Services (300-500 series)	2,500.00	15,444.61	17,944.61	17,944.61	-
Supplies & Materials	3,000.00	-	3,000.00	1,802.36	1,197.64
Other Objects	20,500.00	-	20,500.00	18,740.10	1,759.90
Total School-Spon. Cocurricular Activities - Inst.	<u>71,100.00</u>	<u>7,270.00</u>	<u>78,370.00</u>	<u>73,137.07</u>	<u>5,232.93</u>
School-Spon. Cocurricular Athletics - Instruction					
Salaries	164,035.00	(16,170.29)	147,864.71	144,622.30	3,242.41
Purchased Services (300-500 series)	33,575.00	(567.64)	33,007.36	31,022.24	1,985.12
Supplies & Materials	26,000.00	22,828.56	48,828.56	41,705.55	7,123.01
Other Objects	11,000.00	204.28	11,204.28	11,204.28	-
Total School-Spon. Cocurricular Athletics - Inst.	<u>234,610.00</u>	<u>6,294.91</u>	<u>240,904.91</u>	<u>228,554.37</u>	<u>12,350.54</u>
Other Instructional Programs - Instruction					
Supplies & Materials	3,000.00	(133.42)	2,866.58	2,752.55	114.03
Total Other Instructional Programs - Inst.	<u>3,000.00</u>	<u>(133.42)</u>	<u>2,866.58</u>	<u>2,752.55</u>	<u>114.03</u>
TOTAL INSTRUCTION	<u>5,604,363.00</u>	<u>97,374.49</u>	<u>5,701,737.49</u>	<u>5,618,824.50</u>	<u>82,912.99</u>
UNDISTRIBUTED EXPENDITURES					
Undistributed Expend. - Attendance & Social Work					
Salaries	51,580.00	(777.50)	50,802.50	50,802.50	-
Total Undistributed Expend. - Attend & Social Work	<u>51,580.00</u>	<u>(777.50)</u>	<u>50,802.50</u>	<u>50,802.50</u>	<u>-</u>
Undistributed Expend. - Health Services					
Salaries	84,776.00	2,783.75	87,559.75	87,559.75	-
Purchased Professional and Technical Services	800.00	(200.00)	600.00	591.38	8.62
Other Purchased Services (400-500 series)	950.00	(466.20)	483.80	105.00	378.80
Supplies & Materials	4,000.00	5,157.89	9,157.89	8,595.39	562.50
Other Objects	150.00	-	150.00	-	150.00
Total Undistributed Expend. - Health Services	<u>90,676.00</u>	<u>7,275.44</u>	<u>97,951.44</u>	<u>96,851.52</u>	<u>1,099.92</u>
Undistributed Expend. - Guidance					
Salaries of Other Professional Staff	211,486.00	2,413.28	213,899.28	213,899.28	-
Salaries of Secretarial and Clerical Assistants	125,398.00	(10,081.23)	115,316.77	114,878.21	438.56
Other Purchased Services (400-500 series)	200.00	-	200.00	88.68	111.32
Supplies & Materials	10,300.00	(327.48)	9,972.52	9,622.00	350.52
Other Objects	2,800.00	327.48	3,127.48	3,127.48	-
Total Undistributed Expend. - Guidance	<u>350,184.00</u>	<u>(7,667.95)</u>	<u>342,516.05</u>	<u>341,615.65</u>	<u>900.40</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	141,160.00	(368.03)	140,791.97	140,791.97	-
Unused Vacation Payment to Termin/Retired Staff		2,270.85	2,270.85	2,270.85	-
Purchased Professional - Educational Services	6,200.00	9,531.26	15,731.26	15,731.26	-
Other Purchased Services (400-500 series)	150.00	-	150.00	110.28	39.72
Supplies & Materials	4,000.00	(2,136.33)	1,863.67	650.66	1,213.01
Other Objects	1,070.00	-	1,070.00	1,070.00	-
Total Undist. Expend. - Child Study Teams	<u>152,580.00</u>	<u>9,297.75</u>	<u>161,877.75</u>	<u>160,625.02</u>	<u>1,252.73</u>

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)**

**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	104,692.00	225.50	104,917.50	104,917.48	0.02
Salaries of Other Professional Staff	1,000.00	650.00	1,650.00	-	1,650.00
Salaries of Secretarial and Clerical Assistants	35,001.00	(1,050.79)	33,950.21	29,050.60	4,899.61
Unused Vacation Payment to Termin/Retired Staff	4,900.00	(624.25)	4,275.75	655.00	3,620.75
Other Purchased Services (400-500 series)	2,600.00	(120.57)	2,479.43	2,185.15	294.28
Supplies & Materials	375.00	-	375.00	60.00	315.00
Other Objects	1,070.00	-	1,070.00	1,070.00	-
Total Undist. Expend. - Improvement of Inst. Serv.	<u>149,638.00</u>	<u>(920.11)</u>	<u>148,717.89</u>	<u>137,938.23</u>	<u>10,779.66</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	89,655.00	(2,832.60)	86,822.40	86,552.95	269.45
Other Purchased Services (400-500 series)		599.00	599.00	599.00	-
Supplies & Materials	17,214.00	2,910.09	20,124.09	17,800.38	2,323.71
Other Objects	250.00	-	250.00	-	250.00
Total Undistributed Expenditures - Educational Media Services - School Library	<u>107,119.00</u>	<u>676.49</u>	<u>107,795.49</u>	<u>104,952.33</u>	<u>2,843.16</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisor of Instruction	11,923.00	(225.53)	11,697.47	11,657.52	39.95
Salaries of Secretarial and Clerical Assistants	2,724.00	504.53	3,228.53	3,228.53	-
Unused Vacation Payment to Termin/Retired Staff		3,052.90	3,052.90	3,052.90	-
Other Purchased Services (400-500 series)	5,200.00	29.57	5,229.57	4,922.19	307.38
Total Undistributed Expenditures - Instructional Staff Training Services	<u>19,847.00</u>	<u>3,361.47</u>	<u>23,208.47</u>	<u>22,861.14</u>	<u>347.33</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	292,478.00	1,393.62	293,871.62	293,871.62	-
Unused Vacation Payment to Termin/Retired Staff	4,760.00	(2,775.80)	1,984.20	1,374.85	609.35
Legal Services	30,000.00	19,147.62	49,147.62	49,147.62	-
Audit Fees	24,900.00	-	24,900.00	24,900.00	-
Other Purchased Professional Services	10,000.00	5,192.25	15,192.25	15,192.25	-
Communications/Telephone	51,900.00	(2,765.44)	49,134.56	46,945.38	2,189.18
BOE Other Purchased Services	11,500.00	(11,281.92)	218.08	-	218.08
Other Purchased Services (400-500 series)	42,585.00	6,666.00	49,251.00	47,184.63	2,066.37
General Supplies	7,000.00	12,964.97	19,964.97	17,700.41	2,264.56
BOE In-House Training/Meeting Supplies	1,800.00	-	1,800.00	1,145.00	655.00
Miscellaneous Expenditures	22,500.00	1,512.32	24,012.32	23,957.32	55.00
BOE Membership Dues and Fees	7,000.00	(422.65)	6,577.35	6,100.90	476.45
Total Undistributed Expenditures - Support Services - General Administration	<u>506,423.00</u>	<u>29,630.97</u>	<u>536,053.97</u>	<u>527,519.98</u>	<u>8,533.99</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	298,575.00	(837.00)	297,738.00	295,625.00	2,113.00
Salaries of Secretarial and Clerical Assistants	72,059.00	(14,163.00)	57,896.00	57,896.00	-
Unused Vacation Payment to Termin/Retired Staff	12,500.00	-	12,500.00	5,176.99	7,323.01
Other Purchased Services (400-500 series)	14,850.00	-	14,850.00	13,492.49	1,357.51
Supplies & Materials	8,300.00	8,141.42	16,441.42	12,861.05	3,580.37
Other Objects	8,500.00	(1.00)	8,499.00	7,072.42	1,426.58
Total Undistributed Expenditures - Support Services - School Administration	<u>414,784.00</u>	<u>(6,859.58)</u>	<u>407,924.42</u>	<u>392,123.95</u>	<u>15,800.47</u>
Undist. Expend. - Central Services					
Salaries	341,177.00	-	341,177.00	336,792.41	4,384.59
Unused Vacation Payment to Termin/Retired Staff	10,500.00	-	10,500.00	3,084.30	7,415.70
Misc. Purchased Services (400-500 series)	39,630.00	-	39,630.00	36,754.13	2,875.87
Supplies & Materials	11,200.00	(25.00)	11,175.00	4,251.44	6,923.56
Miscellaneous Expenditures	1,500.00	25.00	1,525.00	1,525.00	-
Total Undistributed Expenditures - Central Services	<u>404,007.00</u>	<u>-</u>	<u>404,007.00</u>	<u>382,407.28</u>	<u>21,599.72</u>

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)**

**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	255,671.00	1,415.98	257,086.98	257,086.98	-
Unused Vacation Payment to Termin/Retired Staff	3,618.00	(3,480.60)	137.40	-	137.40
Purchased Technical Services	39,441.00	24,688.07	64,129.07	46,750.07	17,379.00
Other Purchased Services (400-500 series)	15,654.00	(15,282.00)	372.00	372.00	-
Supplies & Materials	25,755.00	9,768.28	35,523.28	35,521.73	1.55
Total Undistributed Expenditures - Admin Info Tech	340,139.00	17,109.73	357,248.73	339,730.78	17,517.95
Undist. Expend. - Required Maint. School Facilities					
Salaries	170,603.00	3,988.58	174,591.58	174,591.58	-
Cleaning, Repair and Maintenance Service	162,586.00	21,284.36	183,870.36	183,870.36	-
General Supplies	51,613.00	(26,641.13)	24,971.87	20,693.85	4,278.02
Total Undistributed Expenditures - Required Maintenance for School Facilities	384,802.00	(1,368.19)	383,433.81	379,155.79	4,278.02
Undist. Expend. - Custodial Services					
Salaries	513,970.00	24,187.82	538,157.82	536,760.56	1,397.26
Unused Vacation Payment to Termin/Retired Staff	5,000.00	(135.63)	4,864.37	2,460.50	2,403.87
Purchased Professional and Technical Services	99,641.00	15,336.59	114,977.59	109,225.07	5,752.52
Cleaning, Repair and Maintenance Service	121,260.00	27,350.80	148,610.80	147,436.12	1,174.68
Rental of Land and Buildings	2,480.00	(549.98)	1,930.02	333.02	1,597.00
Other Purchased Property Services	48,000.00	-	48,000.00	47,754.41	245.59
Insurance	165,053.00	(6,214.43)	158,838.57	156,840.90	1,997.67
General Supplies	52,700.00	27,607.52	80,307.52	77,597.68	2,709.84
Energy (Natural Gas)	254,000.00	(77,544.58)	176,455.42	171,224.37	5,231.05
Energy (Electricity)	467,697.00	(40,922.63)	426,774.37	422,429.35	4,345.02
Energy (Oil)	39,292.00	(39,181.37)	110.63	110.63	-
Lease Purchase Payments-Energy Savings Imp Prog	4,500.00	98,260.00	102,760.00	102,760.00	-
Other Objects	-	7,534.00	7,534.00	7,534.00	-
Total Undist. Expend. - Custodial Services	1,773,593.00	35,728.11	1,809,321.11	1,782,466.61	26,854.50
Total Undistributed Expenditures Operations and Maintenance of Plant	2,158,395.00	34,359.92	2,192,754.92	2,161,622.40	31,132.52
Undist. Expend. - Student Transportation Serv.					
Salaries - Pupil Trans. (Bet Home & Sch.)	250.00	212.01	462.01	462.01	-
Cleaning, Repair and Maintenance Service	5,500.00	2,038.58	7,538.58	7,538.58	-
Contracted Services - (Oth Bet. Home & School)	11,000.00	29,108.04	40,108.04	40,058.04	50.00
Cont Services - (Bet Home & School) - Joint	5,500.00	1,790.00	7,290.00	7,290.00	-
Contracted Services - (ESC's & CTSA's)	68,000.00	6,819.99	74,819.99	74,819.99	-
General Supplies	2,500.00	524.46	3,024.46	3,024.46	-
Other Objects	400.00	(232.82)	167.18	150.00	17.18
Total Undistributed Expenditures - Student Transportation Services	93,150.00	40,260.26	133,410.26	133,343.08	67.18
Unallocated Benefits - Employee Benefits					
Group Insurance	3,200.00	-	3,200.00	3,021.46	178.54
Social Security Contribution	252,968.00	30.30	252,998.30	221,993.66	31,004.64
Other Retirement Contributions - PERS	267,234.00	(27,457.58)	239,776.42	230,049.30	9,727.12
Unemployment Compensation	37,151.00	12,473.63	49,624.63	49,624.63	-
Workmen's Compensation	175,000.00	(12,473.63)	162,526.37	144,712.00	17,814.37
Health Benefits	2,638,707.00	(368,817.34)	2,269,889.66	2,269,757.89	131.77
Tuition Reimbursement	22,000.00	-	22,000.00	12,952.11	9,047.89
Other Employee Benefits	45,000.00	(43,501.11)	1,498.89	1,498.89	-
Unused Vacation Payment to Termin/Retired Staff	-	44,572.14	44,572.14	25,000.00	19,572.14
Total Unallocated Benefits - Employee Benefits	3,441,260.00	(395,173.59)	3,046,086.41	2,958,609.94	87,476.47

