

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

Mays Landing, New Jersey
County of Atlantic

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

MAYS LANDING, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

Business Office –Lisa Mooney, Business Administrator/Board Secretary

OUTLINE OF CAFR - GASB #34

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INTRODUCTORY SECTION

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT



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609-625-2249 • 609.641-6562
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December 8, 2015

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

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

The comprehensive annual financial report of the Atlantic County Vocational School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements, required supplemental information, and other supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, and State Treasury Circular Letter(s) 04-04 and 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 Atlantic within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Board of Education of the Special Services School District and the Vocational School District of the County of Atlantic, a component unit of the County of Atlantic, constitutes the District's reporting entity.

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

ECONOMIC CONDITION AND OUTLOOK: The economic forecast for the Atlantic County Institute of Technology has been positive due to the growth of the full time programs. The district had its largest freshman class enroll for the 2014-2015 school year and reached has reached its maximum

enrollment capacity with over 1400 students. Applications continue to exceed available capacity at ACIT with over 1000 applications submitted for the freshman class in 2015. Atlantic County continues to recover from Superstorm Sandy; however the closing of three casinos and the bankruptcy filing of one casino will negatively impact the Atlantic County economy with over 8,000 residents unemployed as a result of the casino closings. A new Call Center business has begun operations in Atlantic City, and the third phase of development at the Walk in Atlantic City was completed with the opening of the Bass Pro Shop. Both of these new enterprises are expected to bring some economic growth to the area. The county's unemployment rate has dropped but the decline is largely believed to be a result of residents relocating to other areas. Housing foreclosure rates continue to exceed national averages.

MAJOR INITIATIVES: The Atlantic County Vocational School District provides the most comprehensive technical education facilities in Atlantic County. The Atlantic County Institute of Technology (ACIT) is the school of choice for a diverse student body of over 1400 full time students from all over Atlantic County. ACIT offers eight Academy Programs and six Career Major Programs in a state-of-the-art facility that was recently renovated and expanded. Through these programs, students have the opportunity to complete an array of academic and career and technical courses to earn both a high school diploma and a technical certification. The success of the academic and career and technical programs at ACIT has been recognized with a National Blue Ribbon School designation, and by US News & World Report "America's Best High Schools," as a Bronze Level School.

In 2012, ACIT was completely transformed into a modern technical high school with the completion of a \$40 million addition and renovation project that included over 85,000 square feet of new construction and major renovations to over 125,000 square feet of the existing facility to provide the educational spaces to accommodate full time high school students. The project included a new library media center, gymnasium, general purpose classrooms, science and technology labs, a TV/Video production studio, a Performing Arts Center, and a restaurant which is operated by culinary students. A multipurpose athletic field was also constructed to support physical education and interscholastic JV and Varsity athletics. The technology infrastructure was upgraded to support the operational and educational needs of the district with wireless internet installed throughout the entire facility and interactive whiteboard technology provided in each instructional area. Renovations were necessary prior to the 2014 -2015 school year to the ACIT main building and Annex to accommodate increased student enrollment. New classrooms were created in both buildings with the reconfiguration of existing spaces, and new siding and doors were installed at the ACIT Annex.

As a comprehensive career technical high, ACIT continues to provide each student with the opportunity to reach his or her potential to become a productive and successful member of the community. This is accomplished by offering students an innovative curriculum that combines academic instruction, career technical education, internships, and structured work experiences designed to bridge the gap between classroom learning and workplace skills. Honors, Advanced Placement and Dual Credit Courses in English, history, the sciences, and math also are offered along with specialized instruction focusing on project-based learning. The academic curriculum is contextual, challenging and enhanced by the extensive use of instructional technology by our faculty and students. All classrooms and technical lab areas are equipped with state-of-the art technology reflecting the current trends in each career area as well as advanced instructional technology including interactive whiteboards and wireless internet. This year a Chromebook 1:1 program was initiated with over 400 freshman receiving a device so that 21st century learning activities can continue seamlessly from the classroom into the home. These curriculum components are coupled with enriching out-of-the-classroom experiences such as field trips, job shadowing, paid internships and co-ops.

The District also operates the Atlantic County Alternative High School (ACAHS) which is housed in a separate building on the ACIT campus. The ACAHS offers a supportive, non-traditional effective learning environment for approximately 100 at-risk students from across the county by providing for flexible educational objectives that take into consideration the learning styles and individual needs of these students.

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

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

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

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

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

10) OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of the Holman Frenia Allison, PC. 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, OMB Circular A-133 and New Jersey OMB's Circular Letter(s) 04-04 and/or 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.

11) ACKNOWLEDGMENTS:

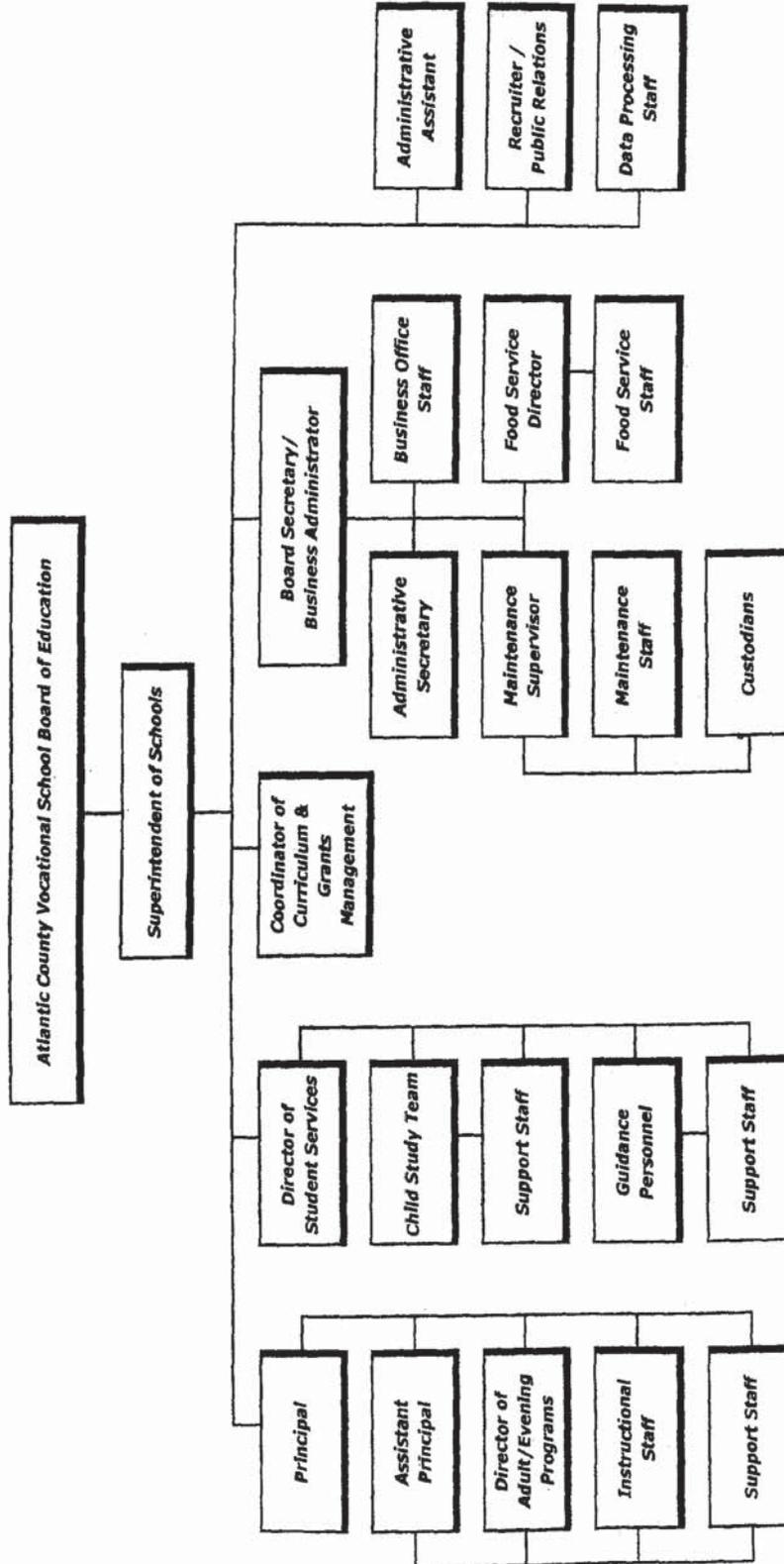
We would like to express our appreciation to the members of the Board of Education of the Special Services School District and the Vocational School District of the County of Atlantic for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby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

Respectfully submitted,


Philip J. Guenther, Ed. D.
Superintendent


Lisa Mooney, CPA
Business Administrator/
Board Secretary

Atlantic County Vocational School District Organizational Chart



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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

**5080 Atlantic Avenue
Mays Landing, New Jersey 08330**

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Philip Munafo, President	2017
Augustus Harmon, Vice President	2016
Marilyn Gallagher	2016
Dr. Norman Hirschfeld	2015
Mark W. Ludwick	2017
Joseph F. Zondlo	2015
Ann "Sally" Williams	Ex-Officio
Thomas J. Dowd, Executive County Superintendent	Ex-Officio

OTHER OFFICIALS

Philip J. Guenther, Ed. D., Superintendent

Lisa Mooney, CPA, Business Administrator/Board Secretary

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

**5080 Atlantic Avenue
Mays Landing, New Jersey 08330**

CONSULTANTS AND ADVISORS

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Ocean City Home Bank
Mays Landing, New Jersey 08330

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

**5080 Atlantic Avenue
Mays Landing, New Jersey 08330**

CONSULTANTS AND ADVISORS (continued)

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Atlantic County Vocational School District
County of Atlantic
Mays Landing, New Jersey 08330

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Atlantic County Vocational School District, County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Atlantic County Vocational School District, County of Atlantic, State of New Jersey, as of June 30, 2015, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Atlantic County Vocational School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records

used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015 on our consideration of the Atlantic County Vocational School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Atlantic County Vocational School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Toms River, New Jersey
December 8, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the Atlantic County Vocational School District's (a component unit of the County of Atlantic) ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

As described in Note 20 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$5,406,898, as indicated in Note 19 to the financial statements. Prior year balances reflected in MD&A have been updated, for comparison purposes, to reflect the change where indicated.

FINANCIAL HIGHLIGHTS

- The net position of the District decreased \$362,167 due to an excess of expenditures over revenues.
- The State of New Jersey reimbursed the District \$577,812 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed \$770,161 for TPAF pension and post-retirement medical contributions on-behalf of the district. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- During the fiscal year ended June 30, 2015, the District's governmental activities total expenditures exceeded total revenues by \$185,813. During the prior fiscal year, expenditures exceeded revenues by \$499,913.
- In the District's business-type activities, net position decreased \$179,354 as a result of transferring capital assets to governmental activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

	Government- Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District except fiduciary funds.	The activities of the District that are not proprietary or fiduciary, such as food service and student activities.	Activities the District operates similar to private businesses such as food service and transportation enterprise.	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenses and Changes in Fund Balance	Statement of Net Position Statement of Activities Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of Asset and Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that will come due during the current year or soon thereafter; no capital assets or debt are included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of Inflow/Outflow Information	All revenues and expenses during the current year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the current year, regardless of when cash is received or paid.	All revenues and expenses during the current year, regardless of when cash is received or paid.

Government-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's governmental activities net position decreased between fiscal years 2015 and 2014 as a result of expenditures exceeding revenues. The expanded high school opened to students for the 2013 fiscal year which significantly increased the number of students attending the academy programs. Also, the State of New Jersey continues to defer the final two state aid payments to the subsequent year which has an effect on the revenue realized by the District. The business-type activities net position decreased due to an adjustment to fixed assets.

	Net Position					
	June 30, 2015			June 30, 2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 5,239,906	\$ 233,076	\$ 5,472,982	\$ 5,190,322	\$ 235,168	\$ 5,239,906
Capital assets, net	48,284,262	77,561	48,361,823	48,318,134	269,626	48,284,262
Total assets	<u>53,524,168</u>	<u>310,637</u>	<u>53,834,805</u>	<u>53,508,456</u>	<u>504,794</u>	<u>53,524,168</u>
Deferred outflow of resources	1,259,419	-	1,259,419	271,653	-	1,205,772
Long-term liabilities	6,844,360	-	6,844,360	6,010,119	-	6,844,360
Other liabilities	604,263	17,681	621,944	619,885	32,484	291,424
Total liabilities	<u>7,448,623</u>	<u>17,681</u>	<u>7,466,304</u>	<u>6,630,004</u>	<u>32,484</u>	<u>7,135,784</u>
Deferred inflow of resources	367,672	-	367,672	-	-	367,672
Invested in capital assets, net	48,284,262	77,561	48,361,823	48,318,134	269,626	48,284,262
Restricted	4,093,343	-	4,093,343	4,086,434	-	4,093,343
Unrestricted	(5,410,313)	215,395	(5,194,918)	(5,254,463)	202,684	(5,151,121)
	<u>\$ 46,967,292</u>	<u>\$ 292,956</u>	<u>\$ 47,260,248</u>	<u>\$ 47,150,105</u>	<u>\$ 472,310</u>	<u>\$ 47,226,484</u>

As required by New Jersey Statutes, the unrestricted net position, on the budgetary basis of accounting, of the District are not permitted to exceed 6% of total general fund expenditures, after reductions for On-Behalf TPAF pension and post-retirement and social security and assets acquired under capital leases. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2015, the District had excess surplus in the amount of \$987,574.

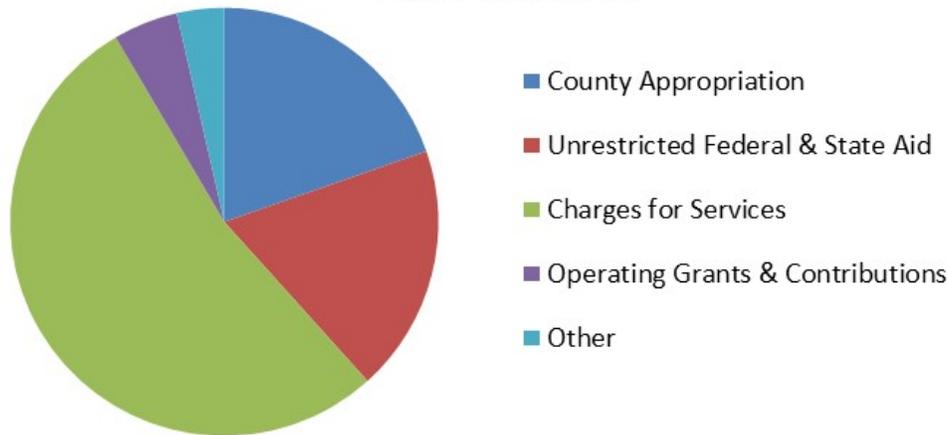
Changes in net position. The total revenue of the District increased \$3,972,370 due to an increase charges for services and operating grants & contributions related to pension payments made by the State of New Jersey on-behalf of the District.

Approximately 47.29% of the District's revenue comes from charges for services. The County of Atlantic levies property taxes on properties located in the County. This tax is collected by the various municipalities and remitted to the County on a quarterly basis. A portion of this tax levy is appropriated in the County's annual budget and remitted to the District on a monthly basis. The District expenses are primarily related to instruction, administration, and plant operations.

