

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, 2018

Prepared by

Cape May County Technical School District
Board of Education
Finance Department

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Introductory Section

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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

January 23, 2019

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, 2018 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 2017-18 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 Smartboards continues to offer teachers and students an 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 coursework within the context 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.

The hybrid summer Bridging program 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. New technology and software was implemented for additional support in mathematics and enhanced English/Language Arts to assess students for placement in extra help. The mandated tutoring program that has been in place for several years continues to help students in all grades. Students are placed in mandatory tutoring which is provided at no charge and students may also request optional tutoring.

During the 2017-18 school year, all of the graduating seniors achieved the necessary graduation assessment 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. The graduating class of 2018 completed a sequential program in a technical career major and structured learning experience, with all of our programs offering an industry third party benchmark assessment

The District continues to offer online courses for our students through our affiliation with the Middle States accredited Virtual High School. All students complete the Financial Literacy DOE required course through a hybrid implementation (online and face to face) model. All students 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, along with short and long-term interdisciplinary projects that culminated in the celebration of each with an instructional focus.

Career Technical Student Organizations continue to be a focal point of the District. Students received recognition at both the state and national levels competing in various NJ SkillsUSA competitions and FFA competitions. The NJ SkillsUSA competition resulted in 16 students attaining medals, including a Gold Medal in Post Secondary, qualifying for Nationals. Members of the FFA chapter earned multiple honors in several different competitions state-wide, including five students who are now eligible to compete at Nationals in October of 2018. The high school FFA chapter also saw a senior student attain a New Jersey State Officer position to commence upon graduation.

Teachers engaged in professional learning on problem based learning and the integration of academic and career courses using various instructional strategies. A professional learning initiative in Social Emotional Learning began in the 17/18 school year, along with practical strategies concerning educational neuroscience, the brain and adversity which will provide staff the professional development needed to increase effective instruction for all learners.

The Post-Secondary Division includes adult and continuing education evening programs providing county residents with vocational and personal training through the year. Adult learners are able to earn licensure/certification career training in Practical Nursing, Dental Assisting, Welding and Cosmetology. Adult Basic Education (ABE) programs provided courses/training in adult basic education, English as a Second Language (ESL) and civics to anyone in need of a high school diploma. A piloted new course provided (ESL) preparation through employment credential training was successful with a cohort of adult students completing ESL training and attaining a ServSafe certification for employment in hospitality industries. In addition to ESL and certification training, the district provided year round High School Equivalency preparation classes for adults to work at their own pace and prepare for the HSE exam. There were educational sites around the county including the county's Correctional Facility. This program served over 200 students in high school equivalency classes. And, the district's testing center awarded 67 adults a High School Equivalency credential for successfully passing the HSE exam.

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 which has expanded to include Google Classroom and drive sharing for collaboration. The teachers and students had access to desktop and laptop 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 17/18 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 ensures timely infrastructure upgrades and maintenance for sustainable efficiencies. As stated in prior years, 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 an ongoing positive

impact on our physical plant; they are also greatly enhancing our instructional environment serving the county residents in our educational programs.

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, 2018.

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 the 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.

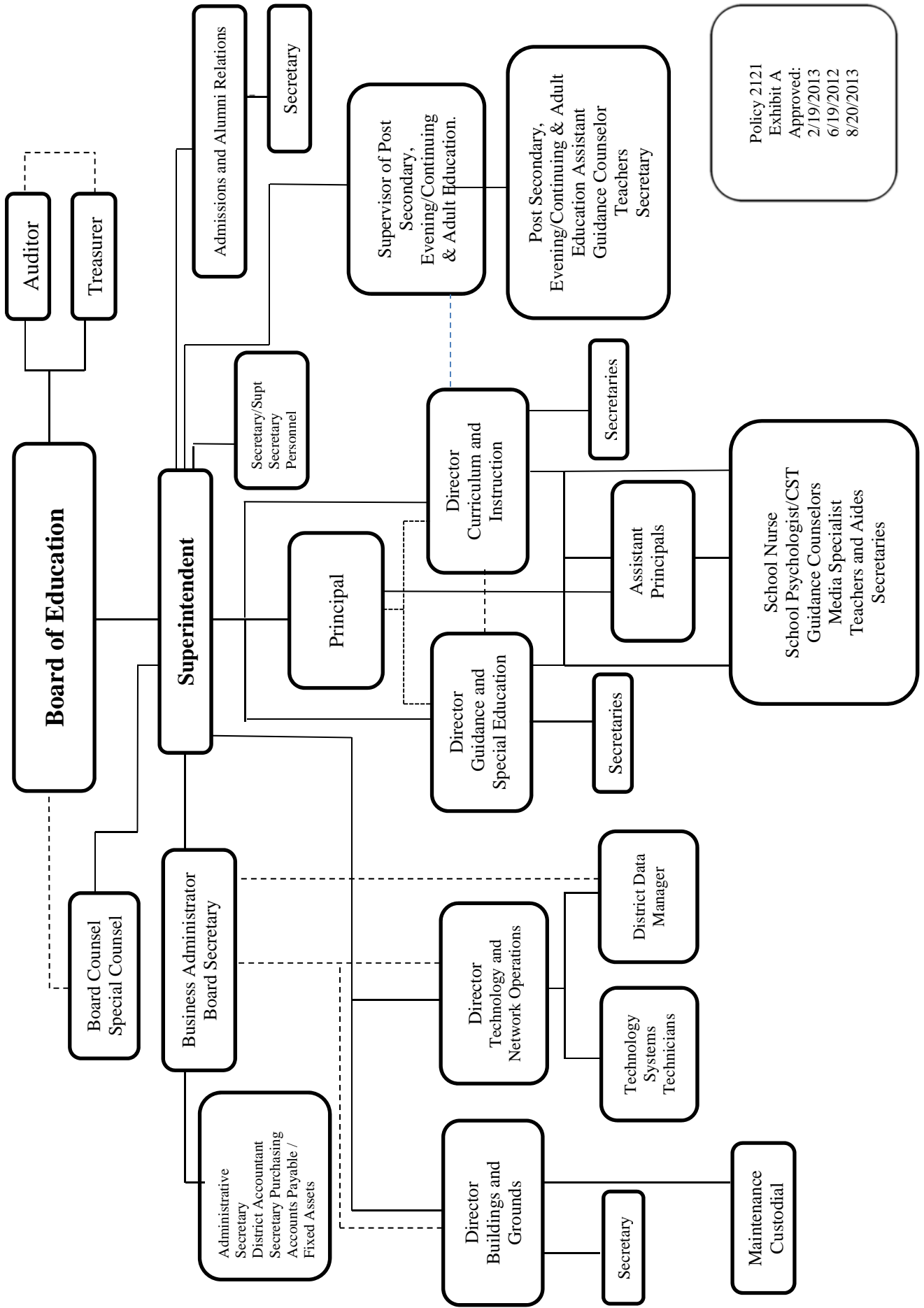
Respectfully submitted,

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, 2018

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Alan I. Gould, President (effective 7/1/18) (Vice-President through 6/30/18)	6/30/2021
Jane Elwell, Vice - President (effective 7/1/18)	6/30/2020
Robert L. Boyd, President (through 6/30/18)	6/30/2020
Anthony L. Anzelone (Remains on Board until new appointment)	6/30/2019
Kerry Higgs, Board Member	6/30/2018
Kenneth R. Merson, Board Member	6/30/2021
Nancy Ramundo, Board Member	6/30/2019
Dr. Judith DeStefano-Anen, Interim Executive 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
(Through June 30, 2018)
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

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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

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, 2018, 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, 2018, 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 January 23, 2019 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

January 23, 2019

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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, 2018
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, 2018. 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 2018?" 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, 2018
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 transactions. 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.

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.

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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, 2018
UNAUDITED**

The following schedule provides a summary of the School District's net position for 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Assets		
Current and Other Assets	\$ 5,387,842.52	5,256,187.79
Capital Assets	<u>32,180,510.17</u>	<u>33,191,671.84</u>
Total Assets	<u>37,568,352.69</u>	<u>38,447,859.63</u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	<u>2,292,242.00</u>	<u>1,912,038.00</u>
Liabilities		
Long-Term Liabilities	2,345,008.70	2,379,248.75
Other Liabilities	669,091.54	605,563.47
Net Pension Liability	<u>6,669,623.00</u>	<u>7,246,012.00</u>
Total Liabilities	<u>9,683,723.24</u>	<u>10,230,824.22</u>
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	<u>1,648,157.00</u>	<u>406,963.00</u>
Net Position		
Net Investment in Capital Assets	32,180,510.17	33,191,671.84
Restricted	3,944,122.12	3,774,362.69
Unrestricted	<u>(7,595,917.84)</u>	<u>(7,243,924.12)</u>
Total Net Position	<u>\$ 28,528,714.45</u>	<u>29,722,110.41</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, 2018
UNAUDITED**

The following schedule shows the changes in net position for fiscal year 2018 and 2017.

Revenues

Program Revenues:		
Charges for Services	\$ 6,292,122.04	6,602,723.95
Operating Grants and Contributions	5,903,303.62	5,254,104.70
Capital Grants and Contributions	-	-
General Revenues:		
County Appropriation	7,905,454.00	7,614,862.00
Grants and Entitlements	1,435,613.00	1,403,215.00
Other	155,374.41	181,493.34
Total Revenues	<u>21,691,867.07</u>	<u>21,056,398.99</u>

Program Expenses

Instruction	11,569,962.83	10,598,848.49
Support Services:		
Student and Instruction Related Services	2,092,422.73	1,909,663.75
General Administration, School Administration,	2,908,254.74	2,994,606.26
Plant Operations and Maintenance of Facilities	3,638,702.44	3,856,242.61
Pupil Transportation	208,083.68	209,012.07
Capital Outlay	515,369.68	3,740,575.82
Adult and Continuing Education	2,061,711.11	2,259,705.55
Othe Special Items	(546,778.03)	(18,491,214.93)
Food Service	274,051.62	277,107.81
Other Enterprise Funds	163,482.23	169,078.51
Total Expenses	<u>22,885,263.03</u>	<u>7,523,625.94</u>
Increase/(Decrease) in Net Assets	<u>\$ (1,193,395.96)</u>	<u>13,532,773.05</u>

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.

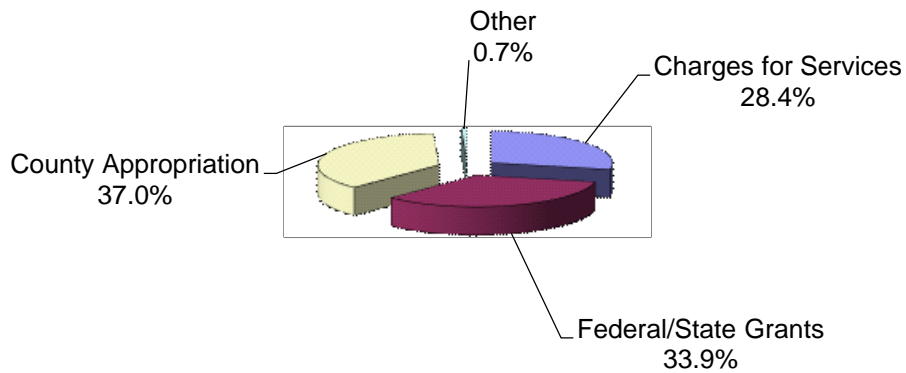
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**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED**

Governmental Activities

The County Appropriation made up 37.0% of revenues for governmental activities for the Cape May County Technical School District for fiscal year 2018. The District's total revenues were \$21,377,155.82 for the year ended June 30, 2018. Charges for Service for operating purposes accounted for another 28.4% of revenue.

Sources of Revenue for Fiscal Year 2018

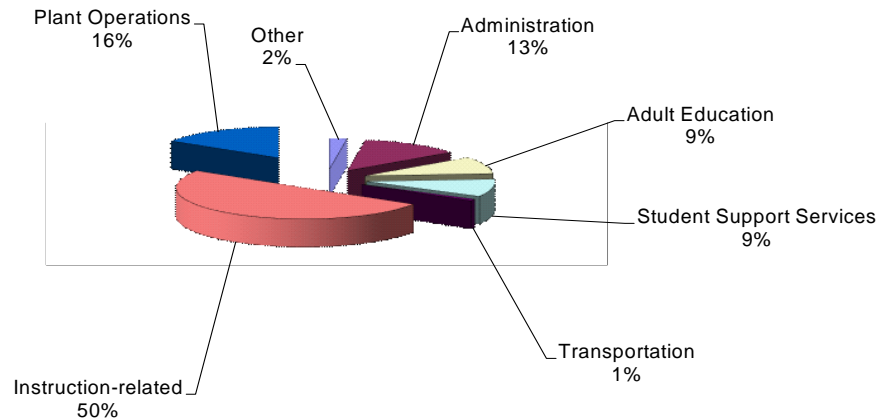


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**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS
COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED**

The total cost of all program and services was \$22,994,507.22. As indicated below, instruction comprises 50% of District expenses.

Cost of Programs and Services for Fiscal Year 2018



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 \$21,336.90.
- Charges for services of the combined Business-Type Activities represent \$221,904.04 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 \$92,757.35.

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 2018. 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, 2018
UNAUDITED**

	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>
Instruction	\$ 11,569,962.83	2,256,560.01	10,598,848.49	2,160,027.76
Support Services:				
Pupils & Instructional Staff	2,092,422.73	1,392,704.02	1,909,663.75	1,315,509.63
General and School				
Administration and				
Business Operations	2,908,254.74	2,447,112.11	2,994,606.26	2,364,325.51
Operation and Maintenance				
of Facilities	3,638,702.44	3,099,893.23	3,856,242.61	3,039,361.85
Pupil Transportation	208,083.68	177,998.37	209,012.07	173,757.89
Adult and Continuing Education	2,061,711.11	1,326,449.53	2,259,705.55	1,289,701.69
Capital Outlay	515,369.68	413,025.68	3,740,575.82	3,731,541.33
Total Expenses	<u>\$ 22,994,507.21</u>	<u>11,113,742.95</u>	<u>25,568,654.55</u>	<u>14,074,225.66</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 \$18,120,666.82 and expenditures were \$17,921,848.57. The General Fund fund balance increased \$602,332.98 primarily due to less transfers to other funds, as well as an overall decrease in expenditures. This increase however was offset by a decrease in the capital projects fund due to costs associated to renovations at the Technical High School.

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, 2018, 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, 2018
UNAUDITED**

Revenue	2017-2018 Amount	Percentage of Total	2016-2017 Amount	Percentage of Total
Local Sources	\$ 14,144,180.00	78.06%	14,172,217.41	79.59%
State Sources	3,419,201.82	18.87%	3,077,969.12	17.29%
Federal Sources	557,285.00	3.08%	555,326.00	3.12%
Total	\$ 18,120,666.82	100.00%	17,805,512.53	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, 2018, and the percentage of total expenditures compared to prior year amounts.

Expenditures	2017-2018 Amount	Percentage of Total	2016-2017 Amount	Percentage of Total
Current Expense:				
Instruction	\$ 5,898,062.27	32.90%	6,046,229.14	28.89%
Undistributed Expenditures	10,212,929.34	56.99%	9,639,114.99	46.08%
Capital Outlay	769,627.69	4.30%	4,089,057.21	19.55%
Special Schools	1,041,229.27	5.81%	1,145,909.99	5.48%
Total	\$ 17,921,848.57	100.00%	20,920,311.33	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. The most significant revision was a decrease (transfer out) to Employee Health Benefits.

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 \$1.8 million during 2017/2018.

**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, 2018
UNAUDITED**

Capital Assets

At the end of the fiscal year 2018, the School District had \$32,180,991.57 invested in land improvement, building, furniture and equipment, and vehicles. The following table shows fiscal year 2018 balances compared to 2017.

