

**Comprehensive Annual
Financial Report**

of the

**Atlantic County Vocational School District
Board of Education**

Atlantic County, New Jersey

For the Fiscal Year Ended June 30, 2011

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Introductory Section

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

5080 Atlantic Avenue, Mays Landing, New Jersey 08330

Website: www.acitech.org

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

Lisa Mooney
Business Administrator
625-625-2249, ext. 1410
Fax: 609-625-0707

November 30, 2011

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

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

The comprehensive annual financial report of the Atlantic County Vocational School District (District) for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The District provides full-time and shared-time vocational training to high school students attending nine high schools in Atlantic County, including special education students. Additionally, post secondary students are served in both day and evening classes, on a tuition basis.

2) **ECONOMIC CONDITION AND OUTLOOK:** The economic forecast for Atlantic County and its environs appears to be brightening. The convention center and the second wave of casino development, as well as the Outlet Shops at the Walk, bring jobs and optimism to the Atlantic City area. Retail sales areas have been expanding at the Hamilton Mall area and generally around the County. New employment growth has been experienced at the Atlantic City International Airport and the Federal Aviation Administration Technical Center.

3) **MAJOR INITIATIVES:** In September 2007, the Academy of Math, Engineering and Science opened its first class. The program is for students who would be considered as part of the Gifted and Talented mandated program as the students must be able to begin their freshman year with Algebra II and Applied Physics. A math placement test is given to all incoming freshmen to determine their Algebra skill level. All students are offered after-school and summer tutoring to maintain and increase skill level.

Each program at the Atlantic County Institute of Technology undergoes formal review every five years for curriculum updating, facilities review, equipment upgrading, etc.

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

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

5) **BUDETARY 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

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(F) 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(F), 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 Ford, Scott & Associates, L.L.C. 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 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

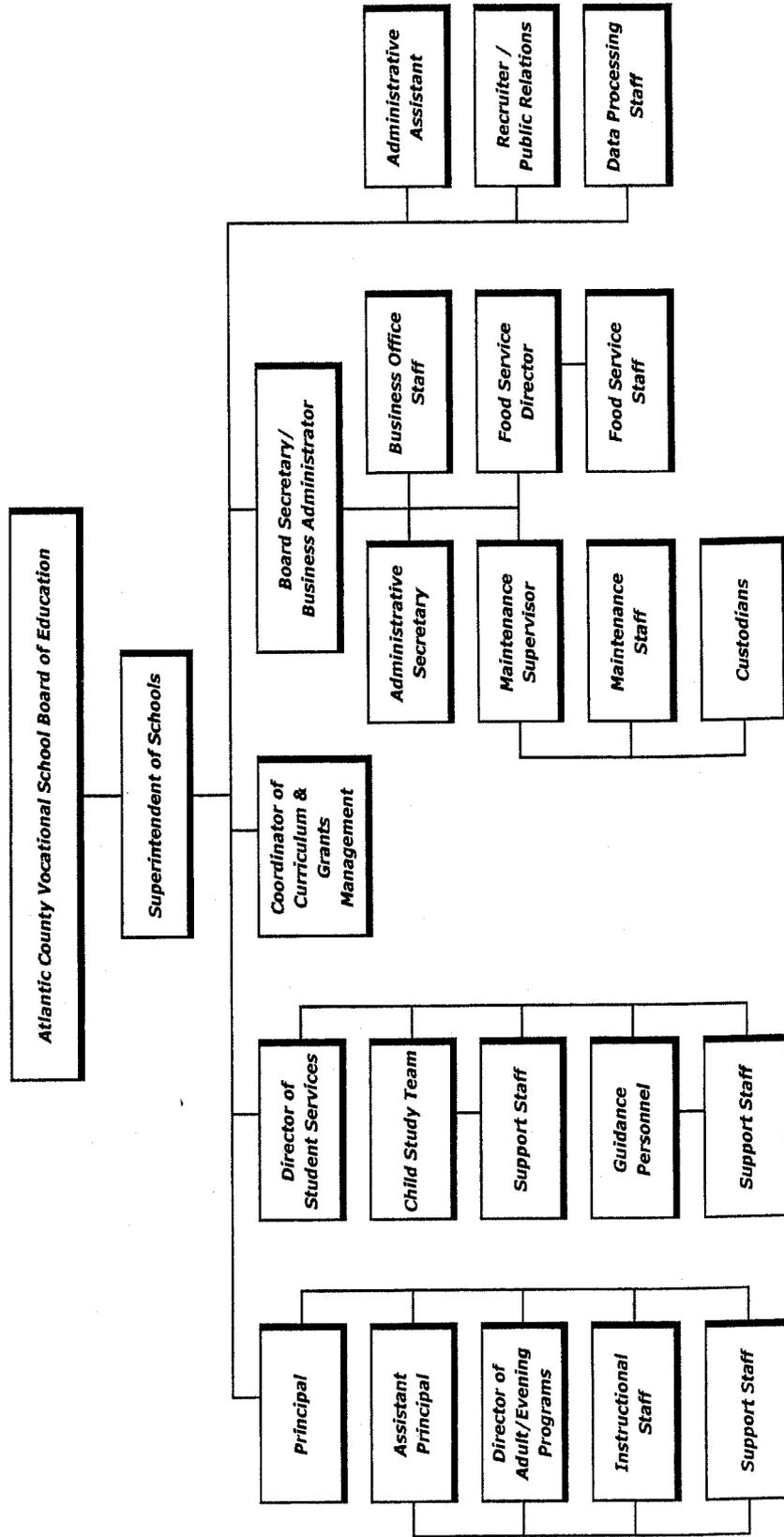
Philip J. Guenther

Philip J. Guenther, Ed. D.
Superintendent

Lisa Mooney

Lisa Mooney, CPA
Board Secretary/Business Administrator

Atlantic County Vocational School District Organizational Chart



ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

MAYS LANDING, NEW JERSEY

**ROSTER OF OFFICIALS
JUNE 30, 2011**

Members of the Board of Education

Ellen Hyatt, President

Robert R. Linzer, Vice President

Augustus C. Harmon

Roy Foster

Thomas J. Dowd

Other Officials

Philip J. Guenther, Ed. D., Superintendent

Board Secretary/Business Administrator:

Frank Dingler (through December 31, 2010)

Terri Nowotny, CPA (January 1, 2011 through June 17, 2011)

Diane Bitting, Interim (June 27, 2011 through August 9, 2011)

Lisa Mooney, CPA (effective August 8, 2011)

Anne M. Hyatt, Treasurer

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

Consultants and Advisors

Attorney

Keith Davis, Esquire
Perskie, Nehmad, Perillo
4030 Ocean Heights Avenue
Egg Harbor Township, NJ 08234

Audit Firm

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
P.O. Box 538
Ocean City, NJ 08226

Official Depository

Ocean City Home Bank
5401 Harding Highway
Mays Landing, NJ 08330

Insurance Agent

C.J. Adams Co. Insurance, Inc.
332 Tilton Road
Northfield, NJ 08225

Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

PHONE 609.399.6333 • FAX 609.399.3710

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Atlantic County Vocational School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Atlantic County Vocational School District Board of Education's management. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, of the Atlantic County Vocational School District Board of Education, in the County of Atlantic, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011 on our consideration of the Atlantic County Vocational School District Board of Education's internal control over financial reporting and 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 with the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Atlantic County Vocational School District Board of Education's basic financial statements. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis 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 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



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

November 30, 2011

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The discussion and analysis of Atlantic County Vocational School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- In total, net assets increased \$20,706,738.02 which represents a 106 percent increase from 2010.
- General revenues accounted for \$32,567,288.23 in revenue or 97 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$893,668.77 or 3 percent of total revenues of \$33,460,957.00.
- Total assets of governmental activities increased by \$19,852,605.47 as cash and cash equivalents increased by \$443,062.47, receivables decreased by \$244,763.97, other assets decreased by \$15,643.57, and capital assets increased by \$19,669,950.54.
- The School District had \$12,754,218.98 in expenses; only \$893,668.77 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily County appropriations) of \$32,567,288.23 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$12,411,804.26 in revenues and \$11,347,938.95 in expenditures. The General Fund's fund balance decreased \$924,911.02 from 2010.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Reporting the School District's Most Significant Funds - Continued

Enterprise Fund

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

Notes to the Financial Statements

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

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

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

Table 1 provides a summary of the School District's net assets for 2011 and 2010.