2015 Revenue

	2015		2014	
	Amount	Percentage	Amount	Percentage
County Appropriation	\$ 4,019,431	17.47%	\$ 4,019,431	21.12%
Unrestricted Federal & State Aid	3,823,366	16.62%	3,672,171	19.29%
Charges for Services	10,880,468	47.29%	8,986,914	47.22%
Operating Grants & Contributions	3,553,246	15.44%	1,993,333	10.47%
Other	729,769	3.17%	362,061	1.90%
	<u>\$ 23,006,280</u>	<u>100.00%</u>	<u>\$ 19,033,910</u>	<u>100.00%</u>

2015 Revenue



Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2015 and 2014 fiscal years.

	June 30, 2015			June 30, 2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program revenues:						
Charges for services	\$ 10,880,468	\$ 488,985	\$ 11,369,453	\$ 8,986,914	\$ 272,429	\$ 9,259,343
Operating grants & contributions	3,553,246	517,173	4,070,419	1,993,333	434,771	2,428,104
General revenues:						
County Appropriation	4,019,431	-	4,019,431	4,019,431	-	4,019,431
Federal and state aid not restricted to specific purposes	3,823,366	-	3,823,366	3,672,171	-	3,672,171
Other restricted income	74,472	-	74,472	84,080	-	84,080
Miscellaneous income	120,471	-	120,471	54,048	-	54,048
Bond proceeds	356,528	-	356,528	223,933	-	223,933
Transfer of capital assets	178,298	(178,298)	-	-	-	-
Total revenues	23,006,280	827,860	23,834,140	19,033,910	707,200	19,741,110
Expenses:						
Instructional services	7,410,595	-	7,410,595	6,506,392	-	6,506,392
Support services	15,778,498	1,007,214	16,785,712	13,027,431	711,244	13,738,675
Total expenses	23,189,093	1,007,214	24,196,307	19,533,823	711,244	20,245,067
Change in net position	\$ (182,813)	\$ (179,354)	\$ (362,167)	\$ (499,913)	\$ (4,044)	\$ (503,957)

Business-Type Activities

Revenues of the District's business-type activities increased approximately 17% when compared to the previous fiscal year while expenditures increased 42% over the past fiscal year. Factors contributing to these results included:

- During the 2015 fiscal year the District saw significant increases in the number of meals served due to the increased enrollment.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$4,948,482 which is \$106,392 higher than the beginning of the year. The most significant changes are an increase in the tuition charges and an increase in the unallocated benefits.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue. The budgets are submitted to the County office and, as a Type I School District, are approved by the Board of School Estimates. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-Behalf TPAF Pension and Post-Retirement Medical Contributions, which are not budgeted, the District's actual revenue exceeded budgeted revenues by \$298,651. This is a result of receiving additional unbudgeted tuition revenue for the LPN and Night School programs. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-Behalf TPAF Pension and Post-Retirement Medical Contributions, actual expenditures were below budgeted appropriations by \$1,646,624. The most significant variances occurred in the areas of health benefits, energy and PERS retirement contributions due to the district receiving additional grant funds, a favorable renewal rate and the rebidding of the contracts by the consortium. Audit exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the District had invested \$48.4 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of \$225,937 or 0.47%, over last year. Refer to Note 6 to the Financial Statements for more detailed information.

Long-Term Debt

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the County and provision for amortization of principal and interest on the outstanding debt is included in the County budget. Refer to the Note 8 to the Financial Statements for more detailed information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District continues to experience increased enrollment due to the phase-out of the shared time program and conversion to a comprehensive high school. In 2015/2016 the District's enrollment continues to increase and total enrollment has exceeded 1,400. Future class sizes will be limited by the size of the graduating class as the facility has reached capacity. While the County continues to recover from Super Storm Sandy, the casino industry in Atlantic City is experiencing record closings. Showboat, Trump Plaza and Revel Casinos have all closed and Trump Taj Mahal has filed for bankruptcy. Over 8,000 residents are out of work. A new Call Center Company has begun operations in Atlantic City and is expected to bring economic growth to the area. The third phase of development at the Walk in Atlantic City was completed with the opening of the Bass Pro Shop. The county's unemployment rate has dropped but the decline is largely a result of resident's relocating to other areas. Housing foreclosure rates continue to exceed national averages.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL JUNE 30, 2015
Cash & Cash Equivalents	\$ 3,859,164	\$ 155,623	4,014,787
Accounts Receivable, Net	1,364,518	66,253	1,430,771
Due From Other Funds	16,224	-	16,224
Inventory	-	11,200	11,200
Capital Assets Not Being Depreciated (See Note 6):			
Land	78,120	-	78,120
Construction In Progress	739,035	-	739,035
Capital Assets, Net of Accumulated Depreciation	47,467,107	77,561	47,544,668
Total Assets	53,524,168	310,637	53,834,805
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	1,259,419	-	1,259,419
Total Deferred Outflow of Resources	1,259,419	-	1,259,419
Total Assets and Deferred Outflow of Resources	54,783,587	310,637	55,094,224
LIABILITIES			
Accounts Payable	260,308	1,457	261,765
Due to Other Funds	-	16,224	16,224
Unearned Revenues	31,116	-	31,116
PERS Pension Payable	312,839	-	312,839
Noncurrent Liabilities (See Note 8):			
Due Beyond One Year	6,844,360	-	6,844,360
Total Liabilities	7,448,623	17,681	7,466,304
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	367,672	-	367,672
Total Deferred Inflow of Resources	367,672	-	367,672
Total Liabilities and Deferred Inflows of Resources	7,816,295	17,681	7,833,976
NET POSITION			
Net Investment in Capital Assets	48,284,262	77,561	48,361,823
Restricted For:			
Capital Projects	10,945	-	10,945
Other Purposes	4,082,398	-	4,082,398
Unrestricted	(5,410,313)	215,395	(5,194,918)
Total Net Position	\$ 46,967,292	\$ 292,956	\$ 47,260,248

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION		TOTAL JUNE 30, 2015
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular	\$ 3,743,935	\$ -	\$ 547,641	\$ (3,196,294)	\$ -	\$ (3,196,294)
Special Education	1,096,963	-	-	(1,096,963)	-	(1,096,963)
Vocational	2,178,746	10,880,468	-	8,701,722	-	8,701,722
Other Instruction	390,951	-	-	(390,951)	-	(390,951)
Support Services:						
Student & Instruction Related Services	1,904,057	-	456,936	(1,447,121)	-	(1,447,121)
School Administrative Services	391,674	-	-	(391,674)	-	(391,674)
Other Administrative Services	979,367	-	-	(979,367)	-	(979,367)
Plant Operations and Maintenance	2,894,558	-	-	(2,894,558)	-	(2,894,558)
Pupil Transportation	354,622	-	-	(354,622)	-	(354,622)
Unallocated Benefits	6,471,048	-	2,548,669	(3,922,379)	-	(3,922,379)
Special Schools	1,335,515	-	-	(1,335,515)	-	(1,335,515)
Unallocated Depreciation	1,447,657	-	-	(1,447,657)	-	(1,447,657)
Total Governmental Activities	23,189,093	10,880,468	3,553,246	(8,755,379)	-	(8,755,379)
Business-Type Activities:						
Food Service	786,837	266,763	517,173	-	(2,901)	(2,901)
L'Academie Café	3,128	2,497	-	-	(631)	(631)
Personal Aides	217,249	219,725	-	-	2,476	2,476
Total Business-Type Activities	1,007,214	488,985	517,173	-	(1,056)	(1,056)
Total Primary Government	\$ 24,196,307	\$ 11,369,453	\$ 4,070,419	(8,755,379)	(1,056)	(8,756,435)
General Revenues:						
Taxes:						
County Appropriations				4,019,431	-	4,019,431
Federal & State Aid Unrestricted				3,823,366	-	3,823,366
Other Restricted Miscellaneous Revenue				74,472	-	74,472
Miscellaneous Income				120,471	-	120,471
Bond Proceeds				356,528	-	356,528
Transfer of Capital Assets				178,298	(178,298)	-
Total General Revenues				8,572,566	(178,298)	8,394,268
Change In Net Position				(182,813)	(179,354)	(362,167)
Net Position - Beginning (Restated - See Note 20)				47,150,105	472,310	47,622,415
Ending Net Position				\$ 46,967,292	\$ 292,956	\$ 47,260,248

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

B. Fund Financial Statements

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Governmental Funds

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL JUNE 30, 2015
Cash & Cash Equivalents	\$ 2,471,239	\$ -	\$ -	\$ 2,471,239
Intergovernmental Accounts Receivable:				
Federal	-	88,127	-	88,127
State	28,641	6,344	183,597	218,582
Other	1,053,691	-	1,800	1,055,491
Interfund Receivable	183,872	-	600	184,472
Restricted Cash	1,387,925	-	-	1,387,925
Total Assets	\$ 5,125,368	\$ 94,471	\$ 185,997	\$ 5,405,836
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 156,115	\$ 36,693	\$ 67,500	\$ 260,308
Unearned Revenues	31,116	-	-	31,116
Interfund Payable	600	57,778	107,552	165,930
Total Liabilities	187,831	94,471	175,052	457,354
Fund Balances:				
Restricted for:				
Capital Reserve	945,946	-	-	945,946
Maintenance Reserve	441,979	-	-	441,979
Excess Surplus	934,574	-	-	934,574
Excess Surplus Designated for Subsequent Year's Expenditures	1,759,899	-	-	1,759,899
Assigned for:				
Other Purposes	114,608	-	10,945	125,553
Unassigned	740,531	-	-	740,531
Total Fund Balances	4,937,537	-	10,945	4,948,482
Total Liabilities & Fund Balances	\$ 5,125,368	\$ 94,471	\$ 185,997	
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (A-2) are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$65,024,593 and accumulated depreciation is \$16,740,331.				48,284,262
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.				891,747
PERS pension payable is not due and payable in the current period and, therefore, is not reported as a liability in the funds.				(312,839)
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds. (Illustrative Note 8)				(6,844,360)
Net Position of Governmental Activities				\$ 46,967,292

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL JUNE 30, 2015
Revenues:				
County Appropriations	\$ 4,019,431	\$ -	\$ -	\$ 4,019,431
Tuition	10,880,468	-	-	10,880,468
Other Restricted Revenue	74,472	-	-	74,472
Miscellaneous	79,056	41,415	356,528	476,999
Total Local Sources	15,053,427	41,415	356,528	15,451,370
State Sources	5,003,187	14,027	178,936	5,196,150
Federal Sources	-	979,766	-	979,766
Total Revenues	20,056,614	1,035,208	535,464	21,627,286
Expenditures:				
Current Expense:				
Regular Instruction	3,196,294	547,641	-	3,743,935
Special Education	1,096,963	-	-	1,096,963
Vocational Education	2,178,746	-	-	2,178,746
Other Instruction	390,951	-	-	390,951
Support Services & Undistributed Costs:				
Student & Instruction Related Services	1,447,121	456,936	-	1,904,057
School Administrative Services	391,674	-	-	391,674
Other Administrative Services	438,341	-	-	438,341
Central Services	346,599	-	-	346,599
Administrative Information Technology	194,427	-	-	194,427
Plant Operations and Maintenance	3,089,387	-	-	3,089,387
Pupil Transportation	354,622	-	-	354,622
Unallocated Benefits	5,015,019	-	-	5,015,019
Special Schools	1,335,515	-	-	1,335,515
Capital Outlay	240,167	30,631	769,860	1,040,658
Total Expenditures	19,715,826	1,035,208	769,860	21,520,894
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	340,788	-	(234,396)	106,392
Other Financing Sources/(Uses):				
Transfer (from) Capital Reserve to Capital Projects Fund	(70,804)	-	70,804	-
Total Other Financing Sources/(Uses)	(70,804)	-	70,804	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	269,984	-	(163,592)	106,392
Fund Balances July 1,	4,667,553	-	174,537	4,842,090
Fund Balances June 30,	\$ 4,937,537	\$ -	\$ 10,945	\$ 4,948,482

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 106,392

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

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

Capital Outlays	1,040,658	
Adjustment to Fixed Assets	194,829	
Transfer of Capital Assets from Business-Type Activities	178,298	
Depreciation Expense	<u>(1,447,657)</u>	(33,872)

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

Unfunded TPAF Pension Expense	(1,200,696)	
State Share of Unfunded TPAF Pension Expense	1,200,696	
PERS District Pension Contribution - 2015 Pension Expense	<u>271,653</u> <u>(455,396)</u>	(183,743)

Repayment of compensated absences 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.

Prior Year	603,221	
Current Year	<u>(674,811)</u>	(71,590)

Change in Net Assets of Governmental Activities \$ (182,813)

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Proprietary Funds

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015**

ASSETS	FOOD SERVICE	L'ACADEMIE CAFÉ FUND	PERSONAL AIDE FUND	<u>TOTAL</u> JUNE 30, 2015
Current Assets:				
Cash	\$ 155,623	\$ -	\$ -	\$ 155,623
Accounts Receivable:				
Federal	43,764	-	-	43,764
State	629	-	-	629
Other	3,160	-	18,700	21,860
Inventory	11,200	-	-	11,200
Total Current Assets	<u>214,376</u>	<u>-</u>	<u>18,700</u>	<u>233,076</u>
Noncurrent Assets:				
Machinery and Equipment	170,757	-	-	170,757
Less: Accumulated Depreciation	(93,196)	-	-	(93,196)
Total Noncurrent Assets	<u>77,561</u>	<u>-</u>	<u>-</u>	<u>77,561</u>
Total Assets	<u>291,937</u>	<u>-</u>	<u>18,700</u>	<u>310,637</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	1,092	-	-	1,092
Interfund Payable	-	-	16,224	16,224
Unearned Revenue	365	-	-	365
Total Liabilities	<u>1,457</u>	<u>-</u>	<u>16,224</u>	<u>17,681</u>
NET POSITION				
Net Investment in Capital Assets	77,561	-	-	77,561
Unrestricted	212,919	-	2,476	215,395
Total Net Position	<u>\$ 290,480</u>	<u>\$ -</u>	<u>\$ 2,476</u>	<u>\$ 292,956</u>

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE	L'ACADEMIE CAFÉ FUND	PERSONAL AIDE FUND	TOTAL JUNE 30, 2015
Operating Revenues:				
Charges for Services:				
Daily Sales	\$ 197,044	\$ -	\$ -	\$ 197,044
Misc	355	-	-	355
Special Functions	69,364	2,497	219,725	291,586
Total Operating Revenue	266,763	2,497	219,725	488,985
Operating Expenses:				
Cost of Sales	364,476	2,552	-	367,028
Salaries and Wages	306,172	-	122,306	428,478
Employee Benefits	86,933	-	94,943	181,876
General Supplies	5,775	576	-	6,351
Depreciation Expense	13,767	-	-	13,767
Miscellaneous	9,714	-	-	9,714
Total Operating Expenses	786,837	3,128	217,249	1,007,214
Operating Income/(Loss)	(520,074)	(631)	2,476	(518,229)
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	7,095	-	-	7,095
Federal Sources:				
School Breakfast Program	108,904	-	-	108,904
National School Lunch Program	352,247	-	-	352,247
National School Lunch Performance Based	7,970	-	-	7,970
Food Distribution Program	40,957	-	-	40,957
Total Nonoperating Revenue (Expenses)	517,173	-	-	517,173
Other Financing Sources/(Uses):				
Operating Transfers In/(Out)	12,369	(12,369)	-	-
Transfer of Capital Assets to Governmental Activities	(178,298)	-	-	(178,298)
Total Other Financing Sources/(Uses)	(165,929)	(12,369)	-	(178,298)
Change in Net Position	(168,830)	(13,000)	2,476	(179,354)
Total Net Position - Beginning	459,310	13,000	-	472,310
Total Net Position - Ending	\$ 290,480	\$ -	\$ 2,476	\$ 292,956