	2018	2017
Construction in Progress	\$ 1,793,318.17	2,383,671.49
Land Improvements	67,414.94	2,085.00
Buildings and Improvements	28,633,979.77	29,126,427.65
Machinery and Equipment	1,542,770.71	1,679,487.70
Total	\$ 32,037,483.59	33,191,671.84

Overall capital assets decreased \$1,154,191.25 from fiscal year 2017 to fiscal year 2018. The decrease in capital assets is due primarily to 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 authorized a capital project in the amount of \$14,769,143 and the County sold bonds in September 2006. This project, authorized in 2005, is funding the costs of an addition and renovations to the Technical High School.

For the Future

The Cape May County Technical School District is in good financial condition. The School District is proud of the community and appreciative of the support of the Board of Chosen Freeholders.

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

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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, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,345,283.01	490,572.44	2,835,855.45
Cash Held by Fiscal Agents	282,332.06		282,332.06
Due from Payroll Agency Fund	3,640.00	-	3,640.00
Receivables, Net	522,583.17	3,906.47	526,489.64
Restricted Assets:			
Capital Reserve Account	1,734,247.16	-	1,734,247.16
Inventory	-	5,278.21	5,278.21
Capital Assets:			
Construction in Progress	1,793,318.17	-	1,793,318.17
Capital Assets Being Depreciated, Net	30,244,165.42	143,026.58	30,387,192.00
Total Assets	36,925,568.99	642,783.70	37,568,352.69
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	2,292,242.00	-	2,292,242.00
Total Deferred Outflows of Resources	2,292,242.00	-	2,292,242.00
LIABILITIES			
Accounts Payable	300,846.97	59.11	300,906.08
Unearned Revenue	345,681.47	22,503.99	368,185.46
Noncurrent Liabilities			
Due Within One Year	85,858.46		85,858.46
Due Beyond One Year	2,259,150.24	-	2,259,150.24
Net Pension Liability	6,669,623.00	-	6,669,623.00
Total Liabilities	9,661,160.14	22,563.10	9,683,723.24
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,648,157.00	-	1,648,157.00
NET POSITION			
Net Investment in Capital Assets	32,037,483.59	143,026.58	32,180,510.17
Restricted for:			
Capital Projects	2,906,479.12	-	2,906,479.12
Maintenance Reserve	1,037,643.00	-	1,037,643.00
Unrestricted	(8,073,111.86)	477,194.02	(7,595,917.84)
Total Net Position	\$ 27,908,493.85	620,220.60	28,528,714.45

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, 2018**

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	\$ 4,028,954.55	1,361,692.92	2,534,944.66	1,822,059.82		(1,033,643.00)	(1,033,643.00)	
Vocational Education	4,033,353.47	1,522,760.75	2,834,790.55	1,607,584.95		(1,113,738.72)	(1,113,738.72)	
Other Instruction	447,004.01	176,197.13	328,010.80	186,012.06		(109,178.29)	(109,178.29)	
Support Services:								
Student & Instruction Related Services	1,596,931.57	495,491.16		699,718.71		(1,392,704.02)	(1,392,704.02)	
School Administrative Services	481,360.64	233,600.94		115,811.92		(599,149.66)	(599,149.66)	
General Administrative and Business Services	1,496,736.36	696,556.80		345,330.71		(1,847,962.45)	(1,847,962.45)	
Plant Operation and Maintenance	2,551,885.62	1,086,816.82		538,809.22		(3,099,893.23)	(3,099,893.23)	
Pupil Transportation	147,399.45	60,684.23		30,085.31		(177,998.37)	(177,998.37)	
Unallocated Benefits	6,365,573.35	(6,365,573.35)				-	-	
Capital Outlay	515,369.68		372,472.00	102,344.00		(413,025.68)	(413,025.68)	
Adult and Continuing Education	1,329,938.52	731,772.59	6,070,218.00	362,789.58		(1,326,449.53)	(1,326,449.53)	
Total Governmental Activities	<u>22,994,507.22</u>	<u>0.00</u>	<u>6,070,218.00</u>	<u>5,810,548.27</u>	<u>-</u>	<u>(11,113,742.95)</u>	<u>(11,113,742.95)</u>	
Business-Type Activities:								
Food Service	274,051.62		168,179.79	92,757.35		(13,114.48)	(13,114.48)	
Early Childhood/Summertime Adventures	119,797.55		29,970.00			(89,827.55)	(89,827.55)	
Job Cards	14,907.18		20,374.25			5,467.07	5,467.07	
Education Technology Training Center	28,777.50		3,380.00			(25,397.50)	(25,397.50)	
Total Business-Type Activities	<u>437,533.85</u>	<u>-</u>	<u>221,904.04</u>	<u>92,757.35</u>	<u>-</u>	<u>(122,872.46)</u>	<u>(122,872.46)</u>	
Total Primary Government	<u>\$ 23,432,041.07</u>	<u>0.00</u>	<u>6,292,122.04</u>	<u>5,903,303.62</u>	<u>-</u>	<u>(11,113,742.95)</u>	<u>(11,236,615.41)</u>	
General Revenues:								
County Appropriation, Levied for General Purposes						7,905,454.00	7,905,454.00	
Federal and State Aid not Restricted						1,435,613.00	1,435,613.00	
Investment Earnings						-	49.86	
Miscellaneous Income						155,324.55	155,324.55	
Special Items: Loss on Disposal of Capital Assets						(16,759.42)	(16,759.42)	
Prior Adjustment to Fixed Assets						580,699.26	580,699.26	
Cancellation of Prior Year Payables						(10,750.00)	(10,750.00)	
Transfers						107,897.50	107,897.50	
Total General Revenues, Special Items, Extraordinary Items and Transfers						<u>9,941,683.89</u>	<u>10,043,219.45</u>	
Change in Net Position						<u>(1,172,059.06)</u>	<u>(1,193,395.96)</u>	
Net Position - Beginning						29,080,552.91	29,722,110.41	
Net Position - Ending						<u>\$ 27,908,493.85</u>	<u>28,528,714.45</u>	

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

FUND FINANCIAL STATEMENTS

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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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,098,003.84	147,542.09	99,737.08	2,345,283.01
Cash Held by Fiscal Agents			282,332.06	282,332.06
Receivables, Net	114,997.39	-	-	114,997.39
Due from Other Funds	931.31	-	-	931.31
Due from Payroll Agency Fund	3,640.00	-	-	3,640.00
Receivables from Other Governments	-	215,585.78	192,000.00	407,585.78
Restricted Cash & Cash Equivalents	1,734,247.16	-	-	1,734,247.16
Total Assets	3,951,819.70	363,127.87	574,069.14	4,889,016.71
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	279,825.57	21,021.40	-	300,846.97
Due to Other Funds	-	-	931.31	931.31
Unearned Revenue	3,575.00	342,106.47	-	345,681.47
Total Liabilities	283,400.57	363,127.87	931.31	647,459.75
Fund Balances:				
Restricted for:				
Capital Projects	-	-	325,045.30	325,045.30
Committed to:				
Capital Reserve Account	2,333,341.29	-	-	2,333,341.29
Maintenance Reserve Account	1,037,643.00	-	-	1,037,643.00
Other Purposes	-	-	248,092.53	248,092.53
Assigned to:				
Other Purposes	100,989.12	-	-	100,989.12
Unassigned:				
General Fund	196,445.72	-	-	196,445.72
Total Fund Balances	3,668,419.13	-	573,137.83	4,241,556.96
Total Liabilities and Fund Balances	\$ 3,951,819.70	363,127.87	574,069.14	

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 \$59,369,668.00 and the accumulated depreciation is \$27,332,184.41

32,037,483.59

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(2,345,008.70)

Pension Liabilities Net of Deferred Outflows & Inflows

(6,025,538.00)

Net position of governmental activities

\$ 27,908,493.85

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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
County Line Item Appropriation	\$ 7,905,454.00			7,905,454.00
Tuition Charges	5,697,746.00			5,697,746.00
Miscellaneous	527,796.55	13,183.45	-	540,980.00
Total Local Sources	14,130,996.55	13,183.45	-	14,144,180.00
State Sources	3,326,184.82	93,017.00		3,419,201.82
Federal Sources	-	557,285.00		557,285.00
Total Revenues	<u>\$ 17,457,181.37</u>	<u>663,485.45</u>	<u>-</u>	<u>18,120,666.82</u>
EXPENDITURES				
Current:				
Regular Instruction	2,482,686.68	384,514.85		2,867,201.53
Vocational Instruction	2,734,182.51			2,734,182.51
Other Instruction	296,678.23			296,678.23
Support Services:				
Student & Instruction Related Serv.	997,567.69	176,626.60		1,174,194.29
School Administrative Services	389,197.10			389,197.10
Other Administrative Services	1,221,920.94			1,221,920.94
Plant Operation and Maintenance	2,203,863.21	-		2,203,863.21
Transportation Services	123,457.45			123,457.45
Employee Benefits	5,100,296.35			5,100,296.35
Capital Outlay	145,121.46	102,344.00	522,162.23	769,627.69
Adult and Continuing Education	1,041,229.27			1,041,229.27
Total Expenditures	<u>16,736,200.89</u>	<u>663,485.45</u>	<u>522,162.23</u>	<u>17,921,848.57</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>720,980.48</u>	<u>-</u>	<u>(522,162.23)</u>	<u>198,818.25</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-		-	-
Transfers to Cover Deficit	(107,897.50)			(107,897.50)
Cancellation of Prior Year Liability	(10,750.00)			(10,750.00)
Total Other Financing Sources and Uses	<u>(118,647.50)</u>	<u>-</u>	<u>-</u>	<u>(118,647.50)</u>
Net Changes in Fund Balance	602,332.98	-	(522,162.23)	80,170.75
Fund Balance - July 1	3,066,086.15	-	1,095,300.06	4,161,386.21
Fund Balance - June 30	<u>\$ 3,668,419.13</u>	<u>-</u>	<u>573,137.83</u>	<u>4,241,556.96</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, 2018**

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 80,170.75

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	(1,820,066.71)	
	Prior Adjustment for Buildings and Improvements	1,164,757.53	
	Prior Adjustment for Machinery and Equipment	6,295.05	
	Construction in Progress	(590,353.32)	
	Capital Assets charged to Accounts Payable	16,552.55	
	Capital Outlays	237,705.46	
			(985,109.44)

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

District pension contributions - PERS	(550,027.00)	
Cost of benefits earned net of employee contributions	265,426.00	(284,601.00)

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.

Capital lease payments 80,763.90

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.

(16,759.42)

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 (+).

(46,523.85)

Change in Net Position of Governmental Activities \$ (1,172,059.06)

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, 2018

	Non-Major Funds	Total 2018
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 490,572.44	490,572.44
Intergovernmental Accounts Receivable	3,906.47	3,906.47
Interfund Accounts Receivable	-	-
Inventory	5,278.21	5,278.21
Total Current Assets	499,757.12	499,757.12
Noncurrent Assets:		
Furniture, Machinery & Equipment		
Less Accumulated Depreciation	143,026.58	143,026.58
Total Noncurrent Assets	143,026.58	143,026.58
Total Assets	642,783.70	642,783.70
LIABILITIES		
Current Liabilities:		
Accounts Payable	59.11	59.11
Interfunds Payable	-	-
Unearned Revenue	22,503.99	22,503.99
Total Current Liabilities	22,563.10	22,563.10
NET POSITION		
Invested in Capital Assets Net of Related Debt	143,026.58	143,026.58
Unrestricted	477,194.02	477,194.02
Total Net Position	\$ 620,220.60	620,220.60

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, 2018

	Non-Major Funds	Total 2018
Operating Revenue:		
Charges for Service:		
Daily Sales - Non-reimbursable Programs	\$ 83,631.99	83,631.99
Daily Sales - Reimbursable Programs	83,286.80	83,286.80
Special Functions	936.70	936.70
Early Childhood Program Fees	27,745.00	27,745.00
Summertime Adventure Fees	2,225.00	2,225.00
Cosmetology Revenue	3,847.00	3,847.00
Hotel/Motel	336.00	336.00
Bake Shop	1,669.50	1,669.50
Culinary Arts	5,693.99	5,693.99
Greenhouse	1,000.00	1,000.00
Food Production	7,827.76	7,827.76
ETTC Revenues	3,380.00	3,380.00
Miscellaneous	324.30	324.30
Total Operating Revenue	221,904.04	221,904.04
Operating Expenses:		
Cost of Sales		
Reimbursable Programs	72,675.18	72,675.18
Non-reimbursable Programs	34,497.32	34,497.32
Salaries	137,472.04	137,472.04
Fringe Benefits	1,761.11	1,761.11
Other Purchased Services	134,031.08	134,031.08
Miscellaneous Expenditures	8,502.27	8,502.27
General Supplies	29,165.96	29,165.96
Depreciation	19,428.89	19,428.89
Total Operating Expenses	437,533.85	437,533.85
Operating Income (Loss)	(215,629.81)	(215,629.81)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,240.15	2,240.15
Federal Sources:		
National School Lunch Program	62,186.82	62,186.82
School Breakfast Program	10,649.30	10,649.30
Food Distribution Program	17,681.08	17,681.08
Interest and Investment Income	49.86	49.86
Total Nonoperating Revenues (Expenses)	92,807.21	92,807.21
Income (loss) before Contributions & Transfers	(122,822.60)	(122,822.60)
Capital Contributions (Uses)	-	-
Write off of prior year fixed assets	(6,411.80)	(6,411.80)
Transfers In (Out)	107,897.50	107,897.50
Changes in Net Position	(21,336.90)	(21,336.90)
Total Net Position - Beginning	641,557.50	641,557.50
Total Net Position - Ending	\$ 620,220.60	620,220.60

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, 2018

	Non-Major Funds	Total 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 229,582.59	229,582.59
Payments to Employees	(137,472.04)	(137,472.04)
Payments for Employee Benefits	(1,761.11)	(1,761.11)
Payments for Supplies and Services	(264,072.80)	(264,072.80)
Net Cash Provided by (Used for) Operating Activities	<u>(173,723.36)</u>	<u>(173,723.36)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,205.87	2,205.87
Federal Sources	72,123.54	72,123.54
Operating Subsidies and Transfers to Other Funds	107,897.50	107,897.50
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>182,226.91</u>	<u>182,226.91</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(16,547.88)	(16,547.88)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(16,547.88)</u>	<u>(16,547.88)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest and Dividends	49.86	49.86
Net Cash Provided by (Used for) Investing Activities	<u>49.86</u>	<u>49.86</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,994.47)	(7,994.47)
Balance - Beginning of Year	498,566.91	498,566.91
Balance - End of Year	<u>490,572.44</u>	<u>490,572.44</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(215,629.81)	(215,629.81)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation	19,428.89	19,428.89
Federal Commodities - Non-Cash	17,681.08	17,681.08
(Increase) Decrease in Accounts Receivable	-	-
(Increase) Decrease in Inventories	-	-
Increase (Decrease) in Accounts Payable	(2,882.07)	(2,882.07)
Increase (Decrease) in Deferred Revenue	7,678.55	7,678.55
Increase (Decrease) in Interfund Payable	-	-
Total Adjustments	<u>41,906.45</u>	<u>41,906.45</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (173,723.36)</u>	<u>(173,723.36)</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)
Fiduciary Funds
Statement of Net Position
June 30, 2018

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 193,757.12	352,994.71	297,697.45
Total Assets	193,757.12	352,994.71	297,697.45
LIABILITIES			
Interfunds Payable	-	-	3,640.00
Flexible Spending Account			275.34
Payable to Student Groups	-	-	110,557.27
Payroll Deductions and Withholdings	-	-	183,224.84
Total Liabilities	-	-	297,697.45
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	\$ 193,757.12		
Reserved for Scholarships		352,994.71	

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, 2018

	Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Other	\$ 76,546.97	200,386.00
Total Contributions	76,546.97	200,386.00
Investment Earnings:		
Interest	89.06	164.31
Net Investment Earnings	89.06	164.31
Total Additions	76,636.03	200,550.31
DEDUCTIONS		
Scholarships Awarded	-	85,731.29
Miscellaneous	9,979.48	(0.00)
Total Deductions	9,979.48	85,731.29
Changes in Net Position	66,656.55	114,819.02
Net Position - Beginning of the Year	127,100.57	238,175.69
Net Position - End of the Year	\$ 193,757.12	352,994.71

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

Notes to the Financial Statements

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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, 2018**

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, 2018 of 629 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, 2018
(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, 2018
(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, 2018
(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, 2018
(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, 2018, 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, 2018
(CONTINUED)**

Food	\$	4,249.41
Supplies		<u>1,028.80</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, 2018 is \$1,799.70.