**Table 1
Net Assets**

	<u>2011</u>	<u>2010</u>
Assets		
Current and Other Assets	\$ 3,008,349.16	\$ 2,749,974.37
Capital Assets	<u>38,157,387.01</u>	<u>18,489,204.47</u>
Total Assets	<u>41,165,736.17</u>	<u>21,239,178.84</u>
Liabilities		
Long-Term Liabilities	622,207.16	642,131.76
Other Liabilities	<u>233,864.48</u>	<u>994,120.57</u>
Total Liabilities	<u>856,071.64</u>	<u>1,636,252.33</u>
Net Assets		
Invested in Capital Assets, Net of Debt	38,157,387.01	18,489,204.47
Restricted	2,256,793.10	453,811.38
Unrestricted	(104,515.58)	659,910.66
Total Net Assets	<u>\$ 40,309,664.53</u>	<u>\$ 19,602,926.51</u>

The District's combined net assets were \$40,309,664.53 on June 30, 2011.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

The School District as a Whole - Continued

Table 2 shows changes in net assets for fiscal years 2011 and 2010.

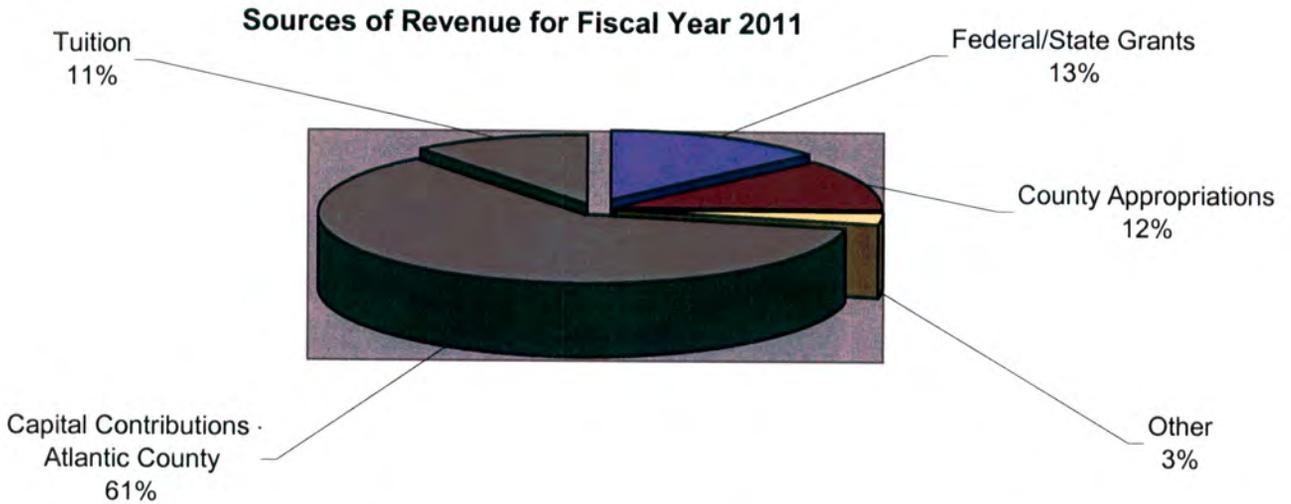
**Table 2
Changes in Net Assets**

	<u>2011</u>	<u>2010</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 124,661.91	\$ 4,397,169.89
Operating Grants and Contributions	769,006.86	1,698,910.59
General Revenues:		
County Appropriations	3,882,000.00	3,882,000.00
Grants and Entitlements	3,822,622.15	2,671,426.56
Other	24,862,666.08	7,612,974.13
Total Revenues	<u>33,460,957.00</u>	<u>20,262,481.17</u>
Program Expenses		
Instruction	5,194,757.56	6,224,630.04
Support Services:		
Student and Instruction Related Services	1,135,525.87	1,077,884.93
General, School & Business Administration	1,680,116.57	1,560,530.61
Maintenance of Facilities	2,606,185.48	2,458,745.02
Pupil Transportation	108,903.26	111,662.34
Special Schools	1,156,001.36	1,368,184.82
Unallocated Depreciation	556,839.04	556,839.04
Food Service	315,889.84	391,800.32
Other		
Total Expenses	<u>12,754,218.98</u>	<u>13,750,277.12</u>
Increase/(Decrease) in Net Assets	<u>\$ 20,706,738.02</u>	<u>\$ 6,512,204.05</u>

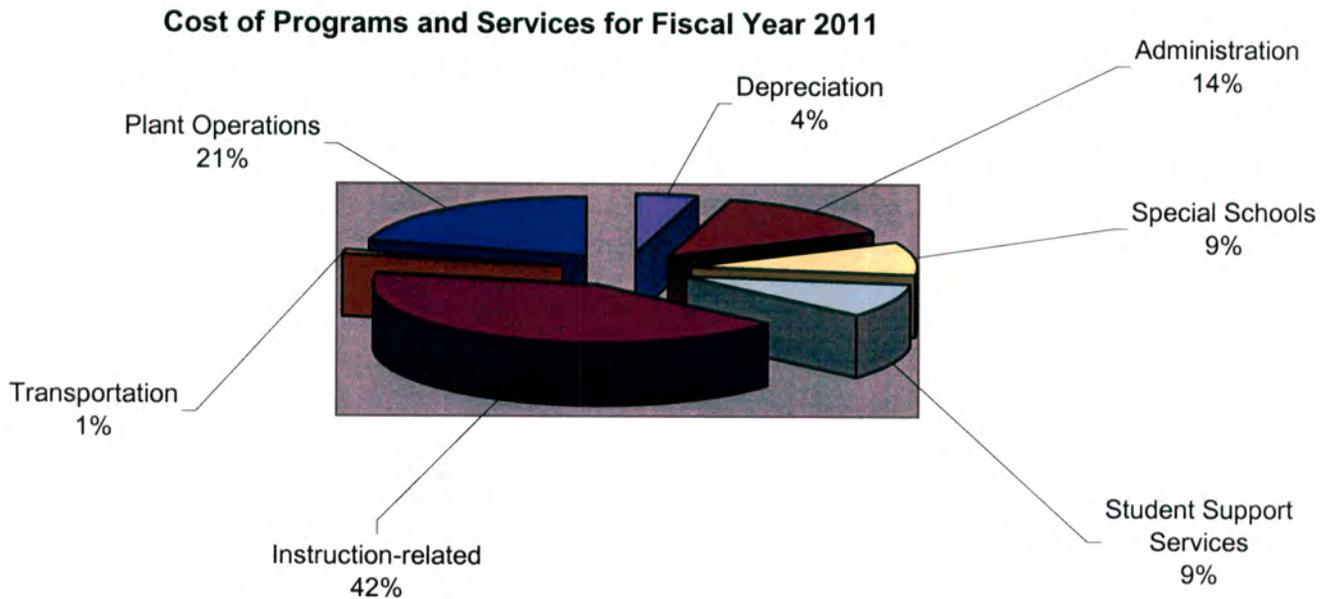
**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. County Appropriations made up 12 percent of revenues for governmental activities for the Atlantic County Vocational School District for fiscal year 2011. The District's total revenues were \$33,071,115.30 for the year ended June 30, 2011. Federal, state, and local grants accounted for another 14 percent of revenue.



The total cost of all program and services was \$12,438,329.14. Instruction comprises 42 percent of District expenses.