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
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)
On-Behalf Contributions					
On-Behalf TPAF Pension (nonbudgeted)					
Teachers Pension and Annuity Fund				631,289.00	(631,289.00)
TPAF - Post Retirement Medical				526,008.00	(526,008.00)
TPAF-Long-Term Disability Insurance Premium Contribution				1,093.00	(1,093.00)
Reimbursed TPAF Social Security Cont.(non-bud)				424,371.12	(424,371.12)
Total On-Behalf Contributions	-	-	-	1,582,761.12	(1,582,761.12)
Total Personal Services - Employee Benefits	3,441,260.00	(395,173.59)	3,046,086.41	4,541,371.06	(1,495,284.65)
TOTAL UNDISTRIBUTED EXPENDITURES	8,279,782.00	(269,426.70)	8,010,355.30	9,393,764.92	(1,383,409.62)
TOTAL GENERAL CURRENT EXPENSE	13,884,145.00	(172,052.21)	13,712,092.79	15,012,589.42	(1,300,496.63)
CAPITAL OUTLAY					
Equipment					
Grades 9-12	25,400.00	(1,175.00)	24,225.00	24,225.00	-
Vocational Programs - Regular	12,000.00	21,320.30	33,320.30	30,862.30	2,458.00
School-Sponsored and Other Instructional Programs		65,284.99	65,284.99	54,534.99	10,750.00
Undistributed Expenditures:					
Central Services		35,677.28	35,677.28	35,677.28	-
Admin Info Technology		59,677.84	59,677.84	59,677.84	-
Required Maintenance for School Facilities	59,500.00	4,669.03	64,169.03	64,169.03	-
Special Schools - All Programs		6,709.20	6,709.20	-	6,709.20
Total Equipment	96,900.00	192,163.64	289,063.64	269,146.44	19,917.20
Facilities Acquisition and Construction Services:					
Construction Services				-	-
Other Objects				-	-
Assessment for Debt Service on SDA	9,760.00	-	9,760.00	9,760.00	-
Interest Deposit to Maintenance Reserve	150.00	-	150.00	-	150.00
Interest Deposit to Capital Reserve	150.00	300.00	450.00	-	450.00
Total Facilities Acquisition and Construction Services	10,060.00	300.00	10,360.00	9,760.00	600.00
TOTAL CAPITAL OUTLAY	106,960.00	192,463.64	299,423.64	278,906.44	20,517.20
SPECIAL SCHOOLS					
Post-Secondary - Instruction:					
Salaries of Teachers	432,328.00	-	432,328.00	410,686.16	21,641.84
Other Salaries for Instruction	31,001.00	-	31,001.00	30,796.68	204.32
Other Purchased Services (400-500 series)	2,500.00	-	2,500.00	1,220.64	1,279.36
General Supplies	105,538.00	(14,995.20)	90,542.80	65,643.16	24,899.64
Textbooks	34,000.00	14,995.20	48,995.20	40,295.54	8,699.66
Other Objects	22,500.00	-	22,500.00	8,201.20	14,298.80
Total Post-Secondary - Instruction	627,867.00	-	627,867.00	556,843.38	71,023.62
Post-Secondary - Support Services:					
Salaries	63,336.00	(1,191.19)	62,144.81	51,572.61	10,572.20
Unused Vacation Payment to Termin/Retired Staff		1,625.00	1,625.00	966.00	659.00
Personal Services - Employee Benefits	110,022.00	9,931.45	119,953.45	119,953.45	-
Supplies and Materials	2,000.00	(433.81)	1,566.19	1,038.15	528.04
Total Post-Secondary - Support Services	175,358.00	9,931.45	185,289.45	173,530.21	11,759.24
Total Post-Secondary Programs	803,225.00	9,931.45	813,156.45	730,373.59	82,782.86
Summer School - Instruction:					
Salaries of Teachers	25,000.00	-	25,000.00	19,344.00	5,656.00
Total Summer School - Instruction	25,000.00	-	25,000.00	19,344.00	5,656.00

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)**

**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)
Summer School - Support Services:					
Salaries	7,400.00	-	7,400.00	6,551.88	848.12
Total Summer School - Support Services	7,400.00	-	7,400.00	6,551.88	848.12
Total Summer School	32,400.00	-	32,400.00	25,895.88	6,504.12
Accredited Evening/Adult H.S./Post-Grad. - Instruction:					
Salaries of Teachers	35,000.00	(9,518.92)	25,481.08	12,760.00	12,721.08
General Supplies	500.00	9,518.92	10,018.92	10,017.92	1.00
Total Accredited Evening/Adult H.S./Post-Grad. - Instruction	35,500.00	-	35,500.00	22,777.92	12,722.08
Accredited Evening/Adult H.S./Post-Grad. - Support Services:					
Salaries	136,536.00	(21,307.82)	115,228.18	87,322.56	27,905.62
Unused Vacation Payment to Termin/Retired Staff	2,599.00	-	2,599.00	-	2,599.00
Personal Services - Employee Benefits	40,166.00	(1,356.18)	38,809.82	18,950.79	19,859.03
Other Purchased Services (400-500 series)	475.00	-	475.00	160.43	314.57
Supplies and Materials	2,200.00	-	2,200.00	275.17	1,924.83
Total Accredited Evening/Adult H.S./Post-Grad. - Support Services	181,976.00	(22,664.00)	159,312.00	106,708.95	52,603.05
Total Accredited Evening/Adult H.S./Post-Grad.	217,476.00	(22,664.00)	194,812.00	129,486.87	65,325.13
Adult Education - Local - Instruction:					
Salaries of Teachers	50,000.00	-	50,000.00	29,485.50	20,514.50
General Supplies	7,617.00	270.04	7,887.04	5,500.66	2,386.38
Other Objects	500.00	-	500.00	113.57	386.43
Total Adult Education - Local - Instruction	58,117.00	270.04	58,387.04	35,099.73	23,287.31
Adult Education - Local - Support Services:					
Salaries	60,593.00	(14,669.97)	45,923.03	39,870.24	6,052.79
Personal Services - Employee Benefits	12,225.00	-	12,225.00	6,217.88	6,007.12
Other Purchased Services (400-500 series)	9,500.00	(1,805.75)	7,694.25	5,594.69	2,099.56
Supplies & Materials	500.00	1,826.06	2,326.06	2,326.06	-
Total Adult Education - Local - Support Services	82,818.00	(14,649.66)	68,168.34	54,008.87	14,159.47
Total Adult Education	140,935.00	(14,379.62)	126,555.38	89,108.60	37,446.78
Vocational Evening - Local - Instruction:					
Salaries of Teachers	65,000.00	(8,408.00)	56,592.00	43,066.50	13,525.50
General Supplies	10,900.00	8,674.27	19,574.27	17,598.30	1,975.97
Textbooks	9,000.00	-	9,000.00	-	9,000.00
Total Vocational Evening - Local - Instruction	84,900.00	266.27	85,166.27	60,664.80	24,501.47
Vocational Evening - Support Services:					
Salaries	60,443.00	(7,880.62)	52,562.38	48,333.52	4,228.86
Unused Vacation Payment to Termin/Retired Staff	12,225.00	3,480.82	15,705.82	15,705.82	-
Personal Services - Employee Benefits	9,700.00	11,931.20	11,931.20	6,217.88	5,713.32
Other Purchased Services (400-500 series)	9,700.00	(733.04)	8,966.96	6,220.82	2,746.14
Supplies and Materials	1,700.00	-	1,700.00	303.29	1,396.71
Other Objects	3,500.00	-	3,500.00	1,520.98	1,979.02
Total Vocational Evening - Support	87,568.00	6,798.36	94,366.36	78,302.31	16,064.05
Total Vocational Evening	172,468.00	7,064.63	179,532.63	138,967.11	40,565.52

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
General Fund
Budgetary Comparison Schedule
For the Year ended June 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Under/(Over)</u>
General Education Development (GED)/High School Equivalency (HSE) Test Centers:					
Salaries		29,205.32	29,205.32	29,153.34	51.98
Supplies & Materials	4,600.00	(46.20)	4,553.80	2,924.60	1,629.20
Total GED/HSE Test Centers	<u>4,600.00</u>	<u>29,159.12</u>	<u>33,759.12</u>	<u>32,077.94</u>	<u>1,681.18</u>
TOTAL SPECIAL SCHOOLS	<u>1,371,104.00</u>	<u>9,111.58</u>	<u>1,380,215.58</u>	<u>1,145,909.99</u>	<u>234,305.59</u>
TOTAL EXPENDITURES	<u>15,362,209.00</u>	<u>29,523.01</u>	<u>15,391,732.01</u>	<u>16,437,405.85</u>	<u>(1,045,673.84)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 <u>82,500.00</u>	 <u>(29,523.01)</u>	 <u>52,976.99</u>	 <u>681,743.48</u>	 <u>628,766.49</u>
 Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfer to Cover Deficit (Enterprise Fund)	(82,500.00)	(29,677.94)	(112,177.94)	(112,177.94)	-
Transfer to Capital Projects Fund		(1,383,456.00)	(1,383,456.00)	(651,456.00)	732,000.00
Adjustment to Prior Year Receivable			-	(0.51)	(0.51)
Total Other Financing Sources:	<u>(82,500.00)</u>	<u>(1,413,133.94)</u>	<u>(1,495,633.94)</u>	<u>(763,634.45)</u>	<u>731,999.49</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	 -	 (1,442,656.95)	 (1,442,656.95)	 (81,890.97)	 1,360,765.98
 Fund Balance July 1	 <u>\$3,286,614.12</u>	 <u>-</u>	 <u>3,286,614.12</u>	 <u>3,286,614.12</u>	 <u>-</u>
 Fund Balance June 30	 <u>\$ 3,286,614.12</u>	 <u>(1,442,656.95)</u>	 <u>1,843,957.17</u>	 <u>3,204,723.15</u>	 <u>1,360,765.98</u>
 Recapitulation:					
Nonspendable Fund Balance:					
Restricted Fund Balance:					
Committed Fund Balance:					
Capital Reserve Account				1,731,522.63	
Maintenance Reserve				947,540.00	
Assigned Fund Balance:					
Year End Encumbrances				45,313.71	
Unassigned Fund Balance				<u>480,346.81</u>	
				<u>3,204,723.15</u>	
 Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				(138,637.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,066,086.15</u>	

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 2,000.00	146,206.50	148,206.50	30,153.96	(118,052.54)
State Sources	58,011.00	37,482.00	95,493.00	91,993.00	(3,500.00)
Federal Sources	475,242.00	80,084.00	555,326.00	555,326.00	-
Total Revenues	535,253.00	263,772.50	799,025.50	677,472.96	(121,552.54)
EXPENDITURES:					
Instruction:					
Salaries	282,073.00	(83,306.00)	198,767.00	195,694.70	3,072.30
Purchased Professional - Technical Services	6,271.00	20,516.23	26,787.23	26,787.23	-
Other Purchased Services (400-500 series)	4,051.00	4,801.60	8,852.60	8,852.60	-
General Supplies	60,465.00	245,358.00	305,823.00	195,881.11	109,941.89
Total Instruction	352,860.00	187,369.83	540,229.83	427,215.64	113,014.19
Support Services:					
Salaries	161,911.00	(64,598.56)	97,312.44	93,812.44	3,500.00
Salaries - Supervisor of Instruction	4,678.00	6,667.70	11,345.70	11,345.70	-
Personal Services - Employee Benefits	330.00	55,375.22	55,705.22	55,470.21	235.01
Purchased Professional - Technical Services	2,000.00	23,554.99	25,554.99	25,554.99	-
Travel	264.00	1,367.59	1,631.59	1,631.59	-
Purchased Property Services		534.62	534.62	534.62	-
Other Purchased Services (400-500 series)	110.00	28,165.86	28,275.86	27,355.95	919.91
Supplies & Materials	500.00	19,295.76	19,795.76	15,627.33	4,168.43
Other Objects	-	11,730.00	11,730.00	9,890.00	1,840.00
Total Support Services	169,793.00	82,093.18	251,886.18	241,222.83	10,663.35
Custodial Services:					
Electricity	-	-	-	-	-
Total Custodial Services	-	-	-	-	-
Facilities Acquisition and Constr. Services:					
Instructional Equipment	12,600.00	(5,690.51)	6,909.49	9,034.49	(2,125.00)
Construction Services	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	12,600.00	(5,690.51)	6,909.49	9,034.49	(2,125.00)
Total Outflows	535,253.00	263,772.50	799,025.50	677,472.96	121,552.54
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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**Board of Education for Vocational Schools, County of Cape May
 (A Component Unit of the County of Cape May)
 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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 17,119,149.33	[C-2]	677,472.96
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				
Encumbrances at June 30, 2017		-		(242.70)
Encumbrances at June 30, 2016		-		4,558.94
Final State Aid payment was delayed until July 2016 is recorded as GAAP revenue but is not recognized as budgetary revenue.		143,211.00		-
Final State Aid payment was delayed until July 2017 is recorded as budgetary revenue but is not recognized under GAAP.		(138,637.00)		-
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	17,123,723.33	[B-2]	681,789.20
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 16,437,405.85	[C-2]	\$ 677,472.96
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				(242.70)
Encumbrances at June 30, 2016				4,558.94
	[B-2]	\$ 16,437,405.85	[B-2]	681,789.20