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, 2018
(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 2018 and 2017 fiscal years were as follows:

	2018	2017
Undistributed Expenditures - Custodial Services		
Cleaning, Repair and Maintenance Services	\$ 143,699.18	
Lease Purchase Payments - ESIP		98,260.00
Unallocated Benefits - Employee Benefits		
Health Benefits	(373,914.46)	(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.

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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 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 June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after December 1, 2019, may have an effect on the District's financial reporting.

In March 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". This statement, which is effective for fiscal periods after June 15, 2018, will not have any effect on the District's financial reporting.

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In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61". This statement is effective for fiscal periods beginning after December 15, 2018, 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, 2018, \$5,188,440.38 of the government's bank balance of \$5,5,800,425.99 was exposed to custodial credit risk.

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NOTE 3. FIXED ASSETS

Capital Asset activity for the year ended June 30, 2018 was as follows:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2018</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Construction in process	\$ 2,383,671.49		(590,353.32)	1,793,318.17
Total capital assets not being depreciated	<u>2,383,671.49</u>	<u>-</u>	<u>(590,353.32)</u>	<u>1,793,318.17</u>
Land Improvements	750,180.00	66,719.94		816,899.94
Bldg and bldg improve	51,750,698.38		1,112,515.55	52,863,213.93
Machinery & equipment	3,856,454.85	187,538.07	(147,756.96)	3,896,235.96
Total at historical cost	<u>56,357,333.23</u>	<u>254,258.01</u>	<u>964,758.59</u>	<u>57,576,349.83</u>
Less accum depr for:				
Land Improvements	(748,095.00)	(1,390.00)		(749,485.00)
Bldg and bldg improve	(22,624,270.73)	(1,604,963.43)		(24,229,234.16)
Equipment	(2,329,286.54)	(213,713.28)	189,534.57	(2,353,465.25)
Total accum deprec	<u>(25,701,652.27)</u>	<u>(1,820,066.71)</u>	<u>189,534.57</u>	<u>(27,332,184.41)</u>
Total capital assets being depr, net of accum depr	<u>30,655,680.96</u>	<u>(1,565,808.70)</u>	<u>1,154,293.16</u>	<u>30,244,165.42</u>
Governmental Activities Capital Assets, net	<u><u>33,039,352.45</u></u>	<u><u>(1,565,808.70)</u></u>	<u><u>563,939.84</u></u>	<u><u>32,037,483.59</u></u>
Business-Type Activities:				
Equipment	232,747.52	16,547.88	(7,293.03)	242,002.37
Less accum depr for:				
Equipment	(80,428.13)	(19,428.89)	881.23	(98,975.79)
Business-Type Activities Capital Assets, net	<u><u>\$ 152,319.39</u></u>	<u><u>(2,881.01)</u></u>	<u><u>(6,411.80)</u></u>	<u><u>143,026.58</u></u>

Depreciation expense was charged to governmental functions as follows:

Instruction		
Regular Instruction	\$	389,339.94
Vocational Instruction		435,393.01
Other Instruction		50,378.89
Support Services		
Student & Instruction Related Services		141,672.54
School Administrative Services		66,791.99
General Administration and Business Services		199,161.92
Plant Operation and Maintenance		310,746.42
Pupil Transportation		17,351.04
Adult and Continuing Education		209,230.96
Total Depreciation Expense	\$	<u>1,820,066.71</u>

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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 7.34% and the PERS rate is 7.34% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2018, 2017, and 2016 were \$876,152.00, \$631,289.00, and \$452,184.00,

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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, 2018, 2017 and 2016 were \$271,620.76, \$230,049.30, and \$223,915.00 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2018, 2017 and 2016, the State of New Jersey contributed \$565,888.00, \$526,008.00, and \$538,426.00, 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 \$447,496.82, \$424,371.12, and \$432,102.78, 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, 2018.

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

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- 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, 2018, the District reported a liability of \$6,669,623 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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

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employers, actuarially determined. At June 30, 2017, the District's proportion was .02865154880%, which was an increase of 17.11% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the District recognized pension expense of \$550,027.00. At June 30, 2018, 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	\$ 157,047.00	
Changes of assumptions	1,343,699.00	1338773
Net difference between projected and actual earnings on pension plan investments	45,416	
Changes in proportion and differences between District contributions and proportionate share of contributions	746,080.00	309,384.00
District contributions subsequent to the measurement date		
	\$ 2,292,242.00	\$ 1,648,157.00
Total		

\$265,426 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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,	
2019	\$ 512,417.00
2020	744,466.00
2021	442,210.00
2022	(591,209.00)
2023	(463,799.00)
Total	\$ 644,085.00

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)

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Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

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 2013 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, 2016 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 (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.50%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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, 2017, 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:

	Decrease (4.00%)	Rate (5.00%)	Increase (6.00%)
District's proportionate share of the net pension liability	\$ 8,001,937.52	6,669,623.00	5,561,077.82

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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, 2018, 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>37,841,088.00</u>
Total	\$	<u>37,841,088.00</u>

The net pension liability was measured as of June 30, 2017 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, 2017, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$2,621,439 and revenue of \$2,621,439 for support provided by the State. At June 30, 2017, 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	\$ 247,574.00	64,757.00
Changes of assumptions	7,508,464.00	6,558,056
Net difference between projected and actual earnings on pension plan investments	\$ 191,669	
Changes in proportion and differences between District contributions and proportionate share of contributions		1,896,723.00
District contributions subsequent to the measurement date		
Total	<u>\$ 7,947,707.00</u>	<u>8,519,536.00</u>

\$630,227 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of

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resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ (179,336.00)
2020	(284,783.00)
2021	(238,119.00)
2022	(133,508.00)
2023	(151,361.00)
Thereafter	<u>415,279.00</u>
Total	<u>\$ (571,828.00)</u>

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.25%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 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 (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging market equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%

Discount rate. The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 contributed 40% 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, 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 4.25% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.25%) or 1-percentage point higher (5.25%) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

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

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NOTE 7. OTHER 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 educational employees. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms:

At June 30, 2018, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportional share percentage determined under paragraphs 193 and 203 through 205 of GASBS no. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate used for the fiscal year ending June 30, 2017 is 3.58%.

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Health Care Trend: For pre-Medicare PPO medical benefits, the initial amount is 5.9% and decreases to 5.0% long term trend rate after 9 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after 9 years. For prescription drug benefits, the initial trend rate is 10/5% decreasing to a 5.0% long-term trend rate after 8 years. For Medicare Part-B reimbursement, the trend rate is 5.0%.

Salary Scale: The salary scale assumptions will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on the following:

Pre-retirement Healthy Mortality: RP-2014 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

Post-retirement Healthy Mortality: RP-2014 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Disabled Mortality: RP-2014 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

Changes in the Total OPEB liability reported by the State of New Jersey:

Balance at 6/30/16	\$ 57,831,784,184.00
Changes for the year:	
Service cost	2,391,878,884.00
Interest	1,699,441,736.00
Changes in assumptions or other inputs	(7,086,599,129.00)
Contributions: Member	45,748,749.00
Benefit payments	<u>(1,242,412,566.00)</u>
Net changes	<u>(4,191,942,326.00)</u>
Balance at 6/30/17	<u>\$ 53,639,841,858.00</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017.

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Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the State for school board retirees, as well as what the state's total OPEB liability for school boards would be if it were calculated using a discount rate that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability (School Retirees)	63,674,362,200.00	53,639,841,858.00	45,680,364,953.00

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the State, as well as what the State's total OPB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	44,113,584,560.00	53,639,841,858.00	66,290,599,457.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$1,831,165 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	
Changes of assumptions		6,343,769,032.00
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	1,190,373,242.00	
Total	\$ 1,190,373,242.00	6,343,769,032.00

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB will be recognized in OPEB expense as follows:

Year ended	
<u>June 30,</u>	
2019	\$ (742,830,097.00)
2020	(742,830,097.00)
2021	(742,830,097.00)
2022	(742,830,097.00)
2023	(742,830,097.00)
Thereafter	<u>(2,629,618,547.00)</u>
Total	<u><u>\$ (6,343,769,032.00)</u></u>

(Contributions made after June 30, 2017 are reported as deferred outflow of resources but are not amortized in the expense.)

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

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.

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(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, 2018 were \$26,635.88. Future minimum lease payments are as follows:

Fiscal Year End June 30,	Payment
2019	\$ 28,869.52
2020	28,799.52
2021	28,578.50
2022	23,119.40
2023	6,860.15
Total	\$ <u>116,227.09</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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 1,731,522.63
Interest Earnings	1,818.66
Deposits:	
Transfer of Current Year Surplus, June 30, 2018	<u>600,000.00</u>
Withdrawals:	
Transfer to Capital Projects Fund	-
Ending Balance, June 30, 2018	<u>\$ 2,333,341.29</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.

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Beginning balance, July 1, 2017		\$ 947,540.00
Interest earnings		-
Deposits:		
Transfer of Current Year Surplus, 6/30/18		90,103.00
		<u>\$ 1,037,643.00</u>
Withdrawals:		
None		-
		<u>-</u>
Ending balance, June 30, 2018		<u>\$ 1,037,643.00</u>

NOTE 13. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Issued	Retired	Balance June 30, 2018
Governmental Activities				
Compensated Absences Payable	\$ 722,968.01	383,960.48	337,436.63	769,491.86
Net Pension Liability	7,246,012.00	(310,963.00)	265,426.00	6,669,623.00
Obligations under Capital Leases	1,656,280.74	-	80,763.90	1,575,516.84
Total Governmental Activities	<u>9,625,260.75</u>	<u>72,997.48</u>	<u>683,626.53</u>	<u>9,014,631.70</u>
Total Debt	<u>\$ 9,625,260.75</u>	<u>72,997.48</u>	<u>683,626.53</u>	<u>9,014,631.70</u>

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, 2018.

		Total
FY19	\$	126,111.99
FY20		129,147.99
FY21		132,252.08
FY22		132,415.98
FY23		135,660.00
FY24-FY28		731,527.95
FY29-FY31		495,332.24
Total minimum lease payments		1,882,448.23
Less amount representing interest		306,931.39
Present value of lease payments	\$	<u>1,575,516.84</u>

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JUNE 30, 2018
(CONTINUED)**

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 4,571.31	\$
Special Revenue Fund		
Capital Projects Fund		931.31
Agency Fund		3,640.00
Total	\$ <u>4,571.31</u>	\$ <u>4,571.31</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 \$3,668,419.13 General Fund fund balance, at June 30, 2018, \$0.00 is reserved as excess surplus in accordance with NJSA 18A:7F-7, \$2,333,341.29 has been reserved in the Capital Reserve Account; \$1,037,643.00 has been reserved in the Maintenance Reserve Account; \$0.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2018; \$100,989.12 has been assigned for other purposes and \$196,445.72 has been classified as Unassigned.

Capital Projects Fund – Of the \$573,137.83 Capital Projects Fund balance, at June 30, 2018, \$325,045.30 is restricted for a Capital project for additions and renovations to the Technical High School, approved on August 23, 2005; \$248,092.53 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, 2018 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, 2018, 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:

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)**

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Contributions</u>	<u>Unemployment Claims</u>	<u>Interest Earnings</u>	<u>Ending Balance</u>
2017-2018	\$ 127,100.57	76,546.97	9,979.48	89.06	193,757.12
2016-2017	83,982.70	43,062.88	-	54.99	127,100.57
2015-2016	4,330.58	79,645.28	-	6.84	83,982.70

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 January 23, 2019, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

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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, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
REVENUES:					
Local Sources:					
County Line Item Appropriation	\$ 7,905,454.00		7,905,454.00	7,905,454.00	-
Tuition	5,676,207.00		5,676,207.00	5,697,746.00	21,539.00
Nonresident Fees	6,859.00		6,859.00	8,382.00	1,523.00
Adult Education Testing Center Fees	11,120.00		11,120.00	6,040.00	(5,080.00)
Interest on Maintenance Reserve	150.00		150.00		(150.00)
Interest on Capital Reserve	150.00		150.00		(150.00)
Other Restricted Miscellaneous Revenue	368,167.00		368,167.00	364,090.00	(4,077.00)
Unrestricted Miscellaneous Revenue	140,462.00		140,462.00	149,284.55	8,822.55
Total Local Sources	14,108,569.00	-	14,108,569.00	14,130,996.55	22,427.55
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	-
Aid for Adult and Post-Graduate Programs	59,137.00		59,137.00	43,952.00	(15,185.00)
TPAF Pension (On-Behalf - Non-Budgeted)					
Teachers Pension and Annuity Fund			-	876,152.00	876,152.00
TPAF - Post Retirement Medical			-	565,888.00	565,888.00
TPAF-Long-Term Disability Insurance Premium Contribution				1,035.00	1,035.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	447,496.82	447,496.82
Total State Sources	1,455,186.00	-	1,455,186.00	3,330,572.82	1,875,386.82
Total Revenues	15,563,755.00	-	15,563,755.00	17,461,569.37	1,897,814.37
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION GRADES 9-12					
Salaries of Teachers	2,393,576.00	(34,584.35)	2,358,991.65	2,353,739.12	5,252.53
Other Purchased Services (400-500 series)	20,040.00	-	20,040.00	19,449.88	590.12
General Supplies	78,349.30	24,223.15	102,572.45	96,346.29	6,226.16
Textbooks	53,370.00	(46,852.63)	6,517.37	2,100.14	4,417.23
Other Objects	-	-	-	-	-
Regular Programs - Home Instruction					
Salaries of Teachers	6,600.00	(2,640.00)	3,960.00	3,960.00	-
Purchased Professional - Educational Services	500.00	6,910.25	7,410.25	7,091.25	319.00
Other Purchased Services (400-500 series)	-	181.00	181.00	-	181.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,552,435.30	(52,762.58)	2,499,672.72	2,482,686.68	16,986.04
VOCATIONAL PROGRAMS - INSTRUCTION					
Regular Vocational Programs - Instruction					
Salaries of Teachers	1,439,275.00	15,408.26	1,454,683.26	1,454,622.07	61.19
Other Salaries for Instruction	153,604.00	(10,708.78)	142,895.22	142,895.21	0.01
Other Purchased Services (400-500 series)	69,960.00	(1,985.00)	67,975.00	62,120.61	5,854.39
General Supplies	229,134.07	(17,227.11)	211,906.96	160,262.87	51,644.09
Textbooks	3,000.00	-	3,000.00	765.60	2,234.40
Other Objects	8,500.00	-	8,500.00	7,595.00	905.00
Total Regular Vocational Programs - Instruction	1,903,473.07	(14,512.63)	1,888,960.44	1,828,261.36	60,699.08
Special Vocational Programs - Instruction					
Salaries of Teachers	866,979.00	(47,841.53)	819,137.47	818,146.13	991.34
Other Salaries for Instruction	37,617.00	32,931.65	70,548.65	54,120.67	16,427.98
General Supplies	46,281.00	-	46,281.00	33,654.35	12,626.65
Textbooks	-	-	-	-	-
Total Special Vocational Programs - Instruction	950,877.00	(14,909.88)	935,967.12	905,921.15	30,045.97
TOTAL VOCATIONAL PROGRAMS - INSTRUCTION	2,854,350.07	(29,422.51)	2,824,927.56	2,734,182.51	90,745.05