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE	L'ACADEMIE CAFÉ FUND	PERSONAL AIDE FUND	TOTAL JUNE 30, 2015
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 269,889	\$ 2,497	\$ 201,025	\$ 473,411
Payments to Employees	(306,172)	-	(106,082)	(412,254)
Payments for Employee Benefits	(86,933)	-	(94,943)	(181,876)
Payments to Suppliers	(360,924)	(3,128)	-	(364,052)
Net Cash Flows From Operating Activities	(484,140)	(631)	-	(484,771)
Cash Flows From Noncapital Financing Activities:				
Cash Received From State & Federal Programs	469,111	-	-	469,111
Operating Transfers from/(to) Other Funds	12,369	(12,369)	-	-
Net Cash Flows From Noncapital Financing Activities	481,480	(12,369)	-	469,111
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,660)	(13,000)	-	(15,660)
Balances - Beginning of Year	158,283	13,000	-	171,283
Balances - Ending of Year	\$ 155,623	\$ -	\$ -	\$ 155,623

Reconciliation of Operating Income/(Loss) to Net Cash Flows From Operating Activities:

Operating Income (Loss)	\$ (520,074)	\$ (631)	\$ 2,476	\$ (518,229)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided Flows From Operating Activities:				
Depreciation Expense	13,767	-	-	13,767
Food Distribution Program	40,957	-	-	40,957
Change in Assets & Liabilities:				
(Increase)/Decrease in Accounts Receivable	3,126	-	(18,700)	(15,574)
(Increase)/Decrease in Inventory	9,111	-	-	9,111
Increase/(Decrease) in Accounts Payable	(31,392)	-	16,224	(15,168)
Net Cash Flows From Operating Activities	\$ (484,140)	\$ (631)	\$ -	\$ (484,771)

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

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Fiduciary Fund

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITON
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION INSURANCE	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	JUNE 30, 2015
Cash & Cash Equivalents	\$ 164,866	\$ 3,250	\$ 87,336	\$ 15,551	\$ 271,003
Total Assets	164,866	3,250	87,336	15,551	271,003
LIABILITIES					
Unemployment Claims Payable	8,592	-	-	-	8,592
Scholarships Payable	-	-	-	2,318	2,318
Payroll Deductions & Withholdings	-	-	-	13,233	13,233
Due to Student Groups	-	-	87,336	-	87,336
Total Liabilities	8,592	-	87,336	15,551	111,479
NET POSITION					
Reserved	156,274	3,250	-	-	159,524
Total Net Position	\$ 156,274	\$ 3,250	\$ -	\$ -	\$ 159,524

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

	PRIVATE PURPOSE		TOTAL
	UNEMPLOYMENT COMPENSATION INSURANCE	SCHOLARSHIP	JUNE 30, 2015
Additions:			
Local Sources:			
Employee Salary Deductions	\$ 38,086	\$ -	\$ 38,086
Donations	-	2,577	2,577
Board Contribution	50,000	-	50,000
Total Operating Revenues	88,086	2,577	90,663
Other Sources:			
Interest on Investments	346	-	346
Total Additions	88,432	2,577	91,009
Deductions:			
Unemployment Claims	42,526	-	42,526
Miscellaneous	15,984	1,302	17,286
Total Deductions	58,510	1,302	59,812
Change in Net Position	29,922	1,275	31,197
Net Position - Beginning of the Year	126,352	1,975	128,327
Net Position - End of the Year	\$ 156,274	\$ 3,250	\$ 159,524

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

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies

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

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

A. Reporting Entity

The Atlantic County Vocational School District is a Type I district located in the County of Atlantic, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board consists of appointed officials by the County Freeholders and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades 9 through 12. The Atlantic County Vocational School District had an approximate enrollment at June 30, 2015 of 1,445 full-time and 0 shared-time students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. The Atlantic County Vocational School District is a component unit of the County of Atlantic. The County reports on a regulatory basis of accounting which excludes component units.

B. Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units. The District had no component units as of for the year ended June 30, 2015.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

C. Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

D. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

E. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

F. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The District reports the following major governmental funds:

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

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

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

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

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

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Personal Aide Fund – This fund accounts for the revenues and expenses pertaining to the District’s personal aide operations.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

H. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

H. Budgets/Budgetary Control (continued)

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

I. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

J. 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.

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

J. Cash and Cash Equivalents (continued)

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

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

K. Tuition Payable/Receivable

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

L. Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

M. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

N. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

N. Capital Assets (continued)

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Buildings	20-50 Years
Machinery and Equipment	5-10 Years
Improvements	10-20 Years

O. Compensated Absences

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

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

P. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

Q. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

R. Use of Estimates

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

S. Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

T. Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

T. Net Position (continued)

- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

U. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2015, the District implemented GASB Statement No. 68 Accounting and Financial Reporting for Pensions – (Amendment to GASB Statement No. 27) and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The implementation of the Statements requires the District to report as an asset and/or a liability its portion of the collective net pension's asset and liability of the New Jersey Public Employees' Retirement System (PERS). The implementation of the Statements also requires the District to report a deferred outflow and/or inflow for the effect of the net change in the District's proportion of the collective net pension asset and/or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

Also included as a deferred outflow is the District contributions to the pension system subsequent to the measurement date.

Recently Issued and Adopted Accounting Pronouncements

The District has adopted and implemented all current standards of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2015.

GASB has issued Statement No. 72, Fair Value Measurement and Application, effective for the year ending June 30, 2016

GASB has issued Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions, effective for the year ending June 30, 2018. This Statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agency Employers and Agent Multi-Employer Plans, for OPEB Statement No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB Plans.

GASB has issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, effective for the year ending June 30, 2016.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

V. Deferred Outflows and Deferred Inflows of Resources

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

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

W. Pensions

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

X. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 8, 2015, which is the date the financial statements were available to be issued.

Note 2. Cash Deposits and Investments

A. Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$4,578,330 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Collateralized in the District's Name	
Under GUDPA	4,179,193
Uninsured and Uncollateralized	<u>149,137</u>
Total	<u>\$ 4,578,330</u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 2. Cash Deposits and Investments (continued)

B. Investments

New Jersey statutes permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2015.

Note 3. Reserve Accounts

A. Capital Reserve Account

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3. Reserve Accounts (continued)

A. Capital Reserve Account (continued)

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

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 863,350
Interest Earned	400
Board Resolution dated June 22, 2015	150,000
Return of Capital Reserve Funds not Utilized	3,000
Transfer to Capital Projects	<u>(70,804)</u>
Ending Balance, June 30, 2015	<u>\$ 945,946</u>

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$2,811,816. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Rang Facilities Plan.

B. Maintenance Reserve Account

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3. Reserve Accounts (continued)

B. Maintenance Reserve Account (continued)

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$	341,879
Interest Earned		100
Board Resolution dated June 22, 2015		100,000
Return of Maintenance Reserve not Utilized		50,000
Budgeted Withdrawal		<u>(50,000)</u>
 Ending Balance, June 30, 2015	 \$	 <u>441,979</u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2015 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 28,641	\$ 6,344	\$ 183,597	\$ 629	\$ 219,211
Federal Aid	-	88,127	-	43,764	131,891
Other	1,053,691	-	1,800	21,860	1,077,351
 Total	 <u>\$ 1,082,332</u>	 <u>\$ 94,471</u>	 <u>\$ 185,397</u>	 <u>\$ 66,253</u>	 <u>\$ 1,428,453</u>

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2015, the District transferred \$70,804 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

Note 6. Capital Assets

Capital assets activity for the year ended June 30, 2015 are shown on the following page:

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 6. Capital Assets (continued)

	June 30, 2014	Additions	Deletions	Transfers/ Adjustments	June 30, 2015
Governmental Activities:					
Capital assets that are not being depreciated:					
Land	\$ 78,120	\$ -	\$ -	\$ -	\$ 78,120
Construction in progress	27,855	769,860	-	(58,680)	739,035
Total capital assets not being depreciated	105,975	769,860	-	(58,680)	817,155
Capital assets being depreciated:					
Buildings and improvements	56,847,880	-	-	58,680	56,906,560
Land improvements	690,358	-	-	-	690,358
Machinery and equipment	5,819,381	465,627	(85,973)	411,485	6,610,520
Historical cost	63,357,619	465,627	(85,973)	470,165	64,207,438
Less: accumulated depreciation:					
Buildings and improvements	(9,514,460)	(1,287,045)	-	-	(10,801,505)
Land improvements	(149,050)	-	-	-	(149,050)
Machinery and equipment	(5,481,950)	(160,612)	85,973	(233,187)	(5,789,776)
Total accumulated depreciation	(15,145,460)	(1,447,657)	85,973	(233,187)	(16,740,331)
Total capital assets being depreciated, net	48,212,159	(982,030)	-	236,978	47,467,107
Governmental activities capital assets, net	\$ 48,318,134	\$ (212,170)	\$ -	\$ 178,298	\$ 48,284,262

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 6. Capital Assets (continued)

	June 30, 2014	Additions	Transfers/ Adjustments	June 30, 2015
Business-Type Activities:				
Capital assets being depreciated:				
Equipment	\$ 582,242	\$ -	\$ (411,485)	\$ 170,757
Less: accumulated depreciation:				
Equipment	(312,616)	(13,767)	233,187	(93,196)
Business-type activities capital assets, net	<u>\$ 269,626</u>	<u>\$ (13,767)</u>	<u>\$ (178,298)</u>	<u>\$ 77,561</u>

Depreciation expense was charged to governmental functions/programs as follows:

Governmental Activities:	
Unallocated	<u>\$ 1,447,657</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,447,657</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 13,767</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 13,767</u>

Note 7. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 183,872	\$ 600
Special Revenue Fund	-	57,778
Capital Projects Fund	600	107,552
Personal Aide Fund	-	16,224
Agency Fund	-	2,318
	<u>\$ 184,472</u>	<u>\$ 184,472</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 7. Interfund Receivables and Payables (continued)

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 70,804
Capital Projects Fund	<u>70,804</u>	<u>-</u>
	<u>\$ 70,804</u>	<u>\$ 70,804</u>

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

Note 8. Long-Term Obligations

During the fiscal year ended June 30, 2015 the following changes occurred in long-term obligations:

	Balance 06/30/15	Issued	Balance 06/30/15	Due Within One Year
Governmental activities:				
Net pension liability	\$ 5,406,898	\$ 762,651	\$ 6,169,549	\$ -
Compensated absences payable	<u>603,221</u>	<u>71,590</u>	<u>674,811</u>	<u>-</u>
Total	<u>\$ 6,010,119</u>	<u>\$ 834,241</u>	<u>\$ 6,844,360</u>	<u>\$ -</u>

During the fiscal year ended June 30, 2015 the business-type activities had no liabilities reported in the long-term obligations account group.

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Pension Obligations (continued)

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

The following represents the membership tiers for PERS:

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

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Pension Obligations (continued)

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

Three-Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/15	\$ 259,192	100%	\$ 6,169,549
06/30/14	227,073	100%	5,406,898
06/30/13	212,315	100%	-0-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$6,169,549 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was 0.03295%, which was an increase of 0.0047 from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	<u>06/30/15</u> July 1, 2014	<u>06/30/14</u> July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 1,259,419	\$ 367,672
Deferred Inflows of Resources	\$ 367,672	\$ -
Net Pension Liability	\$ 6,169,549	\$ 5,406,898
District's portion of the Plan's total Net Pension Liability	0.03295%	0.02829%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$455,396. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Pension Obligations (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 194,004	\$ -
Net difference between projected and actual earnings on pension plan investments	-	367,672
Changes in proportion and differences between District contributions and proportionate share of contributions	752,576	-
District contributions subsequent to the measurement date	<u>312,839</u>	<u>-</u>
Total	<u>\$ 1,259,419</u>	<u>\$ 367,672</u>

\$312,839 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. 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,		
2016	\$	65,360
2017		65,360
2018		65,360
2019		65,360
2020		65,360
Thereafter		<u>43,378</u>
Total	<u>\$</u>	<u>370,178</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Pension Obligations (continued)

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

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2012 - 2.15-4.40%
	Based on Age
	Thereafter - 3.15-5.40%
	Based on Age
Inflation rate	3.01%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Pension Obligations (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	4.39% <u>1% Decrease</u>	5.39% Current <u>Discount Rate</u>	6.39% <u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 7,761,503	\$ 6,169,549	\$ 4,832,713

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Pension Obligations (continued)

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

The following represents the membership tiers for TPAF:

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

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

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

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

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Pension Obligations (continued)

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

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

Year Funding	Post-Retirement Medical & Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/15	\$ 770,161	100%	\$-0-
06/30/14	581,776	100%	-0-
06/30/13	606,973	100%	-0-

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

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based on Experience
Inflation rate	2.50%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Pension Obligations (continued)

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

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%

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

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Pension Obligations (continued)

C. Defined Contribution Retirement Program (DCRP)

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

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

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2015, the District did not apply forfeitures to reduce the District's pension expense.

Note 10. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.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 the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

Note 11. 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.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 11. Risk Management (continued)

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

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

Fiscal Year	District Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2014-2015	\$ 50,000	\$ 38,086	\$ 346	\$ 58,510	\$ 156,274
2013-2014	50,000	34,938	250	38,531	126,352
2012-2013	75,000	27,955	125	25,862	79,695

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 13. Economic Dependency

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 14. Commitments

As of June 30, 2015, the District had outstanding construction contracts totaling \$355,393 that will be financed from operating funds and capital projects fund. These amounts are recorded as follows:

Purpose	Commitment Date	Amount Outstanding
Comprehensive HS Conversion	07/29/08	\$ 111,192
Building Security Lockdown System	02/12/14	3,054
New AC Equipment and Controls	02/12/14	36,120
Install New Digital Security Cameras	02/12/14	108,000
Replace Exterior Siding and Doors	02/12/14	18,242
Install New Digital Security Cameras	02/12/14	<u>78,785</u>
		<u>\$ 355,393</u>

Note 15. Deferred Compensation

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. 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:

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

Note 16. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$674,811.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 16. Compensated Absences (continued)

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 no liability existed for compensated absences in the proprietary fund types.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. 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 District has excess fund balance of \$934,574 at June 30, 2015.

Note 18. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(5,410,313) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 19. Fund Balance

General Fund – Of the \$4,937,537 General Fund fund balance at June 30, 2015, \$945,946 has been reserved in the Capital Reserve Account; \$441,979 has been reserved in the Maintenance Reserve Account; \$1,759,899 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$934,574 is restricted for current year excess surplus; \$114,608 has been reserved for encumbrances; and \$740,531 is unassigned.