**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service revenues exceeded expenses by \$73,951.86.
- Charges for services represent \$124,661.91 of revenue. This represents amounts paid by students for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast was \$142,445.57.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3
Costs of Services**

	Total Cost of Services 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010
Instruction	\$ 5,194,757.56	\$ 4,750,213.12	\$ 6,224,630.04	\$ 1,270,157.79
Support Services:				
Pupils and Instructional Staff	1,135,525.87	953,509.02	1,077,884.93	882,789.69
General Administration, School Administration, and Business Operations	1,680,116.57	1,680,116.57	1,560,530.61	1,338,787.21
Operation & Maintenance of Facilities	2,606,185.48	2,606,185.48	2,458,745.02	2,458,745.02
Pupil Transportation	108,903.26	108,903.26	111,662.34	111,662.34
Special Schools	1,156,001.36	1,156,001.36	1,368,184.82	951,218.82
Other	556,839.04	556,839.04	556,839.04	556,839.04
Total Expenses	\$ 12,438,329.14	\$ 11,811,767.85	\$ 13,358,476.80	\$ 7,570,199.91

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

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Governmental Activities - Continued

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

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

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

"Other" includes unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other financing sources amounted to \$33,192,069.59 and expenditures and other financing sources were \$32,249,158.57. The net negative change in fund balance for the year was most significant in the General Fund, a decrease of \$328,609.67.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011, and the amount and percentage of total revenues compared to prior year revenues.

Revenue	2010-2011 Amount	Percentage of Total	2009-2010 Amount	Percentage of Total
Local Sources	\$ 8,624,022.97	25.98%	\$ 8,647,016.75	43.33%
State Sources	3,832,321.30	11.55%	2,961,708.52	14.84%
Federal Sources	582,021.28	1.75%	1,237,827.45	6.20%
Other Financing Sources	20,153,704.04	60.72%	7,107,054.87	35.62%
Total	\$ 33,192,069.59	100.00%	\$ 19,953,607.59	100.00%

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

The School District's Funds - Continued

The following schedule represents a summary of general fund, special revenue fund, capital projects fund expenditures and other financing uses for the fiscal year ended June 30, 2011, and the percentage of total expenditures compared to prior year amounts.

<u>Expenditures</u>	<u>2010-2011 Amount</u>	<u>Percentage of Total</u>	<u>2009-2010 Amount</u>	<u>Percentage of Total</u>
Current Expense:				
Instruction	\$ 3,464,723.44	10.74%	\$ 3,931,750.55	19.39%
Undistributed Expenditures	6,968,704.54	21.61%	7,207,856.18	35.54%
Capital Outlay	20,198,276.63	62.63%	7,191,367.49	35.46%
Special Schools	869,938.38	2.70%	1,147,188.30	5.66%
Other financing use	120,954.29	0.38%	115,576.93	0.57%
Special Revenue	<u>626,561.29</u>	<u>1.94%</u>	<u>688,477.81</u>	<u>3.39%</u>
Total	\$ <u>32,249,158.57</u>	<u>100.00%</u>	\$ <u>20,282,217.26</u>	<u>100.00%</u>

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- Various line items for Teachers Salaries were increased to reflect the charges for personnel that were allocated to ARRA funds in the previous year.
- Several cleaning and supply lines were reduced to reflect costs lower than originally anticipated.
- The line item for PERS Pension was increased to reflect the actual billing from the State of NJ.
- Equipment lines that were not originally budgeted were added during the year.
- Various expenses were below anticipated levels. These amounts were available for transfers to other accounts nearing overexpenditure.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Capital Assets

At the end of the fiscal year 2011, the School District had \$38,157,387.01 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2011 balances compared to 2010.

**Table 4
Capital Assets (Net of Depreciation) at June 30**

	2011	2010
Land	\$ 78,120.00	\$ 78,120.00
Construction in Progress	30,311,287.67	10,157,583.63
Land Improvements	587,524.00	621,682.00
Buildings and Improvements	6,797,693.00	7,194,709.00
Machinery and Equipment	382,762.34	437,109.84
Total	\$ 38,157,387.01	\$ 18,489,204.47

Overall capital assets increased \$19,668,182.54 from fiscal year 2010 to fiscal year 2011. For more detailed information, please refer to Note 7 in the Notes to the Basic Financial Statements.

Debt Administration

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.

For the Future

The Atlantic County Vocational School District is in good financial condition presently. The School District is proud of its community support of the public schools.

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

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the School Business Administration/Board Secretary at the Atlantic County Vocational School District, 5080 Atlantic Avenue, Mays Landing, New Jersey 08330.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

Atlantic County Vocational School District
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,923,088.15	\$ 272,704.01	\$ 2,195,792.16
Internal Balances	92,140.83	(92,140.83)	-
Receivables, Net	812,557.00		812,557.00
Capital Assets, Net (Note 7)	38,156,011.01	1,376.00	38,157,387.01
Total Assets	<u>40,983,796.99</u>	<u>181,939.18</u>	<u>41,165,736.17</u>
LIABILITIES			
Accounts Payable	25,246.67		25,246.67
Payable to Federal Government	10,961.37		10,961.37
Deferred Revenue	197,656.44		197,656.44
Noncurrent Liabilities (Note 8)			
Due Beyond One Year	622,207.16		622,207.16
Total Liabilities	<u>856,071.64</u>	<u>-</u>	<u>856,071.64</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	38,156,011.01	1,376.00	38,157,387.01
Restricted for:			
Other Purposes	2,256,793.10		2,256,793.10
Unrestricted	(285,078.76)	180,563.18	(104,515.58)
Total Net Assets	<u>\$ 40,127,725.35</u>	<u>\$ 181,939.18</u>	<u>\$ 40,309,664.53</u>

**Atlantic County Vocational School District
Statement of Activities
For the Fiscal Year Ended June 30, 2011**

Function/Programs	Program Revenue			Net (Expense Revenue and Changes in Net Assets)			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 3,430,737.33	\$ -	\$ 444,544.44	\$ -	\$ (2,986,192.89)	\$ -	\$ (2,986,192.89)
Special Education	291,624.10				(291,624.10)		(291,624.10)
Vocational Education	1,210,601.07				(1,210,601.07)		(1,210,601.07)
Other Instruction	261,795.06				(261,795.06)		(261,795.06)
Support Services:							
Student & Instruction Related Services	1,135,525.87		182,016.85		(953,509.02)		(953,509.02)
School Administrative Services	402,615.83				(402,615.83)		(402,615.83)
General Administrative and Business Services	1,277,500.74				(1,277,500.74)		(1,277,500.74)
Plant Operation and Maintenance	2,606,185.48				(2,606,185.48)		(2,606,185.48)
Pupil Transportation	108,903.26				(108,903.26)		(108,903.26)
Special Schools	1,156,001.36				(1,156,001.36)		(1,156,001.36)
Unallocated depreciation	556,839.04				(556,839.04)		(556,839.04)
Total Governmental Activities	12,438,329.14	-	626,561.29	-	(11,811,767.85)	-	(11,811,767.85)
Business-Type Activities:							
Enterprise Funds	315,889.84	124,661.91	142,445.57			(48,782.36)	(48,782.36)
Total Business-Type Activities	315,889.84	124,661.91	142,445.57			(48,782.36)	(48,782.36)
Total Primary Government	\$12,754,218.98	\$ 124,661.91	\$ 769,006.86	\$ -	\$ (11,811,767.85)	\$ (48,782.36)	\$ (11,860,550.21)
General Revenues:							
County Appropriations					\$ 3,882,000.00	\$ -	\$ 3,882,000.00
Federal and State Aid not Restricted					3,822,622.15		3,822,622.15
Tuition					3,595,520.24		3,595,520.24
Miscellaneous Income					1,111,661.87	1,779.93	1,113,441.80
Capital Contributions - Atlantic County					20,153,704.04	120,954.29	20,153,704.04
Transfers					(120,954.29)		-
Total General Revenues, Special Items, Extraordinary Items and Transfers					32,444,554.01	122,734.22	32,567,288.23
Change in Net Assets					20,632,786.16	73,951.86	20,706,738.02
Net Assets - Beginning					19,494,939.19	107,987.32	19,602,926.51
Net Assets - Ending					\$ 40,127,725.35	\$ 181,939.18	\$ 40,309,664.53

FUND FINANCIAL STATEMENTS

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

**Atlantic County Vocational School District
Governmental Funds
Balance Sheet
June 30, 2011**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,842,590.62	\$ 45,270.35	\$ 35,227.18	\$ 1,923,088.15
Receivables, Net	318,204.71	40,273.70		358,478.41
Due from Other Funds	474,349.84			474,349.84
Receivables from Other Governments		454,078.59	(0.00)	454,078.59
Total Assets	\$ 2,635,145.17	\$ 539,622.64	\$ 35,227.18	\$ 3,209,994.99
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 25,246.67	\$ -	\$ -	\$ 25,246.67
Payable to Federal Government		10,961.37		10,961.37
Due to Other Funds	-	379,087.82	3,121.19	382,209.01
Deferred Revenue	15,977.00	149,573.45	32,105.99	197,656.44
Total Liabilities	41,223.67	539,622.64	35,227.18	616,073.49
Fund Balances:				
Restricted Fund Balance:				
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	620,999.00			620,999.00
Reserve for Excess Surplus	1,440,346.65			1,440,346.65
Committed Fund Balance:				
Other Purposes	195,447.45			195,447.45
Unassigned Fund Balance	337,128.40			337,128.40
Total Fund Balances	2,593,921.50	-	-	2,593,921.50
Total Liabilities and Fund Balances	\$ 2,635,145.17	\$ 539,622.64	\$ 35,227.18	

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

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

The cost of the assets is \$50,959,334.19 and the accumulated depreciation is \$12,803,323.18.