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REQUIRED SUPPLEMENTARY INFORMATION – PART III

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CAPE MAY COUNTY TECHNICAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Four Fiscal Years

	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.02446561170%	0.02604475010%	0.0268574568%	0.0273264209%
District's proportionate of the net pension liability (asset)	\$ 7,246,012.00	5,846,524.00	5,028,450.00	5,222,622.00
District's covered payroll	1,980,940.00	1,941,558.00	1,762,144.00	1,852,432.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	366%	301%	285.36%	281.93%
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.

CAPE MAY COUNTY TECHNICAL SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Four Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 217,349.00	223,915.00	221,409.00	205,899.00
Contributions in relation to the contractually required contribution	<u>217,349.00</u>	<u>223,915.00</u>	<u>221,409.00</u>	<u>205,899.00</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,980,940.00	1,941,558.00	1,762,144.00	1,852,432.00
Contributions as a percentage of covered-employee payroll	10.97%	11.53%	12.56%	11.12%

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.

CAPE MAY COUNTY TECHNICAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Four Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	-	-	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>44,429,116</u>	<u>37,652,511</u>	<u>31,974,161</u>	<u>30,410,087</u>
Total	<u><u>44,429,116</u></u>	<u><u>37,652,511.00</u></u>	<u><u>31,974,161.00</u></u>	<u><u>30,410,087.00</u></u>
District's covered payroll	\$ 5,886,595.00	6,024,097.00	5,689,658.00	5,863,308.00
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	0.00%	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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OTHER SUPPLEMENTARY INFORMATION

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**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

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**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2017**

	Total Brought Forward (Ex. E-1a)	Carl Perkins Secondary	Carl Perkins Post-Secondary	Carl Perkins Secondary Reserve	Totals 2017
REVENUES:					
Local Sources	\$ 30,153.96	-	-	-	30,153.96
State Sources	10,000.00	-	81,993.00	-	91,993.00
Federal Sources	451,450.00	80,685.00	-	23,191.00	555,326.00
Total Revenues	491,603.96	80,685.00	81,993.00	23,191.00	677,472.96
EXPENDITURES:					
Instruction:					
Salaries	195,334.70	360.00	-	-	195,694.70
Salaries of Teachers	-	-	-	-	-
Purchased Professional - Technical Services	-	5,017.23	21,720.00	50.00	26,787.23
Other Purchased Services (400-500 series)	-	-	4,802.60	4,050.00	8,852.60
General Supplies	88,727.10	61,579.21	27,892.80	17,682.00	195,881.11
Other Objects	-	-	-	-	-
Total Instruction	284,061.80	66,956.44	54,415.40	21,782.00	427,215.64
Support Services:					
Salaries	77,330.44	-	16,482.00	-	93,812.44
Salaries - Supervisor of Instruction	3,500.00	3,269.00	3,500.00	1,076.70	11,345.70
Personal Services - Employee Benefits	52,156.25	277.55	2,954.11	82.30	55,470.21
Purchased Professional - Technical Services	21,834.99	900.00	2,820.00	-	25,554.99
Purchased Property Services	-	-	534.62	-	534.62
Travel	423.92	167.80	1,039.87	-	1,631.59
Other Purchased Services (400-500 series)	27,088.95	20.00	247.00	-	27,355.95
Supplies & Materials	15,317.61	59.72	-	250.00	15,627.33
Other Objects	9,890.00	-	-	-	9,890.00
Total Support Services	207,542.16	4,694.07	27,577.60	1,409.00	241,222.83
Custodial Services:					
Electricity	-	-	-	-	-
Total Custodial Services	-	-	-	-	-
Facilities Acquisition and Constr. Services:					
Instructional Equipment	-	9,034.49	-	-	9,034.49
Construction Services	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	-	9,034.49	-	-	9,034.49
Contribution to Charter Schools	-	-	-	-	-
Total Expenditures	491,603.96	80,685.00	81,993.00	23,191.00	677,472.96
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2017**

	Total Brought Forward (Ex. E-1b)	16-17 Apprentice Coordinator	ABE GED	Civics GED	I.D.E.A. Part B	Eisenhower Title IIA	16/17 Meet the Court	Total Carried Forward
REVENUES:								
Local Sources	\$ 28,878.37	-	-	-	-	-	1,275.59	30,153.96
State Sources	-	10,000.00	-	-	-	-	-	10,000.00
Federal Sources	150,614.00	-	131,300.00	48,480.00	113,059.00	7,997.00	-	451,450.00
Total Revenues	179,492.37	10,000.00	131,300.00	48,480.00	113,059.00	7,997.00	1,275.59	491,603.96
EXPENDITURES:								
Instruction:								
Salaries	54,398.70	-	103,176.00	37,400.00	-	360.00	-	195,334.70
Salaries of Teachers	-	-	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-	-
General Supplies	82,328.93	-	1,330.00	531.00	3,261.58	-	1,275.59	88,727.10
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	136,727.63	-	104,506.00	37,931.00	3,261.58	360.00	1,275.59	284,061.80
Support Services:								
Salaries	-	10,000.00	-	-	66,315.44	1,015.00	-	77,330.44
Salaries - Supervisor of Instruction	-	-	3,500.00	-	-	-	-	3,500.00
Personal Services - Employee Benefits	4,161.55	-	20,377.00	9,811.00	17,701.49	105.21	-	52,156.25
Purchased Professional - Technical Services	-	-	-	-	20,534.99	1,300.00	-	21,834.99
Purchased Property Services	-	-	-	-	-	-	-	-
Travel	41.92	-	124.00	258.00	-	-	-	423.92
Other Purchased Services (400-500 series)	19,804.70	-	2,793.00	480.00	-	4,011.25	-	27,088.95
Supplies & Materials	9,266.57	-	-	-	5,245.50	805.54	-	15,317.61
Other Objects	9,490.00	-	-	-	-	400.00	-	9,890.00
Total Support Services	42,764.74	10,000.00	26,794.00	10,549.00	109,797.42	7,637.00	-	207,542.16
Custodial Services:								
Electricity	-	-	-	-	-	-	-	-
Total Custodial Services	-	-	-	-	-	-	-	-
Facilities Acquisition and Constr. Services:								
Instructional Equipment	-	-	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-	-	-
Contribution to Charter Schools	-	-	-	-	-	-	-	-
Total Expenditures	179,492.37	10,000.00	131,300.00	48,480.00	113,059.00	7,997.00	1,275.59	491,603.96
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-	-	-

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2017**

	Total Brought Forward (Ex. E-1c)	16/17 Meet the Court	15/16 Meet the Court	NJSBA Ecological	Road to Recovery	Safety Grant	Dollar General Year 4	Dollar General Year 5	Total Carried Forward
REVENUES:									
Local Sources	\$ 4,201.76	724.41	1,000.00	4,313.08	500.00	9,176.57	8,506.30	456.25	28,878.37
Slate Sources	-	-	-	-	-	-	-	-	-
Federal Sources	150,614.00	-	-	-	-	-	-	-	150,614.00
Total Revenues	154,815.76	724.41	1,000.00	4,313.08	500.00	9,176.57	8,506.30	456.25	179,492.37
EXPENDITURES:									
Instruction:									
Salaries	54,001.00	-	-	270.00	-	-	-	127.70	54,398.70
Salaries of Teachers	-	-	-	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-	-	-
General Supplies	70,620.96	724.41	1,000.00	3,980.50	500.00	-	5,184.30	318.76	82,328.93
Other Objects	-	-	-	-	-	-	-	-	-
Total Instruction	124,621.96	724.41	1,000.00	4,250.50	500.00	-	5,184.30	446.46	136,727.63
Support Services:									
Salaries	-	-	-	-	-	-	-	-	-
Salaries - Supervisor of Instruction	-	-	-	-	-	-	-	-	-
Personal Services - Employee Benefits	4,131.10	-	-	20.66	-	-	-	9.79	4,161.55
Purchased Professional - Technical Services	-	-	-	-	-	-	-	-	-
Purchased Property Services	-	-	-	-	-	-	-	-	-
Travel	-	-	-	41.92	-	-	-	-	41.92
Other Purchased Services (400-500 series)	19,804.70	-	-	-	-	-	-	-	19,804.70
Supplies & Materials	90.00	-	-	-	-	9,176.57	-	-	9,266.57
Other Objects	6,168.00	-	-	-	-	-	3,322.00	-	9,490.00
Total Support Services	30,193.80	-	-	62.58	-	9,176.57	3,322.00	9.79	42,764.74
Custodial Services:									
Electricity	-	-	-	-	-	-	-	-	-
Total Custodial Services	-	-	-	-	-	-	-	-	-
Facilities Acquisition and Constr. Services:									
Instructional Equipment	-	-	-	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-	-	-	-
Contribution to Charter Schools	-	-	-	-	-	-	-	-	-
Total Expenditures	154,815.76	724.41	1,000.00	4,313.08	500.00	9,176.57	8,506.30	456.25	179,492.37
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-	-	-	-

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)**

**Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2017**

	Total Brought Forward (Ex. E-1d)	16-17 Title I	Nature & Nurture	Safety Grant 13/14	FFA Monarch Garden	Total Carried Forward
REVENUES:						
Local Sources	\$ 2,963.25	-	499.45	281.65	457.41	4,201.76
State Sources	-	-	-	-	-	-
Federal Sources	-	150,614.00	-	-	-	150,614.00
Total Revenues	2,963.25	150,614.00	499.45	281.65	457.41	154,815.76
EXPENDITURES:						
Instruction:						
Salaries	-	54,001.00	-	-	-	54,001.00
Salaries of Teachers	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-
General Supplies	2,963.25	66,700.85	499.45	-	457.41	70,620.96
Other Objects	-	-	-	-	-	-
Total Instruction	2,963.25	120,701.85	499.45	-	457.41	124,621.96
Support Services:						
Salaries	-	-	-	-	-	-
Salaries - Supervisor of Instruction	-	-	-	-	-	-
Personal Services - Employee Benefits	-	4,131.10	-	-	-	4,131.10
Purchased Professional - Technical Services	-	-	-	-	-	-
Purchased Property Services	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	19,523.05	-	281.65	-	19,804.70
Supplies & Materials	-	90.00	-	-	-	90.00
Other Objects	-	6,168.00	-	-	-	6,168.00
Total Support Services	-	29,912.15	-	281.65	-	30,193.80
Custodial Services:						
Electricity	-	-	-	-	-	-
Total Custodial Services	-	-	-	-	-	-
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-
Contribution to Charter Schools	-	-	-	-	-	-
Total Expenditures	2,963.25	150,614.00	499.45	281.65	457.41	154,815.76
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2017**