Capital Projects Fund – Of the \$10,945 Capital Projects Fund fund balance at June 30, 2015, the entire balance has been assigned to other purposes.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 20. Prior Period Adjustment/Restatement of Net Position

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

		<u>Governmental Activities</u>
Net Position as previously reported at June 30, 2014	\$	52,557,003
Prior period adjustment - Implementation of GASB #68:		
Net Pension Liability (Measurement date as of June 30, 2013)	\$	(5,406,898)
PERS Pension Payable at June 30, 2014		(367,672)
Deferred Outflows (District contributions made during fiscal year 2014)		<u>367,672</u>
Total prior period adjustment		<u>(5,406,898)</u>
 Net Position as restated, July 1, 2014	 \$	 <u><u>47,150,105</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
County Appropriations	10-1210	\$ 4,019,431	\$ -	\$ 4,019,431	\$ 4,019,431	\$ -
Tuition from LEA's within State	10-1310	10,378,781	-	10,378,781	10,378,781	-
Tuition - Other	10-1320	275,000	-	275,000	501,687	226,687
Interest Earned	10-1510	10,000	-	10,000	21,053	11,053
Rental Fees	10-1910	5,000	-	5,000	11,564	-
Other Restricted Miscellaneous Revenue	10-1990	35,000	-	35,000	74,472	39,472
Miscellaneous	10-1990	25,000	-	25,000	46,439	21,439
Total Local Sources		14,748,212	-	14,748,212	15,053,427	298,651
State Sources:						
Categorical Special Education Aid	10-3132	448,112	-	448,112	448,112	-
Equalization Aid	10-3176	3,120,415	-	3,120,415	3,120,415	-
Categorical Security Aid	10-3177	63,177	-	63,177	63,177	-
Other State Aid	10-3190	2	-	2	2	-
PARCC Readiness Aid	10-3XXX	13,060	-	13,060	13,060	-
Per Pupil Growth Aid	10-3XXX	13,060	-	13,060	13,060	-
Nonbudgeted:						
TPAF Pension (On-Behalf)	10-3901	-	-	-	297,647	297,647
TPAF Post-Retirement Medical (On-Behalf)	10-3901	-	-	-	472,514	472,514
Reimbursed TPAF Social Security Contributions	10-3902	-	-	-	577,812	577,812
Total State Sources		3,657,826	-	3,657,826	5,005,799	1,347,973
Total Revenues		18,406,038	-	18,406,038	20,059,226	1,646,624
Expenditures:						
Current Expense:						
Regular Programs - Instruction:						
Salaries of Teachers:						
Grade 9-12	11-140-100-101	2,678,750	312,050	2,990,800	2,979,171	11,629
Regular Programs - Undistributed:						
Purchased Professional Education Services	11-140-100-320	1,400	4,800	6,200	3,200	3,000
Purchased Technical Services	11-140-100-340	4,000	(3,935)	65	65	-
Other Purchased Services	11-140-100-500	10,070	(4,800)	5,270	-	5,270
General Supplies	11-140-100-610	124,810	12,445	137,255	120,061	17,194
Textbooks	11-140-100-640	95,808	(24,400)	71,408	68,695	2,713
Other Objects	11-140-100-800	100	6,400	6,500	457	6,043
Total Regular Programs		2,914,938	302,560	3,217,498	3,171,649	45,849
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	19,250	1,084	20,334	20,334	-
Purchased Professional Education Services	11-150-100-320	1,200	1,136	2,336	1,112	1,224
Purchased Technical Services	11-150-100-340	-	1,999	1,999	1,999	-
Other Purchased Services	11-150-100-500	500	800	1,300	1,200	100
Total Regular Programs - Home Instruction		20,950	5,019	25,969	24,645	1,324
Current Expense (continued):						
Regular Vocational Programs - Instruction:						
Salaries of Teachers	11-310-100-101	2,159,319	(344,923)	1,814,396	1,814,396	-
Purchased Professional & Educational Services	11-310-100-320	77,300	(3,065)	74,235	50,969	23,266
Purchased Technical Services	11-310-100-340	3,000	-	3,000	500	2,500
Other Purchased Services	11-310-100-500	1,500	-	1,500	1,283	217
General Supplies	11-310-100-610	241,931	(13,356)	228,575	211,454	17,121
Textbooks	11-310-100-640	66,600	26,743	93,343	93,343	-
Other Objects	11-310-100-800	5,000	3,257	8,257	6,801	1,456
Total Regular Vocational Programs - Instruction		2,554,650	(331,344)	2,223,306	2,178,746	44,560
Special Vocational Programs - Instruction:						
Salaries of Teachers	11-320-100-101	1,060,794	(20,492)	1,040,302	1,040,302	-
Other Salaries for Instruction	11-320-100-106	29,285	18,396	47,681	45,822	1,859
Purchased Technical Services	11-320-100-340	4,500	-	4,500	471	4,029
General Supplies	11-320-100-610	16,250	(4,000)	12,250	1,527	10,723
Textbooks	11-320-100-640	15,700	-	15,700	8,841	6,859
Other Objects	11-320-100-800	500	-	500	-	500
Total Special Vocational Programs - Instruction		1,127,029	(6,096)	1,120,933	1,096,963	23,970

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	52,500	-	52,500	52,151	349
Purchased Services	11-401-100-500	13,000	-	13,000	7,634	5,366
Supplies and Materials	11-401-100-600	1,000	-	1,000	304	696
Other Objects	11-401-100-800	11,000	-	11,000	6,777	4,223
Total School Sponsored Cocurricular Activities		77,500	-	77,500	66,866	10,634
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	123,142	9,300	132,442	122,530	9,912
Purchased Services	11-402-100-500	83,978	(10,900)	73,078	69,667	3,411
Supplies and Materials	11-402-100-600	78,174	-	78,174	77,338	836
Other Objects	11-401-100-800	11,869	1,600	13,469	13,344	125
Total School Sponsored Athletics - Instruction		297,163	-	297,163	282,879	14,284
Other Instructional Programs - Instruction						
Salaries	11-4XX-100-100	75,506	-	75,506	41,206	34,300
Supplies and Materials	11-4XX-100-600	500	-	500	-	500
Total Other Instructional Programs - Instruction		76,006	-	76,006	41,206	34,800
Total Instruction		7,068,236	(29,861)	7,038,375	6,862,954	175,421
Health Services:						
Salaries	11-000-213-100	152,777	51,760	204,537	204,443	94
Purchased Professional & Technical Services	11-000-213-300	2,000	3,740	5,740	5,740	-
Other Purchased Services	11-000-213-500	200	500	700	482	218
Supplies and Materials	11-000-213-600	15,000	(4,200)	10,800	7,800	3,000
Other Objects	11-000-213-800	500	200	700	583	117
Total Health Services		170,477	52,000	222,477	219,048	3,429
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	456,435	16,361	472,796	458,661	14,135
Salaries of Secretarial & Clerical Assistants	11-000-218-105	73,894	-	73,894	73,537	357
Other Salaries	11-000-218-110	7,500	-	7,500	4,749	2,751
Purchased Professional-Educational Services	11-000-218-320	5,600	(2,040)	3,560	2,043	1,517
Purchased Professional & Technical Services	11-000-218-390	14,610	-	14,610	10,676	3,934
Other Purchased Services	11-000-218-500	20,750	-	20,750	17,479	3,271
Supplies & Materials	11-000-218-600	15,200	2,221	17,421	15,115	2,306
Other Objects	11-000-218-800	1,935	279	2,214	1,955	259
Total Other Support Services - Students - Regular		595,924	16,821	612,745	584,215	28,530
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	81,910	639	82,549	82,549	-
Purchased Professional - Ed. Services	11-000-219-320	30,000	-	30,000	8,258	21,742
Other Purchased Services	11-000-219-500	1,200	-	1,200	673	527
Supplies & Materials	11-000-219-600	750	-	750	644	106
Other Objects	11-000-219-800	250	-	250	-	250
Total Other Support Services - Students - Special Services		114,110	639	114,749	92,124	22,625

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	394,355	(41,076)	353,279	348,402	4,877
Salaries Other Prof. Staff	11-000-221-104	32,620	(4,999)	27,621	27,621	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	80,254	(6,301)	73,953	73,149	804
Purchased Professional - Ed. Services	11-000-221-320	2,550	7,475	10,025	5,024	5,001
Other Purchased Services	11-000-221-500	7,500	(3,000)	4,500	4,061	439
Supplies & Materials	11-000-221-600	6,000	6,698	12,698	11,167	1,531
Other Objects	11-000-221-800	1,500	1,379	2,879	2,707	172
Total Improvement of Instruction Services		524,779	(39,824)	484,955	472,131	12,824
Educational Media Services/School Library:						
Salaries	11-000-222-100	73,379	(14,520)	58,859	44,139	14,720
Purchased Professional & Technical Services	11-000-222-300	2,250	43	2,293	2,293	-
Other Purchased Services	11-000-222-500	3,150	1,200	4,350	3,574	776
Supplies and Materials	11-000-222-600	18,500	757	19,257	19,052	205
Total Educational Media Services/School Library		97,279	(12,520)	84,759	69,058	15,701
Instructional Staff Training Services:						
Purchased Professional-Educational Services	11-000-223-320	8,500	(2,250)	6,250	1,750	4,500
Other Purchased Services	11-000-223-500	5,000	4,250	9,250	8,795	455
Total Instructional Staff Training Services		13,500	2,000	15,500	10,545	4,955
Support Services - General Administration:						
Salaries	11-000-230-100	232,587	(6,000)	226,587	225,714	873
Legal Services	11-000-230-331	30,000	2,856	32,856	30,073	2,783
Audit Fees	11-000-230-332	20,100	(1,700)	18,400	18,400	-
Architectural/Engineering Services	11-000-230-334	12,500	6,000	18,500	14,960	3,540
Other Purchased Professional Services	11-000-230-339	2,250	2,806	5,056	3,464	1,592
Purchased Technical Services	11-000-230-340	13,330	2,045	15,375	14,645	730
Communications/Telephone	11-000-230-530	84,600	(7,000)	77,600	46,925	30,675
Other Purchased Services	11-000-230-590	61,410	1,777	63,187	54,522	8,665
General Supplies	11-000-230-610	4,500	3,938	8,438	8,287	151
BOE In-House Training/Meeting Supplies	11-000-230-630	500	-	500	450	50
BOE Membership Dues & Fees	11-000-230-895	18,200	(311)	17,889	17,889	-
Miscellaneous Expenditures	11-000-230-890	3,500	(233)	3,267	3,012	255
Total Support Services - General Administration		483,477	4,178	487,655	438,341	49,314
Support Services - School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	233,346	(8,000)	225,346	225,346	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	87,325	-	87,325	84,723	2,602
Purchased Professional & Technical Services	11-000-240-300	9,000	(2,600)	6,400	5,353	1,047
Other Purchased Services	11-000-240-500	25,425	(8,300)	17,125	6,424	10,701
Supplies and Materials	11-000-240-600	21,000	39,365	60,365	54,637	5,728
Other Objects	11-000-240-800	3,500	11,800	15,300	15,191	109
Total Support Services - School Administration		379,596	32,265	411,861	391,674	20,187
Support Services - Central Services:						
Salaries	11-000-251-100	218,669	(3,000)	215,669	208,483	7,186
Purchased Professional Services	11-000-251-330	79,651	(1,631)	78,020	69,808	8,212
Purchased Technical Services	11-000-251-340	17,165	767	17,932	16,800	1,132
Other Purchased Services	11-000-251-500	4,300	3,188	7,488	6,584	904
Supplies and Materials	11-000-251-600	78,000	(7,950)	70,050	43,474	26,576
Miscellaneous Expenditures	11-000-251-890	500	950	1,450	1,450	-
Total Support Services - Central Services		398,285	(7,676)	390,609	346,599	44,010

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services - Information Technology:						
Salaries	11-000-252-100	166,542	-	166,542	159,998	6,544
Purchased Technical Services	11-000-252-340	42,375	22,981	65,356	26,867	38,489
Other Purchased Services	11-000-252-500	3,000	-	3,000	323	2,677
Supplies and Materials	11-000-252-600	6,000	3,000	9,000	7,239	1,761
Other Objects	11-000-252-800	250	-	250	-	250
Total Support Services - Information Technology		218,167	25,981	244,148	194,427	49,721
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	437,773	(12,050)	425,723	406,437	19,286
Cleaning, Repair & Maintenance Services	11-000-261-420	379,648	17,322	396,970	303,665	93,305
General Supplies	11-000-261-610	120,000	1,139	121,139	110,348	10,791
Other Objects	11-000-261-800	5,200	-	5,200	973	4,227
Total Required Maintenance for School Facilities		942,621	6,411	949,032	821,423	127,609
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-101	600,437	(733)	599,704	583,629	16,075
Purchased Professional & Technical Services	11-000-262-300	11,520	160	11,680	2,860	8,820
Cleaning, Repair & Maintenance Services	11-000-262-420	76,000	(12,300)	63,700	46,337	17,363
Rental of Land & Building	11-000-262-441	10,000	1,605	11,605	11,514	91
Other Purchased Property Services	11-000-262-490	38,000	-	38,000	30,901	7,099
Insurance	11-000-262-520	132,175	(11,000)	121,175	96,695	24,480
Miscellaneous Purchased Services	11-000-262-590	1,020	-	1,020	-	1,020
General Supplies	11-000-262-610	91,500	7,000	98,500	96,719	1,781
Energy (Natural Gas)	11-000-262-621	170,000	-	170,000	153,742	16,258
Energy (Electricity)	11-000-262-622	835,000	(44,430)	790,570	689,850	100,720
Energy (Oil)	11-000-262-624	4,582	-	4,582	1,583	2,999
Energy (Gasoline)	11-000-262-626	8,000	-	8,000	3,962	4,038
Other Objects	11-000-262-800	816	-	816	675	141
Total Other Operation & Maintenance of Plant Services		1,979,050	(59,698)	1,919,352	1,718,467	200,885
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	74,367	733	75,100	75,100	-
Purchased Professional & Technical Services	11-000-263-300	32,000	(20,500)	11,500	9,689	1,811
Cleaning, Repair & Maintenance Services	11-000-263-420	84,000	15,661	99,661	74,061	25,600
Supplies & Materials	11-000-263-600	17,850	1,176	19,026	18,148	878
Total Care & Upkeep of Grounds		208,217	(2,930)	205,287	176,998	28,289
Security:						
Salaries	11-000-266-100	278,490	30,341	308,831	288,104	20,727
Purchased Professional & Technical Services	11-000-266-300	76,008	-	76,008	74,913	1,095
Cleaning, Repair & Maintenance Services	11-000-266-420	2,500	13,839	16,339	-	16,339
Supplies & Materials	11-000-266-600	10,000	(93)	9,907	9,482	425
Total Security		366,998	44,087	411,085	372,499	38,586
Student Transportation Services:						
Management Fees - ESC Trans Prog.	11-000-270-350	18,000	(500)	17,500	17,500	-
Other Purchased Professional & Technical Services	11-000-270-390	200	-	200	106	94
Cleaning, Repair & Maintenance Services	11-000-270-420	4,500	(3,247)	1,253	824	429
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	313,101	30,000	343,101	324,578	18,523
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	15,000	(10,653)	4,347	4,347	-
Transportation General Supplies	11-000-270-610	7,500	(7,500)	-	-	-
Supplies & Materials	11-000-270-615	-	10,400	10,400	7,267	3,133
Total Student Transportation Services		358,301	18,500	376,801	354,622	22,179