(See Note 7)

38,156,011.01

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 8)

(622,207.16)

Net assets of governmental activities

\$ 40,127,725.35

Atlantic County Vocational School District
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
County Appropriations	\$ 3,882,000.00	\$ -	\$ -	\$ 3,882,000.00
Tuition Charges	3,595,520.24			3,595,520.24
Miscellaneous	1,111,661.87	34,840.86		1,146,502.73
Total Local Sources	8,589,182.11	34,840.86	-	8,624,022.97
State Sources	3,822,622.15	9,699.15		3,832,321.30
Federal Sources	-	582,021.28		582,021.28
Total Revenues	\$ 12,411,804.26	\$ 626,561.29	\$ -	\$ 13,038,365.55
EXPENDITURES				
Current:				
Regular Instruction	\$ 2,137,225.95	\$ 444,544.44	\$ -	\$ 2,581,770.39
Basic Skills/Remedial Instruction	219,459.08			219,459.08
Vocational Instruction	911,026.90			911,026.90
Other Instruction	197,011.51			197,011.51
Support Services:				
Student & Instruction Related Serv.	701,025.83	153,503.90		854,529.73
School Administrative Services	302,984.90			302,984.90
Other Administrative Services	961,371.64			961,371.64
Plant Operation and Maintenance	1,961,261.34			1,961,261.34
Transportation Services	81,954.17			81,954.17
Employee Benefits	2,960,106.66			2,960,106.66
Capital Outlay	44,572.59	28,512.95	20,153,704.04	20,226,789.58
Special Schools	869,938.38			869,938.38
Total Expenditures	11,347,938.95	626,561.29	20,153,704.04	32,128,204.28
Excess (Deficiency) of Revenues Over Expenditures	1,063,865.31	-	(20,153,704.04)	(19,089,838.73)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds			20,153,704.04	20,153,704.04
Transfer out - Food Service	(120,954.29)			(120,954.29)
Total Other Financing Sources and Uses	(120,954.29)	-	20,153,704.04	20,032,749.75
Net Changes in Fund Balance	942,911.02	-	-	942,911.02
Fund Balance - July 1	1,651,010.48	-		1,651,010.48
Fund Balance - June 30	\$ 2,593,921.50	\$ -	\$ -	\$ 2,593,921.50

Atlantic County Vocational School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 942,911.02

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

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

	Depreciation expense	\$ (556,839.04)	
	Capital Outlays	<u>20,226,789.58</u>	19,669,950.54

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

19,924.60

Change in Net Assets of Governmental Activities \$20,632,786.16

**Atlantic County Vocational School District
Proprietary Funds
Statement of Net Assets
June 30, 2011**

	Business-Type Activities - Enterprise Fund
	Total 2011
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 272,704.01
Total Current Assets	272,704.01
Noncurrent Assets:	
Furniture, Machinery & Equipment	12,503.00
Less Accumulated Depreciation	(11,127.00)
Total Noncurrent Assets	1,376.00
Total Assets	\$ 274,080.01
LIABILITIES	
Current Liabilities:	
Interfunds Payable	\$ 92,140.83
Total Current Liabilities	92,140.83
NET ASSETS	
Invested in Capital Assets Net of Related Debt	1,376.00
Unrestricted	180,563.18
Total Net Assets	\$ 181,939.18

**Atlantic County Vocational School District
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Fund
	Total 2011
Operating Revenue:	
Charges for Service:	
Daily Sales - Non-reimbursable Programs	\$ 113,198.12
Miscellaneous	11,463.79
Total Operating Revenue	124,661.91
Operating Expenses:	
Cost of Sales	183,795.75
Salaries	120,954.29
Supplies	7,870.02
Other Objects	1,501.78
Depreciation	1,768.00
Total Operating Expenses	315,889.84
Operating Income (Loss)	(191,227.93)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	2,358.73
Federal Sources:	
National School Lunch Program	99,576.56
School Breakfast Program	40,510.28
Interest and Investment Income	1,779.93
Total Nonoperating Revenues (Expenses)	144,225.50
Income (loss) before Contributions & Transfers	(47,002.43)
Transfers In (Out)	120,954.29
Changes in Net Assets	73,951.86
Total Net Assets - Beginning	107,987.32
Total Net Assets - Ending	\$ 181,939.18

**Atlantic County Vocational School District
Proprietary Funds
Comparative Statement of Cash Flows
For the Year Ended June 30, 2011**

Business-Type Activities -
Enterprise Fund

	<u>Total 2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 124,661.91
Payments to Employees	(120,954.29)
Payments to Suppliers	(195,354.25)
Net Cash Provided by (Used for) Operating Activities	<u>(191,646.63)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	3,098.50
Federal Sources	138,896.58
Operating Subsidies and Transfers to Other Funds	120,954.29
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>262,949.37</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest and Dividends	1,779.93
Net Cash Provided by (Used for) Investing Activities	<u>1,779.93</u>
Net Increase (Decrease) in Cash and Cash Equivalents	73,082.67
Balance - Beginning of Year	199,621.34
Balance - End of Year	<u><u>\$ 272,704.01</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (191,227.93)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation	1,768.00
Increase (Decrease) in Interfund Payable	(2,186.70)
Total Adjustments	<u>(418.70)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (191,646.63)</u></u>

**Atlantic County Vocational School District
Fiduciary Funds
Statement of Net Assets
June 30, 2011**

	Unemployment Compensation	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 1,916.51	\$ 132,710.34
Total Assets	\$ 1,916.51	\$ 132,710.34
LIABILITIES		
Payable to Student Groups		50,283.11
Payroll Deductions and Withholdings		82,427.23
Total Liabilities	-	\$ 132,710.34
NET ASSETS		
Held in Trust for Unemployment Claims and Other Purposes	\$ 1,916.51	

**Atlantic County Vocational School District
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011**

		<u>Unemployment Compensation</u>
ADDITIONS		
Contributions:		
Employee Withholdings	\$	14,927.00
Total Contributions		<u>14,927.00</u>
Investment Earnings:		
Interest		<u>53.08</u>
Net Investment Earnings		<u>53.08</u>
Total Additions		<u>14,980.08</u>
DEDUCTIONS		
Payment of unemployment claims		20,989.03
Total Deductions		<u>20,989.03</u>
Changes in Net Assets		(6,008.95)
Net Assets - Beginning of the Year		7,925.46
Net Assets - End of the Year	\$	<u><u>1,916.51</u></u>

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Atlantic County Vocational Technical School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials 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 financial statements of the Board of Education (Board) of the Atlantic County Vocational Technical School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Reporting Entity

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

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

Based on the aforementioned criteria, the District has no component units. The Atlantic County Vocational Technical School is a component unit of the County of Atlantic. The County reports on a regulatory basis of accounting which excludes component units.

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net assets and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

District-Wide Financial Statements: The statement of net assets and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

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

Governmental Funds

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable 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 State 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, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Governmental Funds - Continued

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the Board of School Estimates. The district does not have an active Capital Projects Fund.

Proprietary Funds

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

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

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

The Food Service Fund, which provides for the operation of food services in the schools within the District.