	Exxon Pre-Engineer	15/16 Monarch Flight	Cape Ed Faire 16/17	Cape Ed Lookup 16/17	Total Carried Forward
REVENUES:					
Local Sources	\$ 1,943.25	20.00	500.00	500.00	2,963.25
State Sources	-	-	-	-	-
Federal Sources	-	-	-	-	-
Total Revenues	1,943.25	20.00	500.00	500.00	2,963.25
EXPENDITURES:					
Instruction:					
Salaries	-	-	-	-	-
Salaries of Teachers	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	1,943.25	20.00	500.00	500.00	2,963.25
Other Objects	-	-	-	-	-
Total Instruction	1,943.25	20.00	500.00	500.00	2,963.25
Support Services:					
Salaries	-	-	-	-	-
Salaries - Supervisor of Instruction	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-
Purchased Property Services	-	-	-	-	-
Travel	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies & Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Support Services	-	-	-	-	-
Custodial Services:					
Electricity	-	-	-	-	-
Total Custodial Services	-	-	-	-	-
Facilities Acquisition and Constr. Services:					
Instructional Equipment	-	-	-	-	-
Construction Services	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-
Contribution to Charter Schools	-	-	-	-	-
Total Expenditures	1,943.25	20.00	500.00	500.00	2,963.25
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

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**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

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Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Capital Projects Fund
Summary Statement of Project Expenditures
For the Fiscal Year Ended June 30, 2017

Number	Issue / Project Title	Original Date	Appropriations	Expenditures to Date		Canceled	Unexpended Balance
				Prior Years	Current Year		
	Whereas, the State of New Jersey Department of Education has pursuant to N.J.S.A. 18A:7G-5 and N.J.A.C. 6A:26-3.6, established the eligible costs at \$14,761,419						
	Whereas, The Board of Education of the Cape May County Vocational School has accepted the project cost determination and pursuant to N.J.S.A. 18A:54-31 has determined the amount necessary to fund certain capital projects for the school district to be \$14,769,143						
	Therefore Be It Resolved, that the Cape May Board of School Estimate hereby approve additions and renovations to the Technical High School in accordance with the application filed with the State of New Jersey. The project budget of \$14,769,143 is approved.						
	State Building - SDA Grant	8/9/2005	\$ 14,769,143.00	14,660,120.97	109,022.03		
		1/31/2015	1,440,000.00		1,440,000.00		86,021.40
		2/6/2015	960,000.00		873,978.60		20,938.31
		6/16/2016	152,515.55	131,577.24			651,456.00
		3/21/2017	651,456.00				
	Energy Savings Improvement Plan (EESIP)	5/26/2016	1,715,000.00		1,378,115.65		336,884.35
			<u>\$ 19,688,114.55</u>	<u>14,791,698.21</u>	<u>3,801,116.28</u>	<u>-</u>	<u>1,095,300.06</u>

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
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	651,456.00
ESIP (Energy Savings Improvement Program) Lease Proceeds	1,715,000.00
Capital Outlay	-
County Appropriation	-
Interest Earned on Deposits	-
	<hr/>
Total Revenues	<u>2,366,456.00</u>
EXPENDITURES	
Purchased Professional and Technical Services	290,348.21
Construction Services	3,525,868.07
Equipment purchases	-
Other Objects	(15,100.00)
	<hr/>
Total Expenditures	<u>3,801,116.28</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,434,660.28)
Fund Balances, July 1	<u>2,529,960.34</u>
Fund Balances, June 30	<u><u>\$ 1,095,300.06</u></u>

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions and Renovations to the Technical High School
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Costs
REVENUES AND OTHER FINANCING SOURCES:				
County Appropriation	\$ 14,769,143.00		14,769,143.00	14,769,143.00
ESIP Lease Proceeds			-	-
Capital Reserve	1,440,000.00	651,456.00	2,091,456.00	2,091,456.00
Capital Outlay	152,515.55	-	152,515.55	152,515.55
SDA Grant	960,000.00		960,000.00	960,000.00
Total Revenues	17,321,658.55	651,456.00	17,973,114.55	17,973,114.55
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional/Technical Services	1,182,417.66	28,409.41	1,210,827.07	1,217,727.07
Construction Services	12,835,953.88	2,409,691.22	15,245,645.10	15,982,060.81
Purchase of Equipment	217,369.73	-	217,369.73	217,369.73
Other Objects	555,956.94	(15,100.00)	540,856.94	555,956.94
Total Expenditures	14,791,698.21	2,423,000.63	17,214,698.84	17,973,114.55
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,529,960.34	(1,771,544.63)	758,415.71	-
ADDITIONAL PROJECT INFORMATION:				
Project Number				
Grant Date		N/A		
Bond Authorization Date		8/23/2005		
Bonds Authorized	\$ 14,769,143.00			
Bonds Issued	14,769,000.00			
Original Cost Authorized	17,169,143.00			
Additional Authorized Cost	152,515.55			
Revised Authorized Cost	17,321,658.55			
Percentage Increase over Original Authorized Cost		1%		
Percentage Completion		95.78%		
Original Target Completion Date		June 2007		
Revised Target Completion Date		January, 2013		

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Installation of Energy Saving Equipment
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Costs
REVENUES AND OTHER FINANCING SOURCES:				
County Appropriation			-	-
ESIP Lease Proceeds		1,715,000.00	1,715,000.00	1,715,000.00
Capital Reserve			-	-
Capital Outlay			-	-
SDA Grant			-	-
Total Revenues	-	1,715,000.00	1,715,000.00	1,715,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional/Technical Services		261,938.80	261,938.80	1,217,727.07
Construction Services		1,116,176.85	1,116,176.85	15,982,060.81
Purchase of Equipment			-	217,369.73
Other Objects			-	555,956.94
Total Expenditures	-	1,378,115.65	1,378,115.65	17,973,114.55
Excess (Deficiency) of Revenues Over Expenditures	\$ -	336,884.35	336,884.35	(16,258,114.55)
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Cost Authorized	1,715,000.00			
Additional Authorized Cost	-			
Revised Authorized Cost	1,715,000.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	80.36%			
Original Target Completion Date	June 2017			
Revised Target Completion Date	December, 2017			

PROPRIETARY FUNDS – DETAILED STATEMENTS

Food Service Fund - This fund provides for the operation of food services in all schools within the school district. .

Early Childhood/Lab School/Summertime Adventures Fund - This fund provides for the operation of the above listed programs within the school district.

Job Cards Fund - This fund provides for the operation of the various shops within the school district.

Education Technology Training Center - This fund provides for the operation of training center for technology for the school district.

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Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Proprietary Funds
Combining Schedule of Net Position
June 30, 2017

	Non-Major Funds				Total Non-Major Funds
	Food Service	Early Childhood/ Lab School/ Summertime Adventures	Job Cards	Education Technology Training Center	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 72,983.06	138,752.57	284,122.35	2,708.93	498,566.91
Intergovernmental Accounts Receivable	3,159.61				3,159.61
Inventory	5,278.21				5,278.21
Total Current Assets	<u>81,420.88</u>	<u>138,752.57</u>	<u>284,122.35</u>	<u>2,708.93</u>	<u>507,004.73</u>
Noncurrent Assets:					
Furniture, Machinery & Equipment					-
Less Accumulated Depreciation	64,429.93	87,889.46			152,319.39
Total Noncurrent Assets	<u>64,429.93</u>	<u>87,889.46</u>	<u>-</u>	<u>-</u>	<u>152,319.39</u>
Total Assets	<u>145,850.81</u>	<u>226,642.03</u>	<u>284,122.35</u>	<u>2,708.93</u>	<u>659,324.12</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,768.14	-	173.04	-	2,941.18
Unearned Revenue	5,415.44	9,410.00			14,825.44
Total Current Liabilities	<u>8,183.58</u>	<u>9,410.00</u>	<u>173.04</u>	<u>-</u>	<u>17,766.62</u>
NET POSITION					
Invested in Capital Assets Net of Related Debt	64,429.93	87,889.46	-	-	152,319.39
Unrestricted	73,237.30	129,342.57	283,949.31	2,708.93	489,238.11
Total Net Position	<u>\$ 137,667.23</u>	<u>217,232.03</u>	<u>283,949.31</u>	<u>2,708.93</u>	<u>641,557.50</u>

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Proprietary Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2017

	Non-Major Funds				Total Non-Major Funds
	Food Service	Early Childhood/ Summertime Adventures	Job Cards	Education Training Center	
Operating Revenue:					
Charges for Service:					
Daily Sales - Non-reimbursable Programs	\$ 93,445.88				93,445.88
Daily Sales - Reimbursable Programs	91,717.25				91,717.25
Special Functions	160.00				160.00
Early Childhood Program Fees		30,395.00			30,395.00
Summertime Adventure Fees		19,770.00			19,770.00
Cosmetology Revenue			2,890.00		2,890.00
Hotel/Motel			150.00		150.00
Bake Shop			2,630.00		2,630.00
Culinary Arts			18,078.25		18,078.25
Greenhouse					-
Food Production					-
ETTC Revenues				2,050.00	2,050.00
Miscellaneous				-	-
Total Operating Revenue	185,323.13	50,165.00	23,748.25	2,050.00	261,286.38
Operating Expenses:					
Cost of Sales					
Reimbursable Programs	82,393.99				82,393.99
Non-reimbursable Programs	39,928.20				39,928.20
Salaries		97,077.09		43,623.79	140,700.88
Fringe Benefits		1,464.65		24.71	1,489.36
Other Purchased Services	126,418.25			69.44	126,487.69
Miscellaneous Expenditures	6,531.41	289.12			6,820.53
General Supplies	9,561.29	4,753.06	19,249.62		33,563.97
Depreciation	12,274.67	2,527.03			14,801.70
Total Operating Expenses	277,107.81	106,110.95	19,249.62	43,717.94	446,186.32
Operating Income (Loss)	(91,784.68)	(55,945.95)	4,498.63	(41,667.94)	(184,899.94)
Nonoperating Revenues (Expenses):					
State Sources:					
State School Lunch Program	2,145.44				2,145.44
Federal Sources:					
National School Lunch Program	66,481.74				66,481.74
School Breakfast Program	13,669.25				13,669.25
Food Distribution Program	18,816.95				18,816.95
Interest and Investment Income	45.70				45.70
Total Nonoperating Revenues (Expenses)	101,159.08	-	-	-	101,159.08
Income (loss) before Contributions & Transfers	9,374.40	(55,945.95)	4,498.63	(41,667.94)	(83,740.86)
Capital Contributions (Uses)					
Adjustment to prior year receivable				(39,299.82)	(39,299.82)
Transfers In (Out)	-	70,500.00	-	41,677.94	112,177.94
Changes in Net Position	9,374.40	14,554.05	4,498.63	(39,289.82)	(10,862.74)
Total Net Position - Beginning	128,292.83	202,677.98	279,450.68	41,998.75	652,420.24
Total Net Position - Ending	\$ 137,667.23	217,232.03	283,949.31	2,708.93	641,557.50

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2017

	Non-Major Funds				Total
	Food Service	Early Childhood/ Lab School/ Summertime Adventures	Job Cards	Education Technology Training Center	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ 189,337.28	39,966.32	24,252.25	4,000.00	257,555.85
Payments to Employees		(97,077.09)		(43,623.79)	(140,700.88)
Payments for Employee Benefits		(1,464.65)		(24.71)	(1,489.36)
Payments for Supplies and Services	(244,881.65)	(5,042.18)	(19,152.47)	(69.44)	(269,145.74)
Net Cash Provided by (Used for) Operating Activities	<u>(55,544.37)</u>	<u>(63,617.60)</u>	<u>5,099.78</u>	<u>(39,717.94)</u>	<u>(153,780.13)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State Sources	2,427.95	-	-	-	2,427.95
Federal Sources	89,731.23	-	-	-	89,731.23
Operating Subsidies and Transfers to Other Funds	-	70,500.00	-	41,677.94	112,177.94
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>92,159.18</u>	<u>70,500.00</u>	<u>-</u>	<u>41,677.94</u>	<u>204,337.12</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Capital Assets	-	(90,416.49)	-	-	(90,416.49)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>(90,416.49)</u>	<u>-</u>	<u>-</u>	<u>(90,416.49)</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Interest and Dividends	45.70	-	-	-	45.70
Net Cash Provided by (Used for) Investing Activities	<u>45.70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45.70</u>
Net Increase (Decrease) in Cash and Cash Equivalents	36,660.51	(83,534.09)	5,099.78	1,960.00	(39,813.80)
Balance - Beginning of Year	36,322.55	222,286.66	279,022.57	748.93	538,380.71
Balance - End of Year	<u>72,983.06</u>	<u>138,752.57</u>	<u>284,122.35</u>	<u>2,708.93</u>	<u>498,566.91</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	(91,784.68)	(55,945.95)	4,498.63	(41,667.94)	(184,899.94)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	12,274.67	2,527.03	-	-	14,801.70
Federal Commodities - Non-Cash	18,816.95	-			18,816.95
(Increase) Decrease in Accounts Receivable		266.32	504.00	1,950.00	2,720.32
(Increase) Decrease in Inventories	(1,633.60)				(1,633.60)
Increase (Decrease) in Accounts Payable	2,768.14		97.15	-	2,865.29
Increase (Decrease) in Deferred Revenue	4,014.15	(10,465.00)			(6,450.85)
Increase (Decrease) Miscellaneous					-
Total Adjustments	<u>36,240.31</u>	<u>(7,671.65)</u>	<u>601.15</u>	<u>1,950.00</u>	<u>31,119.81</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (55,544.37)</u>	<u>(63,617.60)</u>	<u>5,099.78</u>	<u>(39,717.94)</u>	<u>(153,780.13)</u>