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Unallocated Benefits Employee Benefits:						
Group Insurance	11-xxx-xxx-210	450	-	450	419	31
Social Security Contributions	11-xxx-xxx-220	349,500	-	349,500	276,997	72,503
TPAF Contributions - ERIP	11-xxx-xxx-232	25,000	-	25,000	24,607	393
Other Retirement Contributions - PERS	11-xxx-xxx-241	377,765	(5,000)	372,765	259,192	113,573
Other Retirement Contributions - DCRP	11-xxx-xxx-249	5,000	5,000	10,000	7,234	2,766
Unemployment Compensation	11-xxx-xxx-250	50,000	-	50,000	50,000	-
Worker's Compensation	11-xxx-xxx-260	165,000	-	165,000	110,338	54,662
Health Benefits	11-xxx-xxx-270	3,115,200	-	3,115,200	2,784,252	330,948
Tuition Reimbursement	11-xxx-xxx-280	57,500	-	57,500	50,000	7,500
Other Employee Benefits	11-xxx-xxx-290	128,828	4,000	132,828	104,007	28,821
Total Unallocated Benefits - Employee Benefits		4,274,243	4,000	4,278,243	3,667,046	611,197
Nonbudgeted:						
TPAF Pension (On-Behalf)		-	-	-	297,647	(297,647)
TPAF Post-Retirement Medical (On-Behalf)		-	-	-	472,514	(472,514)
Reimbursed TPAF Social Security Contributions		-	-	-	577,812	(577,812)
Total Undistributed Expenditures		11,125,024	84,234	11,209,258	11,277,190	(67,932)
Total Expenditures - Current Expense		18,193,260	54,373	18,247,633	18,140,144	107,489
Capital Outlay:						
Equipment:						
Grades 9-12	12-140-100-730	114,974	14,023	128,997	128,277	720
Vocational Programs - Regular	12-310-100-730	-	7,600	7,600	7,591	9
School Sponsored & Other Instructional Programs	12-400-100-730	35,000	4,225	39,225	35,585	3,640
Undistributed Expenditures						
Support Services - Students - Special	12-000-219-730	-	4,000	4,000	3,817	183
Central Services	12-000-251-730	-	2,600	2,600	2,600	-
Information Technology	12-000-252-730	19,500	(6,980)	12,520	-	12,520
Operation & Maintenance of Plant Services	12-000-261-730	20,500	8,115	28,615	26,694	1,921
Upkeep of Grounds	12-000-263-730	-	4,080	4,080	4,080	-
Security Equipment	12-000-266-73X	-	17,093	17,093	17,093	-
School Buses - Regular	12-xxx-x00-730	-	11,500	11,500	-	11,500
Total Equipment		189,974	66,256	256,230	225,737	30,493
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	-	14,430	14,430	14,430	-
Total Facilities Acquisition & Construction Services		-	14,430	14,430	14,430	-
Total Capital Outlay		189,974	80,686	270,660	240,167	30,493
Special Schools:						
Post-Secondary Programs - Instruction:						
Salaries of Teachers	13-330-100-101	270,972	(6,000)	264,972	249,673	15,299
Purchased Professional & Technical Services	13-330-100-300	-	4,600	4,600	4,600	-
Other Purchased Services	13-330-100-500	-	500	500	100	400
General Supplies	13-330-100-610	39,060	(18,100)	20,960	2,978	17,982
Textbooks	13-330-100-640	46,400	(5,000)	41,400	27,176	14,224
Total Post-Secondary Programs - Instruction		356,432	(24,000)	332,432	284,527	47,905

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Post Sec. Programs - Support Services:						
Salaries	13-330-200-100	44,061	-	44,061	44,061	-
Other Objects	13-330-200-800	-	8,000	8,000	6,888	1,112
Total Other Special Schools - Support Services		44,061	8,000	52,061	50,949	1,112
Total Post-Secondary Programs		400,493	(16,000)	384,493	335,476	49,017
Other Special Schools - Instruction:						
Other Salaries for Instruction	13-4xx-100-101	655,018	8,000	663,018	642,902	20,116
Purchased Professional & Technical Services	13-4xx-100-300	26,500	-	26,500	14,225	12,275
General Supplies	13-4xx-100-61x	61,750	(5,000)	56,750	28,363	28,387
Textbooks	13-4xx-100-640	10,000	-	10,000	569	9,431
Other Objects	13-4xx-100-800	3,000	-	3,000	2,402	598
Total Other Special Schools - Instruction		756,268	3,000	759,268	688,461	70,807
Other Special Schools - Support Services:						
Salaries	13-4xx-200-101	143,861	(8,000)	135,861	135,861	-
ACAHS Purchased Edu Services	13-4xx-200-320	10,000	(7,000)	3,000	-	3,000
Other Purchased Services	13-4xx-200-500	8,300	2,100	10,400	7,365	3,035
General Supplies	13-4xx-200-61x	7,000	5,000	12,000	2,186	9,814
Other Objects	13-4xx-200-800	2,500	-	2,500	1,711	789
Total Other Special Schools - Support Services		171,661	(7,900)	163,761	147,123	16,638
Total Other Special Schools		927,929	(4,900)	923,029	835,584	87,445
Vocational Evening - Local - Instruction:						
Salaries of Teachers	13-629-100-101	60,000	6,135	66,135	66,135	-
General Supplies	13-629-100-610	5,000	3,875	8,875	6,785	2,090
Textbooks	13-629-100-640	15,000	2,000	17,000	16,281	719
Total Vocational Evening - Local - Instruction		80,000	12,010	92,010	89,201	2,809
Special Schools (continued):						
Vocational Evening - Local - Support Services:						
Salaries	13-629-200-100	72,995	(3,135)	69,860	64,574	5,286
Purchased Professional & Technical Services	13-629-200-300		2,500	2,500	2,500	-
Other Purchased Services	13-629-200-500	4,000	4,625	8,625	8,180	445
Total Vocational Evening - Local Support Services		76,995	3,990	80,985	75,254	5,731
Total Vocational Evening - Local		156,995	16,000	172,995	164,455	8,540
Total Special Schools		1,485,417	(4,900)	1,480,517	1,335,515	145,002
Total Expenditures		19,868,651	130,159	19,998,810	19,715,826	282,984
Other Financing Sources/(Uses):						
Transfer to Capital Projects Fund		-	-	-	(70,804)	70,804
Interest Earned on Capital Reserve		(400)	-	(400)	-	(400)
Interest Earned on Maintenance Reserve		(100)	-	(100)	-	(100)
Withdrawal from Maintenance Reserve		50,000	-	50,000	-	50,000
Total Other Financing Sources/(Uses)		49,500	-	49,500	(70,804)	120,304

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Excess/(Deficiency) of Revenues Over/(Under):					
Expenditures After Other Financing Sources/(Uses)	(1,413,113)	(130,159)	(1,543,272)	272,596	1,815,868
Fund Balances, July 1	5,030,729	-	5,030,729	5,030,729	-
Fund Balances, June 30	<u>\$ 3,617,616</u>	<u>\$ (130,159)</u>	<u>\$ 3,487,457</u>	<u>\$ 5,303,325</u>	<u>\$ 1,815,868</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	<u>\$ 130,159</u>
	<u><u>\$ 130,159</u></u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve Account	\$ 945,946
Maintenance Reserve	441,979
Excess Surplus	934,574
Excess Surplus Designated for Subsequent Year's Expenditures	1,759,899
Assigned Fund Balance:	
Year-End Encumbrances	114,608
Unassigned Fund Balance	<u>1,106,319</u>
Subtotal	5,303,325
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(365,788)</u>
Fund Balance per Governmental Funds (GAAP):	<u><u>\$ 4,937,537</u></u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Federal Sources	\$ 552,710	\$ 427,056	\$ 979,766	\$ 979,766	\$ -
State Sources	-	14,027	14,027	14,027	-
Local Sources	-	41,415	41,415	41,415	-
Total Revenues	552,710	482,498	1,035,208	1,035,208	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	479,815	(100,466)	379,349	379,349	-
Instruction Purchased Services	-	12,150	12,150	12,150	-
Tuition	-	-	-	-	-
General Supplies	72,895	83,247	156,142	156,142	-
Miscellaneous	-	-	-	-	-
Total Instruction	552,710	(5,069)	547,641	547,641	-
Support Services:					
Salaries	-	71,087	71,087	71,087	-
Personal Services - Employee Benefits	-	144,587	144,587	144,587	-
Purchased Professional - Educational Services	-	154,114	154,114	154,114	-
Other Purchased Services (400-500 Series)	-	74,539	74,539	74,539	-
Travel	-	492	492	492	-
Supplies & Materials	-	11,867	11,867	11,867	-
Miscellaneous	-	250	250	250	-
Total Support Services	-	456,936	456,936	456,936	-
Facilities Acquisition & Construction Services:					
Construction Services	-	30,631	30,631	30,631	-
Non-Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	30,631	30,631	30,631	-
Total Expenditures	552,710	482,498	1,035,208	1,035,208	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 20,059,226	\$ 1,035,208
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	363,176	-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(365,788)	-
	\$ 20,056,614	\$ 1,035,208
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 20,056,614	\$ 1,035,208
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 19,715,826	\$ 1,035,208
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 19,715,826	\$ 1,035,208

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.033%	0.028%
District's proportionate share of the net pension liability (asset)	\$ 6,169,549	\$ 5,406,898
District's covered-employee payroll	\$ 2,855,066	\$ 2,521,515
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	216.09%	214.43%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 259,192	\$ 259,192
Contributions in relation to the contractually required contribution	<u>259,192</u>	<u>259,192</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	2,855,066	2,521,515
Contributions as a percentage of covered- employee payroll	9.08%	10.28%

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

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.052%	0.044%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 27,845,391	\$ 22,280,764
District's covered-employee payroll	\$ 8,353,845	\$ 7,377,883
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>NO CHILD LEFT BEHIND</u>			
	TITLE I, PART A	TITLE II PART A	TITLE I, REWARDS	IDEA PART B
Revenues:				
Federal Sources	\$ 420,197	\$ 17,398	\$ 98,760	\$ 205,988
State Sources	-	-	-	-
Local Sources	-	-	-	-
Total Revenues	<u>\$ 420,197</u>	<u>\$ 17,398</u>	<u>\$ 98,760</u>	<u>\$ 205,988</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 188,256	\$ -	\$ 47,603	\$ 112,541
Instruction Purchased Services	-	-	9,000	-
Tuition	-	-	-	-
General Supplies	-	-	-	-
Other Objects	-	-	-	-
Total Instruction	<u>188,256</u>	<u>-</u>	<u>56,603</u>	<u>112,541</u>
Support Services:				
Salaries	26,440	7,350	-	3,512
Personal Services - Employee Benefits	99,629	562	19,957	19,543
Purchased Professional - Educational Services	47,504	9,486	21,400	58,260
Other Purchased Services (400-500 Series)	50,225	-	-	12,132
Travel	-	-	-	-
Supplies & Materials	7,893	-	800	-
Miscellaneous	250	-	-	-
Total Support Services	<u>231,941</u>	<u>17,398</u>	<u>42,157</u>	<u>93,447</u>
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	-	-	-
Non-Instructional Equipment	-	-	-	-
Total Facilities Acquisition & Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 420,197</u>	<u>\$ 17,398</u>	<u>\$ 98,760</u>	<u>\$ 205,988</u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	CARL D. PERKINS			
	SECONDARY	SECONDARY RESERVE	POST SECONDARY	APPRENTICESHIP COORDINATOR
Revenues:				
Federal Sources	\$ 113,670	\$ 34,667	\$ 89,086	\$ -
State Sources	-	-	-	14,027
Local Sources	-	-	-	-
Total Revenues	\$ 113,670	\$ 34,667	\$ 89,086	\$ 14,027
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 3,360	\$ 1,050	\$ -	\$ -
Instruction Purchased Services	3,150	-	-	-
Tuition	-	-	-	-
General Supplies	79,871	-	70,048	-
Other Objects	-	-	-	-
Total Instruction	86,381	1,050	70,048	-
Support Services:				
Salaries	-	20,650	-	9,485
Personal Services - Employee Benefits	257	1,660	-	726
Purchased Professional - Educational Services	-	11,307	6,157	-
Other Purchased Services (400-500 Series)	9,282	-	-	150
Travel	-	-	-	492
Supplies & Materials	-	-	-	3,174
Miscellaneous	-	-	-	-
Total Support Services	9,539	33,617	6,157	14,027
Facilities Acquisition & Construction Services:				
Instructional Equipment	17,750	-	12,881	-
Non-Instructional Equipment	-	-	-	-
Total Facilities Acquisition & Construction Services	17,750	-	12,881	-
Total Expenditures	\$ 113,670	\$ 34,667	\$ 89,086	\$ 14,027

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	21ST CCLC PROGRAM	IN SCHOOL YOUTH	ATLANTICARE	2015
Revenues:				
Federal Sources	\$ -	\$ -	\$ -	\$ 979,766
State Sources	-	-	-	14,027
Local Sources	16,005	21,410	4,000	41,415
	<hr/>			
Total Revenues	<u>\$ 16,005</u>	<u>\$ 21,410</u>	<u>\$ 4,000</u>	<u>\$ 1,035,208</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 6,650	\$ 19,889	\$ -	\$ 379,349
Instruction Purchased Services	-	-	-	12,150
Tuition	-	-	-	-
General Supplies	2,973	-	3,250	156,142
Other Objects	-	-	-	-
	<hr/>			
Total Instruction	<u>9,623</u>	<u>19,889</u>	<u>3,250</u>	<u>547,641</u>
Support Services:				
Salaries	2,900	-	750	71,087
Personal Services - Employee Benefits	732	1,521	-	144,587
Purchased Professional - Educational Services	-	-	-	154,114
Other Purchased Services (400-500 Series)	2,750	-	-	74,539
Travel	-	-	-	492
Supplies & Materials	-	-	-	11,867
Miscellaneous	-	-	-	250
	<hr/>			
Total Support Services	<u>6,382</u>	<u>1,521</u>	<u>750</u>	<u>456,936</u>
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	-	-	30,631
Non-Instructional Equipment	-	-	-	-
	<hr/>			
Total Facilities Acquisition & Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,631</u>
	<hr/>			
Total Expenditures	<u>\$ 16,005</u>	<u>\$ 21,410</u>	<u>\$ 4,000</u>	<u>\$ 1,035,208</u>

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F. Capital Projects Fund

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES FOR MANAGED CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2015**

PROJECT TITLE	NUMBER	DATE	APPROPRIATION	EXPENDITURES		CURRENT YEAR	APPROPRIATIONS CANCELLED	UNEXPENDED BALANCE JUNE 30, 2015
				PRIOR YEARS				
Comprehensive HS Conversion	0120-010-07-1000	07/29/08	\$ 40,849,524	\$ 40,493,458	\$	322,520	\$ -	\$ 33,546
New Electrical Room	0120-010-14-1003	02/12/14	16,200	500		15,700	-	-
Building Security Lockdown System	0120-010-14-1007	02/12/14	125,061	4,000		118,007	-	3,054
Renovation of Faculty Toilets	0120-010-14-1002	02/12/14	42,480	4,000		38,480	-	-
New AC Equipment and Controls	0120-010-14-1001	02/12/14	39,120	500		2,500	-	36,120
Install New Digital Security Cameras	0120-010-14-1005	02/12/14	108,500	500		-	-	108,000
Replace Exterior Siding and Doors	0120-010-14-1006	02/12/14	308,750	17,855		272,653	-	18,242
Install New Digital Security Cameras	0120-010-14-1004	02/12/14	79,285	500		-	-	78,785
Total			\$ 41,568,920	\$ 40,521,313	\$	769,860	\$ -	\$ 277,747