The L'Academie Café provides student operated restaurant, which is open to the public and is located on the school's campus.

Fiduciary Funds

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Fiduciary Funds - Continued

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

Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the 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. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

The 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 fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. 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.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. 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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. 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(g). All budget amendments/transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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.

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. At June 30, 2011 and 2010, there were adjustments between the budgetary basis and the GAAP basis due to encumbrances and the last two state aid payments.

D. Encumbrance Accounting

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

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

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

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

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.

Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". 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.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's 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 the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

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

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows;

- Non-spendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.
- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.
- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Education, Superintendent or Business Administrator.
- Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Revenues – Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes as an advance, interest and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Recent Accounting Pronouncements

In July 2004, the Governmental Accounting Standards Board (GASB) adopted Statements No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions". This statement will become effective for entities on a phased in basis beginning with fiscal years beginning July 1, 2007. This statement will require governmental entities to report the future costs of other post employment benefits (OPEB) on a present value basis instead of the present "pay as you go" method. The impact on the financial position or results of operations can not be readily determined at this time.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unity Deposit Protection Act. Of the School District's bank Balance of \$2,559,584.30 as of June 30, 2011, \$148,879.66 was uninsured and uncollateralized.

As of June 30, 2011, the District had no investments.

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

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

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

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 3 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Atlantic County Vocational Technical School Board of Education on September 25, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The District has not funded their capital reserve fund. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the Board of School Estimates has been obtained. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2011, consisted of accounts (tuition and miscellaneous), interfund, and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of accounts receivable follows:

	Governmental Fund Financial Statements		District Wide Financial Statements
State and Federal Aid	\$ 454,078.59	\$	454,078.59
Tuition	314,601.20		314,601.20
Interfunds	474,349.84		-
Other	43,877.21		43,877.21
Gross Receivables			
Less: Allowance for Uncollectibles	-		-
Total Receivables, Net	\$ 1,286,906.84	\$	812,557.00

NOTE 5 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) repay expenses paid by another fund; and (2) make a Board contribution to the Enterprise Funds.

The following interfund balances remained on the fund financial statements at June 30, 2011:

Fund	Interfund Receivable		Interfund Payable
General Fund	\$ 474,349.84	\$	
Special Revenue Fund			379,087.82
Capital Projects Fund			3,121.19
Food Service Fund			92,140.83
Total	\$ 474,349.84	\$	474,349.84

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 6 – INVENTORY

The Food Service fund's inventory balance at June 30, 2011 was \$0.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$ 78,120.00	\$ -	\$ -	\$ 78,120.00
Construction in Progress	10,157,583.63	20,153,704.04		30,311,287.67
Total capital assets not being depreciated	<u>10,235,703.63</u>	<u>20,153,704.04</u>		<u>30,389,407.67</u>
Building and building improv	14,423,477.00			14,423,477.00
Land improvements	690,358.00			690,358.00
Machinery & equipment	5,410,165.68	73,085.54	(27,159.70)	5,456,091.52
Total at historical cost	<u>20,524,000.68</u>	<u>73,085.54</u>	<u>(27,159.70)</u>	<u>20,569,926.52</u>
Less accum. depreciation for:				
Land Improvements	(68,676.00)	(34,158.00)		(102,834.00)
Building and improvements	(7,228,768.00)	(397,016.00)		(7,625,784.00)
Machinery & equipment	(4,976,199.84)	(125,665.04)	27,159.70	(5,074,705.18)
Total accum. depreciation	<u>(12,273,643.84)</u>	<u>(556,839.04)</u>	<u>27,159.70</u>	<u>(12,803,323.18)</u>
Total capital assets being deprec., net of accum. depreciation	<u>8,250,356.84</u>	<u>(483,753.50)</u>	<u>-</u>	<u>7,766,603.34</u>
Governmental activities capital assets, net	<u><u>\$ 18,486,060.47</u></u>	<u><u>\$ 19,669,950.54</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 38,156,011.01</u></u>
Business-type activities:				
Equipment	\$ 12,503.00		\$ -	\$ 12,503.00
Less accum.depreciation for:				
Equipment	(9,359.00)	(1,768.00)		(11,127.00)
Business-type activities capital assets, net	<u><u>\$ 3,144.00</u></u>	<u><u>\$ (1,768.00)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,376.00</u></u>

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011
 (CONTINUED)**

NOTE 8 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2011 are as follows:

	Balance July 1, 2010	Issues or Additions	Payments or Expenditures	Balance June 30, 2011	Amounts Due Within One Year
Compensated Absences	\$ 642,131.76	\$ -	\$ 19,924.60	\$ 622,207.16	\$ -
	<u>\$ 642,131.76</u>	<u>\$ -</u>	<u>\$ 19,924.60</u>	<u>\$ 622,207.16</u>	<u>\$ -</u>

Compensated absences are been liquidated in the General Fund and the Enterprise Funds.

Capital Leases

The District has no capital leases as of June 30, 2011.

NOTE 9 – OPERATING LEASES

Lessee

Commencing June 28, 2009, the District is leasing 2 copy machines through Xerox Corporation for a 60 month period. Monthly lease payments are \$698.71.

Commencing November 16, 2007, the District is leasing 3 copy machines through Xerox Corporation for a 60 month period. Monthly lease payments are \$172.18.

Also, commencing August 9, 2006, the District is leasing 5 copy machines through Xerox Corporation for a 60 month period. Monthly lease payments are \$2,542.57.

The following is a schedule of the future minimum lease payments under these operating leases:

Fiscal Year Ended June 30,	
2012	\$ 15,536
2013	9,245
2014	8,385
Total	<u>\$ 33,166</u>

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 9 – OPERATING LEASES - Continued

Lessor

Effective January 1, 2005, the District entered into an agreement with AtlantiCare Behavioral Health (ABH) whereby the District will provide classroom and office space to ABH in exchange for ABH providing various counseling services. The agreement will remain in effect until either party provides 120 days written notice of termination or either party violates any of the provisions of the agreement. A total of \$106,052.04 was billed and recorded as revenue for 2011.

NOTE 10 – PENSION PLANS

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

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

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

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

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 10 – PENSION PLANS - Continued

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2011.

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

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) that changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 10 – PENSION PLANS - Continued

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$294,958.00 to the TPAF for post-retirement benefits and contributory insurance on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$322,795.15 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2011, 2010 and 2009 were \$254,986, \$165,431.00 and \$144,245.00 respectively, equal to the required contributions each year.

NOTE 11 – POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program ("the SHBP"), a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The Division of Pension and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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. 2019, C. 103 amended the law to eliminate the funding and payment of post-retirement medical benefits for retired state employees through 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, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. 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 premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126 which provides free health benefits for members PERS and the Alternative Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

NOTE 12 – COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by the 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.

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 12 – COMPENSATED ABSENCES - Continued

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

In the District-Wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, the liability for compensated absences in the Food Service Fund was \$0.

NOTE 13 – DEFERRED COMPENSATION

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit 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
Syracusa
The Travelers

NOTE 14 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 14 – RISK MANAGEMENT - Continued

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

Fiscal Year	Contributions	Amount Reimbursed	Ending Balance
2010-2011	\$ 14,980.08	\$ 20,989.03	\$ 1,916.51
2009-2010	47,618.09	44,000.52	7,925.46
2008-2009	68,465.81	74,041.92	4,307.89

NOTE 15 – CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

NOTE 16 – FUND BALANCE

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used be spent first when expenditures are made.

Specific classifications of fund balance are summarized below;

Non-Spendable Fund Balance – The District maintains no non-spendable funds at June 30, 2011.

Restricted Fund Balance

Reserve for Excess Surplus – There was excess fund balance in the amount of \$1,440,346.65 at June 30, 2011. This amount will be appropriated as revenue in support of the 2012-13 School Budget.

Reserve for Excess Surplus Designated – There was excess fund balance from the previous year in the amount of \$620,999.00 at June 30, 2011. This amount has been appropriated as revenue in support of the 2011-12 School Budget.

**ATLANTIC COUNTY VOCATIONAL TECHNICAL SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)**

NOTE 16 – FUND BALANCE - Continued

Committed Fund Balance - The District's Committed Fund balance for other purposes of \$195,447.45 consists of encumbrances in the general fund.