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FIDUCIARY FUNDS DETAIL STATEMENTS

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

Unemployment Fund - This trust fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

Scholarship Fund – this is an expendable trust fund that receives funds from private contributions and disburses funds for scholarships and graduation awards to students.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

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Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2017

	Unemployment Compensation Trust	Private Purpose Trust	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	\$ 127,100.57	238,175.69	194,808.83	560,085.09
Total Assets	<u>127,100.57</u>	<u>238,175.69</u>	<u>194,808.83</u>	<u>560,085.09</u>
LIABILITIES				
Interfunds Payable			3,660.00	3,660.00
Flexible Spending Account			2,624.56	2,624.56
Payable to Student Groups			109,642.23	109,642.23
Payroll Deductions & Withholdings			78,882.04	78,882.04
Total Liabilities	<u>-</u>	<u>-</u>	<u>194,808.83</u>	<u>194,808.83</u>
NET POSITION				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 127,100.57</u>			127,100.57
Reserved for Scholarships		<u>238,175.69</u>		238,175.69
Total Net Position				<u>365,276.26</u>
Total Liabilities and Net Position				<u>560,085.09</u>

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017

	Unemployment Compensation Trust	Private Purpose Trust	Totals
ADDITIONS			
Contributions:			
Other	\$ 43,062.88	109,024.00	152,086.88
Total Contributions	<u>43,062.88</u>	<u>109,024.00</u>	<u>152,086.88</u>
Investments Earnings:			
Interest	54.99	130.77	185.76
Net Investment Earnings	<u>54.99</u>	<u>130.77</u>	<u>185.76</u>
Total Additions	<u>43,117.87</u>	<u>109,154.77</u>	<u>152,272.64</u>
Deductions			
Scholarships Awarded		9,450.00	9,450.00
Miscellaneous		25.50	25.50
Total Deductions	<u>-</u>	<u>9,475.50</u>	<u>9,475.50</u>
Change in Net Position	43,117.87	99,679.27	142,797.14
Net Position - Beginning of the Year	<u>83,982.70</u>	<u>138,496.42</u>	<u>222,479.12</u>
Net Position - End of the Year	<u>\$ 127,100.57</u>	<u>238,175.69</u>	<u>365,276.26</u>

**Board of Education for Vocational Schools, County of Cape May
 (A Component Unit of the County of Cape May)
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 As of June 30, 2017**

	<u>Balance</u>	<u>Cash</u>	<u>Cash</u>	<u>Cash</u>	<u>Balance</u>
	<u>July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Disbursements</u>	<u>June 30, 2017</u>
Agri-Science	\$ 10,196.88	11,458.30	8,618.17	8,618.17	13,037.01
Boys Baseball	336.81	20,097.00	15,015.74	15,015.74	5,418.07
Boys Basketball	17.88	222.00	32.85	32.85	207.03
Boys Soccer	273.97	-	-	-	273.97
Cheerleading	52.94	-	-	-	52.94
Class of 1995	82.29	-	82.29	82.29	-
Class of 1996	439.67	-	439.67	439.67	(0.00)
Class of 1997	351.49	-	351.49	351.49	-
Class of 1998	832.99	-	832.99	832.99	-
Class of 1999	1,292.04	-	1,292.04	1,292.04	-
Class of 2001	1,307.77	-	1,307.77	1,307.77	-
Class of 2002	1,937.23	-	1,937.23	1,937.23	(0.00)
Class of 2003	246.59	-	246.59	246.59	-
Class of 2004	349.66	-	349.66	349.66	(0.00)
Class of 2007	2,197.69	-	-	-	2,197.69
Class of 2008	115.46	-	-	-	115.46
Class of 2009	3,788.21	-	-	-	3,788.21
Class of 2011	48.50	-	-	-	48.50
Class of 2012	3,665.21	-	470.20	470.20	3,195.01
Class of 2013	4,581.67	-	-	-	4,581.67
Class of 2015	80.76	-	80.76	80.76	(0.00)
Class of 2016	1,549.18	-	-	-	1,549.18
Class of 2017	7,314.79	30,735.76	36,693.91	36,693.91	1,356.64
Class of 2018	5,677.29	6,071.23	1,994.95	1,994.95	9,753.57
Class of 2019	933.20	1,213.37	451.65	451.65	1,694.92
Class of 2020		1,159.00	453.90	453.90	705.10

**Board of Education for Vocational Schools, County of Cape May
 (A Component Unit of the County of Cape May)
 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
Cross Country	3,153.38	400.00	-	3,553.38
Culinary Gratuities	433.97	1,414.95	1,860.00	(11.08)
Drama Club	1,660.62	-	-	1,660.62
Field Trips	36,152.70	-	-	36,152.70
Future Farmers	1,197.94	4,266.30	3,557.07	1,907.17
Girls Basketball	310.29	1,373.00	1,035.56	647.73
Girls Soccer	(54.02)	-	-	(54.02)
Girls Softball	387.34	242.00	-	629.34
Golf	56.05	-	-	56.05
Hosa	476.37	-	476.54	(0.17)
Key Club	6,928.51	1,626.50	3,165.99	5,389.02
Library	4,386.28	463.58	-	4,849.86
Miscellaneous	1,313.75	1,458.98	1,310.48	1,462.25
National Honor Society	2,378.80	2,716.50	2,173.68	2,921.62
Ripken Experience	0.00	-	-	0.00
Robotics Club	786.28	2,345.29	1,286.00	1,845.57
Skills USA	792.76	2,369.10	640.08	2,521.78
Student Council	477.42	7,433.60	5,230.10	2,680.92
Swim Team	164.19	2,295.00	2,748.80	(289.61)
Travel and Tourism	105.59	165.00	150.00	120.59
Yearbook	(1,173.54)	5,756.00	10,763.22	(6,180.76)
Total Senior High Schools	\$ 107,604.85	105,282.46	105,049.38	107,837.93
ATHLETICS:				
All Sports	\$ 212.50	14,688.80	13,097.00	1,804.30

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
ASSETS:				
Cash and Cash Equivalents	\$ 79,612.93	9,395,676.25	9,390,122.58	85,166.60
Total Assets	<u>79,612.93</u>	<u>9,395,676.25</u>	<u>9,390,122.58</u>	<u>85,166.60</u>
LIABILITIES:				
Payroll Deductions & Withholding	74,915.69	4,021,010.05	4,017,043.70	78,882.04
Flexible Spending Account	497.24	2,127.32	(0.00)	2,624.56
Interfunds Payable	4,200.00	9,900.00	10,440.00	3,660.00
Net Payroll Payable	-	5,362,638.88	5,362,638.88	-
Total Liabilities	<u>\$ 79,612.93</u>	<u>9,395,676.25</u>	<u>9,390,122.58</u>	<u>85,166.60</u>

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LONG-TERM DEBT SCHEDULES

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**Board of Education for Vocational Schools, County of Cape May
 (A Component Unit of the County of Cape May)
 Schedule of Obligations Under Capital Leases
 As of June 30, 2017**

Description	Amount of Original Issue	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Energy Savings Improvement Program (ESIP) Equipment	\$ 1,715,000.00	-	1,715,000.00	58,719.26	1,656,280.74
	\$ -	-	1,715,000.00	58,719.26	1,656,280.74

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Statistical Section

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Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Net Position by Component,
For the Fiscal Year Ended June 30, 2017
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	\$ 22,367,919.59	23,499,384.81	22,206,679.00	21,268,987.83	20,418,591.00	19,216,235.06	18,382,559.00	17,125,854.80	15,947,753.86	33,099,352.45
Restricted	2,843,566.37	1,743,403.06	2,018,241.13	1,238,103.70	2,525,929.00	2,460,707.03	3,280,299.00	3,710,264.66	5,282,762.97	3,774,362.69
Unrestricted	311,090.40	(117,999.82)	(161,238.18)	531,250.67	(522,695.00)	(265,396.34)	(385,796.27)	(5,359,289.43)	(5,693,599.71)	(7,733,162.23)
Total governmental activities net position	25,522,576.36	25,124,788.05	24,063,681.95	23,038,342.20	22,421,825.00	21,411,545.75	21,277,061.73	15,476,830.03	15,536,917.12	29,080,552.91
Business-type activities										
Invested in capital assets, net of related debt	-	-	-	126,278.00	113,650.00	101,022.46	96,936.00	90,573.02	76,704.60	167,121.09
Restricted	-	-	-	152,030.51	172,190.00	168,345.89	229,798.00	494,833.86	575,715.64	489,238.11
Unrestricted	115,752.62	141,495.38	142,430.96	278,306.51	285,840.00	269,368.35	326,734.00	585,406.88	652,420.24	656,359.20
Total business-type activities net position	115,752.62	141,495.38	142,430.96	278,306.51	285,840.00	269,368.35	326,734.00	585,406.88	652,420.24	656,359.20
District-wide										
Invested in capital assets, net of related debt	22,367,919.59	23,499,384.81	22,206,679.00	21,395,265.83	20,532,241.00	19,317,257.52	18,479,495.00	17,216,427.82	16,024,458.46	33,206,473.54
Restricted	2,843,566.37	1,743,403.06	2,018,241.13	1,238,103.70	2,525,929.00	2,460,707.03	3,280,299.00	3,710,264.66	5,282,762.97	3,774,362.69
Unrestricted	426,843.02	23,495.56	(18,807.22)	683,281.18	(350,505.00)	(97,050.45)	(155,998.27)	(4,864,455.57)	(5,117,884.07)	(7,243,924.12)
Total district net position	25,638,328.98	25,266,283.43	24,206,112.91	23,316,650.71	22,707,665.00	21,680,914.10	21,603,795.73	16,062,236.91	16,189,337.36	29,736,912.11