Reconciliation of Fund Balance, June 30, 2015

Unexpended Project Balances, June 30, 2015	\$ 277,747
Less:	
Unexpended County Appropriations	(54,918)
Unrecognized ROD Grants	(90,383)
Capital Reserve Funds Not Transferred	(114,204)
Total Fund Balance (Budgetary Basis) - June 30, 2015	<u>18,242</u>
Less:	
Unexpended State Aid - ROD Grants	(7,297)
Total Fund Balance (GAAP Basis) - June 30, 2015	<u>\$ 10,945</u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues:	
State Sources - ROD Grant	\$ 69,875
County Appropriation	356,528
Transfer from Capital Reserve	<u>70,804</u>
Total Revenues	<u>497,207</u>
Expenditures:	
Purchased Professional & Technical Services	10,333
Construction Services	<u>759,527</u>
Total Expenditures	<u>769,860</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(272,653)
Fund Balance - Beginning	<u>290,895</u>
Fund Balance - Ending	<u><u>\$ 18,242</u></u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
COMPREHENSIVE HIGH SCHOOL CONVERSION
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
County Appropriation	\$ 40,493,458	\$ 322,520	\$ 40,815,978	\$ 40,849,524
Total Revenues	40,493,458	322,520	40,815,978	40,849,524
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	3,071,240	-	3,071,240	3,071,240
Construction Services	37,014,476	322,520	37,336,996	37,370,542
Other Costs	407,742	-	407,742	407,742
Total Expenditures	40,493,458	322,520	40,815,978	40,849,524
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-07-1000
Grant Date	N/A
Bond Authorization Date	July 29, 2008
Bonds Authorization	\$ 40,000,000
Bonds Issued	\$ 40,000,000
Original Authorized Cost	\$ 40,000,000
Additional Authorized Cost	\$ 849,524
Revised Authorized Cost	\$ 40,849,524
Percentage Increase Over Original Authorized Cost	2%
Percentage Completion	99.92%
Original Target Completion Date	September 1, 2011
Revised Target Completion Date	September 1, 2013

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
NEW ELECTRICAL ROOM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 200	\$ 6,280	\$ 6,480	\$ 6,480
County Improvement Authorization	300	9,420	9,720	9,420
Transfer from Capital Reserve	-	-	-	300
Total Revenues	500	15,700	16,200	16,200
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	500	1,500	2,000	2,000
Construction Services	-	14,200	14,200	14,200
Equipment Purchases	-	-	-	-
Total Expenditures	500	15,700	16,200	16,200
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-14-1003
Grant Date	February 12, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 16,200
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 16,200
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	September 30, 2014
Revised Target Completion Date	September 30, 2014

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
BUILDING WIDE LOCKDOWN SYSTEM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 1,600	\$ 47,203	\$ 48,803	\$ 50,024
Transfer from Capital Reserve	2,400	70,804	73,204	75,037
Total Revenues	4,000	118,007	122,007	125,061
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,000	3,938	7,938	8,000
Construction Services	-	114,069	114,069	117,061
Equipment Purchases	-	-	-	-
Total Expenditures	4,000	118,007	122,007	125,061
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-14-1007
Grant Date	February 12, 2014
Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 125,061
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 125,061
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	September 30, 2014
Revised Target Completion Date	September 30, 2014

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
RENOVATION OF FACULTY TOILETS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 1,600	\$ 15,392	\$ 16,992	\$ 16,992
County Improvement Authorization	2,400	23,088	25,488	25,488
Total Revenues	4,000	38,480	42,480	42,480
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,000	-	4,000	4,000
Construction Services	-	38,480	38,480	38,480
Equipment Purchases	-	-	-	-
Total Expenditures	4,000	38,480	42,480	42,480
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-14-1002
Grant Date	February 12, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 42,480
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 42,480
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	September 30, 2014
Revised Target Completion Date	September 30, 2014

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
NEW AC EQUIPMENT AND CONTROLS FOR CLASSROOM 312
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 200	\$ 1,000	\$ 1,200	\$ 15,648
County Improvement Authorization	300	1,500	1,800	23,472
Total Revenues	500	2,500	3,000	39,120
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	500	2,500	3,000	3,000
Construction Services	-	-	-	36,120
Equipment Purchases	-	-	-	-
Total Expenditures	500	2,500	3,000	39,120
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-14-1001
Grant Date	February 12, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 39,120
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 39,120
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	7.67%
Original Target Completion Date	August 31, 2015
Revised Target Completion Date	N/A

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INSTALL NEW DIGITAL SECURITY CAMERAS AT MAIN HIGH SCHOOL BUILDING
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 200	\$ -	\$ 200	\$ 43,400
Transfer from Capital Reserve	300	-	300	65,100
Total Revenues	500	-	500	108,500
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	500	-	500	2,500
Construction Services	-	-	-	106,000
Equipment Purchases	-	-	-	-
Total Expenditures	500	-	500	108,500
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-14-1005
Grant Date	February 12, 2014
Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 108,500
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 108,500
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	0.46%
Original Target Completion Date	August 31, 2015
Revised Target Completion Date	N/A

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
REPLACE EXTERIOR SIDING AND DOORS AT ANNEX
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 123,500	\$ -	\$ 123,500	\$ 123,500
Transfer from Capital Reserve	185,250	-	185,250	185,250
Total Revenues	308,750	-	308,750	308,750
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	17,855	2,395	20,250	21,000
Construction Services	-	270,258	270,258	287,750
Equipment Purchases	-	-	-	-
Total Expenditures	17,855	272,653	290,508	308,750
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 290,895	\$ (272,653)	\$ 18,242	\$ -

Additional Project Information:

Project Number	0120-010-14-1006
Grant Date	February 12, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 308,750
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 308,750
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	94.09%
Original Target Completion Date	September 30, 2014
Revised Target Completion Date	August 31, 2015

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INSTALL NEW DIGITAL SECURITY CAMERAS AT ANEX BUILDING
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 200	\$ -	\$ 200	\$ 31,714
Transfer from Capital Reserve	300	-	300	47,571
Total Revenues	500	-	500	79,285
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	500	-	500	2,500
Construction Services	-	-	-	76,785
Equipment Purchases	-	-	-	-
Total Expenditures	500	-	500	79,285
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	0120-010-14-1004
Grant Date	February 12, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 79,285
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 79,285
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	0.63%
Original Target Completion Date	August 31, 2015
Revised Target Completion Date	N/A

G. Proprietary Funds

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Enterprise Funds

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	FOOD SERVICE	L'ACADEMIE CAFÉ FUND	PERSONAL AIDE FUND	2015
Current Assets:				
Cash	\$ 155,623	\$ -	\$ -	\$ 155,623
Accounts Receivable:				
Federal	43,764	-	-	43,764
State	629	-	-	629
Other	3,160	-	18,700	21,860
Inventory	11,200	-	-	11,200
Total Current Assets	<u>214,376</u>	<u>-</u>	<u>18,700</u>	<u>233,076</u>
Noncurrent Assets:				
Machinery and Equipment	170,757	-	-	170,757
Less: Accumulated Depreciation	(93,196)	-	-	(93,196)
Total Noncurrent Assets	<u>77,561</u>	<u>-</u>	<u>-</u>	<u>77,561</u>
Total Assets	<u>291,937</u>	<u>-</u>	<u>18,700</u>	<u>310,637</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	1,092	-	-	1,092
Interfund Payable	-	-	16,224	16,224
Unearned Revenue	365	-	-	365
Total Liabilities	<u>1,457</u>	<u>-</u>	<u>16,224</u>	<u>17,681</u>
NET POSITION				
Net Investment in Capital Assets	77,561	-	-	77,561
Unrestricted	212,919	-	2,476	215,395
Total Net Position	<u>\$ 290,480</u>	<u>\$ -</u>	<u>\$ 2,476</u>	<u>\$ 292,956</u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE	L'ACADEMIE CAFÉ FUND	PERSONAL AIDE FUND	2015
Operating Revenues:				
Charges for Services:				
Daily Sales	\$ 197,044	\$ -	\$ -	\$ 197,044
Misc	355	-	-	355
Special Functions	69,364	2,497	219,725	291,586
Total Operating Revenue	<u>266,763</u>	<u>2,497</u>	<u>219,725</u>	<u>488,985</u>
Operating Expenses:				
Cost of Sales	364,476	2,552	-	367,028
Salaries and Wages	306,172	-	122,306	428,478
Employee Benefits	86,933	-	94,943	181,876
General Supplies	5,775	576	-	6,351
Depreciation Expense	13,767	-	-	13,767
Miscellaneous	9,714	-	-	9,714
Total Operating Expenses	<u>786,837</u>	<u>3,128</u>	<u>217,249</u>	<u>1,007,214</u>
Operating Income/(Loss)	<u>(520,074)</u>	<u>(631)</u>	<u>2,476</u>	<u>(518,229)</u>
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	7,095	-	-	7,095
Federal Sources:				
School Breakfast Program	108,904	-	-	108,904
National School Lunch Program	352,247	-	-	352,247
National School Lunch Performance Based	7,970	-	-	7,970
Food Distribution Program	40,957	-	-	40,957
Total Nonoperating Revenue (Expenses)	<u>517,173</u>	<u>-</u>	<u>-</u>	<u>517,173</u>
Other Financing Sources/(Uses):				
Transfer of Capital Assets to Governmental Activities	(178,298)	-	-	(178,298)
Operating Transfers In/(Out)	12,369	(12,369)	-	-
Total Other Financing Sources/(Uses)	<u>(165,929)</u>	<u>(12,369)</u>	<u>-</u>	<u>(178,298)</u>
Change in Net Position	(168,830)	(13,000)	2,476	(179,354)
Total Net Position - Beginning	<u>459,310</u>	<u>13,000</u>	<u>-</u>	<u>472,310</u>
Total Net Position - Ending	<u>\$ 290,480</u>	<u>\$ -</u>	<u>\$ 2,476</u>	<u>\$ 292,956</u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE	L'ACADEMIE CAFÉ FUND	PERSONAL AIDE FUND	2015
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 269,889	\$ 2,497	\$ 201,025	\$ 473,411
Payments to Employees	(306,172)	-	(106,082)	(412,254)
Payments for Employee Benefits	(86,933)	-	(94,943)	(181,876)
Payments to Suppliers	(360,924)	(3,128)	-	(364,052)
	<hr/>			
Net Cash Flows From Operating Activities	(484,140)	(631)	-	(484,771)
Cash Flows From Noncapital Financing Activities:				
Cash Received From State & Federal Programs	469,111	-	-	469,111
Operating Transfers from/(to) Other Funds	12,369	(12,369)	-	-
	<hr/>			
Net Cash Flows From Noncapital Financing Activities	481,480	(12,369)	-	469,111
Net Increase/(Decrease) in Cash & Cash Equivalents				
Balances - Beginning of Year	(2,660)	(13,000)	-	(15,660)
	<hr/>			
Balances - Ending of Year	158,283	13,000	-	171,283
	<hr/>			
Balances - Ending of Year	\$ 155,623	\$ -	\$ -	\$ 155,623
	<hr/>			

Reconciliation of Operating Income/(Loss) to Net Cash Flows Operating Activities:

Operating Income (Loss)	\$ (520,074)	\$ (631)	\$ 2,476	\$ (518,229)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided Flows From Operating Activities:				
Depreciation Expense	13,767	-	-	13,767
Food Distribution Program	40,957	-	-	40,957
Change in Assets & Liabilities:				
(Increase)/Decrease in Accounts Receivable	3,126	-	(18,700)	(15,574)
(Increase)/Decrease in Inventory	9,111	-	-	9,111
Increase/(Decrease) in Accounts Payable	(31,392)	-	16,224	(15,168)
Increase/(Decrease) in Other Current Liabilities	365	-	-	365
	<hr/>			
Net Cash Flows From Operating Activities	\$ (484,140)	\$ (631)	\$ -	\$ (484,771)
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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		2015
	UNEMPLOYMENT COMPENSATION INSURANCE	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	
Assets:					
Cash & Cash Equivalents	\$ 164,866	\$ 3,250	\$ 87,336	\$ 15,551	\$ 271,003
Total Assets	164,866	3,250	87,336	15,551	271,003
LIABILITIES					
Liabilities:					
Unemployment Claims Payable	8,592	-	-	-	8,592
Scholarships Payable	-	-	-	2,318	2,318
Payroll Deductions & Withholdings	-	-	-	13,233	13,233
Due to Student Groups	-	-	87,336	-	87,336
Total Liabilities	8,592	-	87,336	15,551	111,479
NET POSITION					
Reserved	\$ 156,274	\$ 3,250	\$ -	\$ -	\$ 159,524

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2015**

	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION INSURANCE	SCHOLARSHIP	2015
Additions:			
Local Sources:			
Employee Salary Deductions	\$ 38,086	\$ -	\$ 38,086
Donations	-	2,577	2,577
Board Contribution	50,000	-	50,000
Total Operating Revenues	88,086	2,577	90,663
Other Sources:			
Interest on Investments	346	-	346
Total Additions	88,432	2,577	91,009
Deductions:			
Unemployment Claims	42,526	-	42,526
Miscellaneous	15,984	1,302	17,286
Total Deductions	58,510	1,302	59,812
Change in Net Position	29,922	1,275	31,197
Net Position, July 1	126,352	1,975	128,327
Net Position, June 30	\$ 156,274	\$ 3,250	\$ 159,524

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 84,859	\$ 215,867	\$ 213,390	\$ 87,336
Total Assets	<u>\$ 84,859</u>	<u>\$ 215,867</u>	<u>\$ 213,390</u>	<u>\$ 87,336</u>
LIABILITIES				
Due to Student Groups	\$ 84,859	\$ 215,867	\$ 213,390	\$ 87,336
Total Liabilities	<u>\$ 84,859</u>	<u>\$ 215,867</u>	<u>\$ 213,390</u>	<u>\$ 87,336</u>

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

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 83,281	\$ 5,440,875	\$ 5,508,605	\$ 15,551
Total Assets	<u>\$ 83,281</u>	<u>\$ 5,440,875</u>	<u>\$ 5,508,605</u>	<u>\$ 15,551</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 83,281	\$ 5,438,557	\$ 5,508,605	\$ 13,233
Due to General Fund	-	2,318	-	2,318
Total Liabilities	<u>\$ 83,281</u>	<u>\$ 5,440,875</u>	<u>\$ 5,508,605</u>	<u>\$ 15,551</u>