Unassigned Fund Balance – At June 30, 2011, the District has \$337,128.40 of unassigned fund balance in the general fund.

NOTE 17 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school district are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$1,440,346.65.

NOTE 18 – LITIGATION

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

NOTE 19 – ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation through the County of Atlantic, Tuition Revenue from Sending Districts and State Aid to fund the District's operations. A significant reduction in these levels of support, would have an effect on the District's programs and activities.

NOTE 20 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2011 through November 30, 2011, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure, other than the item listed below:

As of July 1, 2011 the Board of Education of the Atlantic County Special Services School District was merged with the Board of Education of the Atlantic County Vocational Technical School. Although the Districts share the same Board of Education, the financial activities of each district are maintained completely independently.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

**Atlantic County Vocational School District
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
County Tax Levy	\$ 3,882,000.00	\$ -	\$ 3,882,000.00	\$ 3,882,000.00	\$ -
Tuition from LEAs	3,811,688.00		3,811,688.00	3,595,520.24	(216,167.76)
Other Tuition	570,000.00		570,000.00	475,609.92	(94,390.08)
Other Restricted Miscellaneous Revenue	112,480.00		112,480.00	87,172.87	(25,307.13)
Unrestricted Miscellaneous Revenue	199,052.00		199,052.00	548,879.08	349,827.08
Total Local Sources	8,575,220.00	-	8,575,220.00	8,589,182.11	13,962.11
State Sources:					
Equalization Aid	3,139,436.00	(361,925.00)	2,777,511.00	2,777,511.00	-
Special Education Aid		361,925.00	361,925.00	361,925.00	-
TPAF Pension (On-Behalf - Non-Budgeted)					
Post-Retirement Medical Contribution			-	294,958.00	294,958.00
TPAF Social Security (Reimbursed-Non-Budgeted)			-	322,795.15	322,795.15
Total State Sources	3,139,436.00	-	3,139,436.00	3,757,189.15	617,753.15
Total Revenues	11,714,656.00	-	11,714,656.00	12,346,371.26	631,715.26
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION GRADES 9-12					
Salaries of Teachers	1,917,100.00	120,847.06	2,037,947.06	2,035,450.69	2,496.37
Purchased Professional - Educational Services	10,000.00	13,447.12	23,447.12	22,407.12	1,040.00
Purchased Professional and Technical Services	10,000.00	(7,516.28)	2,483.74	2,483.69	0.05
Other Purchased Services (400-500 series)	26,000.00	7,250.59	33,250.59	21,753.68	11,496.91
General Supplies	30,000.00	7,143.92	37,143.92	34,655.38	2,488.54
Textbooks	15,000.00	(954.00)	14,046.00	13,420.39	625.61
Other Objects	1,000.00	(40.00)	960.00	495.00	465.00
Regular Programs - Home Instruction					
Salaries of Teachers	3,000.00	3,560.00	6,560.00	6,560.00	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,012,100.00	143,738.43	2,155,838.43	2,137,225.95	18,612.48
Basic Skills/Remedial Instruction					
Salaries of Teachers	147,100.00	72,359.08	219,459.08	219,459.08	-
General Supplies	1,000.00		1,000.00		1,000.00
Textbooks	1,000.00	(816.00)	184.00		184.00
Total Basic Skills/Remedial Instruction	149,100.00	71,543.08	220,643.08	219,459.08	1,184.00
VOCATIONAL PROGRAMS - INSTRUCTION					
Regular Vocational Programs - Instruction					
Salaries of Teachers	587,300.00	180,755.88	768,055.88	670,061.59	97,994.29
Purchased Technical Services	5,750.00	7,268.00	13,018.00	13,017.97	0.03
General Supplies	30,000.00	(22,091.12)	7,908.88	6,448.23	1,460.65
Textbooks	10,000.00	(9,571.00)	429.00		429.00
Total Regular Vocational Programs - Instruction	633,050.00	156,361.76	789,411.76	689,527.79	99,883.97

**Atlantic County Vocational School District
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Special Vocational Programs - Instruction					
Salaries of Teachers	\$ 298,700.00	\$ 10,252.62	308,952.62	\$ 221,099.11	\$ 87,853.51
Other Salaries for Instruction	68,100.00		68,100.00		68,100.00
Purchased Technical Services	400.00		400.00	400.00	-
Other Purchased Services (400-500 series)	500.00		500.00		500.00
Total Special Vocational Programs - Instruction	<u>367,700.00</u>	<u>10,252.62</u>	<u>377,952.62</u>	<u>221,499.11</u>	<u>156,453.51</u>
TOTAL VOCATIONAL PROGRAMS - INSTRUCTION	<u>1,000,750.00</u>	<u>166,614.38</u>	<u>1,167,364.38</u>	<u>911,026.90</u>	<u>256,337.48</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	21,000.00	2,410.38	23,410.38	23,410.38	-
Purchased Services (300-500 series)		22,835.00	22,835.00	22,015.84	819.16
Total School-Spon. Cocurricular Activities - Inst.	<u>21,000.00</u>	<u>25,245.38</u>	<u>46,245.38</u>	<u>45,426.22</u>	<u>819.16</u>
School-Spon. Cocurricular Activities - Athletics					
Salaries		2,000.00	2,000.00	2,000.00	-
Total School-Spon. Cocurricular Activities - Athl.	<u>-</u>	<u>2,000.00</u>	<u>2,000.00</u>	<u>2,000.00</u>	<u>-</u>
Undistributed Expend. - Attendance & Social Worker					
Salaries	78,800.00	621.90	79,421.90	76,219.76	3,202.14
Supplies & Materials	500.00		500.00	500.00	-
Total Undist. Expend. - Attendance & Social Worker	<u>79,300.00</u>	<u>621.90</u>	<u>79,921.90</u>	<u>76,719.76</u>	<u>3,202.14</u>
Undistributed Expend. - Health Services					
Salaries	56,200.00	5,777.53	61,977.53	61,977.53	-
Purchased Professional and Technical Services	4,000.00	4,520.00	8,520.00	6,998.00	1,522.00
Supplies & Materials	4,000.00	(110.00)	3,890.00	3,890.00	-
Total Undistributed Expend. - Health Services	<u>64,200.00</u>	<u>10,187.53</u>	<u>74,387.53</u>	<u>72,865.53</u>	<u>1,522.00</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	418,350.00	5,604.45	423,954.45	335,886.22	88,068.23
Salaries of Secretarial and Clerical Assistants	166,700.00	2,450.62	169,150.62	135,382.62	33,768.00
Purchased Professional - Educational Services	1,000.00	276.00	1,276.00	1,126.00	150.00
Purchased Professional and Technical Services	1,000.00	(276.00)	724.00		724.00
Other Purchased Services (400-500 series)	5,000.00	(4,325.00)	675.00		675.00
Supplies & Materials	5,000.00	742.26	5,742.26	5,000.00	742.26
Other Objects	1,000.00		1,000.00	649.16	350.84
Total Undist. Expend. - Guidance	<u>598,050.00</u>	<u>4,472.33</u>	<u>602,522.33</u>	<u>478,044.00</u>	<u>124,478.33</u>
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	109,900.00		109,900.00	109,706.88	193.12
Salaries of Secretarial and Clerical Assistants	32,800.00	383.54	33,183.54	32,359.36	824.18
Other Purchased Services (400-500 series)		257.00	257.00	106.64	150.36
Supplies & Materials	2,000.00	(366.00)	1,634.00	1,634.00	-
Other Objects	1,500.00		1,500.00	1,410.00	90.00
Total Undist. Expend. - Improvement of Inst. Serv.	<u>146,200.00</u>	<u>274.54</u>	<u>146,474.54</u>	<u>145,216.88</u>	<u>1,257.66</u>