Source: CAFR Schedule A-1

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Changes in Net Position
For the Fiscal Year Ended June 30, 2017
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Expenses											
Governmental activities:											
Instruction:											
Regular instruction	\$ 3,458,706.13	3,504,720.89	3,840,144.66	3,735,544.23	3,512,200.71	3,865,106.68	3,601,347.49	4,815,156.72	6,434,119.72	4,978,995.22	
Vocational education	3,488,531.54	3,871,446.11	3,920,490.98	3,595,551.30	3,788,323.56	4,054,942.88	3,994,238.12	4,373,749.27	4,243,980.14	5,064,633.40	
Other instruction	359,774.28	369,385.04	396,714.44	337,471.47	330,808.19	368,115.46	400,239.54	496,583.43	404,261.63	555,219.88	
Support Services:											
Student & instruction related services	1,653,914.25	1,798,835.46	1,755,252.71	1,621,983.64	1,642,640.30	1,646,610.47	1,688,269.27	1,677,697.02	1,709,225.83	1,909,663.75	
General administrative/Business services	1,167,723.60	1,185,751.07	1,281,542.02	1,332,057.61	1,488,326.37	1,694,814.18	1,624,011.87	1,609,868.85	1,746,707.91	2,265,538.82	
School administrators	624,440.35	622,456.03	669,510.79	598,567.08	625,338.33	653,086.28	652,561.77	624,047.24	638,819.18	729,087.45	
Plant operations and maintenance	1,604,657.65	1,664,335.42	1,725,050.88	2,367,043.82	2,314,311.77	2,949,384.67	3,051,473.60	3,191,622.04	3,249,769.18	3,856,242.61	
Pupil transportation	137,959.65	142,379.98	133,840.19	107,605.27	107,521.76	159,148.64	125,821.94	148,303.64	135,641.14	209,012.07	
Adult and continuing education	1,855,286.33	1,969,628.44	1,956,027.98	1,290,863.46	1,314,844.87	1,282,632.47	1,123,247.63	1,540,642.28	1,691,571.85	2,259,705.55	
Capital Outlay	471,268.06	469,141.31	1,097,209.06	1,076,312.21	1,065,554.33	-	-	-	-	3,740,575.82	
Unallocated depreciation	14,822,261.84	15,595,079.75	16,775,783.71	16,063,000.09	16,189,670.19	16,663,843.73	16,261,211.23	18,477,670.49	20,254,096.58	25,568,654.55	
Total governmental activities expenses	274,342.60	276,431.07	287,528.56	287,826.78	306,038.52	288,468.69	299,974.60	285,051.49	275,386.27	264,833.14	
Business-type activities:											
Food service	103,570.02	130,055.33	110,996.31	103,367.89	104,143.38	103,274.36	101,369.14	100,329.54	105,042.81	103,583.92	
Early childhood/Summertime adventures	23,095.11	20,895.68	15,752.57	17,178.49	20,687.99	19,125.79	16,658.13	22,688.66	18,530.87	19,249.62	
Job cards	19,265.30	29,279.27	36,912.47	28,574.21	30,239.05	45,247.66	39,189.79	42,148.10	41,509.82	43,717.94	
Educational technology training center	420,273.03	456,661.35	451,189.91	436,947.37	461,108.94	456,116.50	457,191.66	450,217.79	440,469.77	431,394.62	
Total business-type activities expenses	15,242,534.87	16,054,741.10	17,226,973.62	16,499,947.46	16,650,979.13	17,119,960.23	16,718,402.89	18,927,888.28	20,694,566.35	26,000,039.17	
Program Revenues											
Governmental activities:											
Charges for services	4,391,728.65	4,508,589.15	5,318,443.72	5,194,405.50	5,396,499.56	5,102,653.00	5,717,936.72	5,908,236.19	5,973,026.33	6,341,437.57	
Operating grants and contributions	2,812,548.69	1,766,279.89	1,785,081.01	1,611,104.87	1,610,049.87	1,848,118.19	1,792,476.24	3,296,055.72	4,088,601.25	5,152,991.32	
Capital grants and contributions	7,204,277.34	6,274,869.04	7,103,524.73	6,805,510.37	7,006,549.43	6,950,771.19	7,510,412.96	9,221,731.91	10,984,187.58	11,494,428.89	
Total governmental activities program revenues	207,902.62	210,812.31	197,056.19	189,593.74	195,145.41	194,400.14	203,889.19	188,085.74	191,425.67	185,323.13	
Business-type activities:											
Charges for services:											
Food service	36,179.36	93,758.87	22,100.00	27,973.00	27,929.00	34,490.00	25,273.00	36,265.50	35,577.39	50,165.00	
Early childhood/Summertime adventures	29,139.98	26,349.30	18,590.96	24,181.49	17,493.90	21,661.00	18,927.85	23,550.34	20,247.92	23,748.25	
Job cards	16,847.89	41,018.00	38,697.00	7,384.00	13,686.26	7,825.00	6,565.00	7,255.00	41,509.82	2,090.00	
Educational technology training center	52,450.75	75,097.29	95,479.24	77,974.91	82,984.74	89,259.52	87,585.81	92,534.62	96,896.50	101,113.38	
Operating grants and contributions	342,520.60	447,035.77	371,923.39	327,107.14	337,239.31	347,635.66	342,240.85	347,691.20	385,657.30	362,399.76	
Total business-type activities program revenue	7,546,797.94	6,721,904.81	7,475,448.12	7,132,617.51	7,343,788.74	7,298,408.85	7,852,653.81	9,569,423.11	11,389,844.88	11,856,828.85	

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Changes in Net Position
For the Fiscal Year Ended June 30, 2017
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental activities	\$ (7,617,984.50)	(9,323,210.71)	(9,672,258.98)	(9,257,489.72)	(9,183,320.76)	(9,713,072.54)	(6,750,798.27)	(9,255,938.58)	(9,269,909.00)	(14,074,225.66)
Business-type activities	(77,752.43)	(9,625.58)	(79,256.52)	(109,840.23)	(123,869.63)	(108,480.81)	(114,950.81)	(102,526.59)	(64,812.47)	(68,984.86)
Total district-wide net expense	(7,695,736.93)	(9,332,836.29)	(9,751,525.50)	(9,367,329.95)	(9,307,190.39)	(9,821,553.38)	(6,865,749.08)	(9,358,465.17)	(9,324,721.47)	(14,143,210.52)
General Revenues and Other Changes in Net Position										
Governmental activities:										
County appropriation levied for general purposes	6,527,409.00	7,314,862.00	7,314,862.00	7,314,862.00	7,314,862.00	7,314,862.00	7,314,862.00	7,314,862.00	7,864,862.00	7,614,862.00
County appropriation for capital improvement										
Unrestricted grants and contributions	650,728.31	1,543,079.68	1,280,995.69	1,052,117.14	1,308,019.00	1,361,147.00	1,370,786.00	1,380,652.00	1,436,040.00	1,403,215.00
Investment earnings	82,396.69	32,333.08	16,696.72	7,910.24	4,490.37	1,893.63	1,734.00	2,117.02		
Miscellaneous income	66,426.99	70,147.64	82,592.92	108,754.83	108,523.65	124,147.00	115,658.00	150,215.05	166,699.62	181,447.64
Transfers	(69,252.49)	(35,000.00)	(80,000.00)	(245,605.00)	(131,359.00)	(92,000.00)	(172,300.00)	(361,184.00)	(121,799.82)	(112,177.94)
Less on disposal of capital assets	(436.70)		(3,994.45)	(2,884.21)	(37,732.93)	(7,255.87)	(14,425.00)	(14,232.16)	(15,805.71)	(7,584.40)
Adjustment to prior year receivables										(0.51)
Adjustment to prior year fixed assets				(3,005.00)						18,538,109.66
Unauthorized payments										
Total governmental activities	7,257,271.80	8,925,422.40	8,611,152.88	8,232,150.00	8,566,803.09	8,702,793.76	8,616,315.00	8,472,429.91	9,329,986.09	27,617,861.45
Business-type activities:										
Investment earnings	914.31	368.34	202.10	112.78	42.32	8.99	16.00	15.50	26.01	45.70
Adjustment to prior year receivables										(39,299.82)
Transfers	69,252.49	35,000.00	80,000.00	245,605.00	131,359.00	92,000.00	172,300.00	361,184.00	121,799.82	112,177.94
Total business-type activities	70,166.80	35,368.34	80,202.10	245,717.78	131,401.32	92,008.99	172,316.00	361,199.50	121,825.83	72,923.82
Total district-wide	7,327,438.60	8,960,790.74	8,691,354.98	8,477,867.78	8,698,204.41	8,794,802.75	8,788,631.00	8,833,629.41	9,451,821.92	27,690,785.27
Changes in Net Position										
Governmental activities	(360,712.70)	(397,788.31)	(1,061,106.10)	(1,025,339.72)	(616,517.67)	(1,010,278.78)	(134,483.27)	(783,508.67)	60,087.09	13,543,635.79
Business-type activities	(7,585.63)	25,742.76	935.58	135,877.55	7,531.69	(16,471.85)	57,365.19	288,672.91	67,013.36	3,938.96
Total district	(368,298.33)	(372,045.55)	(1,060,170.52)	(889,462.17)	(608,985.98)	(1,026,750.63)	(77,118.08)	(494,835.76)	127,100.45	13,547,574.75

Source: CAFR Schedule A-2

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Fund Balances, Governmental Funds,
For the Fiscal Year Ended June 30, 2017
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Restricted										
Committed	\$ -	-	-	1,277,254.87	2,092,094.17	1,816,172.57	2,908,463.63	2,143,802.63	2,752,802.63	2,679,062.63
Assigned				731,688.65	397,443.83	608,143.46	22,824.89	429,750.19	390,600.49	45,313.71
Unassigned				531,250.67	304,914.63	499,489.36	341,963.55	-	-	341,709.81
Reserved	1,255,175.56	1,047,385.86	1,489,595.06	-	-	-	-	-	-	-
Unreserved	1,052,171.11	1,262,498.35	1,129,209.44	-	-	-	-	-	-	-
Total general fund	<u>2,307,346.67</u>	<u>2,309,884.21</u>	<u>2,618,804.50</u>	<u>-</u>	<u>2,794,452.63</u>	<u>2,923,805.39</u>	<u>3,273,252.07</u>	<u>2,573,552.82</u>	<u>3,143,403.12</u>	<u>3,065,086.15</u>
All Other Governmental Funds										
Restricted										
Committed	-	-	-	3,010.07	3,010.07	3,010.07	161,043.00	132,154.95	681,177.71	501,463.17
Reserved	1,080,871.80	70,803.37	33,380.93	33,380.93	33,380.93	33,380.93	187,967.00	1,434,307.08	1,848,782.63	593,836.89
Unreserved, reported in:										
Special revenue fund	(930.60)	-	-	-	-	-	-	-	-	-
Capital projects fund	507,519.01	11,576.70	16,180.07	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,587,460.21</u>	<u>82,380.07</u>	<u>49,561.00</u>	<u>-</u>	<u>36,391.00</u>	<u>36,391.00</u>	<u>349,010.00</u>	<u>1,566,462.03</u>	<u>2,529,960.34</u>	<u>1,095,300.06</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

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Changes in Fund Balances, Governmental Funds,
For the Fiscal Year Ended June 30, 2017**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
County appropriation	\$ 6,527,409.00	7,314,862.00	7,314,862.00	7,314,862.00	7,314,862.00	7,314,862.00	7,314,862.00	7,314,862.00	7,864,862.00	7,614,862.00
Tuition charges	4,073,128.00	4,132,972.00	4,893,628.00	4,787,433.00	4,948,419.00	4,694,193.00	5,332,826.00	5,417,317.05	5,492,965.36	5,890,351.00
Miscellaneous	468,227.00	493,409.00	530,827.00	524,767.00	593,832.00	546,369.00	506,394.00	677,485.30	658,838.24	667,004.41
State sources	2,620,618.00	2,467,896.00	2,189,229.00	1,988,880.00	2,385,290.00	2,748,197.64	2,578,034.00	2,766,951.21	3,909,474.78	3,077,969.12
Federal sources	841,856.00	826,152.00	870,126.00	673,213.00	520,041.00	449,199.00	581,336.00	494,524.42	546,783.82	555,326.00
Total revenue	14,531,238.00	15,235,291.00	15,798,672.00	15,289,155.00	15,742,444.00	15,752,820.64	16,313,452.00	16,671,139.98	18,472,924.20	17,805,512.53
Expenditures										
Instruction:										
Regular instruction	2,427,669.00	2,530,493.00	2,576,034.00	2,677,648.00	2,577,017.00	2,603,731.00	2,824,745.00	2,831,580.91	2,938,527.40	2,922,571.18
Vocational instruction	2,321,067.00	2,681,883.00	2,559,095.00	2,531,393.00	2,583,494.00	2,602,455.00	2,608,123.00	2,464,591.41	2,729,329.46	2,819,213.97
Other instruction	269,644.00	279,506.00	295,501.00	289,703.00	246,111.00	258,286.00	284,435.00	312,082.66	275,479.41	304,443.99
Support Services:										
Student & instruction related services	1,222,282.00	1,335,641.00	1,272,259.00	1,196,042.00	1,182,106.00	1,114,475.00	1,140,786.00	1,148,728.58	1,135,120.41	1,160,996.46
General & business administrative services	812,422.00	834,884.00	883,111.00	948,694.00	1,058,287.00	1,084,165.00	1,049,421.00	1,076,361.61	1,163,613.46	1,249,658.04
School administrative services	404,188.00	412,252.00	434,281.00	417,857.00	424,761.00	433,965.00	434,262.00	428,257.52	412,939.27	392,123.95
Plant operations and maintenance	1,199,625.00	1,303,226.00	1,295,319.00	1,877,964.00	1,777,773.00	1,815,717.00	1,920,701.00	2,067,620.77	2,070,409.31	2,161,622.40
Pupil transportation	122,626.00	127,290.00	118,934.00	95,293.00	95,106.00	119,226.00	86,210.00	109,007.40	103,018.84	133,343.08
Unallocated employee benefits	3,320,451.00	3,387,210.00	3,816,664.00	3,268,426.00	3,594,815.00	3,918,191.23	3,783,896.00	3,835,480.82	4,217,371.73	4,541,371.06
Special schools	1,820,564.00	1,960,172.00	1,944,591.00	1,287,557.00	1,308,422.00	1,278,897.00	1,125,134.00	1,141,474.18	520,967.21	1,145,909.99
Capital outlay	4,948,395.00	1,850,277.00	246,782.00	571,748.00	508,935.00	302,360.00	221,373.00	377,018.04	1,250,999.27	4,089,057.21
Total Expenditures	18,868,933.00	16,702,834.00	15,442,571.00	15,132,325.00	15,356,827.00	15,531,468.23	15,479,086.00	15,792,203.90	16,817,775.77	20,920,311.33
Excess (Deficiency) of revenues over (under) expenditures	(4,337,695.00)	(1,467,543.00)	356,101.00	156,830.00	385,617.00	221,352.41	834,366.00	878,936.08	1,655,148.43	(3,114,798.80)
Other Financing Sources (Uses)										
Transfers out										
Adjustment to prior year receivables										
ESIP Lease Proceeds	(69,252.00)	(35,000.00)	(80,000.00)	(245,605.00)	(131,359.00)	(92,000.00)	(172,300.00)	(361,184.00)	(121,799.82)	(112,177.94)
Unauthorized payments				(3,005.00)						(0.51)
Total other financing sources (uses)	<u>(69,252.00)</u>	<u>(35,000.00)</u>	<u>(80,000.00)</u>	<u>(248,610.00)</u>	<u>(131,359.00)</u>	<u>(92,000.00)</u>	<u>(172,300.00)</u>	<u>(361,184.00)</u>	<u>(121,799.82)</u>	<u>1,715,000.00</u>
Net change in fund balances	<u>\$(4,406,947.00)</u>	<u>(1,502,543.00)</u>	<u>276,101.00</u>	<u>(91,780.00)</u>	<u>254,258.00</u>	<u>129,352.41</u>	<u>662,066.00</u>	<u>517,752.08</u>	<u>1,533,348.61</u>	<u>(1,511,977.25)</u>