**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, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
School-Spon. Cocurricular Activities - Instruction					
Salaries	45,100.00	(10,000.00)	35,100.00	32,900.00	2,200.00
Purchased Services (300-500 series)	2,500.00	-	2,500.00	1,603.50	896.50
Supplies & Materials	2,500.00	-	2,500.00	617.34	1,882.66
Other Objects	21,775.00	-	21,775.00	16,777.00	4,998.00
Total School-Spon. Cocurricular Activities - Inst.	71,875.00	(10,000.00)	61,875.00	51,897.84	9,977.16
School-Spon. Cocurricular Athletics - Instruction					
Salaries	178,301.00	(24,255.29)	154,045.71	153,901.75	143.96
Purchased Services (300-500 series)	32,975.00	(241.27)	32,733.73	32,085.62	648.11
Supplies & Materials	33,123.01	13,358.12	46,481.13	46,481.13	-
Other Objects	11,000.00	462.25	11,462.25	11,280.11	182.14
Total School-Spon. Cocurricular Athletics - Inst.	255,399.01	(10,676.19)	244,722.82	243,748.61	974.21
Other Instructional Programs - Instruction					
Supplies & Materials	3,000.00	-	3,000.00	1,031.78	1,968.22
Total Other Instructional Programs - Inst.	3,000.00	-	3,000.00	1,031.78	1,968.22
TOTAL INSTRUCTION	5,737,059.38	(102,861.28)	5,634,198.10	5,513,547.42	120,650.68
UNDISTRIBUTED EXPENDITURES					
Undistributed Expend. - Attendance & Social Work					
Salaries	52,611.00	(670.00)	51,941.00	50,278.75	1,662.25
Total Undistributed Expend. - Attend & Social Work	52,611.00	(670.00)	51,941.00	50,278.75	1,662.25
Undistributed Expend. - Health Services					
Salaries	86,458.00	5,189.00	91,647.00	91,570.83	76.17
Purchased Professional and Technical Services	2,000.00	(828.00)	1,172.00	523.75	648.25
Other Purchased Services (400-500 series)	500.00	-	500.00	102.38	397.62
Supplies & Materials	5,562.50	2,729.37	8,291.87	8,235.97	55.90
Other Objects	-	-	-	-	-
Total Undistributed Expend. - Health Services	94,520.50	7,090.37	101,610.87	100,432.93	1,177.94
Undistributed Expend. - Guidance					
Salaries of Other Professional Staff	215,715.00	(2,074.41)	213,640.59	213,614.09	26.50
Salaries of Secretarial and Clerical Assistants	127,250.00	893.36	128,143.36	128,143.36	-
Unused Vacation Payment to Termin/Retired Staff	-	1,196.80	1,196.80	1,196.80	-
Other Purchased Services (400-500 series)	200.00	(19.65)	180.35	67.10	113.25
Supplies & Materials	10,300.00	(974.59)	9,325.41	9,007.22	318.19
Other Objects	2,800.00	-	2,800.00	2,257.00	543.00
Total Undistributed Expend. - Guidance	356,265.00	(978.49)	355,286.51	354,285.57	1,000.94
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	143,075.00	56,629.80	199,704.80	199,704.62	0.18
Unused Vacation Payment to Termin/Retired Staff	-	2,312.50	2,312.50	2,312.50	-
Purchased Professional - Educational Services	1,314.00	15,140.59	16,454.59	16,313.11	141.48
Other Purchased Services (400-500 series)	150.00	-	150.00	60.25	89.75
Supplies & Materials	2,000.00	200.00	2,200.00	1,861.60	338.40
Other Objects	1,070.00	-	1,070.00	1,070.00	-
Total Undist. Expend. - Child Study Teams	147,609.00	74,282.89	221,891.89	221,322.08	569.81

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, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	112,562.00	(4,868.45)	107,693.55	107,662.61	30.94
Salaries of Other Professional Staff	1,000.00	2,866.17	3,866.17	2,400.00	1,466.17
Salaries of Secretarial and Clerical Assistants	29,862.00	1,090.62	30,952.62	30,952.62	-
Unused Vacation Payment to Termin/Retired Staff	-	-	-	-	-
Other Purchased Services (400-500 series)	2,200.00	36.31	2,236.31	2,010.43	225.88
Supplies & Materials	375.00	147.52	522.52	522.52	-
Other Objects	1,070.00	-	1,070.00	1,070.00	-
Total Undist. Expend. - Improvement of Inst. Serv.	147,069.00	(727.83)	146,341.17	144,618.18	1,722.99
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	91,448.00	(635.00)	90,813.00	90,495.45	317.55
Other Purchased Services (400-500 series)	-	635.00	635.00	635.00	-
Supplies & Materials	16,232.55	-	16,232.55	14,434.23	1,798.32
Other Objects	250.00	-	250.00	-	250.00
Total Undistributed Expenditures - Educational Media Services - School Library	107,930.55	-	107,930.55	105,564.68	2,365.87
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisor of Instruction	12,262.00	(104.34)	12,157.66	11,962.51	195.15
Salaries of Secretarial and Clerical Assistants	3,335.00	104.35	3,439.35	3,439.35	-
Unused Vacation Payment to Termin/Retired Staff	675.00	1,817.20	2,492.20	2,492.20	-
Other Purchased Services (400-500 series)	6,500.00	(1,817.21)	4,682.79	3,171.44	1,511.35
Total Undistributed Expenditures - Instructional Staff Training Services	22,772.00	-	22,772.00	21,065.50	1,706.50
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	305,613.00	(4,002.25)	301,610.75	294,126.57	7,484.18
Unused Vacation Payment to Termin/Retired Staff	2,380.00	-	2,380.00	2,161.63	218.37
Legal Services	55,000.00	(5,029.00)	49,971.00	32,141.51	17,829.49
Audit Fees	24,900.00	-	24,900.00	24,900.00	-
Other Purchased Professional Services	10,000.00	3,330.00	13,330.00	13,330.00	-
Communications/Telephone	51,900.00	(1,698.75)	50,201.25	46,252.22	3,949.03
BOE Other Purchased Services	6,500.00	-	6,500.00	1,630.08	4,869.92
Other Purchased Services (400-500 series)	54,175.00	(7,015.35)	47,159.65	38,385.36	8,774.29
General Supplies	5,500.00	-	5,500.00	5,410.52	89.48
BOE In-House Training/Meeting Supplies	1,800.00	5,371.20	7,171.20	7,121.89	49.31
Miscellaneous Expenditures	22,500.00	1,944.11	24,444.11	22,796.55	1,647.56
BOE Membership Dues and Fees	7,000.00	(299.96)	6,700.04	6,100.90	599.14
Total Undistributed Expenditures - Support Services - General Administration	547,268.00	(7,400.00)	539,868.00	494,357.23	45,510.77
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	302,925.00	-	302,925.00	302,924.88	0.12
Salaries of Secretarial and Clerical Assistants	73,500.00	(16,132.84)	57,367.16	55,689.15	1,678.01
Unused Vacation Payment to Termin/Retired Staff	29,600.00	-	29,600.00	5,164.90	24,435.10
Other Purchased Services (400-500 series)	15,050.00	840.33	15,890.33	12,217.52	3,672.81
Supplies & Materials	8,300.00	(775.00)	7,525.00	5,964.62	1,560.38
Other Objects	8,500.00	-	8,500.00	7,236.03	1,263.97
Total Undistributed Expenditures - Support Services - School Administration	437,875.00	(16,067.51)	421,807.49	389,197.10	32,610.39
Undist. Expend. - Central Services					
Salaries	352,322.00	(9,552.56)	342,769.44	340,151.49	2,617.95
Unused Vacation Payment to Termin/Retired Staff	10,500.00	(877.08)	9,622.92	6,267.56	3,355.36
Misc. Purchased Services (400-500 series)	37,312.00	14,509.74	51,821.74	50,014.10	1,807.64
Supplies & Materials	11,700.00	(1,254.10)	10,445.90	8,759.46	1,686.44
Miscellaneous Expenditures	1,500.00	4.10	1,504.10	1,504.10	-
Total Undistributed Expenditures - Central Services	413,334.00	2,830.10	416,164.10	406,696.71	9,467.39

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
General Fund
Budgetary Comparison Schedule
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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Undist. Expend. - Admin. Info. Tech					
Salaries	258,216.00	4,041.20	262,257.20	262,257.14	0.06
Unused Vacation Payment to Termin/Retired Staff	3,618.00	-	3,618.00	-	3,618.00
Purchased Technical Services	39,730.00	7,982.95	47,712.95	46,149.03	1,563.92
Other Purchased Services (400-500 series)	17,000.00	(12,024.15)	4,975.85	190.00	4,785.85
Supplies & Materials	26,500.00	(11,039.25)	15,460.75	12,270.83	3,189.92
Total Undistributed Expenditures - Admin Info Tech	<u>345,064.00</u>	<u>(11,039.25)</u>	<u>334,024.75</u>	<u>320,867.00</u>	<u>13,157.75</u>
Undist. Expend. - Required Maint. School Facilities					
Salaries	175,671.00	2,892.36	178,563.36	178,563.36	-
Cleaning, Repair and Maintenance Service	75,000.00	(3,056.68)	71,943.32	50,243.32	21,700.00
General Supplies	51,000.00	17,700.60	68,700.60	59,029.79	9,670.81
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>301,671.00</u>	<u>17,536.28</u>	<u>319,207.28</u>	<u>287,836.47</u>	<u>31,370.81</u>
Undist. Expend. - Custodial Services					
Salaries	532,202.00	17,442.36	549,644.36	548,925.03	719.33
Unused Vacation Payment to Termin/Retired Staff	5,000.00	829.00	5,829.00	5,829.00	-
Purchased Professional and Technical Services	103,856.00	(11,639.74)	92,216.26	86,792.00	5,424.26
Cleaning, Repair and Maintenance Service	92,288.83	143,699.18	235,988.01	231,449.47	4,538.54
Rental of Land and Buildings	2,500.00	(66.60)	2,433.40	1,104.39	1,329.01
Other Purchased Property Services	48,000.00	-	48,000.00	47,538.45	461.55
Insurance	165,053.00	(7,932.20)	157,120.80	156,242.84	877.96
General Supplies	52,943.94	65,005.19	117,949.13	106,723.76	11,225.37
Energy (Natural Gas)	183,335.00	48,529.13	231,864.13	231,864.13	-
Energy (Electricity)	420,000.00	(44,540.21)	375,459.79	375,459.69	0.10
Energy (Oil)	-	-	-	-	-
Lease Purchase Payments-Energy Savings Imp Prog	123,142.00	-	123,142.00	123,141.98	0.02
Other Objects	7,200.00	(3,988.92)	3,211.08	956.00	2,255.08
Total Undist. Expend. - Custodial Services	<u>1,735,520.77</u>	<u>207,337.19</u>	<u>1,942,857.96</u>	<u>1,916,026.74</u>	<u>26,831.22</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>2,037,191.77</u>	<u>224,873.47</u>	<u>2,262,065.24</u>	<u>2,203,863.21</u>	<u>58,202.03</u>
Undist. Expend. - Student Transportation Serv.					
Salaries - Pupil Trans. (Other than Bet Home & Sch.)	250.00	(24.93)	225.07	-	225.07
Cleaning, Repair and Maintenance Service	5,500.00	(1,102.22)	4,397.78	1,059.69	3,338.09
Contracted Services - (Other than Bet. Home & School)	30,000.00	19,848.08	49,848.08	49,848.08	-
Cont Services - (Bet Home & School) - Joint	6,500.00	-	6,500.00	6,255.00	245.00
Contracted Services - (Reg Students) ESC's & CTSA's	68,000.00	2,016.87	70,016.87	64,977.62	5,039.25
General Supplies	3,000.00	(1,991.94)	1,008.06	1,008.06	-
Other Objects	500.00	-	500.00	309.00	191.00
Total Undistributed Expenditures - Student Transportation Services	<u>113,750.00</u>	<u>18,745.86</u>	<u>132,495.86</u>	<u>123,457.45</u>	<u>9,038.41</u>
Unallocated Benefits - Employee Benefits					
Group Insurance	3,200.00	-	3,200.00	3,012.30	187.70
Social Security Contribution	235,000.00	(17,285.88)	217,714.12	211,647.43	6,066.69
Other Retirement Contributions - PERS	282,929.00	(6,760.08)	276,168.92	273,999.32	2,169.60
Unemployment Compensation	20,000.00	20,000.00	40,000.00	40,000.00	-
Workmen's Compensation	165,000.00	(8,422.32)	156,577.68	156,577.68	-
Health Benefits	2,843,676.00	(373,914.46)	2,469,761.54	2,469,761.54	-
Tuition Reimbursement	20,000.00	(2,626.27)	17,373.73	16,242.66	1,131.07
Other Employee Benefits	1,500.00	(649.07)	850.93	850.89	0.04
Unused Vacation Payment to Termin/Retired Staff	-	37,632.71	37,632.71	37,632.71	-
Total Unallocated Benefits - Employee Benefits	<u>3,571,305.00</u>	<u>(352,025.37)</u>	<u>3,219,279.63</u>	<u>3,209,724.53</u>	<u>9,555.10</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, 2018

	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				876,152.00	(876,152.00)
TPAF - Post Retirement Medical				565,888.00	(565,888.00)
TPAF-Long-Term Disability Insurance Premium Contribution				1,035.00	(1,035.00)
Reimbursed TPAF Social Security Cont.(non-bud)				447,496.82	(447,496.82)
Total On-Behalf Contributions	-	-	-	1,890,571.82	(1,890,571.82)
Total Personal Services - Employee Benefits	3,571,305.00	(352,025.37)	3,219,279.63	5,100,296.35	(1,881,016.72)
TOTAL UNDISTRIBUTED EXPENDITURES	8,394,564.82	(61,085.76)	8,333,479.06	10,036,302.74	(1,702,823.68)
TOTAL GENERAL CURRENT EXPENSE	14,131,624.20	(163,947.04)	13,967,677.16	15,549,850.16	(1,582,173.00)
CAPITAL OUTLAY					
Equipment					
Grades 9-12	-	12,896.58	12,896.58	9,410.50	3,486.08
Vocational Programs - Regular	2,458.00	55,400.12	57,858.12	57,858.12	-
School-Sponsored and Other Instructional Programs	-	21,617.44	21,617.44	21,617.44	-
Undistributed Expenditures:					
Central Services	-	12,176.40	12,176.40	12,176.40	-
Admin Info Technology	-	12,223.00	12,223.00	12,223.00	-
Required Maintenance for School Facilities	-	24,236.00	24,236.00	22,076.00	2,160.00
Special Schools - All Programs	-	-	-	-	-
Total Equipment	2,458.00	138,549.54	141,007.54	135,361.46	5,646.08
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	-	150.00	-	150.00
Total Facilities Acquisition and Construction Services	10,060.00	-	10,060.00	9,760.00	300.00
TOTAL CAPITAL OUTLAY	12,518.00	138,549.54	151,067.54	145,121.46	5,946.08
SPECIAL SCHOOLS					
Post-Secondary - Instruction:					
Salaries of Teachers	447,406.00	(499.73)	446,906.27	411,834.64	35,071.63
Other Salaries for Instruction	31,620.00	-	31,620.00	3,032.85	28,587.15
Other Purchased Services (400-500 series)	2,334.57	-	2,334.57	1,249.72	1,084.85
General Supplies	113,269.94	(7,099.22)	106,170.72	56,464.12	49,706.60
Textbooks	50,000.00	-	50,000.00	27,386.05	22,613.95
Other Objects	15,000.00	7,575.36	22,575.36	17,653.67	4,921.69
Total Post-Secondary - Instruction	659,630.51	(23.59)	659,606.92	517,621.05	141,985.87
Post-Secondary - Support Services:					
Salaries	64,425.00	-	64,425.00	52,716.72	11,708.28
Unused Vacation Payment to Termin/Retired Staff	1,500.00	-	1,500.00	1,009.75	490.25
Personal Services - Employee Benefits	123,353.00	22,954.16	146,307.16	129,663.13	16,644.03
General Supplies	-	1,181.45	1,181.45	1,013.95	167.50
Other Objects	2,000.00	(745.36)	1,254.64	971.25	283.39
Total Post-Secondary - Support Services	191,278.00	23,390.25	214,668.25	185,374.80	29,293.45
Total Post-Secondary Programs	850,908.51	23,366.66	874,275.17	702,995.85	171,279.32
Summer School - Instruction:					
Salaries of Teachers	25,000.00	(451.10)	24,548.90	1,008.00	23,540.90
Total Summer School - Instruction	25,000.00	(451.10)	24,548.90	1,008.00	23,540.90

Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
General Fund
Budgetary Comparison Schedule
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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Summer School - Support Services:					
Salaries	1,900.00	(49.17)	1,850.83	-	1,850.83
Other Objects		500.27	500.27	500.27	-
Total Summer School - Support Services	<u>1,900.00</u>	<u>451.10</u>	<u>2,351.10</u>	<u>500.27</u>	<u>1,850.83</u>
Total Summer School	<u>26,900.00</u>	<u>0.00</u>	<u>26,900.00</u>	<u>1,508.27</u>	<u>25,391.73</u>
Accredited Evening/Adult H.S./Post-Grad. - Instruction:					
Salaries of Teachers	16,000.00	-	16,000.00	7,844.50	8,155.50
General Supplies	-	-	-	-	-
Total Accredited Evening/Adult H.S./Post-Grad. - Instruction	<u>16,000.00</u>	<u>-</u>	<u>16,000.00</u>	<u>7,844.50</u>	<u>8,155.50</u>
Accredited Evening/Adult H.S./Post-Grad. - Support Services:					
Salaries	111,150.00	-	111,150.00	89,335.32	21,814.68
Unused Vacation Payment to Termin/Retired Staff	3,792.00	-	3,792.00	-	3,792.00
Personal Services - Employee Benefits	45,034.00	(23,366.66)	21,667.34	18,214.76	3,452.58
Other Purchased Services (400-500 series)	250.00	-	250.00	46.54	203.46
Supplies and Materials	1,000.00	-	1,000.00	97.81	902.19
Total Accredited Evening/Adult H.S./Post-Grad. - Support Services	<u>161,226.00</u>	<u>(23,366.66)</u>	<u>137,859.34</u>	<u>107,694.43</u>	<u>30,164.91</u>
Total Accredited Evening/Adult H.S./Post-Grad.	<u>177,226.00</u>	<u>(23,366.66)</u>	<u>153,859.34</u>	<u>115,538.93</u>	<u>38,320.41</u>
Adult Education - Local - Instruction:					
Salaries of Teachers	45,000.00	(4,552.37)	40,447.63	19,431.50	21,016.13
General Supplies	7,000.00	4,552.37	11,552.37	11,278.30	274.07
Other Objects	100.00	-	100.00	-	100.00
Total Adult Education - Local - Instruction	<u>52,100.00</u>	<u>(0.00)</u>	<u>52,100.00</u>	<u>30,709.80</u>	<u>21,390.20</u>
Adult Education - Local - Support Services:					
Salaries	59,556.00	(3,042.83)	56,513.17	39,492.27	17,020.90
Personal Services - Employee Benefits	13,706.00	-	13,706.00	6,784.88	6,921.12
Other Purchased Services (400-500 series)	7,500.00	-	7,500.00	2,966.25	4,533.75
Supplies & Materials	500.00	-	500.00	-	500.00
Other Objects		3,042.83	3,042.83	2,653.05	389.78
Total Adult Education - Local - Support Services	<u>81,262.00</u>	<u>-</u>	<u>81,262.00</u>	<u>51,896.45</u>	<u>29,365.55</u>
Total Adult Education	<u>133,362.00</u>	<u>(0.00)</u>	<u>133,362.00</u>	<u>82,606.25</u>	<u>50,755.75</u>
Vocational Evening - Local - Instruction:					
Salaries of Teachers	65,000.00	(8,258.81)	56,741.19	46,251.25	10,489.94
General Supplies	17,400.00	8,258.81	25,658.81	22,331.49	3,327.32
Textbooks	-	-	-	-	-
Total Vocational Evening - Local - Instruction	<u>82,400.00</u>	<u>0.00</u>	<u>82,400.00</u>	<u>68,582.74</u>	<u>13,817.26</u>
Vocational Evening - Support Services:					
Salaries	61,155.00	-	61,155.00	48,498.97	12,656.03
Unused Vacation Payment to Termin/Retired Staff	-	-	-	-	-
Personal Services - Employee Benefits	13,705.00	-	13,705.00	6,784.88	6,920.12
Other Purchased Services (400-500 series)	9,700.00	-	9,700.00	6,531.83	3,168.17
Supplies and Materials	1,700.00	-	1,700.00	-	1,700.00
Other Objects	3,500.00	-	3,500.00	1,220.00	2,280.00
Total Vocational Evening - Support	<u>89,760.00</u>	<u>-</u>	<u>89,760.00</u>	<u>63,035.68</u>	<u>26,724.32</u>
Total Vocational Evening	<u>172,160.00</u>	<u>0.00</u>	<u>172,160.00</u>	<u>131,618.42</u>	<u>40,541.58</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, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
General Education Development (GED)/High School Equivalency (HSE) Test Centers:					
Salaries	8,500.00	(1,147.00)	7,353.00	3,443.75	3,909.25
Supplies & Materials	2,620.00	1,147.00	3,767.00	3,517.80	249.20
Total GED/HSE Test Centers	<u>11,120.00</u>	<u>-</u>	<u>11,120.00</u>	<u>6,961.55</u>	<u>4,158.45</u>
TOTAL SPECIAL SCHOOLS	<u>1,371,676.51</u>	<u>0.00</u>	<u>1,371,676.51</u>	<u>1,041,229.27</u>	<u>330,447.24</u>
TOTAL EXPENDITURES	<u>15,515,818.71</u>	<u>(25,397.50)</u>	<u>15,490,421.21</u>	<u>16,736,200.89</u>	<u>(1,245,779.68)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 <u>47,936.29</u>	 <u>25,397.50</u>	 <u>73,333.79</u>	 <u>725,368.48</u>	 <u>652,034.69</u>
 Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfer to Cover Deficit (Enterprise Fund)	(82,500.00)	(25,397.50)	(107,897.50)	(107,897.50)	-
Transfer to Capital Projects Fund		-		-	-
Cancellation of Prior Year Liability			-	(10,750.00)	(10,750.00)
Total Other Financing Sources:	<u>(82,500.00)</u>	<u>(25,397.50)</u>	<u>(107,897.50)</u>	<u>(118,647.50)</u>	<u>(10,750.00)</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	 <u>(34,563.71)</u>	 <u>0.00</u>	 <u>(34,563.71)</u>	 <u>606,720.98</u>	 <u>641,284.69</u>
 Fund Balance July 1	 <u>3,204,723.15</u>	 <u>-</u>	 <u>3,204,723.15</u>	 <u>3,204,723.15</u>	 <u>-</u>
 Fund Balance June 30	 <u>\$ 3,170,159.44</u>	 <u>0.00</u>	 <u>3,170,159.44</u>	 <u>3,811,444.13</u>	 <u>641,284.69</u>
 Recapitulation:					
Nonspendable Fund Balance:					
Restricted Fund Balance:					
Committed Fund Balance:					
Capital Reserve Account				2,333,341.29	
Maintenance Reserve				1,037,643.00	
Assigned Fund Balance:					
Year End Encumbrances				100,989.12	
Unassigned Fund Balance				<u>339,470.72</u>	
				3,811,444.13	
 Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				(143,025.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,668,419.13</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, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 2,500.00	354,494.69	356,994.69	13,041.11	(343,953.58)
State Sources	75,594.00	17,423.00	93,017.00	93,017.00	-
Federal Sources	436,031.00	121,254.00	557,285.00	557,285.00	-
Total Revenues	514,125.00	493,171.69	1,007,296.69	663,343.11	(343,953.58)
EXPENDITURES:					
Instruction:					
Salaries	264,315.00	(97,163.82)	167,151.18	232,672.36	(65,521.18)
Purchased Professional - Technical Services		24,445.04	24,445.04	24,445.04	-
Other Purchased Services (400-500 series)		4,841.55	4,841.55	4,841.55	-
General Supplies	77,371.00	346,407.80	423,778.80	122,413.56	301,365.24
Total Instruction	341,686.00	278,530.57	620,216.57	384,372.51	235,844.06
Support Services:					
Salaries	142,698.00	(42,258.32)	100,439.68	34,918.50	65,521.18
Salaries - Supervisor of Instruction		8,947.96	8,947.96	8,947.96	-
Personal Services - Employee Benefits	17,130.00	39,961.14	57,091.14	57,159.52	(68.38)
Purchased Professional - Technical Services	6,178.00	5,510.64	11,688.64	11,688.64	-
Travel		1,241.66	1,241.66	1,623.66	(382.00)
Purchased Property Services		645.75	645.75	645.75	-
Other Purchased Services (400-500 series)	6,398.00	34,415.50	40,813.50	39,511.59	1,301.91
Supplies & Materials	35.00	15,684.41	15,719.41	11,550.98	4,168.43
Other Objects		10,648.38	10,648.38	10,580.00	68.38
Total Support Services	172,439.00	74,797.12	247,236.12	176,626.60	70,609.52
Custodial Services:					
Electricity	-	-	-	-	-
Total Custodial Services	-	-	-	-	-
Facilities Acquisition and Constr. Services:					
Instructional Equipment		139,844.00	139,844.00	102,344.00	37,500.00
Construction Services		-	-	-	-
Total Facilities Acquisition and Constr. Services	-	139,844.00	139,844.00	102,344.00	37,500.00
Total Outflows	514,125.00	493,171.69	1,007,296.69	663,343.11	343,953.58
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)
Required Supplementary Information
Budget to GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2018

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 17,461,569.37	[C-2]	663,343.11
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, 2018		-		(100.36)
Encumbrances at June 30, 2017		-		242.70
Final State Aid payment was delayed until July 2017 is recorded as GAAP revenue but is not recognized as budgetary revenue.				
		138,637.00		-
Final State Aid payment was delayed until July 2018 is recorded as budgetary revenue but is not recognized under GAAP.				
		(143,025.00)		-
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>17,457,181.37</u>	[B-2]	<u>663,485.45</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows"				
from the budgetary comparison schedule	[C-1]	\$ 16,736,200.89	[C-2]	\$ 663,343.11
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, 2018				(100.36)
Encumbrances at June 30, 2017				242.70
	[B-2]	<u>\$ 16,736,200.89</u>	[B-2]	<u>663,485.45</u>

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Required Supplementary Information
Part III

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**Board of Education for Vocational Schools, County of Cape May
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employee Retirement System
 Last Five Fiscal Years**

	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.02865154880%	0.02446561170%	0.02604475010%	0.0268574568%	0.0273264209%
District's proportionate of the net pension liability (asset)	\$ 6,669,623.00	7,246,012.00	5,846,524.00	5,028,450.00	5,222,622.00
District's covered payroll	1,952,312.00	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	342%	366%	301%	285.36%	281.93%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	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 five years. Additional years will be presented as they become available.

**Board of Education for Vocational Schools, County of Cape May
Schedule of District Contributions
Public Employee Retirement System
Last Five Fiscal Years**

	2017	2016	2015	2014	2013
Contractually required contribution	\$ 271,620.76	217,349.00	223,915.00	221,409.00	205,899.00
Contributions in relation to the contractually required contribution	<u>271,620.76</u>	<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>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,952,312.00	1,980,940.00	1,941,558.00	1,762,144.00	1,852,432.00
Contributions as a percentage of covered-employee payroll	13.91%	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 five years. Additional years will be presented as they become available.

**Board of Education for Vocational Schools, County of Cape May
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund
 Last Five Fiscal Years**

	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	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	37,841,088	44,429,116	37,652,511	31,974,161	30,410,087
Total	37,841,088	44,429,116	37,652,511.00	31,974,161.00	30,410,087.00
District's covered payroll	\$ 5,984,961.00	5,886,595	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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	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 five years. Additional years will be presented as they become available.

Board of Education for Vocational Schools, County of Cape May
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 28,842,124.00</u>	<u>30,871,180.00</u>
Total	<u>\$ 28,842,124.00</u>	<u>30,871,180.00</u>
District's covered payroll	7,937,273.00	7,846,535.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.
However, information is only currently available for two years.
Additional years will be presented as they become available.

SPECIAL REVENUE FUND

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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, 2018**

	Total Brought Forward (Ex. E-1a)	Carl Perkins Secondary	Carl Perkins Post Secondary	Carl Perkins Secondary Reserve	Totals 2018
REVENUES:					
Local Sources	\$ 13,041.11	-	-	-	13,041.11
State Sources	10,000.00	-	83,017.00	-	93,017.00
Federal Sources	447,281.00	87,863.00	-	22,141.00	557,285.00
Total Revenues	470,322.11	87,863.00	83,017.00	22,141.00	663,343.11
EXPENDITURES:					
Instruction:					
Salaries	231,427.61	585.00	659.75		232,672.36
Salaries of Teachers	-				-
Purchased Professional - Technical Services	-	5,437.77	18,629.27	378.00	24,445.04
Other Purchased Services (400-500 series)	-	4,500.00	341.55		4,841.55
General Supplies	34,761.68	36,565.08	30,516.55	20,570.25	122,413.56
Other Objects	-				-
Total Instruction	266,189.29	47,087.85	50,147.12	20,948.25	384,372.51
Support Services:					
Salaries	14,587.50	3,600.00	16,731.00		34,918.50
Salaries - Supervisor of Instruction	-	3,776.13	4,150.00	1,021.83	8,947.96
Personal Services - Employee Benefits	46,594.86	609.04	9,877.45	78.17	57,159.52
Purchased Professional - Technical Services	10,168.64	925.00	595.00		11,688.64
Purchased Property Services	-		645.75		645.75
Travel	382.00	370.98	870.68		1,623.66
Other Purchased Services (400-500 series)	39,411.59	100.00			39,511.59
Supplies & Materials	11,208.23	250.00		92.75	11,550.98
Other Objects	10,580.00				10,580.00
Total Support Services	132,932.82	9,631.75	32,869.88	1,192.75	176,626.60
Custodial Services:					
Electricity	-	-	-	-	-
Total Custodial Services	-	-	-	-	-
Facilities Acquisition and Constr. Services:					
Instructional Equipment	71,200.00	31,144.00	-		102,344.00
Construction Services	-	-	-		-
Total Facilities Acquisition and Constr. Services	71,200.00	31,144.00	-	-	102,344.00
Contribution to Charter Schools	-				-
Total Expenditures	470,322.11	87,863.00	83,017.00	22,141.00	663,343.11
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, 2018**

	Total Brought Forward (Ex. E-1b)	17-18 Apprentice Coordinator	ABE GED	Civics GED	I.D.E.A. Part B	Total Carried Forward
REVENUES:						
Local Sources	\$ 13,041.11	-	-	-	-	13,041.11
State Sources	-	10,000.00	-	-	-	10,000.00
Federal Sources	210,979.00	-	103,020.00	37,370.00	95,912.00	447,281.00
Total Revenues	224,020.11	10,000.00	103,020.00	37,370.00	95,912.00	470,322.11
EXPENDITURES:						
Instruction:						
Salaries	55,002.43	-	85,819.00	25,085.00	65,521.18	231,427.61
Salaries of Teachers	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-
General Supplies	34,433.68	-	123.00	205.00	-	34,761.68
Other Objects	-	-	-	-	-	-
Total Instruction	89,436.11	-	85,942.00	25,290.00	65,521.18	266,189.29
Support Services:						
Salaries	1,087.50	10,000.00	2,500.00	1,000.00	-	14,587.50
Salaries - Supervisor of Instruction	-	-	-	-	-	-
Personal Services - Employee Benefits	4,289.93	-	-	-	-	4,289.93
Purchased Professional - Technical Services	4,798.00	-	12,106.00	10,710.00	19,488.93	46,594.86
Purchased Property Services	-	-	-	-	5,370.64	5,370.64
Travel	-	-	382.00	-	-	382.00
Other Purchased Services (400-500 series)	36,951.59	-	2,090.00	370.00	-	39,411.59
Supplies & Materials	5,676.98	-	-	-	5,531.25	11,208.23
Other Objects	10,580.00	-	-	-	-	10,580.00
Total Support Services	63,384.00	10,000.00	17,078.00	12,080.00	30,390.82	132,932.82
Custodial Services:						
Electricity	-	-	-	-	-	-
Total Custodial Services	-	-	-	-	-	-
Facilities Acquisition and Constr. Services:						
Instructional Equipment	71,200.00	-	-	-	-	71,200.00
Construction Services	-	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	71,200.00	-	-	-	-	71,200.00
Contribution to Charter Schools	-	-	-	-	-	-
Total Expenditures	224,020.11	10,000.00	103,020.00	37,370.00	95,912.00	470,322.11
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, 2018**