Atlantic County Vocational School District
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 51,500.00	\$ 73.62	\$ 51,573.62	\$ 49,287.37	\$ 2,286.25
Purchased Professional and Technical Services	1,000.00	(804.00)	196.00	194.85	1.15
Other Purchased Services (400-500 series)	2,000.00	14,587.80	16,587.80	15,961.47	626.33
Supplies & Materials	2,000.00	2,221.00	4,221.00	4,219.78	1.22
Total Undistributed Expenditures - Educational Media Services - School Library	56,500.00	16,078.42	72,578.42	69,663.47	2,914.95
Undist. Expend. - Instructional Staff Training Serv.					
Other Purchased Services (400-500 series)	12,000.00	(810.00)	11,190.00	8,101.48	3,088.52
Total Undistributed Expenditures - Instructional Staff Training Services	12,000.00	(810.00)	11,190.00	8,101.48	3,088.52
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	301,800.00		301,800.00	233,838.61	67,961.39
Legal Services	24,600.00	1,256.00	25,856.00	17,483.75	8,372.25
Audit Fees	20,000.00	(763.00)	19,237.00	18,700.00	537.00
Architectural/Engineering Services		2,459.00	2,459.00	2,458.45	0.55
Other Purchased Professional Services	20,000.00	281.50	20,281.50	20,180.68	100.82
Purchased Technical Services	10,500.00	(325.00)	10,175.00	7,265.00	2,910.00
Communications/Telephone	90,000.00	778.14	90,778.14	69,670.66	21,107.48
Other Purchased Services (400-500 series)	6,000.00		6,000.00	128.00	5,872.00
General Supplies	20,000.00	2,164.53	22,164.53	21,036.54	1,127.99
BOE In-House Training/Meeting Supplies	600.00		600.00	600.00	-
Miscellaneous Expenditures	5,000.00	(1,355.00)	3,645.00	1,949.00	1,696.00
BOE Membership Dues and Fees	17,500.00	1,355.00	18,855.00	18,854.45	0.55
Total Undistributed Expenditures - Support Services - General Administration	516,000.00	5,851.17	521,851.17	412,165.14	109,686.03
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	180,050.00		180,050.00	179,294.26	755.74
Salaries of Secretarial and Clerical Assistants	93,200.00	238.00	93,438.00	92,050.29	1,387.71
Purchased Professional and Technical Services	10,000.00		10,000.00	8,804.73	1,195.27
Other Purchased Services (400-500 series)	18,000.00		18,000.00	4,710.64	13,289.36
Supplies & Materials	25,000.00	(6,768.64)	18,231.36	18,124.98	106.38
Other Objects	2,000.00	(1,567.00)	433.00		433.00
Total Undistributed Expenditures - Support Services - School Administration	328,250.00	(8,097.64)	320,152.36	302,984.90	17,167.46
Undist. Expend. - Central Services					
Salaries	401,600.00	(33,000.00)	368,600.00	300,536.18	68,063.82
Purchased Professional Services		33,000.00	33,000.00	21,768.72	11,231.28
Purchased Technical Services	10,500.00	(1,901.00)	8,599.00	8,392.00	207.00
Misc. Purchased Services (400-500 series)	6,200.00	(811.50)	5,388.50	4,588.11	800.39
Supplies & Materials	14,000.00	25,449.95	39,449.95	11,231.61	28,218.34
Miscellaneous Expenditures	1,500.00	91.00	1,591.00	1,590.00	1.00
Total Undistributed Expenditures - Central Services	433,800.00	22,828.45	456,628.45	348,106.62	108,521.83
Undist. Expend. - Admin. Info. Tech					
Salaries	118,900.00	(7,637.23)	111,262.77	110,897.38	365.39
Purchased Professional Services	4,300.00	(1,000.00)	3,300.00	3,177.09	122.91
Purchased Technical Services	30,000.00	43,100.00	73,100.00	68,889.56	4,210.44
Other Purchased Services (400-500 series)	900.00	113.56	1,013.56	792.48	221.08
Supplies & Materials	8,000.00	9,343.37	17,343.37	17,343.37	-
Total Undistributed Expenditures - Admin Info Tech	162,100.00	43,919.70	206,019.70	201,099.88	4,919.82

**Atlantic County Vocational School District
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Required Maint. School Facilities					
Salaries	\$ 265,350.00	\$ 2,438.82	\$ 267,788.82	\$ 267,788.82	\$ -
Cleaning, Repair and Maintenance Service	276,000.00	(146,751.00)	129,249.00	67,242.04	62,006.96
General Supplies	42,500.00	(6,811.22)	35,688.78	24,481.93	11,206.85
Other Objects	500.00		500.00	325.47	174.53
Total Undistributed Expenditures - Required Maintenance for School Facilities	584,350.00	(151,123.40)	433,226.60	359,838.26	73,388.34
Undist. Expend. - Custodial Services					
Salaries	436,150.00	11,775.85	447,925.85	447,925.85	-
Purchased Professional and Technical Services	5,000.00	3,217.00	8,217.00	8,216.50	0.50
Cleaning, Repair and Maintenance Service	75,000.00	(72,744.00)	2,256.00		2,256.00
Other Purchased Property Services	44,400.00		44,400.00	29,822.00	14,578.00
Insurance	81,000.00		81,000.00	78,865.39	2,134.61
Miscellaneous Purchased Services	1,000.00	57.48	1,057.48	675.84	381.64
General Supplies	90,000.00	(9,705.00)	80,295.00	68,604.32	11,690.68
Energy(Gasoline)	10,000.00		10,000.00	3,745.63	6,254.37
Energy(Energy and Electricity)	700,000.00	29,420.64	729,420.64	582,544.73	146,875.91
Energy (Natural Gas)	203,000.00	(3,656.48)	199,343.52	115,354.37	83,989.15
Other Objects	800.00	11,474.00	12,274.00	12,274.00	-
Total Undistributed Expenditures - Custodial Services	1,646,350.00	(30,160.51)	1,616,189.49	1,348,028.63	268,160.86
Undis. Expend. - Care & Upkeep of Grounds					
Salaries	29,500.00	359.31	29,859.31	29,459.89	399.42
Cleaning, Repair, and Maintenance Services	5,000.00	46,786.00	51,786.00	51,785.44	0.56
General Supplies	15,000.00	(12,776.00)	2,224.00	804.30	1,419.70
Total Care and Upkeep of Grounds	49,500.00	34,369.31	83,869.31	82,049.63	1,819.68
Undis. Expend. - Security					
Salaries	106,700.00	10,924.82	117,624.82	117,624.82	-
Purchased Professional and Technical Services	55,000.00	(200.00)	54,800.00	53,020.00	1,780.00
General Supplies	500.00	200.00	700.00	700.00	-
Total Security	162,200.00	10,924.82	173,124.82	171,344.82	1,780.00
Total Undistributed Expenditures Operations and Maintenance of Plant	2,442,400.00	(135,989.78)	2,306,410.22	1,961,261.34	345,148.88
Undist. Expend. - Student Transportation Serv.					
Salary Pupil Transportation(Oth Bet. Home & Sch)	40,000.00	(20,000.00)	20,000.00	17,694.00	2,306.00
Purchased Professional and Technical Services	400.00		400.00	300.00	100.00
Cleaning, Repair and Maintenance Service	7,500.00	3,225.50	10,725.50	10,725.50	-
Contracted Services - (Oth Bet. Home & School)	10,000.00	67,484.80	77,484.80	50,342.80	27,142.00
General Supplies	10,000.00	(5,167.00)	4,833.00	2,891.87	1,941.13
Total Undistributed Expenditures - Student Transportation Services	67,900.00	45,543.30	113,443.30	81,954.17	31,489.13
Regular Programs - Instruction - Employee Benefits					
Health Benefits		62,294.07	62,294.07	55,226.60	7,067.47
Total Regular Prog. - Instruction - Employee Benefits	-	62,294.07	62,294.07	55,226.60	7,067.47