Source: CAFR Schedule B-2

Exhibit J-5

Board of Education for Vocational Schools, County of Cape May
 (A Component Unit of the County of Cape May)
 General Fund Other Local Revenue by Source,
 For the Fiscal Year Ended June 30, 2017
 Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Non-Resident Fees	Registration Fees	Refund Prior Year Expense	Bookstore	Miscellaneous	Totals
2008	\$ 82,396.69	4,073,128.00	-	318,600.65	-	19,940.00	46,486.99	4,540,552.33
2009	32,333.08	4,132,972.50	28,440.00	347,176.65	-	15,663.50	54,484.14	4,611,069.87
2010	16,696.72	4,893,627.90	42,429.00	368,721.82	-	20,429.00	75,828.92	5,417,733.36
2011	7,932.36	4,787,432.86	44,298.50	362,674.14	-	19,615.25	89,117.46	5,311,070.57
2012	4,490.37	4,948,419.30	36,648.00	411,432.26	-	13,013.44	95,510.21	5,509,513.58
2013	1,893.63	4,694,192.50	52,161.00	356,299.50	-	14,144.50	110,002.50	5,228,693.63
2014	1,733.97	5,332,826.00	44,634.25	350,337.72	-	15,674.00	76,093.56	5,821,299.50
2015	2,117.02	5,420,162.05	38,987.00	435,682.15	-	13,462.00	126,162.25	6,036,572.47
2016	3,038.94	5,492,965.36	55,953.50	424,106.96	-	8,103.50	146,861.58	6,131,029.84
2017	3,240.65	5,890,351.00	16,678.00	434,408.57	17,075.33	5,795.50	152,492.29	6,520,041.34

Source: District Records

**Board of Education for Vocational Schools, County of Cape May
 (A Component Unit of the County of Cape May)
 Demographic and Economic Statistics,
 For the Fiscal Year Ended June 30, 2017**

Fiscal Year Ended June 30,	(a) Population	(b) Personal Income (thousands of dollars)	(c) Per Capita Personal Income	(d) Unemployment Rate
2008	96,470	4,150,718,220	43,026	8.0%
2009	96,091	4,229,637,547	44,017	11.4%
2010	97,263	4,373,430,795	44,965	13.3%
2011	96,597	4,599,079,767	47,611	12.5%
2012	96,447	4,755,512,229	49,307	13.4%
2013	95,896	4,767,565,536	49,716	13.4%
2014	95,359	4,940,740,508	51,812	7.8%
2015	94,727	5,049,801,643	53,309	13.5%
2016	94,430	5,033,968,870	53,309	10.9%
2017	94,430	5,033,968,870	53,309	9.8%

Source:

- (a) U.S. Bureau of Census - Population Division - Cape May County
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income by County based on Census Bureau midyear population estimates; published by the NJ Dept of Labor.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Board of Education for Vocational Schools, County of Cape May
 (A Component Unit of the County of Cape May)
 Full-time Equivalent District Employees by Function/Program,
 For the Fiscal Year Ended June 30, 2017**

Exhibit J-16

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
140 Regular instruction	32.0	33.0	33.5	33.50	33.50	33.90	33.40	33.40	33.34	33.34
320 Other special education instruction	10.5	11.5	12.5	10.50	10.50	10.50	10.00	10.00	12.00	13.00
310 Vocational education	29.0	28.4	27.5	26.91	26.91	26.91	25.91	25.16	26.16	26.16
330 Adult/continuing education programs	6.0	7.6	7.8	8.34	8.34	8.34	8.34	8.34	7.34	7.34
Support Services:										
Tuition										
211-219,222 Student & instruction related services	10.4	10.4	9.4	11.50	11.50	11.50	11.50	11.50	12.00	12.00
230 General administrative services	4.0	4.0	4.0	3.00	3.50	3.50	3.50	3.50	3.50	3.50
240 School administrative services	6.0	6.0	6.0	5.00	5.00	5.00	5.00	5.00	5.00	5.00
221 Other administrative services	6.0	5.0	5.0	4.00	4.00	3.50	3.50	2.60	2.00	2.00
290,251 Business administrative services	5.0	5.0	5.0	5.00	5.00	5.00	5.00	5.00	5.00	5.00
252 Administrative Information Technology	4.0	4.0	4.0	4.00	4.00	4.00	4.00	4.00	4.00	4.00
261-262 Plant operations and maintenance	17.0	17.0	17.0	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Special schools	4.0	4.0	4.0	5.00	5.00	5.00	4.00	4.00	4.50	4.50
Food Service	0.5	0.5	0.5	0.50	0.50	0.50	-	-	-	-
Child Care	3.0	2.0	1.7	1.75	1.75	1.75	1.75	1.50	1.50	1.50
Total	137.4	138.4	137.9	136.0	136.50	136.40	132.90	131.00	133.34	134.34

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

Board of Education for Vocational Schools, County of Cape May
 (A Component Unit of the County of Cape May)
 Operating Statistics,
 For the Fiscal Year Ended June 30, 2017

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	672	18,938,185	28,182	-11.94%	82	8.20:1	648	604	3.85%	93.21%	
2009	737	16,737,834	22,711	-19.41%	82	8.99:1	692	642	6.79%	92.77%	
2010	742	15,522,571	20,920	-7.89%	83	8.94:1	705	656	1.88%	93.05%	
2011	725	15,380,935	21,230	1.48%	80	9.06:1	691	644	-1.99%	93.20%	
2012	719	15,488,186	21,556	1.54%	81	8.87:1	688	643	-0.43%	93.46%	
2013	707	15,623,468	22,098	2.52%	81	8.73:1	680	635	-1.16%	93.38%	
2014	654	15,651,386	23,932	8.30%	78	8.39:1	643	602	-5.44%	93.62%	
2015	723	16,153,388	22,342	-6.64%	77	9.39:1	639	599	-0.62%	93.74%	
2016	722	16,939,576	23,462	5.01%	80	9.03:1	642	603	0.47%	93.93%	
2017	711	21,032,489	29,582	26.08%	80	8.89:1	642	608	0.00%	94.70%	

Source: District records, ASSA and Schedule J-14

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
School Building Information,
For the Fiscal Year Ended June 30, 2017**

Exhibit J-18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
District Buildings										
Technical School										
CMC VoTech H.S. Instructional-(100,200,300 Bldgs)(1969)	224,724	224,724	224,724	224,724	224,724	224,724	224,724	231,475	231,475	231,475
Square Feet	652	652	652	652	652	652	652	652	652	652
Capacity (students)	648	692	705	691	688	680	643	639	642	658
Enrollment										
Other										
Greenhouse [400] Building (1960 & 1985)	4,032	4,032	4,032	4,032	4,032	4,032	4,032	6,000	6,000	6,000
Square Feet										
Service Station [500] Building (1997)	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,560	1,560	1,560
Square Feet										
Broadley Administration [600] Building (1993)	3,590	3,590	3,590	3,590	3,590	3,590	3,590	5,300	5,300	5,300
Square Feet										
Senior Citizen House [700] Building (1972)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	-	-	-
Square Feet										
Other Misc. Buildings (1970 & 1975)	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,855	2,855	2,655
Square Feet										

Number of Schools at June 30, 2016

Elementary - 0

Middle - 0

Other - 6

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

Board of Education for Vocational Schools, County of Cape May
 (A Component Unit of the County of Cape May)
 General Fund
 For the Fiscal Year Ended June 30, 2017
 Last Ten Fiscal Years
 (Unaudited)

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

School Facilities	Project # (s)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Technical School - Only Building	N/A	\$ 142,811.60	140,569.26	179,713.52	270,759.66	297,880.89	253,151.85	266,466.00	424,483.71	358,247.48	379,155.79
Total School Facilities		142,811.60	140,569.26	179,713.52	270,759.66	297,880.89	253,151.85	266,466.00	424,483.71	358,247.48	379,155.79
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 142,811.60	140,569.26	179,713.52	270,759.66	297,880.89	253,151.85	266,466.00	424,483.71	358,247.48	379,155.79

Source: District Records

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Insurance Schedule
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Exhibit J-20

Company and Type of Coverage	Amount of Coverage	Deductible
New Jersey School Boards Association Insurance Group		
Package Policy		
Property		
Blanket Real & Personal Property - per occurrence	\$ 62,915,500	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Vaulable Papers & Records	10,000,000	5,000
Environmental Package	1,000,000	various
Demolition & Increased Cost of Construction - per occurrence	25,000,000	
Loss of Business Income/Tuition	4,600,000	500
Limited Builders Risk	5,000,000	
Fire Department Service Charge	10,000	
Arson Award	10,000	
Pollutant Cleanup and Removal	250,000	
Sublimits: Flood Zones (SFHA)	per occurrence NJSBAIG annual aggregate	25,000,000 25,000,000
	per building - zones prefix A & V per building contents	500,000 500,000
Accounts Receivable - per occurrence	250,000	
All Other Flood Zones - per occurrence/NJSBAIG annual aggregate	75,000,000	
	per occurrence/per member (subject to max retained ded. Of \$1,000,000 to NJSBAIG)	10,000
Earthquake	per occurrence NJSBAIG annual aggregate	50,000,000 50,000,000
Terrorism	per occurrence NJSBAIG annual aggregate	1,000,000 1,000,000
Electronic Data Processing		
Blanket Hardware/Software - per occurrence	3,297,000	1,000
Blanket Extra Expense	Included	
Cyber Liability	1,000,000	
Coverage Extensions:	Transit Loss of Income Terrorism	25,000 10,000 Included in Property
Computer Virius	250,000	
SFHA Flood Deductible:	per building contents	500,000
All Other Flood Zones:	per occurrence/per member (subject to max retained ded. Of \$1,000,000 to NJSBAIG)	10,000
Equipment Breakdown		
Combined Single Limit per Accident for Property Damage & Business Income	100,000,000	
Sublimits:		
Property Damage	Deductible-per accident	Included 5,000
Off Premises Property Damage		100,000
Business Income		Included
Extra Expense	Deductible-per accident	10,000,000 12 Hours
Service Interruption	Deductible-per accident	10,000,000 12 Hours
Perishable Goods		500,000
Data Restoration		100,000
Contingent Business Income		100,000
Demolition		1,000,000
Ordinance or Law		1,000,000
Expediting Expenses		500,000
Hazardous Substances		500,000
Newly Acquired Locations (60 days notice)	Deductible-Waiting Period 60 Days	250,000
Terrorism		Included
Interruption of Service Waiting Period 24 Hours		

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Insurance Schedule
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Exhibit J-20

Company and Type of Coverage	Amount of Coverage	Deductible
Crime		
Faithful Performance Limit	25,000	500
Money & Securities Limit	25,000	500
Forgery or Alteration Limit	25,000	500
Computer Fraud Limit	25,000	500
Public Officials Bond - Paula Smith	25,000	500
Public Officials Bond - James V. Craft	200,000	1,000
	Board Secretary	
	Treasurer	
Comprehensive General Liability		
Bodily Injury & Property Damage	16,000,000	
Bodily Injury from Products & Operations - annual aggregate	16,000,000	
Personal Injury & Advertising Injury - per occurrence/annual aggregate	16,000,000	
Sexual Abuse	16,000,000	
	per occurrence	
	annual pool aggregate	
Employee Benefit Liability - per occurrence/annual aggregate	16,000,000	1,000
Premises Medical Payments	10,000	
	per accident	
	per person	
Terrorism	1,000,000	
	per occurrence	
	NJSBAIG annual aggregate	
	1,000,000	
Automobile		
Liability		
Combined Single Limits for Bodily Injury & Property Damage	16,000,000	1,000
Uninsured/Underinsured Motorists	1,000,000	
	Private Passenger Auto	
Uninsured/Underinsured Motorists	15,000	
	All Other Vehicles - bodily injury per person	
	30,000	
	All Other Vehicles - bodily injury per accident	
	5,000	
	All Other Vehicles - property damage per accident	
Personal Injury Protection (including pedestrians)	250,000	
Medical Payments	10,000	
	Private Passenger Vehicles	
	All Other Vehicles	
	5,000	
Terrorism	1,000,000	
	per occurrence	
	NJSBAIG annual aggregate	
	1,000,000	
Physical Damage		
Comprehensive		1,000
Collision		1,000
Hired Car Physical Damage		1,000
Garage Keepers		
	Included	
Workers Compensation		
	Statutory	
Employers Liability		
	Each Accident,Employee, Aggregate Limit	
	2,000,000	
Errors & Omissions Policy		
Coverage A Limit of Liability - Each Policy Period	16,000,000	5,000
Coverage B Limit of Liability - Each Policy Period	300,000	5,000
Coverage B Limit of Liability - Each Claim	100,000	
	Deductible-each claim	
	Deductible-each claim	
Student Accident Policies		
Excess Medical	5,000,000	25,000
Accident Death & Dismemberment	10,000	
Catastrophic Injury	1,000,000	
Accident Medical Benefit	1,000,000	
Volunteer Coverage	25,000	

Source: District records.