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Invested in Capital Assets:										
Net of Related Debt	\$ 48,284,262	\$ 48,318,134	\$ 49,310,133	\$ 48,057,457	\$ 38,156,011	\$ 18,486,060	\$ 11,708,103	\$ 10,690,660	\$ 11,142,005	\$ 9,788,004
Restricted	4,093,343	4,202,792	3,815,380	3,588,036	2,256,793	453,811	310,023	341,660	269,784	467,596
Unrestricted	(5,410,313)	152,435	(68,597)	(305,556)	(285,079)	555,067	997,259	785,834	527,376	669,707
Total Governmental Activities										
Net Position	\$ 46,967,292	\$ 52,673,361	\$ 53,056,916	\$ 51,339,937	\$ 40,127,725	\$ 19,494,938	\$ 13,015,385	\$ 11,818,154	\$ 11,939,165	\$ 10,925,307
Business-Type Activities:										
Invested in Capital Assets:										
Net of Related Debt	\$ 77,561	\$ 269,626	\$ 296,813	\$ 2,174	\$ 1,376	\$ 3,144	\$ 4,912	\$ 6,698	\$ 875	\$ 1,574
Unrestricted	215,395	202,684	179,541	193,715	180,563	104,843	70,425	90,214	120,737	63,887
Total Business-Type Activities										
Net Position	\$ 292,956	\$ 472,310	\$ 476,354	\$ 195,889	\$ 181,939	\$ 107,987	\$ 75,337	\$ 96,912	\$ 121,612	\$ 65,461
District-Wide:										
Invested in Capital Assets:										
Net of Related Debt	\$ 48,361,823	\$ 48,587,760	\$ 49,606,946	\$ 48,059,631	\$ 38,157,387	\$ 18,489,204	\$ 11,713,015	\$ 10,697,358	\$ 11,142,880	\$ 9,789,578
Restricted	4,093,343	4,202,792	3,815,380	3,588,036	2,256,793	453,811	310,023	341,660	269,784	467,596
Unrestricted	(5,194,918)	355,119	110,944	(111,841)	(104,516)	659,910	1,067,684	876,048	648,113	733,594
Total District-Wide Net Position										
	\$ 47,260,248	\$ 53,145,671	\$ 53,533,270	\$ 51,535,826	\$ 40,309,664	\$ 19,602,925	\$ 13,090,722	\$ 11,915,066	\$ 12,060,777	\$ 10,990,768

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular Educational Instruction	\$ 3,743,935	\$ 3,303,691	\$ 2,631,543	\$ 4,351,474	\$ 3,430,737	\$ 3,959,822	\$ 3,482,141	\$ 3,563,264	\$ 3,122,231	\$ 2,383,462
Special Educational Instruction	1,096,963	651,248	202,001	179,263	291,624	273,568	257,258	6,314	13,823	3,786
Vocational Instruction	2,178,746	2,162,094	1,945,370	1,373,524	1,210,601	1,754,228	1,777,019	1,503,460	1,665,728	1,363,282
Other Instruction	390,951	389,359	259,977	276,365	261,795	237,012	221,857	56,192	75,010	84,395
Support Services:										
Student & Instruction Related Services	1,904,057	1,520,744	1,174,901	1,269,454	1,135,526	1,077,885	918,897	900,149	991,655	846,446
General Administrative Services	391,674	350,863	329,374	1,251,827	1,277,501	1,210,658	1,306,280	1,368,219	1,277,003	1,404,766
School Administrative Services	979,367	1,031,846	1,015,782	437,510	402,616	349,873	337,100	352,642	342,875	340,660
Plant Operations & Maintenance	2,894,558	2,945,798	2,728,975	3,219,032	2,606,185	2,458,745	2,107,925	2,390,397	2,393,275	2,298,796
Pupil Transportation	354,622	271,252	254,536	326,939	108,903	111,662	51,260	79,285	59,651	56,810
Special Schools	1,335,515	1,297,355	1,251,696	1,421,358	1,156,001	1,368,185	1,494,080	1,975,820	1,995,533	1,550,998
Unallocated Depreciation	1,447,657	1,381,962	562,861	-	556,839	-	542,583	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	27,522	-
Unallocated Benefits	6,471,048	4,227,611	3,738,559	-	-	-	-	-	-	-
Total Governmental Activities Expenses	23,189,093	19,533,823	16,095,575	14,106,746	12,438,328	13,358,477	12,496,400	12,195,742	11,964,286	10,333,401
Business-Type Activities:										
Food Service	786,837	704,575	605,559	443,253	315,890	391,800	399,678	379,535	209,914	287,370
L'Academie Café	3,128	-	-	-	-	-	-	-	-	-
Personal Aides	217,249	6,669	33,823	12,326	-	41	173	51	66	-
Total Business-Type Activities Expense	1,007,214	711,244	639,382	455,579	315,890	391,841	399,851	379,586	209,980	287,370
Total District Expenses	\$ 24,196,307	\$ 20,245,067	\$ 16,734,957	\$ 14,562,325	\$ 12,754,218	\$ 13,750,318	\$ 12,896,251	\$ 12,575,328	\$ 12,174,266	\$ 10,620,771
Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 10,880,468	\$ 8,986,914	\$ 7,120,722	\$ 6,162,637	\$ 4,071,130	\$ 4,210,065	\$ 3,411,327	\$ 2,887,084	\$ 2,405,426	\$ 2,357,228
Operating Grants & Contributions	3,553,246	1,993,333	1,552,505	1,373,005	3,822,622	1,578,212	1,401,501	1,933,317	2,068,761	1,496,716
Total Governmental Activities Program Revenues	14,433,714	10,980,247	8,673,227	7,535,642	7,893,752	5,788,277	4,812,828	4,820,401	4,474,187	3,853,944
Business-Type Activities:										
Charges for Services:										
Food Service	266,763	272,214	203,088	164,651	124,662	180,507	140,671	155,930	128,237	122,868
L'Academie Café	2,497	-	-	-	-	-	-	-	-	-
Personal Aides	219,725	215	20,118	12,915	-	6,598	9,690	7,825	8,449	-
Operating Grants and Contributions	517,173	434,771	368,071	290,077	142,446	120,699	99,631	71,828	56,419	43,384

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Business-Type Activities										
Program Revenues	1,006,158	707,200	591,277	467,643	267,108	307,804	249,992	235,583	193,105	166,252
Total District Program Revenues	\$ 15,439,872	\$ 11,687,447	\$ 9,264,504	\$ 8,003,285	\$ 8,160,860	\$ 6,096,081	\$ 5,062,820	\$ 5,055,984	\$ 4,667,292	\$ 4,020,196
Net (Expense)/Revenue:										
Governmental Activities	\$ (8,755,379)	\$ (8,553,576)	\$ (7,422,348)	\$ (6,571,104)	\$ (4,544,576)	\$ (7,570,200)	\$ (7,683,572)	\$ (7,375,341)	\$ (7,490,099)	\$ (6,479,457)
Business-Type Activities	(1,056)	(4,044)	(48,105)	12,064	(48,782)	(84,037)	(149,859)	(144,003)	(16,875)	(121,118)
Total Government-Wide Net Expense	\$ (8,756,435)	\$ (8,557,620)	\$ (7,470,453)	\$ (6,559,040)	\$ (4,593,358)	\$ (7,654,237)	\$ (7,833,431)	\$ (7,519,344)	\$ (7,506,974)	\$ (6,600,575)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes - County Appropriations	\$ 4,019,431	\$ 4,019,431	\$ 3,999,236	\$ 3,920,820	\$ 3,882,000	\$ 3,882,000	\$ 3,882,000	\$ 3,750,840	\$ 3,624,000	\$ 3,506,000
Federal & State Aid - Not Restricted	3,823,366	3,788,529	3,610,572	3,504,953	626,561	2,671,427	3,029,585	3,053,051	2,957,500	2,951,297
Miscellaneous Income	194,943	138,128	253,296	214,607	636,052	504,849	524,976	541,759	529,333	376,373
Special Items	-	-	-	(12,943)	-	-	-	-	-	-
Cancellation of Prior Year Receivables	-	-	-	-	-	-	-	-	(94,112)	-
Bond Proceeds	356,528	223,933	1,276,223	10,155,879	20,153,704	7,107,055	1,507,060	27,933	1,560,258	-
Transfers	178,298	-	-	-	(120,954)	(115,577)	(62,835)	(119,253)	(73,022)	(128,949)
Total Governmental Activities	8,572,566	8,170,021	9,139,327	17,783,316	25,177,363	14,049,754	8,880,786	7,254,330	8,503,957	6,704,721
Business-Type Activities :										
Investment Earnings	-	-	-	-	1,780	1,070	-	50	4	-
Transfers	(178,298)	-	-	-	120,954	115,577	-	119,253	73,022	128,949
Special Items	-	-	328,570	-	-	-	-	-	-	-
Total Business-Type Activities	(178,298)	-	328,570	-	122,734	116,647	-	119,303	73,026	128,949
Total Government-Wide	\$ 8,394,268	\$ 8,170,021	\$ 9,467,897	\$ 17,783,316	\$ 25,300,097	\$ 14,166,401	\$ 8,880,786	\$ 7,373,633	\$ 8,576,983	\$ 6,833,670
Change in Net Position:										
Governmental Activities	\$ (182,813)	\$ (383,555)	\$ 1,716,979	\$ 11,212,212	\$ 20,632,787	\$ 6,479,554	\$ 1,197,214	\$ (121,011)	\$ 1,013,858	\$ 225,264
Business-Type Activities	(179,354)	(4,044)	280,465	12,064	73,952	32,610	(149,859)	(24,700)	56,151	7,831
Total District	\$ (362,167)	\$ (387,599)	\$ 1,997,444	\$ 11,224,276	\$ 20,706,739	\$ 6,512,164	\$ 1,047,355	\$ (145,711)	\$ 1,070,009	\$ 233,095

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted	\$ 4,082,398	\$ 3,911,897	\$ 4,353,713	\$ 3,138,674	\$ 2,061,346	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	155,099	195,447	-	-	-	-	-
Assigned	114,608	130,159	-	294,263	-	-	-	-	-	-
Unassigned	740,531	625,497	30,544	280,915	337,128	-	-	-	-	-
Reserved	-	-	-	-	-	1,317,004	1,676,081	1,302,400	992,416	1,207,085
Unreserved	-	-	-	-	-	334,006	303,539	442,240	438,411	522,640
Total General Fund	\$ 4,937,537	\$ 4,667,553	\$ 4,384,257	\$ 3,868,951	\$ 2,593,921	\$ 1,651,010	\$ 1,979,620	\$ 1,744,640	\$ 1,430,827	\$ 1,729,725
All Other Governmental Funds:										
Assigned, Reported in:										
Capital Project Fund	\$ 10,945	\$ 290,895	\$ -	\$ -	\$ 98,922	\$ -	\$ 5,302	\$ 43,651	\$ 57,097	\$ 216,792
Total All Other Governmental Funds	\$ 10,945	\$ 290,895	\$ -	\$ -	\$ 98,922	\$ -	\$ 5,302	\$ 43,651	\$ 57,097	\$ 216,792

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
County Appropriations	\$ 4,019,431	\$ 4,019,431	\$ 3,999,236	\$ 3,920,820	\$ 3,882,000	\$ 3,882,000	\$ 3,882,000	\$ 3,750,840	\$ 3,624,000	\$ 3,506,000
Tuition	10,880,468	8,986,914	7,120,722	5,644,715	3,595,520	3,793,099	2,933,201	2,392,692	1,907,500	1,895,000
Interest Earnings	-	-	-	517,922	475,610	416,966	478,126	494,392	497,926	462,228
Miscellaneous	551,471	362,061	1,529,519	247,390	670,893	554,952	582,438	758,691	745,006	397,857
State Sources	5,196,150	4,858,346	4,637,979	4,132,814	3,832,321	2,961,709	3,948,551	4,441,399	4,261,454	3,912,001
Federal Sources	979,766	923,516	525,098	712,361	582,021	1,237,827	425,093	328,037	549,134	514,528
Total Revenue	21,627,286	19,150,268	17,812,554	15,176,022	13,038,365	12,846,553	12,249,409	12,166,051	11,585,020	10,687,614
Expenditures:										
Instruction:										
Regular Instruction	3,743,935	3,303,691	2,631,543	3,339,398	2,581,770	2,738,063	3,087,879	3,132,428	2,730,673	1,929,741
Other Special Instruction	1,096,963	651,248	202,001	126,221	219,459	223,043	207,650	4,401	9,789	1,306
Vocational Instruction	2,178,746	2,162,094	1,945,370	995,292	911,027	1,189,920	1,527,234	1,245,576	1,378,321	1,022,185
Other Instruction	390,951	389,359	259,977	163,870	197,012	195,901	181,323	18,624	33,771	34,158
Support Services:										
Student & Instruction Related	1,904,057	1,520,744	1,174,901	1,001,429	854,530	912,017	785,008	771,310	871,146	703,184
General Administrative	391,674	350,863	329,374	400,363	412,165	487,793	521,739	559,621	503,483	465,688
School Administrative	438,341	443,993	429,229	319,512	302,985	288,624	274,877	272,118	272,457	251,121
Central Services	346,599	354,424	360,305	306,564	348,107	381,197	394,298	391,086	372,750	359,128
Administrative Information Technology	194,427	233,429	226,248	197,000	201,100	163,923	189,624	128,389	129,025	200,920
Plant Operations & Maintenance	3,089,387	2,945,798	2,728,975	2,296,611	1,961,261	2,233,247	1,892,799	1,891,083	1,840,341	1,646,674
Pupil Transportation	354,622	271,252	254,536	237,793	81,954	100,026	48,486	56,924	42,672	41,746
Unallocated Employee Benefits	5,015,019	4,261,864	3,687,556	3,204,269	2,960,107	2,756,669	1,457,076	1,625,521	1,563,791	1,987,984
Special Schools	1,335,515	1,297,355	1,251,696	1,019,909	869,938	1,147,188	1,262,493	1,578,799	1,591,535	1,120,476
Capital Outlay	1,040,658	389,963	1,815,537	10,856,697	20,226,790	7,349,026	1,603,955	89,488	1,937,288	281,695
Total Expenditures	21,520,894	18,576,077	17,297,248	24,464,928	32,128,205	20,166,637	13,434,441	11,765,368	13,277,042	10,046,006
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	106,392	574,191	515,306	(9,288,906)	(19,089,840)	(7,320,084)	(1,185,032)	400,683	(1,692,022)	641,608
Other Financing Sources/(Uses):										
Cancellation of Prior Year Receivables	-	-	-	(12,943)	-	-	(62,835)	-	(94,112)	-
Bond Proceeds	-	-	-	10,155,879	20,153,704	7,107,055	1,507,060	27,933	1,560,258	-
Transfers In	-	-	-	420,999	-	-	-	-	50,229	-
Transfers Out	-	-	-	-	(120,954)	(115,577)	-	(119,253)	(123,251)	(128,949)
Total Other Financing Sources/(Uses)	-	-	-	10,563,935	20,032,750	6,991,478	1,444,225	(91,320)	1,393,124	(128,949)
Net Change in Fund Balances	\$ 106,392	\$ 574,191	\$ 515,306	\$ 1,275,029	\$ 942,910	\$ (328,606)	\$ 259,193	\$ 309,363	\$ (298,898)	\$ 512,659

Source: District Records

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

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>TUITION</u>	<u>INTEREST</u>	<u>RENT</u>	<u>REFUND OF PRIOR YEAR REVENUE</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2015	\$10,880,468	\$ 7,751	\$ 7,646	\$ -	\$ 138,131	\$11,033,996
2014	8,986,914	7,751	7,646	-	107,731	9,110,042
2013	7,120,722	7,619	35,705	-	234,913	7,398,959
2012	6,162,637	12,243	109,652	-	92,712	6,377,244
2011	4,071,130	-	106,052	-	530,419	4,707,601
2010	3,793,099	-	183,516	478,126	341,480	4,796,221
2009	2,933,201	-	183,516	-	820,606	3,937,323
2014	2,887,084	-	163,564	-	378,195	3,428,843
2007	2,405,426	-	194,104	-	335,229	2,934,759
2006	2,357,228	39,969	128,868	-	207,536	2,733,601