	Total Brought Forward (Ex. E-1c)	NJSBA Ecological	Safety Grant	Dollar General 5/18-4/19	Dollar General 5/17-4/18	Total Carried Forward
REVENUES:						
Local Sources	\$ 3,700.00	242.70	534.46	1,020.20	7,543.75	13,041.11
State Sources	-	-	-	-	-	-
Federal Sources	210,979.00	-	-	-	-	210,979.00
Total Revenues	214,679.00	242.70	534.46	1,020.20	7,543.75	224,020.11
EXPENDITURES:						
Instruction:						
Salaries	52,015.50	-	-	906.93	2,080.00	55,002.43
Salaries of Teachers	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-
General Supplies	30,221.00	242.70	534.46	44.89	3,390.63	34,433.68
Other Objects	-	-	-	-	-	-
Total Instruction	82,236.50	242.70	534.46	951.82	5,470.63	89,436.11
Support Services:						
Salaries	1,087.50	-	-	-	-	1,087.50
Salaries - Supervisor of Instruction	-	-	-	-	-	-
Personal Services - Employee Benefits	4,062.43	-	-	68.38	159.12	4,289.93
Purchased Professional - Technical Services	4,798.00	-	-	-	-	4,798.00
Purchased Property Services	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Other Purchased Services (400-500 series)	36,951.59	-	-	-	-	36,951.59
Supplies & Materials	5,676.98	-	-	-	-	5,676.98
Other Objects	8,666.00	-	-	-	1,914.00	10,580.00
Total Support Services	61,242.50	-	-	68.38	2,073.12	63,384.00
Custodial Services:						
Electricity	-	-	-	-	-	-
Total Custodial Services	-	-	-	-	-	-
Facilities Acquisition and Constr. Services:						
Instructional Equipment	71,200.00	-	-	-	-	71,200.00
Construction Services	-	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	71,200.00	-	-	-	-	71,200.00
Contribution to Charter Schools	-	-	-	-	-	-
Total Expenditures	214,679.00	242.70	534.46	1,020.20	7,543.75	224,020.11
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, 2018**

	Total Brought Forward (Ex. E-1d)	ESEA Title I-A	ESEA Title II-A	ESEA Title IV-A	FFA Osprey Grant FY18	Total Carried Forward
REVENUES:						
Local Sources	\$ 2,500.00	-	-	-	1,200.00	3,700.00
State Sources	-	-	-	-	-	-
Federal Sources	-	174,326.00	16,633.00	20,020.00	-	210,979.00
Total Revenues	2,500.00	174,326.00	16,633.00	20,020.00	1,200.00	214,679.00
EXPENDITURES:						
Instruction:						
Salaries	-	51,115.50	900.00	-	-	52,015.50
Salaries of Teachers	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-
General Supplies	2,500.00	9,644.00	-	16,877.00	1,200.00	30,221.00
Other Objects	-	-	-	-	-	-
Total Instruction	2,500.00	60,759.50	900.00	16,877.00	1,200.00	82,236.50
Support Services:						
Salaries	-	-	1,087.50	-	-	1,087.50
Salaries - Supervisor of Instruction	-	-	-	-	-	-
Personal Services - Employee Benefits	-	3,910.34	152.09	-	-	4,062.43
Purchased Professional - Technical Services	-	-	4,798.00	-	-	4,798.00
Purchased Property Services	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	30,545.16	6,406.43	-	-	36,951.59
Supplies & Materials	-	2,533.98	2,533.98	3,143.00	-	5,676.98
Other Objects	-	7,911.00	755.00	-	-	8,666.00
Total Support Services	-	42,366.50	15,733.00	3,143.00	-	61,242.50
Custodial Services:						
Electricity	-	-	-	-	-	-
Total Custodial Services	-	-	-	-	-	-
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-	71,200.00	-	-	-	71,200.00
Construction Services	-	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	-	71,200.00	-	-	-	71,200.00
Contribution to Charter Schools	-	-	-	-	-	-
Total Expenditures	2,500.00	174,326.00	16,633.00	20,020.00	1,200.00	214,679.00
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, 2018**

	Strong Foundation	New Language	Ladies and Jetlemen	Tech Pedals	Heretoday-Green	Total Carried Forward
REVENUES:						
Local Sources	\$ 500.00	500.00	500.00	500.00	500.00	2,500.00
State Sources	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-
Total Revenues	500.00	500.00	500.00	500.00	500.00	2,500.00
EXPENDITURES:						
Instruction:						
Salaries	-	-	-	-	-	-
Salaries of Teachers	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-
General Supplies	500.00	500.00	500.00	500.00	500.00	2,500.00
Other Objects	-	-	-	-	-	-
Total Instruction	500.00	500.00	500.00	500.00	500.00	2,500.00
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	500.00	500.00	500.00	500.00	500.00	2,500.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-

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CAPITAL PROJECTS FUND

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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, 2018

Number	Issue / Project Title	Original Date	Appropriations	Expenditures to Date		Canceled	Unexpended Balance
				Prior Years	Current Year		
	State Building - SDA Grant	1/31/2015	1,440,000.00	1,440,000.00			0.00
		2/6/2015	960,000.00	873,978.60	86,021.40		(0.00)
		6/16/2016	152,515.55	131,577.24	20,938.31		291,737.08
		3/21/2017	651,456.00		359,718.92		
	Energy Savings Improvement Plan (ESIP)	5/26/2016	1,715,000.00	1,378,115.65	55,483.60		281,400.75
			<u>\$ 4,918,971.55</u>	<u>3,823,671.49</u>	<u>522,162.23</u>	<u>-</u>	<u>573,137.83</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, 2018

REVENUES AND OTHER FINANCING SOURCES:

State Sources:		
SDA Grants	\$	-
Local Sources		
Capital Reserve		-
ESIP (Energy Savings Improvement Program) Lease Proceeds		-
Capital Outlay		-
County Appropriation		-
Interest Earned on Deposits		-
		<hr/>
Total Revenues		<hr/> -
EXPENDITURES		
Purchased Professional and Technical Services		10,311.49
Construction Services		511,850.74
Equipment purchases		-
Other Objects		-
		<hr/>
Total Expenditures		<hr/> 522,162.23
Excess (Deficiency) of Revenues Over (Under) Expenditures		(522,162.23)
Fund Balances, July 1		<hr/> 1,095,300.06
Fund Balances, June 30	\$	<hr/> <hr/> 573,137.83

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, 2018

	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	2,091,456.00	-	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	17,973,114.55	-	17,973,114.55	17,973,114.55
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional/Technical Services	1,210,827.07	10,311.49	1,221,138.56	1,217,727.07
Construction Services	15,245,645.10	456,367.14	15,702,012.24	15,982,060.81
Purchase of Equipment	217,369.73		217,369.73	217,369.73
Other Objects	540,856.94		540,856.94	555,956.94
Total Expenditures	17,214,698.84	466,678.63	17,681,377.47	17,973,114.55
Excess (Deficiency) of Revenues Over Expenditures	\$ 758,415.71	(466,678.63)	291,737.08	-
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		98.38%		
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, 2018

	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	55,483.60	1,171,660.45	15,982,060.81
Purchase of Equipment			-	217,369.73
Other Objects			-	555,956.94
Total Expenditures	1,378,115.65	55,483.60	1,433,599.25	17,973,114.55
Excess (Deficiency) of Revenues Over Expenditures	\$ 336,884.35	(55,483.60)	281,400.75	(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	83.59%			
Original Target Completion Date	June 2017			
Revised Target Completion Date	December, 2017			

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)
Proprietary Funds
Combining Schedule of Net Position
June 30, 2018

	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	\$ 51,152.07	147,235.95	289,475.49	2,708.93	490,572.44
Intergovernmental Accounts Receivable	3,906.47				3,906.47
Inventory	5,278.21				5,278.21
Total Current Assets	<u>60,336.75</u>	<u>147,235.95</u>	<u>289,475.49</u>	<u>2,708.93</u>	<u>499,757.12</u>
Noncurrent Assets:					
Furniture, Machinery & Equipment					-
Less Accumulated Depreciation	60,268.05	82,758.53			143,026.58
Total Noncurrent Assets	<u>60,268.05</u>	<u>82,758.53</u>	<u>-</u>	<u>-</u>	<u>143,026.58</u>
Total Assets	<u>120,604.80</u>	<u>229,994.48</u>	<u>289,475.49</u>	<u>2,708.93</u>	<u>642,783.70</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	-	-	59.11	-	59.11
Unearned Revenue	2,413.99	20,090.00			22,503.99
Total Current Liabilities	<u>2,413.99</u>	<u>20,090.00</u>	<u>59.11</u>	<u>-</u>	<u>22,563.10</u>
NET POSITION					
Invested in Capital Assets Net of Related Debt	60,268.05	82,758.53	-	-	143,026.58
Unrestricted	57,922.76	127,145.95	289,416.38	2,708.93	477,194.02
Total Net Position	<u>\$ 118,190.81</u>	<u>209,904.48</u>	<u>289,416.38</u>	<u>2,708.93</u>	<u>620,220.60</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, 2018

	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	\$ 83,631.99				83,631.99
Daily Sales - Reimbursable Programs	83,286.80				83,286.80
Special Functions	936.70				936.70
Early Childhood Program Fees		27,745.00			27,745.00
Summertime Adventure Fees		2,225.00			2,225.00
Cosmetology Revenue			3,847.00		3,847.00
Hotel/Motel			336.00		336.00
Bake Shop			1,669.50		1,669.50
Culinary Arts			5,693.99		5,693.99
Greenhouse			1,000.00		1,000.00
Food Production			7,827.76		7,827.76
ETTC Revenues				3,380.00	3,380.00
Miscellaneous	324.30				324.30
Total Operating Revenue	<u>168,179.79</u>	<u>29,970.00</u>	<u>20,374.25</u>	<u>3,380.00</u>	<u>221,904.04</u>
Operating Expenses:					
Cost of Sales					
Reimbursable Programs	72,675.18				72,675.18
Non-reimbursable Programs	34,497.32				34,497.32
Salaries		108,694.54		28,777.50	137,472.04
Fringe Benefits		1,761.11		-	1,761.11
Other Purchased Services	134,031.08			-	134,031.08
Miscellaneous Expenditures	8,028.49	473.78			8,502.27
General Supplies	10,521.59	3,737.19	14,907.18		29,165.96
Depreciation	14,297.96	5,130.93			19,428.89
Total Operating Expenses	<u>274,051.62</u>	<u>119,797.55</u>	<u>14,907.18</u>	<u>28,777.50</u>	<u>437,533.85</u>
Operating Income (Loss)	<u>(105,871.83)</u>	<u>(89,827.55)</u>	<u>5,467.07</u>	<u>(25,397.50)</u>	<u>(215,629.81)</u>
Nonoperating Revenues (Expenses):					
State Sources:					
State School Lunch Program	2,240.15				2,240.15
Federal Sources:					
National School Lunch Program	62,186.82				62,186.82
School Breakfast Program	10,649.30				10,649.30
Food Distribution Program	17,681.08				17,681.08
Interest and Investment Income	49.86				49.86
Total Nonoperating Revenues (Expenses)	<u>92,807.21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,807.21</u>
Income (loss) before Contributions & Transfers	<u>(13,064.62)</u>	<u>(89,827.55)</u>	<u>5,467.07</u>	<u>(25,397.50)</u>	<u>(122,822.60)</u>
Capital Contributions (Uses)					
Write off of prior year fixed assets	(6,411.80)			-	(6,411.80)
Transfers In (Out)	-	82,500.00	-	25,397.50	107,897.50
Changes in Net Position	<u>(19,476.42)</u>	<u>(7,327.55)</u>	<u>5,467.07</u>	<u>-</u>	<u>(21,336.90)</u>
Total Net Position - Beginning	<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>
Total Net Position - Ending	<u>\$ 118,190.81</u>	<u>209,904.48</u>	<u>289,416.38</u>	<u>2,708.93</u>	<u>620,220.60</u>

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, 2018

	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	\$ 165,178.34	40,650.00	20,374.25	3,380.00	229,582.59
Payments to Employees		(108,694.54)		(28,777.50)	(137,472.04)
Payments for Employee Benefits		(1,761.11)		-	(1,761.11)
Payments for Supplies and Services	(244,840.72)	(4,210.97)	(15,021.11)	-	(264,072.80)
Net Cash Provided by (Used for) Operating Activities	<u>(79,662.38)</u>	<u>(74,016.62)</u>	<u>5,353.14</u>	<u>(25,397.50)</u>	<u>(173,723.36)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State Sources	2,205.87	-	-	-	2,205.87
Federal Sources	72,123.54	-	-	-	72,123.54
Operating Subsidies and Transfers to Other Funds	-	82,500.00	-	25,397.50	107,897.50
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>74,329.41</u>	<u>82,500.00</u>	<u>-</u>	<u>25,397.50</u>	<u>182,226.91</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Capital Assets	(16,547.88)	-	-	-	(16,547.88)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(16,547.88)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,547.88)</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Interest and Dividends	49.86	-	-	-	49.86
Net Cash Provided by (Used for) Investing Activities	<u>49.86</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49.86</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(21,830.99)	8,483.38	5,353.14	-	(7,994.47)
Balance - Beginning of Year	72,983.06	138,752.57	284,122.35	2,708.93	498,566.91
Balance - End of Year	<u>51,152.07</u>	<u>147,235.95</u>	<u>289,475.49</u>	<u>2,708.93</u>	<u>490,572.44</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	(105,871.83)	(89,827.55)	5,467.07	(25,397.50)	(215,629.81)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	14,297.96	5,130.93	-	-	19,428.89
Federal Commodities - Non-Cash	17,681.08	-	-	-	17,681.08
(Increase) Decrease in Accounts Receivable		-	-	-	-
(Increase) Decrease in Inventories	-				-
Increase (Decrease) in Accounts Payable	(2,768.14)		(113.93)	-	(2,882.07)
Increase (Decrease) in Deferred Revenue	(3,001.45)	10,680.00			7,678.55
Increase (Decrease) Miscellaneous					-
Total Adjustments	<u>26,209.45</u>	<u>15,810.93</u>	<u>(113.93)</u>	<u>-</u>	<u>41,906.45</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (79,662.38)</u>	<u>(74,016.62)</u>	<u>5,353.14</u>	<u>(25,397.50)</u>	<u>(173,723.36)</u>

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FIDUCIARY FUNDS

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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, 2018

	Unemployment Compensation Trust	Private Purpose Trust	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	\$ 193,757.12	352,994.71	297,697.45	844,449.28
Total Assets	<u>193,757.12</u>	<u>352,994.71</u>	<u>297,697.45</u>	<u>844,449.28</u>
LIABILITIES				
Interfunds Payable			3,640.00	3,640.00
Flexible Spending Account			275.34	275.34
Payable to Student Groups			110,557.27	110,557.27
Payroll Deductions & Withholdings			183,224.84	183,224.84
Total Liabilities	<u>-</u>	<u>-</u>	<u>297,697.45</u>	<u>297,697.45</u>
NET POSITION				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 193,757.12</u>			193,757.12
Reserved for Scholarships		<u>352,994.71</u>		352,994.71
Total Net Position				<u>546,751.83</u>
Total Liabilities and Net Position				<u>844,449.28</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, 2018