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Single Audit Section

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FORD - SCOTT

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Independent Auditor's Report

The Honorable President and
Members of the Board of Education
For Vocational Schools
County of Cape May, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Board of Education for Vocational Schools in the County of Cape May, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated October 13, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education for Vocational Schools in the County of Cape May'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 Board of Education for Vocational Schools in the County of Cape May's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education for Vocational Schools in the County of Cape May'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 Board of Education for Vocational Schools in the County of Cape May'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*.

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.

Ford Scott & Associates, LLC
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 13, 2017



F O R D - S C O T T

& A S S O C I A T E S , L . L . C .

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
For Vocational Schools
County of Cape May, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education for Vocational Schools in the County of Cape May, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular Uniform Guidance Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education for Vocational Schools in the County of Cape May's major state programs for the year ended June 30, 2017. The Board of Education for Vocational Schools in the County of Cape May's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education for Vocational Schools in the County of Cape May 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 state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Board of Education for Vocational Schools in the County of Cape May 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 Board of Education for Vocational Schools in the County of Cape May's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with 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 Board of Education for Vocational Schools in the County of Cape May'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 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 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 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 NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

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Report on Schedules of Expenditures of State Financial Assistance Required by NJ OMB 15-08

We have audited the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund of the Board of Education for Vocational Schools in the County of Cape May as of and for the year ended June 30, 2017, and have issued our report thereon dated October 13, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of state financial assistance are presented for purposes of additional analysis as required by NJ Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

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 13, 2017

**Board of Education for Vocational Schools, County of Cape May
(County of Cape May)
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period	Award Amount	Balance June 30, 2016	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures		(MEMO) Pass Through to Sub Recipients	Accounts Receivable 06/30/2017	Deferred Revenue/ 06/30/2017	Due to Grantor June 30, 2017
								Pass Through	Direct				
U.S. Department of Education													
Passed-Through State Department of Education													
Special Revenue Fund:													
Title I, Part A Cluster:													
84.010A		S010A160030	7/1/2015	\$ 132,033.00	\$ (28,212.00)	-	28,212.00	(150,614.00)	-	(150,614.00)	(57,695.00)	-	-
84.010A		S010A160030	7/1/2016	150,614.00	(28,212.00)	-	120,331.00	(150,614.00)	-	(150,614.00)	(57,695.00)	-	-
Total I, Part A Cluster													
84.367A		S367A160029	7/1/2015	9,678.00	(5,424.00)	-	5,424.00	(7,997.00)	-	(7,997.00)	(4,238.00)	-	-
84.367A		S367A160029	7/1/2016	7,997.00	(5,424.00)	-	7,997.00	-	-	-	-	-	-
84.048		V048A160030	7/1/2015	58,515.00	(25,075.00)	-	25,075.00	(80,695.00)	-	(80,695.00)	(39,207.00)	-	-
84.048		V048A160030	7/1/2016	80,695.00	(25,075.00)	-	41,478.00	(80,695.00)	-	(80,695.00)	(8,093.00)	-	-
84.048		V048A160030	7/1/2016	23,191.00	(23,191.00)	-	15,098.00	(23,191.00)	-	(23,191.00)	-	-	-
Special Education Cluster (IDEA):													
84.027		H027A160100	7/1/2015	118,775.00	(97,330.00)	-	37,330.00	(113,659.00)	-	(113,659.00)	(31,465.00)	-	-
84.027		H027A160100	7/1/2016	113,659.00	(97,330.00)	-	51,895.00	(113,659.00)	-	(113,659.00)	(31,465.00)	-	-
Total Special Education Cluster (IDEA)													
Sub-total - Passed thru State Department of Education													
U.S. Department of Education (Passed-Through State Department of Labor and Workforce Development)													
84.002A		91-0000-0-1-501	7/1/2015	145,440.00	(48,577.87)	-	48,577.87	(131,300.00)	-	(131,300.00)	(44,915.06)	-	-
84.002A		91-0000-0-1-501	7/1/2015	53,530.00	(11,854.24)	-	11,854.24	(131,300.00)	-	(131,300.00)	(44,915.06)	-	-
84.002A		91-0000-0-1-501	7/1/2016	131,300.00	-	-	86,384.94	(48,460.00)	-	(48,460.00)	(5,552.41)	-	-
84.002A		91-0000-0-1-501	7/1/2016	46,460.00	-	-	43,127.25	(179,780.00)	-	(179,780.00)	(50,267.47)	-	-
Sub-total Passed thru Atlantic Cape Community College													
U.S. Department of Labor (Passed through Atlantic Cape May-Workforce Investment Board)													
17.259		16-0174-0-1-504	7/1/2015	5,460.00	(884.37)	-	884.37	-	-	-	-	-	-
Workforce Investment Board													
Sub-total - Passed thru Atlantic Workforce Investment Board													
Total Special Revenue Fund													
U.S. Department of Agriculture													
Passed-Through State													
Enterprise Funds:													
10.655		16161NJ004N1099	7/1/2015	19,758.75	579.39	-	22,578.63	(679.39)	-	(679.39)	-	-	-
10.655		16161NJ004N1099	7/1/2016	42,169.03	(10,243.84)	-	10,243.84	(18,616.95)	-	(18,616.95)	3,462.68	-	-
10.655		171NJ004N1099	7/1/2015	66,481.74	(2,422.77)	-	64,094.40	(66,481.74)	-	(66,481.74)	(2,387.34)	-	-
10.655		16161NJ004N1099	7/1/2015	12,732.27	(2,422.77)	-	2,422.77	(13,669.25)	-	(13,669.25)	(699.03)	-	-
10.653		171NJ004N1099	7/1/2016	13,669.25	(12,087.22)	-	12,070.22	(99,547.33)	-	(99,547.33)	(3,096.37)	-	-
Total Child Nutrition Cluster													
Total Enterprise Funds													
Total Federal Financial Awards													
								674,269.67	-	(674,269.67)	(194,239.84)	3,462.68	-

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

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
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			Balance at June 30, 2017			MEMO				
				Deferred Revenues (Accts Receivable)	Due to Grantor	Compyover (Withover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reapport of Prior Years Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Reimbursed TPAF Social Security Contributions	16-100-03-4-5095-004	7/1/2015	\$ 432,102.78	\$ (2,013.71)	-	-	21,013.71							432,102.78
Reimbursed TPAF Social Security Contributions	17-100-03-4-5095-004	6/30/2017	424,371.12			403,863.83	(2,532.00)	(20,517.29)						424,371.12
Lead Testing for Schools Aid	17-485-03-4-5120-101	7/1/2016	2,592.00	(2,013.71)	-	-	424,867.54	(2,532.00)	(23,092.29)					856,473.90
State Aid Public Cluster:														
Categorical Special Education Aid	17-485-03-4-5120-089	7/1/2016	949,150.00			949,150.00		(949,150.00)						949,150.00
Categorical Security Aid	17-485-03-4-5120-088	7/1/2016	852,562.00			852,562.00		(852,562.00)						852,562.00
Categorical Security Aid	17-485-03-4-5120-084	6/30/2017	74,927.00			74,927.00		(74,927.00)						74,927.00
PARCC Readiness Aid	17-485-03-4-5120-088	6/30/2017	6,450.00			6,450.00		(6,450.00)						6,450.00
Per Pupil Growth Aid	17-485-03-4-5120-087	6/30/2017	6,450.00			6,450.00		(6,450.00)						6,450.00
Professional Learning Communities Aid	17-100-03-4-5120-101	6/30/2017	6,510.00			6,510.00		(6,510.00)						6,510.00
Total State Aid Public Cluster						2,273,884.00		(1,386,048.00)						1,386,048.00
Total General Fund				(21,013.71)	-	2,688,951.54		(1,823,012.12)	(23,092.29)				138,637.00	2,252,622.90
Special Revenue Fund:														
Vocational Education:														
Vocational Aid - Apprenticeship Coordinator	17-100-03-4-5062-032	7/1/2016	15,500.00	(3,375.00)	-	7,500.00		(10,000.00)						10,000.00
Carl Perkins Post Secondary	17-100-03-4-5062-032	7/1/2015	92,082.00			3,375.00								92,082.00
Carl Perkins Post Secondary	PSFSC09072016	6/30/2016	81,993.00			59,867.00		(81,993.00)						81,993.00
Carl Perkins Post Secondary	PSFSC09072017	6/30/2017	81,993.00	(3,375.00)	-	70,542.00		(91,993.00)						15,500.00
Sub-Total Special Revenue Fund				(3,375.00)	-	70,542.00		(91,993.00)						15,500.00
Total Special Revenue Fund				(3,375.00)	-	70,542.00		(91,993.00)						15,500.00
Capital Projects Fund:														
School Facilities Grant Program - Regular Operating Districts (ROD)	N/A	1/8/2014	860,000.00	(17,440.00)	-	17,440.00								860,000.00
Total Capital Projects Fund				(17,440.00)	-	17,440.00								860,000.00
State Department of Agriculture														
Enterprise Fund:														
National School Lunch Program (State Share)	16-100-010-3350-023	7/1/2015	2,167.56	(355.75)	-	355.75								2,167.56
National School Lunch Program (State Share)	17-100-010-3350-023	6/30/2017	2,145.44			2,072.20		(2,145.44)						2,145.44
Total Enterprise Fund				(355.75)	-	2,427.95		(2,145.44)						4,313.00
Total State Financial Assistance				(42,184.46)	-	2,789,961.49		(1,917,150.56)	(48,008.53)				138,637.00	2,863,613.61

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

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
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 present the activity of all federal and state award programs of the Board of Education for Vocational Schools in the County of Cape May. 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 federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting, and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's 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 last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97, (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,574.00 for the General Fund and \$4,316.24 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:

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
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>Capital Projects Fund</u>	<u>Food service fund</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 1,823,012.12	91,993.00	-	2,145.44	1,917,150.56
Difference – budget to "GAAP"					
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	143,211.00				143,211.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(138,637.00)				(138,637.00)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-			-
On behalf payments recognized for GAAP purposes but not included on the Schedule of Expenditures of State Financial Assistance	1,158,390.00				1,158,390.00
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 2,985,976.12</u>	<u>91,993.00</u>	<u>-</u>	<u>2,145.44</u>	<u>3,080,114.56</u>

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified Opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____ Yes X No
- 2) Significant deficiencies identified? _____ Yes X None reported

Non-compliance material to basic financial statements noted? _____ Yes X No

Federal Awards – NOT APPLICABLE

Internal Control over major programs:

- 1) Material weakness(es) identified: _____ Yes _____ No
- 2) Significant deficiencies identified? _____ Yes _____ None reported

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular Uniform Guidance? _____ Yes _____ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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None

Dollar threshold used to distinguish between type A and type B programs: N/A

Auditee qualified as low-risk auditee? _____ Yes _____ No

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)**

Section I - Summary of Auditor's Results (Continued)

State Awards

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

Auditee qualified as low-risk auditee? X Yes No

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

Internal Control over major programs:

1) Material weakness(es) identified? Yes X No

2) Significant deficiencies identified? Yes X None reported

Any audit findings disclosed that are required to be reported
In accordance with NJOMB Circular Letter 15-08? Yes X No

Identification of major programs:

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

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)**

Section II - Financial Statement Findings

None

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

FEDERAL AWARDS

None

STATE AWARDS

None

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
K-7 SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.