Source: District Records

EXHIBITS 6 THROUGH 13 ARE NOT APPLICABLE

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL	PER CAPITA	UNEMPLOYMENT RATE (c)
		INCOME (IN THOUSANDS)	PERSONAL INCOME (b)	
2015	N/A	N/A	N/A	N/A
2014	\$ 275,209	N/A	N/A	10.4%
2013	276,167	\$ 117,163,850	\$ 42,425	12.0%
2012	275,566	116,531,350	42,288	12.9%
2011	274,923	113,809,874	41,397	12.4%
2010	274,762	109,451,443	39,835	12.1%
2009	271,712	107,138,759	39,431	7.0%
2008	270,609	107,780,859	39,829	5.8%
2007	269,945	105,030,201	38,908	5.7%
2006	269,495	102,084,706	37,880	5.2%

Source:

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

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

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

EXHIBIT J-15 NOT APPLICABLE

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**

FUNCTION/PROGRAM	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:								
Regular Instruction	65.8	61.3	53.7	52.0	41.0	43.0	36.5	34.5
Special Education	33.8	8.7	12.5	12.5	-	-	-	-
Vocational Instruction	22.3	33.5	27.8	22.0	20.0	22.0	25.0	25.0
Adult/Continuing Education Programs	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Services:								
Student & Instructional Related Services	20.0	16.5	15.4	14.5	13.5	9.0	10.0	9.5
General Administration Services	2.0	3.0	3.0	2.0	4.0	7.0	7.0	7.0
School Administration Services	6.0	6.0	4.3	3.5	5.5	9.0	9.0	8.5
Business Administrative Services	7.0	7.0	7.0	7.0	4.0	4.0	4.0	4.5
Plant Operations & Maintenance	30.0	29.0	25.0	21.0	19.0	15.0	17.0	18.0
Pupil Transportation	-	-	-	-	-	1.0	0.5	0.5
Other Support - Adult	2.0	2.5	3.3	2.0	1.0	1.0	2.0	2.0
Food Service	9.5	8.5	7.5	5.0	5.0	5.0	4.0	4.0
Total	200.4	178.0	161.5	143.5	115.0	118.0	117.0	115.5

Source: District Records

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL / TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ENROLLMENT (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						VOCATIONAL	VOCATIONAL				
2015	1,445	\$19,475,659	13,478	-1.16%	124	12.4:1	12.4:1	1,398	1,320	15.63%	94.42%
2014	1,267	17,276,921	13,636	11.87%	158	12.4:1	12.4:1	1,209	1,165	1.68%	96.36%
2013	1,129	14,943,506	12,189	-10.41%	99	12.4:1	12.4:1	1,189	1,140	16.33%	95.88%
2012	1,054	13,013,006	13,605	1.89%	78	11.8:1	11.8:1	1,022	983	23.01%	96.15%
2011	854	11,402,616	13,352	-16.66%	72	11.8:1	11.8:1	831	798	3.84%	96.06%
2010	800	12,817,614	16,022	1.57%	68	12.0:1	12.0:1	800	761	6.10%	95.06%
2009	754	11,893,322	15,774	6.46%	61	14.5:1	14.5:1	754	733	-4.30%	97.18%
2014	788	11,675,880	14,817	-2.13%	60	13.1:1	13.1:1	788	752	5.32%	95.43%
2007	749	11,339,754	15,140	8.85%	56	13.4:1	13.4:1	748	715	6.58%	95.59%
2006	702	9,764,311	13,909	-2.58%	69	10.2:1	10.2:1	702	668	8.02%	95.20%

Source: District Records

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Vocational School (1973)										
Square Feet	237,998	237,998	237,998	237,998	143,230	143,230	143,230	143,230	143,230	143,230
Capacity (Students)	1,314	1,314	1,314	1,314	412	412	412	412	412	412
Enrollment	1,387	1,192	1,040	931	774	717	804	653	675	388
Annex Building (2003)										
Square Feet	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130
Capacity (Students)	428	428	428	428	428	428	428	428	428	428
Enrollment	58	75	89	123	80	83	79	70	74	72

Number of Schools at June 30, 2015:

High School = 1

Other = 1

Source: District Records, ASSA

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

FISCAL YEAR	ATLANTIC COUNTY VOCATIONAL SCHOOL
2015	\$ 821,423
2014	775,506
2013	693,574
2012	461,146
2011	359,838
2010	458,377
2009	496,539
2014	455,296
2007	411,544
2006	419,001

Source: District records

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
Commercial Package Policy:		
Property, Inland Marine & Automobile Physical Damage: Limit of Liability - Per Occurance	98,816,831	5,000
Public Official Bonds:		
Treasurer of School Monies	260,000	
Public Agency Compliance Officer	75,000	
Comprehensive General Liability Coverage: Limit	31,000,000	
Electronic Data Processing	822,000	1,000
Package Police Crime Coverage	1,000,000	1,000
Board Member Accident:		
Limit of Liability	100,000	
Aggregate	250,000	
Student Accident (Compulsory): Maximum Benefit	1,000,000	
Student Accident (Catastrophic): Maximum Benefit	5,000,000	25,000
Volunteer Accident: Maximum Benefit	250,000	
Boiler and Machinery	100,000,000	5,000
Automobile Liability	31,000,000	
Standard Worker's Compensation & Employer's Liability Policy:		
Workers Compensation - Coverage A	Statutory	
Employee Liability Agreement - Coverage B	2,000,000	
School Board Legal Liability:		
Coverage A	31,000,000	
Coverage B Each Occurance	100,000	5,000
Policy Period	300,000	5,000
Pollution Liability:		
Each Occurance	1,000,000	25,000
Policy Period	11,000,000	75,000
Cyber Risk Liability	2,000,000	20,000

Source: District records

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Atlantic County Vocational School District
County of Atlantic
Mays Landing, New Jersey 08330

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Atlantic County Vocational School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Atlantic County Vocational School District's basic financial statements, and have issued our report thereon dated December 8, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Toms River, New Jersey
December 8, 2015



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EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

Honorable President and Members
of the Board of Education
Atlantic County Vocational School District
County of Atlantic
Mays Landing, New Jersey 08330

Report on Compliance for Each Major Federal and State Program

We have audited Atlantic County Vocational School District’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2015. Atlantic County Vocational School District’s major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Atlantic County Vocational School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB’s Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state

program occurred. An audit includes examining, on a test basis, evidence about Atlantic County Vocational School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, Atlantic County Vocational School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Atlantic County Vocational School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Atlantic County Vocational School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 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 Atlantic County Vocational School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Toms River, New Jersey
December 8, 2015

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**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) JUNE 30, 2015	DUE TO GRANTOR JUNE 30, 2015
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:									
Special Revenue Fund:									
No Child Left Behind:									
Title I	84.010	NCLB-15	\$ 518,957	9/1/14-8/31/15	\$ -	\$ 465,185	\$ (518,957)	\$ (53,772)	\$ -
Title II	84.010	NCLB-14	522,680	9/1/13-8/31/14	(79,895)	79,895	-	-	-
Title II, Part A - Improving Teacher Quality Grant	84.367	NCLB-15	17,398	9/1/14-8/31/15	-	17,398	(17,398)	-	-
Title II, Part A - Improving Teacher Quality Grant	84.367	NCLB-14	21,633	9/1/13-8/31/14	(3,281)	3,281	-	-	-
IDEA Part B, Basic - Regular	84.027	N/A	205,988	9/1/14-8/31/15	-	171,633	(205,988)	(34,355)	-
IDEA Part B, Basic - Regular	84.027	N/A	174,214	9/1/13-8/31/14	(62,410)	62,410	-	-	-
Carl D. Perkins - Secondary	84.048	PERK015014	113,670	9/1/14-8/31/15	-	113,670	(113,670)	-	-
Carl D. Perkins - Secondary Reserve	84.048	PERK015014	34,667	9/1/14-8/31/15	-	34,667	(34,667)	-	-
Carl D. Perkins - Secondary Reserve	84.048	PERK014013	29,212	9/1/13-8/31/14	(3,169)	3,169	-	-	-
Carl D. Perkins - Post-Secondary	84.048	PERK015014	89,086	9/1/14-8/31/15	-	89,086	(89,086)	-	-
Total Special Revenue Fund					(148,755)	1,040,394	(979,766)	(88,127)	-

U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:									
Enterprise Fund:									
Food Distribution Food	10.565	N/A	40,957	7/1/14-6/30/15	-	40,957	(40,957)	-	-
School Breakfast Program	10.553	N/A	108,904	7/1/14-6/30/15	-	97,493	(108,904)	(11,411)	-
School Breakfast Program	10.553	N/A	97,644	7/1/13-6/30/14	(9,015)	9,015	-	-	-
National School Lunch Program	10.555	N/A	352,247	7/1/14-6/30/15	-	320,596	(352,247)	(31,651)	-
National School Lunch Program	10.555	N/A	291,405	7/1/13-6/30/14	(27,084)	27,084	-	-	-
National School Lunch Performance Based	10.555	N/A	7,970	7/1/14-6/30/15	-	7,268	(7,970)	(702)	-
National School Lunch Performance Based	10.555	N/A	-	7/1/13-6/30/14	(630)	630	-	-	-
Total U.S. Department of Agriculture					(36,729)	503,043	(510,078)	(43,764)	-

Total Federal Financial Assistance \$ (185,484) \$ 1,543,437 \$ (1,489,844) \$ (131,891) \$

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	ACCOUNTS RECEIVABLE JUNE 30, 2015	UNEARNED REVENUE JUNE 30, 2015	DUE TO GRANTOR JUNE 30, 2015	MEMO	
										BUDGETARY EXPENDITURES	BUDGETARY RECEIVABLE
State Department of Education:											
General Fund:											
Categorical Special Education Aid	15-495-034-5120-089	448,112	7/1/14-6/30/15	\$ -	\$ 448,112	\$ (448,112)	\$ -	\$ -	\$ -	\$ (44,812)	\$ 448,112
Equalization Aid	15-495-034-5120-078	3,120,415	7/1/14-6/30/15	-	3,120,415	(3,120,415)	-	-	-	(312,046)	3,120,415
Categorical Security Aid	15-495-034-5120-084	63,177	7/1/14-6/30/15	-	63,177	(63,177)	-	-	-	(6,318)	63,177
Additional Adjustment Aid	15-495-034-5120-085	2	7/1/14-6/30/15	-	2	(2)	-	-	-	-	2
PARCC Readiness Aid	15-495-034-5120-098	13,060	7/1/14-6/30/15	-	13,060	(13,060)	-	-	-	(1,306)	13,060
Per Pupil Growth Aid	15-495-034-5120-097	13,060	7/1/14-6/30/15	-	13,060	(13,060)	-	-	-	(1,306)	13,060
On-Behalf TPAF Contribution - Pension (Non-Budgeted)	15-495-034-5095-006	297,647	7/1/14-6/30/15	-	297,647	(297,647)	-	-	-	-	297,647
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)	15-495-034-5095-001	472,514	7/1/14-6/30/15	-	472,514	(472,514)	-	-	-	-	472,514
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	15-495-034-5095-002	407,327	7/1/14-6/30/15	-	549,171	(577,812)	(28,641)	-	-	-	577,812
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	14-495-034-5095-002	502,364	7/1/13-6/30/14	(3,114)	3,114	-	-	-	-	-	-
Total General Fund				(3,114)	4,980,272	(5,005,799)	(28,641)	-	-	(365,788)	5,005,799
Special Revenue Fund:											
Apprenticeship Coordinator	15-100-034-5062-032	19,000	7/1/14-6/30/15	-	7,683	(14,027)	(6,344)	-	-	-	14,027
Apprenticeship Coordinator	14-100-034-5062-032	14,027	7/1/13-6/30/14	(5,915)	5,915	-	-	-	-	-	-
Total Special Revenue Fund				(5,915)	13,598	(14,027)	(6,344)	-	-	-	14,027
Capital Projects Fund:											
New Electrical Room	0120-010-15-1003	16,200	Completion	(1,600)	16,000	(6,280)	-	8,120	-	-	6,280
Building Wide Lockdown System	0120-010-15-1007	125,061	Completion	(200)	71,004	(47,203)	-	23,601	-	-	47,203
Renovation of Faculty Toilets	0120-010-15-1001	39,120	Completion	(1,600)	25,488	(15,392)	-	8,496	-	-	15,392
Digital Security Cameras at Main High School	0120-010-15-1005	108,500	Completion	(200)	-	(1,000)	(1,200)	-	-	-	1,000
Replace Exterior Siding and Doors at Annex	0120-010-15-1006	308,750	Completion	(7,142)	-	(109,061)	(116,203)	-	-	-	109,061
Digital Security Cameras at Annex	0120-010-15-1004	79,285	Completion	(200)	-	-	(200)	-	-	-	-
Total Capital Projects Fund				(10,942)	112,492	(178,956)	(117,603)	40,217	-	-	178,956
State Department of Agriculture:											
Enterprise Fund:											
National School Lunch Program	15-100-010-3350-023	7,095	7/1/14-6/30/15	-	6,467	(7,095)	(628)	-	-	-	7,095
National School Lunch Program	14-100-010-3350-023	6,122	7/1/13-6/30/14	(559)	559	-	-	-	-	-	-
Total Enterprise Fund				(559)	7,026	(7,095)	(628)	-	-	-	7,095
Total State Financial Assistance				\$ (20,530)	\$ 5,113,388	\$ (5,205,857)	\$ (153,216)	\$ 40,217	\$ -	\$ (365,788)	\$ 5,205,857
Less: State Financial Assistance Not Subject to New Jersey OMB Circular 04-04:											
On-Behalf TPAF Contribution - Pension (Non-Budgeted)						297,647					
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)						472,514					
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04						\$ (4,435,696)					

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015

Note 1. General

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

Note 2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

Note 3. Relationship to Basic Financial Statements

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

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

No adjustment is needed to reconcile from the budgetary basis to the GAAP basis. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2015

Note 3. Relationship to Basic Financial Statements (continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 5,003,187	\$ 5,003,187
Special Revenue Fund	979,766	14,027	993,793
Capital Projects Fund	-	178,936	178,936
Food Service Fund	<u>510,078</u>	<u>7,095</u>	<u>517,173</u>
Total	<u>\$ 1,489,844</u>	<u>\$ 5,203,245</u>	<u>\$ 6,693,089</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

Revenues and expenditures reported under the Food Distribution Program represents 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, 2015. 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, 2015.

Note 6. Federal and State Loans Outstanding

The Atlantic County Vocational School District had no loan balances outstanding at June 30, 2015.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT K-6

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
1. Material weakness(es) identified?	None Noted
2. Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Noncompliance material to basic financial statements noted?	None Noted

Federal Awards

Internal control over major programs:	
1. Material weakness(es) identified?	None Noted
2. Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	None Noted

Identification of major programs:

CFDA Numbers(s)

Name of Federal Program or Cluster

10.553
10.555

School Breakfast Program
National School Lunch Program

Dollar threshold to distinguish between Type A programs:	\$300,000
Auditee qualified as low-risk?	Yes

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

State Awards

Dollar threshold to distinguish between Type A programs:	\$300,000
Auditee qualified as low-risk?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
1. Material weakness(es) identified?	None Noted
2. Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	None Noted

Identification of major programs:

<u>GMIS Numbers(s)</u>	<u>Name of State Program</u>
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-089	Categorical Special Education Aid
15-495-034-5120-078	Equalization Aid
15-495-034-5120-084	Categorical Security Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5095-002	Reimbursed TPAF Social Security Contribution

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings.

Section III - Federal Financial Assistance Findings & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08.

No Current Year Findings.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS & QUESTIONED
COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal financial assistance that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)).

No Prior Year Findings.