	Unemployment Compensation Trust	Private Purpose Trust	Totals
ADDITIONS			
Contributions:			
Other	\$ 76,546.97	200,386.00	276,932.97
Total Contributions	<u>76,546.97</u>	<u>200,386.00</u>	<u>276,932.97</u>
Investments Earnings:			
Interest	89.06	164.31	253.37
Net Investment Earnings	<u>89.06</u>	<u>164.31</u>	<u>253.37</u>
Total Additions	<u>76,636.03</u>	<u>200,550.31</u>	<u>277,186.34</u>
Deductions			
Scholarships Awarded		85,731.29	85,731.29
Miscellaneous	9,979.48	(0.00)	9,979.48
Total Deductions	<u>9,979.48</u>	<u>85,731.29</u>	<u>95,710.77</u>
Change in Net Position	66,656.55	114,819.02	181,475.57
Net Position - Beginning of the Year	<u>127,100.57</u>	<u>238,175.69</u>	<u>365,276.26</u>
Net Position - End of the Year	<u>\$ 193,757.12</u>	<u>352,994.71</u>	<u>546,751.83</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, 2018**

	<u>Balance</u>	<u>Cash</u>	<u>Cash</u>	<u>Balance</u>
	<u>July 1, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2018</u>
Agri-Science	\$ 13,037.01	11,765.50	6,778.96	18,023.55
Boys Baseball	5,418.07	3,235.93	6,057.22	2,596.78
Boys Basketball	207.03	2,314.00	2,690.65	(169.62)
Boys Soccer	273.97	1,714.58	1,739.42	249.13
Cheerleading	52.94	100.50	-	153.44
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	3,195.01	-	-	3,195.01
Class of 2013	4,581.67	-	-	4,581.67
Class of 2016	1,549.18	-	-	1,549.18
Class of 2017	1,356.64	-	1,400.00	(43.36)
Class of 2018	9,753.57	23,907.00	30,478.26	3,182.31
Class of 2019	1,694.92	5,727.00	3,133.24	4,288.68
Class of 2020	705.10	1,799.00	1,481.02	1,023.08
Class of 2021	-	1,936.09	454.68	1,481.41

**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, 2018**

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Balance June 30, 2018
Cross Country	3,553.38	214.80	576.54	3,191.64
Culinary Gratuities	(11.08)	817.80	1,230.00	(423.28)
Drama Club	1,660.62	255.57	100.00	1,816.19
Field Trips	36,152.70	-	1,395.44	34,757.26
Future Farmers	1,907.17	6,376.30	3,274.60	5,008.87
Girls Basketball	647.73	346.61	832.93	161.41
Girls Soccer	(54.02)	466.00	-	411.98
Girls Softball	629.34	3,217.50	1,755.70	2,091.14
Golf	56.05	250.00	-	306.05
Hosa	(0.17)	-	-	(0.17)
Key Club	5,389.02	1,395.44	2,037.90	4,746.56
Library	4,849.86	489.79	-	5,339.65
Miscellaneous	1,462.25	1,060.42	991.00	1,531.67
National Honor Society	2,921.62	4,770.00	1,767.36	5,924.26
Ripken Experience	-	21,144.00	18,162.50	2,981.50
Robotics Club	1,845.57	2,396.79	2,609.46	1,632.90
Skills USA	2,521.78	-	-	2,521.78
Student Council	2,680.92	4,849.75	5,752.86	1,777.81
Swim Team	(289.61)	1,715.71	1,756.80	(330.70)
Travel and Tourism	120.59	140.00	190.00	70.59
Yearbook	(6,180.76)	5,270.00	8,586.00	(9,496.76)
Total Senior High Schools	\$ 107,837.93	107,676.08	105,232.54	110,281.47
ATHLETICS:				
All Sports	\$ 1,804.30	14,469.50	15,998.00	275.80

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, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
ASSETS:				
Cash and Cash Equivalents	\$ 85,166.60	9,841,193.37	9,739,219.79	187,140.18
Total Assets	85,166.60	9,841,193.37	9,739,219.79	187,140.18
LIABILITIES:				
Payroll Deductions & Withholding	78,882.04	4,272,110.22	4,167,767.42	183,224.84
Flexible Spending Account	2,624.56	12,637.16	14,986.38	275.34
Interfunds Payable	3,660.00	-	20.00	3,640.00
Net Payroll Payable	-	5,556,445.99	5,556,445.99	-
Total Liabilities	\$ 85,166.60	9,841,193.37	9,739,219.79	187,140.18

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LONG-TERM DEBT

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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, 2018**

Description	Amount of Original Issue	Balance	Additions	Deletions	Balance
		7/1/2017			6/30/2018
Energy Savings Improvement Program (ESIP) Equipment	\$ 1,715,000.00	1,656,280.74		80,763.90	1,575,516.84
		\$ 1,656,280.74	-	80,763.90	1,575,516.84

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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, 2018**
(accrual basis of accounting)

	For the Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	33,039,352.45	32,037,483.59
Restricted	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	3,944,122.12
Unrestricted	(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)	(8,073,111.86)
Total governmental activities net position	25,124,788.05	24,063,681.95	23,038,342.20	22,421,825.00	21,441,545.75	21,277,061.73	15,476,830.03	15,536,917.12	29,080,552.91	27,908,493.85
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	152,319.39	143,026.58
Restricted	141,495.38	142,430.96	152,030.51	172,190.00	168,345.89	229,798.00	494,833.86	575,715.64	489,238.11	477,194.02
Unrestricted	141,495.38	142,430.96	278,308.51	285,840.00	269,368.35	326,734.00	585,406.88	652,420.24	641,557.50	620,220.60
Total business-type activities net position	-	-	126,278.00	113,650.00	101,022.46	96,936.00	90,573.02	76,704.60	152,319.39	143,026.58
District-wide										
Invested in capital assets, net of related debt	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	16,024,468.46	33,191,671.84	32,180,510.17
Restricted	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	3,944,122.12
Unrestricted	23,495.56	(18,807.22)	663,281.18	(350,505.00)	(97,050.45)	(155,998.27)	(4,864,455.57)	(5,117,684.07)	(7,243,924.12)	(7,595,917.84)
Total district net position	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	29,722,110.41	28,528,714.45

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, 2018
(accrual basis of accounting)

	Fiscal Year Ending June 30,										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Expenses											
Governmental activities:											
Instruction:											
Regular instruction	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	5,390,647.48	
Vocational education	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	5,556,114.22	
Other instruction	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	623,201.14	
Support Services:											
Student & instruction related services	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	1,909,863.75	2,092,422.73	
General administrative/Business services	1,185,751.07	1,281,542.02	1,332,057.61	1,488,326.37	1,684,814.18	1,624,011.87	1,609,868.85	1,746,707.91	2,265,538.82	2,193,293.15	
School administrative services	622,456.03	669,510.79	598,567.08	625,338.33	653,088.28	652,561.77	624,047.24	638,819.18	729,067.45	714,961.58	
Plant operations and maintenance	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	3,638,702.44	
Pupil transportation	142,379.98	133,940.19	107,605.27	107,521.76	159,148.64	125,821.94	148,303.64	135,641.14	209,012.07	208,083.68	
Adult and continuing education	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	2,061,711.11	
Capital Outlay									3,740,575.82	515,368.68	
Unallocated depreciation	469,141.31	1,097,209.06	1,076,312.21	1,065,554.33	-	-	-	-	-	-	
Total governmental activities expenses	15,586,079.75	16,775,783.71	16,063,000.09	16,189,870.19	16,663,843.73	16,261,211.23	18,477,670.49	20,254,096.56	25,568,654.55	22,994,507.22	
Business-type activities:											
Food service	276,431.07	287,528.56	287,826.78	306,038.52	288,468.69	299,974.60	285,051.49	275,366.27	277,107.81	274,051.62	
Early childhood/Summertime adventures	130,055.33	110,996.31	103,367.89	104,143.38	103,274.36	101,369.14	100,329.54	105,042.81	106,110.95	119,797.55	
Job cards	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	14,907.18	
Educational technology training center	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	28,777.50	
Total business-type activities expenses	456,661.35	451,189.91	436,947.37	461,108.94	456,116.50	457,191.66	450,217.79	440,469.77	446,186.32	437,533.85	
Total district expenses	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	26,014,840.87	23,432,041.07	
Program Revenues											
Governmental activities:											
Charges for services	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	6,070,218.00	
Operating grants and contributions	1,786,279.89	1,785,081.01	1,611,104.87	1,610,049.87	1,948,118.19	1,792,476.24	3,296,055.72	4,068,601.25	5,152,991.32	5,810,546.27	
Capital grants and contributions							17,440.00	942,560.00			
Total governmental activities program revenues	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	11,880,764.27	
Business-type activities:											
Charges for services:											
Food service	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	168,179.79	
Early childhood/Summertime adventures	93,758.87	22,100.00	27,973.00	27,929.00	34,490.00	25,273.00	36,285.50	35,577.39	50,165.00	29,970.00	
Job cards	26,349.30	18,890.96	24,181.49	17,493.90	21,661.00	18,927.85	23,550.34	20,247.92	23,748.25	20,374.25	
Educational technology training center	41,018.00	38,697.00	7,384.00	13,686.26	7,825.00	6,565.00	7,255.00	41,509.82	2,050.00	3,380.00	
Operating grants and contributions	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	92,757.35	
Total business-type activities program revenue	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	314,661.39	
Total district program revenue	6,721,904.81	7,475,448.12	7,132,617.51	7,343,788.74	7,298,406.85	7,852,653.81	9,569,423.11	11,369,844.88	11,856,828.65	12,195,425.66	

**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, 2018**
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental activities	(9,323,210.71)	(9,672,258.98)	(9,257,489.72)	(9,183,320.76)	(9,713,072.54)	(8,750,798.27)	(9,255,938.58)	(9,289,909.00)	(14,074,225.66)	(11,113,742.95)
Business-type activities	(9,625.58)	(79,266.52)	(109,840.23)	(123,869.63)	(108,480.84)	(114,950.81)	(102,526.59)	(54,812.47)	(83,786.56)	(122,872.46)
Total district-wide net expense	<u>(9,332,836.29)</u>	<u>(9,751,525.50)</u>	<u>(9,367,329.95)</u>	<u>(9,307,190.39)</u>	<u>(9,821,553.38)</u>	<u>(8,865,749.08)</u>	<u>(9,358,465.17)</u>	<u>(9,324,721.47)</u>	<u>(14,158,012.22)</u>	<u>(11,236,615.41)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
County appropriation levied for general purposes	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	7,905,454.00
County appropriation for capital improvement	-	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	1,543,079.88	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	1,435,613.00
Investment earnings	32,333.08	16,696.72	7,910.24	4,490.37	1,893.63	1,734.00	2,117.02	-	-	-
Miscellaneous income	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	155,324.55
Transfers	(35,000.00)	(80,000.00)	(245,605.00)	(131,359.00)	(92,000.00)	(172,300.00)	(121,799.82)	(121,799.82)	(112,177.94)	(107,897.50)
Less on disposal of capital assets	-	(3,994.45)	(2,884.21)	(37,732.93)	(7,255.87)	(14,425.00)	(14,232.16)	(15,805.71)	(7,594.40)	(16,759.42)
Adjustment to prior year receivables	-	-	-	-	-	-	-	-	(0.51)	(10,760.00)
Adjustment to prior year fixed assets	-	-	-	-	-	-	-	-	18,538,109.66	580,699.26
Unauthorized payments	-	-	(3,005.00)	-	-	-	-	-	-	-
Total governmental activities	<u>8,925,422.40</u>	<u>8,611,152.88</u>	<u>8,232,150.00</u>	<u>8,566,803.09</u>	<u>8,702,793.76</u>	<u>8,616,315.00</u>	<u>8,472,429.91</u>	<u>9,329,996.09</u>	<u>27,617,861.45</u>	<u>9,941,685.89</u>
Business-type activities:										
Investment earnings	368.34	202.10	112.78	42.32	8.99	16.00	15.50	26.01	45.70	49.86
Adjustment to prior year receivables	-	-	-	-	-	-	-	-	(39,299.82)	(6,411.80)
Transfers	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	107,897.50
Total business-type activities	<u>35,368.34</u>	<u>80,202.10</u>	<u>245,717.78</u>	<u>131,401.32</u>	<u>92,008.99</u>	<u>172,316.00</u>	<u>361,199.50</u>	<u>121,825.83</u>	<u>72,923.82</u>	<u>101,535.56</u>
Total district-wide	<u>8,960,790.74</u>	<u>8,691,354.98</u>	<u>8,477,867.78</u>	<u>8,698,204.41</u>	<u>8,794,802.75</u>	<u>8,788,631.00</u>	<u>8,833,629.41</u>	<u>9,451,821.92</u>	<u>27,690,785.27</u>	<u>10,043,219.45</u>
Changes in Net Position										
Governmental activities	(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	(1,172,059.06)
Business-type activities	25,742.76	935.58	135,877.55	7,531.69	(16,471.85)	57,365.19	258,672.91	67,013.36	(10,862.74)	(21,336.90)
Total district	<u>(372,045.55)</u>	<u>(1,060,170.52)</u>	<u>(889,462.17)</u>	<u>(608,985.98)</u>	<u>(1,026,750.63)</u>	<u>(77,118.08)</u>	<u>(524,835.76)</u>	<u>127,100.45</u>	<u>13,532,773.05</u>	<u>(1,193,395.96)</u>

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, 2018
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Restricted										
Committed	-	-	1,277,254.87	2,092,094.17	1,816,172.57	2,908,463.63	-	2,752,802.63	2,679,062.63	3,370,984.29
Assigned			731,688.65	397,443.83	608,143.46	22,824.89	429,750.19	390,600.49	45,313.71	100,989.12
Unassigned			531,250.67	304,914.63	499,489.36	341,963.55	-	-	341,709.81	196,445.72
Reserved	1,047,385.86	1,489,595.06	-	-	-	-	-	-	-	-
Unreserved	1,262,498.35	1,129,209.44	-	-	-	-	-	-	-	-
Total general fund	2,309,884.21	2,618,804.50	-	2,794,452.63	2,923,805.39	3,273,252.07	2,573,552.82	3,143,403.12	3,066,086.15	3,668,419.13
All Other Governmental Funds										
Restricted			3,010.07	3,010.07	3,010.07	161,043.00	132,154.95	681,177.71	501,463.17	325,045.30
Committed			33,380.93	33,380.93	33,380.93	187,967.00	1,434,307.08	1,848,782.63	593,836.89	248,092.53
Reserved	70,803.37	33,380.93	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund			-	-	-	-	-	-	-	-
Capital projects fund	11,576.70	16,180.07	-	-	-	-	-	-	-	-
Total all other governmental funds	82,380.07	49,561.00	-	36,391.00	36,391.00	349,010.00	1,566,462.03	2,529,960.34	1,095,300.06	573,137.83

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.

**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, 2018**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
County appropriation	\$ 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	7,905,454.00
Tuition charges	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	5,697,746.00
Miscellaneous	493,408.00	530,827.00	524,767.00	593,832.00	548,369.00	506,394.00	677,485.30	658,838.24	667,004.41	540,980.00
State sources	2,467,896.00	2,189,229.00	1,988,880.00	2,365,290.00	2,748,197.64	2,578,034.00	2,766,951.21	3,909,474.78	3,077,969.12	3,419,201.82
Federal sources	826,152.00	870,126.00	673,213.00	520,041.00	449,199.00	581,336.00	494,524.42	546,783.82	555,328.00	557,285.00
Total revenue	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	18,120,666.82
Expenditures										
Instruction:										
Regular instruction	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	2,867,201.53
Vocational instruction	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	2,734,182.51
Other instruction	279,506.00	295,501.00	259,703.00	246,111.00	258,286.00	284,435.00	312,082.66	275,479.41	304,443.99	296,678.23
Support Services:										
Student & instruction related services	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	1,174,194.29
General & business administrative services	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	1,221,920.94
School administrative services	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	389,197.10
Plant operations and maintenance	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	2,203,863.21
Pupil transportation	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	123,457.45
Unallocated employee benefits	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	5,100,296.35
Special schools	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	1,041,229.27
Capital outlay	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	769,627.69
Total Expenditures	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	17,921,848.57
Excess (Deficiency) of revenues over (under) expenditures	(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)	198,818.25
Other Financing Sources (Uses)										
Transfers out										
Adjustment to prior year receivables	(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)	(107,897.50)
ESIP Lease Proceeds									(0.51)	(10,750.00)
Unauthorized payments			(3,005.00)						1,715,000.00	
Total other financing sources (uses)	(35,000.00)	(80,000.00)	(248,610.00)	(131,359.00)	(92,000.00)	(172,300.00)	(661,184.00)	(121,799.82)	1,602,821.55	(118,647.50)
Net change in fund balances	(1,502,543.00)	276,101.00	(91,780.00)	254,258.00	129,352.41	662,066.00	517,752.08	1,533,348.61	(1,511,977.25)	80,170.75

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, 2018
 Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Non-Resident Fees	Registration Fees	Refund Prior Year Expense	Bookstore	Miscellaneous	Totals
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
2018	4,254.30	5,697,746.00	8,382.00	374,488.00	176.84	79.00	140,416.41	6,225,542.55

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, 2018

Fiscal Year Ended June 30,	(a) Population	(b) Personal Income (thousands of dollars)	(c) Per Capita Personal Income	(d) Unemployment Rate
2009	96,091	4,169,580,672	43,392	11.4%
2010	97,222	4,316,462,356	44,398	13.3%
2011	96,561	4,512,102,408	46,728	12.5%
2012	96,387	4,670,624,859	48,457	13.4%
2013	95,704	4,713,422,000	49,250	13.4%
2014	95,146	4,824,853,660	50,710	7.8%
2015	94,421	5,024,046,989	53,209	13.5%
2016	93,920	5,152,920,800	54,865	10.9%
2017	93,553	5,132,785,345	54,865	9.8%
2018	93,553	5,132,785,345	54,865	9.1%

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, 2018

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction:										
140 Regular instruction	33.0	33.5	33.50	33.50	33.90	33.40	33.40	33.34	34.34	33.67
320 Other special education instruction	11.5	12.5	10.50	10.50	10.50	10.00	10.00	12.00	13.00	13.00
310 Vocational education	28.4	27.5	26.91	26.91	26.91	25.91	25.16	26.16	26.16	26.91
330 Adult/continuing education programs	7.6	7.8	8.34	8.34	8.34	8.34	8.34	7.34	7.34	6.59
Support Services:										
Tuition										
211-219,222 Student & instruction related services	10.4	9.4	11.50	11.50	11.50	11.50	11.50	12.00	12.00	13.00
230 General administrative services	4.0	4.0	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50
240 School administrative services	6.0	6.0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
221 Other administrative services	5.0	5.0	4.00	4.00	3.50	3.50	2.60	2.00	2.00	2.00
290,251 Business administrative services	5.0	5.0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
252 Administrative Information Technology	4.0	4.0	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
261-262 Plant operations and maintenance	17.0	17.0	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Special schools	4.0	4.0	5.00	5.00	5.00	4.00	4.00	4.50	4.50	3.50
Food Service	0.5	0.5	0.50	0.50	0.50	-	-	-	-	-
Child Care	2.0	1.7	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50
Total	138.4	137.9	136.0	136.50	136.40	132.90	131.00	133.34	135.34	134.67

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, 2018

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				
2009	737	16,737,834	22,711	-19.41%	82	8.99:1	8.99:1	692	642	6.79%	92.77%
2010	742	15,522,571	20,920	-7.89%	83	8.94:1	8.94:1	705	656	1.88%	93.05%
2011	725	15,380,935	21,230	1.48%	80	9.06:1	9.06:1	691	644	-1.99%	93.20%
2012	719	15,488,186	21,556	1.54%	81	8.87:1	8.87:1	688	643	-0.43%	93.46%
2013	707	15,623,468	22,098	2.52%	81	8.73:1	8.73:1	680	635	-1.16%	93.38%
2014	654	15,651,386	23,932	8.30%	78	8.39:1	8.39:1	643	602	-5.44%	93.62%
2015	723	16,153,388	22,342	-6.64%	77	9.39:1	9.39:1	639	599	-0.62%	93.74%
2016	722	16,939,576	23,462	5.01%	80	9.03:1	9.03:1	642	603	0.47%	93.93%
2017	711	21,032,489	29,582	26.08%	80	8.89:1	8.89:1	642	608	0.00%	94.70%
2018	627	18,029,746	28,756	-2.79%	83	7.55:1	7.55:1	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, 2018

Exhibit J-18

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
District Buildings										
Technical School										
CMC VoTech H.S. Instructional-(100,200,300 Bldgs)(1969)										
Square Feet	224,724	224,724	224,724	224,724	224,724	224,724	231,475	231,475	231,475	231,475
Capacity (students)	652	652	652	652	652	652	652	652	652	652
Enrollment	692	705	691	688	680	643	639	642	658	628.5
Other										
Greenhouse [400] Building (1960 & 1985)										
Square Feet	4,032	4,032	4,032	4,032	4,032	4,032	6,000	6,000	6,000	6,000
Service Station [500] Building (1997)										
Square Feet	1,618	1,618	1,618	1,618	1,618	1,618	1,560	1,560	1,560	1,560
Broadley Administration [600] Building (1993)										
Square Feet	3,590	3,590	3,590	3,590	3,590	3,590	5,300	5,300	5,300	5,300
Senior Citizen House [700] Building (1972)										
Square Feet	1,700	1,700	1,700	1,700	1,700	1,700	-	-	-	-
Other Misc. Buildings (1970 & 1975)										
Square Feet	2,025	2,025	2,025	2,025	2,025	2,025	2,855	2,855	2,855	2,855
Number of Schools/Buildings at June 30, 2018										
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, 2011
 Last Ten Fiscal Years
 (Unaudited)

Exhibit J-19

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

School Facilities	Project # (s)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Technical School - Only Building	N/A	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	287,836.47
Total School Facilities		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	287,836.47
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		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	287,836.47

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, 2018
(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	\$ 63,121,876	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Vaulable Papers & Records	10,000,000	5,000
Environmental Package	1,000,000	100,000
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	various
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, 2018
(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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Exhibit K-1

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, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated January 23, 2019.

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

January 23, 2019



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Exhibit K-2

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, 2018. 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, 2018.

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.

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

January 23, 2019

**Board of Education for Vocational Schools, County of Cape May
(A Component Unit of the County of Cape May)
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period	Award Amount	Balance June 30, 2017	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures		(MEMO) Pass Through to Sub Recipients	(Accounts Receivable) 06/30/2018	Deferred Revenue/ 06/30/2018	Due to Grantor June 30, 2018
								Pass Through	Direct				
U.S. Department of Education (Passed-Through State Department of Education)													
Special Revenue Fund:													
Title I, Part A Cluster:													
	84.010A	S010A150030	7/1/2016	\$ 150,614.00	\$ (57,895.00)	-	57,895.00	-	-	-	(99,143.00)	-	-
	84.010A	S010A160030	7/1/2017	174,326.00	-	-	133,075.00	(174,326.00)	-	-	(99,143.00)	-	-
	84.367A	S367A160029	7/1/2016	7,997.00	(4,238.00)	-	4,238.00	-	-	-	(10,308.00)	-	-
	84.367A	S367A170029	7/1/2017	16,633.00	-	-	6,325.00	(16,633.00)	-	-	(10,308.00)	-	-
	84.424	S424A170031	7/1/2017	20,020.00	-	-	-	(20,020.00)	-	-	(20,020.00)	-	-
Vocational Education:													
	84.048	V048A160030	7/1/2016	80,685.00	(39,207.00)	-	39,207.00	-	-	-	-	-	-
	84.048	V048A170030	7/1/2017	87,863.00	(8,933.00)	-	66,420.00	(87,863.00)	-	-	(21,443.00)	-	-
	84.048	V048A160030	7/1/2016	23,191.00	-	-	15,383.00	-	-	-	(2,860.00)	-	-
	84.048	V048A170030	7/1/2017	22,141.00	-	-	13,281.00	(22,141.00)	-	-	(2,860.00)	-	-
Special Education Cluster (IDEA):													
	84.027	H027A160100	7/1/2016	113,059.00	(31,453.00)	-	31,453.00	-	-	-	(30,666.00)	-	-
	84.027	H027A170100	7/1/2017	95,912.00	(31,453.00)	-	95,699.00	(95,912.00)	-	-	(30,666.00)	-	-
					(140,886.00)	-	373,341.00	(416,895.00)	-	-	(184,440.00)	-	-
Sub-Total - Passed thru State Department of Education													
U.S. Department of Education (Passed-Through State Department of Education)													
Enterprise Funds:													
Passed-Through Atlantic Cape Community College:													
	84.002A	91-0400-0-1-501	7/1/2016	131,300.00	(44,915.06)	-	44,915.06	-	-	-	-	-	-
	84.002A	91-0400-0-1-501	7/1/2017	48,480.00	(5,352.41)	-	5,352.41	-	-	-	-	-	-
	84.002A	91-0400-0-1-501	7/1/2017	103,020.00	-	-	81,567.06	(103,020.00)	-	-	(21,452.94)	-	-
	84.002A	91-0400-0-1-501	7/1/2017	37,370.00	-	-	30,177.16	(37,370.00)	-	-	(7,192.84)	-	-
					(50,287.47)	-	162,011.69	(140,390.00)	-	-	(28,645.79)	-	-
					(191,153.47)	-	535,352.69	(557,285.00)	-	-	(213,085.79)	-	-
Total Special Revenue Fund													
U.S. Department of Agriculture (Passed-Through State Department of Education)													
Enterprise Funds:													
Child Nutrition Cluster:													
	10.565	181N304N099	7/1/2017	17,681.08	(2,387.34)	-	17,681.08	(17,681.08)	-	-	-	-	-
	10.555	16161N304N099	7/1/2016	66,481.74	-	-	2,387.34	-	-	-	-	-	-
	10.555	171N304N099	7/1/2017	62,329.37	(8,930.03)	-	59,007.47	(62,186.82)	-	-	(3,179.35)	-	-
	10.553	16161N304N099	7/1/2016	10,869.25	-	-	10,899.70	-	-	-	(61.90)	-	-
	10.555	171N304N099	7/1/2017	10,649.30	(3,086.37)	-	72,123.54	(72,536.12)	-	-	(3,788.95)	-	-
					(3,086.37)	-	89,804.62	(89,517.20)	-	-	(3,788.95)	-	-
					\$ (194,239.84)	-	625,157.31	(647,802.20)	-	-	(216,884.73)	-	-
Total Federal Financial Awards													

Board of Education for Vocational Schools, County of Cape May
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2018			Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
				Deferred Revenue/ (Assets Receivable)	Due to Grantor	(Accounts Receivable)					Deferred Revenue	(Accounts Receivable)				
State Department of Education																
General Fund:																
Reimbursed TPAF Social Security Contributions	17-100-034-5095-004	7/1/2016	\$ 424,371.12				20,517.29	(447,496.82)	(447,496.82)		(2,816.06)					424,371.12
Reimbursed TPAF Social Security Contributions	18-100-034-5095-004	7/1/2017	447,496.82				444,680.76	(447,496.82)								447,496.82
Lead Testing for Schools Aid	17-495-034-5120-104	7/1/2016	2,592.00				2,592.00									2,592.00
On-Behalf TPAF Payments:																
Pension Contribution	18-495-034-5094-002	7/1/2017	876,152.00				876,152.00	(876,152.00)								876,152.00
Post-Retirement Medical	18-495-034-5094-101	7/1/2017	565,888.00				565,888.00	(565,888.00)								565,888.00
Long-Term Disability Insurance	18-495-034-5094-034	7/1/2017	1,035.00				1,910,895.05	(1,980,571.82)								2,377,539.94
State Aid Public Cluster:																
Categorical Special Education Aid	18-495-034-5120-089	7/1/2017	349,150.00				349,150.00	(349,150.00)								349,150.00
Adjustment Aid	18-495-034-5120-085	7/1/2017	952,562.00				952,562.00	(952,562.00)								952,562.00
Categorical Security Aid	18-495-034-5120-084	7/1/2017	74,927.00				74,927.00	(74,927.00)								74,927.00
PARCC Readiness Aid	18-495-034-5120-088	7/1/2017	6,450.00				6,450.00	(6,450.00)								6,450.00
Per Pupil Growth Aid	18-495-034-5120-097	7/1/2017	6,450.00				6,450.00	(6,450.00)								6,450.00
Residential Training Communities Aid	18-495-034-5120-071	7/1/2017	6,450.00				6,450.00	(6,450.00)								6,450.00
Adult Post-Grad Program Aid	18-100-034-5120-510	7/1/2017	43,852.00				43,852.00	(43,852.00)								43,852.00
Total State Aid Public Cluster			1,440,001.00				1,440,001.00	(1,440,001.00)								1,440,001.00
Total General Fund			(23,109.29)				3,350,866.05	(3,330,572.82)			(2,816.06)					3,757,635.94
Special Revenue Fund:																
Vocational Education:																
Apprenticeship Coordinator	18-100-034-5092-032	7/1/2017	15,694.00				7,500.00	(10,000.00)			(2,500.00)					10,000.00
Partnership Coordinator	17-100-034-5092-032	7/1/2016	13,900.00				2,500.00									10,000.00
Carl Perkins Post-Secondary	PSFSSConsolid072017	7/1/2016	81,993.00				22,236.00									81,993.00
Carl Perkins Post-Secondary	PSFSSConsolid072018	7/1/2017	83,017.00				83,017.00	(83,017.00)								83,017.00
Sub-Total Special Revenue Fund			(24,736.00)				115,253.00	(93,017.00)			(2,500.00)					185,010.00
Total Special Revenue Fund			(24,736.00)				115,253.00	(93,017.00)			(2,500.00)					185,010.00
State Department of Agriculture																
Enterprise Fund:																
National School Lunch Program	17-100-010-3350-023	7/1/2016	2,145.44				73.24									2,145.44
National School Lunch Program (State Share)	18-100-010-3350-023	7/1/2017	2,240.15				2,132.63	(2,240.15)			(107.52)					2,240.15
National School Lunch Program (State Share)																
Total Enterprise Fund			(73.24)				2,205.87	(2,240.15)			(107.52)					4,385.59
Total State Financial Assistance			(47,916.53)				3,468,324.92	(3,425,829.97)			(6,423.48)					3,946,931.53
Less: On-Behalf TPAF Pension System Contributions																
															(1,443,075.00)	
Total for State Financial Assistance Major Program Determinatic																\$ (1,992,754.97)

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, 2018**

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 (\$4,388.00) for the General Fund and (\$142.34) 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, 2018
(CONTINUED)**

Note 3: Relationship to Basic Financial Statements - Continued

	<u>General fund</u>	<u>Special Revenue fund</u>	<u>Food service fund</u>	<u>Total</u>
State Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 3,330,572.82	93,017.00	2,240.15	3,425,829.97
Difference – budget to "GAAP"				
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	138,637.00			138,637.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(143,025.00)			(143,025.00)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 3,326,184.82</u>	<u>93,017.00</u>	<u>2,240.15</u>	<u>3,421,441.97</u>

**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, 2018
(CONTINUED)**

	Special Revenue Fund	Food Service Fund	Total
Federal Assistance:			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 557,285.00	90,517.20	647,802.20
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-	-
Commodities received in the prior year but not used until the current fiscal year	-	-	-
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	\$ 557,285.00	90,517.20	647,802.20

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

**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, 2018**

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/FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
----------------------------	---

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, 2018
(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:	
18-495-034-5120-089	Special Education Categorical Aid
18-495-034-5120-085	Adjustment Aid
18-495-034-5120-084	Security Aid
18-495-034-5120-098	PARCC Readiness Aid
18-495-034-5120-097	Per Pupil Growth Aid
18-100-034-5120-101	Professional Learning Communities Aid
18-100-034-5120-510	Adult and Post-Graduate Program Aid
18-495-034-5094-003	Reimbursed TPAF Social Security Contributions

**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, 2018
(CONTINUED)**

Exhibit K-6

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)
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.