**Atlantic County Vocational School District
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Vocational Programs - Instruction - Employee Benefits					
Health Benefits		33,697.18	33,697.18	32,215.00	1,482.18
Total Vocational Prog. - Instruction - Emp. Benefits	-	33,697.18	33,697.18	32,215.00	1,482.18
Total Allocated Benefits	-	95,991.25	95,991.25	87,441.60	8,549.65
Unallocated Benefits - Employee Benefits					
Social Security Contribution	311,700.00	(10,939.98)	300,760.02	229,672.04	71,087.98
T.P.A.F. Contributions - ERIP	26,000.00		26,000.00	25,033.00	967.00
Other Retirement Contributions - PERS	151,500.00	103,486.00	254,986.00	254,986.00	-
Unemployment Compensation	62,500.00	28,500.00	91,000.00	91,000.00	-
Workmen's Compensation	168,700.00	(3,750.00)	164,950.00	131,429.48	33,520.52
Health Benefits	1,947,500.00	(48,307.96)	1,899,192.04	1,487,908.41	411,283.63
Tuition Reimbursement	35,500.00		35,500.00	23,943.00	11,557.00
Other Employee Benefits	3,000.00	10,939.98	13,939.98	10,939.98	3,000.00
Total Unallocated Benefits - Employee Benefits	2,706,400.00	79,928.04	2,786,328.04	2,254,911.91	531,416.13
On-Behalf Contributions					
On-Behalf TPAF Pension (nonbudgeted)				294,958.00	(294,958.00)
Post-Retirement Medical Contribution				322,795.15	(322,795.15)
Reimbursed TPAF Social Security Cont.(non-bud)				617,753.15	(617,753.15)
Total On-Behalf Contributions	-	-	-	617,753.15	(617,753.15)
Total Personal Services - Employee Benefits	2,706,400.00	175,919.29	2,882,319.29	2,960,106.66	(77,787.37)
TOTAL UNDISTRIBUTED EXPENDITURES	7,613,100.00	182,799.21	7,795,899.21	7,120,289.83	675,609.38
TOTAL GENERAL CURRENT EXPENSE	10,796,050.00	589,940.48	11,385,990.48	10,433,427.98	952,562.50
CAPITAL OUTLAY					
Equipment					
Admin. Info. Tech.		8,980.00	8,980.00	8,979.99	0.01
Operation & Maint. Of Plant Serv.		35,593.00	35,593.00	35,592.60	0.40
Total Equipment	-	44,573.00	44,573.00	44,572.59	0.41
TOTAL CAPITAL OUTLAY	-	44,573.00	44,573.00	44,572.59	0.41
SPECIAL SCHOOLS					
Post-Secondary - Instruction:					
Salaries of Teachers	192,700.00	9,537.37	202,237.37	197,596.55	4,640.82
Purchased Professional and Technical Services	14,000.00	(2,975.00)	11,025.00	11,025.00	11,025.00
Other Purchased Services (400-500 series)	1,000.00		1,000.00	100.00	900.00
General Supplies	25,000.00	(1,000.00)	24,000.00	15,231.59	8,768.41
Textbooks	26,000.00	1,000.00	27,000.00	26,981.92	18.08
Other Objects	500.00		500.00	-	500.00
Total Post-Secondary - Instruction	259,200.00	6,562.37	265,762.37	239,910.06	25,852.31

Atlantic County Vocational School District
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Special Schools - Instruction					
Salaries	\$ 359,100.00	\$ 3,189.91	\$ 362,289.91	\$ 247,788.06	\$ 114,501.85
Purchased Professional and Technical Services	30,000.00	(3,901.00)	26,099.00	25,302.50	796.50
General Supplies	7,500.00	9,032.99	16,532.99	16,532.99	-
Textbooks	4,000.00	(3,470.00)	530.00	511.20	18.80
Other Objects					
Total Other Special Schools - Instruction	400,600.00	4,851.90	405,451.90	290,134.75	115,317.15
Other Special Schools - Support Services:					
Salaries	123,300.00	6,116.26	129,416.26	129,416.26	-
Other Purchased Services (400-500 series)	7,500.00	489.00	7,989.00	7,427.61	561.39
General Supplies	1,500.00	964.01	2,464.01	2,464.01	-
Other Objects	800.00		800.00	800.00	-
Total Other Special Schools - Support Services:	133,100.00	7,569.27	140,669.27	140,107.88	561.39
Total Adult Education	533,700.00	12,421.17	546,121.17	430,242.63	115,878.54
Vocational Evening - Local - Instruction:					
Salaries of Teachers	76,000.00	3,305.00	79,305.00	79,305.00	-
General Supplies	20,000.00		20,000.00	16,462.59	3,537.41
Textbooks	50,000.00		50,000.00	10,398.23	39,601.77
Total Vocational Evening - Local - Instruction	146,000.00	3,305.00	149,305.00	106,165.82	43,139.18
Vocational Evening - Support:					
Salaries	85,900.00	2,757.87	88,657.87	88,657.87	-
Other Purchased Services (400-500 series)	15,000.00		15,000.00	2,462.00	12,538.00
General Supplies	2,500.00		2,500.00	2,500.00	-
Total Vocational Evening - Support	103,400.00	2,757.87	106,157.87	93,619.87	12,538.00
Total Vocational Evening	249,400.00	6,062.87	255,462.87	199,785.69	55,677.18
TOTAL SPECIAL SCHOOLS	1,042,300.00	25,046.41	1,067,346.41	869,938.38	197,408.03
TOTAL EXPENDITURES	11,838,350.00	659,559.89	12,497,909.89	11,347,938.95	1,149,970.94
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(123,694.00)	(659,559.89)	(783,253.89)	998,432.31	1,781,686.20
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfer to Food Service Enterprise Fund	(118,500.00)	(2,454.29)	(120,954.29)	(120,954.29)	-
Total Other Financing Sources:	(118,500.00)	(2,454.29)	(120,954.29)	(120,954.29)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(242,194.00)	(662,014.18)	(904,208.18)	877,478.02	1,781,686.20
Fund Balance July 1	2,030,383.48		2,030,383.48	2,030,383.48	
Fund Balance June 30	\$ 1,788,189.48	\$ (662,014.18)	\$ 1,126,175.30	\$ 2,907,861.50	\$ 1,781,686.20
Recapitulation:					
Reserve for Encumbrances	\$ -	\$ (662,014.18)	\$ (662,014.18)	\$ (662,014.18)	\$ -
Budgeted Fund Balance	(242,194.00)		(242,194.00)	1,539,492.20	1,781,686.20
	\$ (242,194.00)	\$ (662,014.18)	\$ (904,208.18)	\$ 877,478.02	\$ 1,781,686.20
Recapitulation:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				620,999.00	
Reserve for Excess Surplus				1,440,346.65	
Committed Fund Balance:					
Encumbrances				195,447.45	
Unassigned Fund Balance				651,068.40	
				2,907,861.50	
Reconciliation to Governmental Funds Statements (GAAP):					
Last two State Aid Payments not recognized on GAAP Basis				(313,940.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,593,921.50	

**Atlantic County Vocational School District
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 12,000.00	\$ (1,750.00)	\$ 10,250.00	\$ 35,421.95	\$ 25,171.95
State Sources		10,870.00	10,870.00	10,048.29	(821.71)
Federal Sources	205,000.00	604,362.15	809,362.15	608,523.32	(200,838.83)
Total Revenues	217,000.00	613,482.15	830,482.15	653,993.56	(176,488.59)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	105,000.00	235,673.40	340,673.40	230,637.70	110,035.70
Other Purchased Services (400-500 series)		1,000.00	1,000.00	-	1,000.00
General Supplies	100,000.00	145,107.13	245,107.13	238,716.59	6,390.54
Other Objects		3,750.00	3,750.00	3,750.00	-
Total Instruction	205,000.00	385,530.53	590,530.53	473,104.29	117,426.24
Support Services:					
Other Salaries	12,000.00	21,500.00	33,500.00	6,280.00	27,220.00
Personal Services - Employee Benefits		49,162.40	49,162.40	42,309.77	6,852.63
Purchased Professional - Technical Services		44,564.75	44,564.75	36,300.00	8,264.75
Other Purchased Services (400-500 series)		61,378.52	61,378.52	56,781.43	4,597.09
Supplies & Materials		5,250.00	5,250.00	4,559.54	690.46
Other Objects		6,738.00	6,738.00	6,145.58	592.42
Total Support Services	12,000.00	188,593.67	200,593.67	152,376.32	48,217.35
Facilities Acquisition and Constr. Services:					
Instructional Equipment		39,357.95	39,357.95	28,512.95	10,845.00
Total Facilities Acquisition and Constr. Services	-	39,357.95	39,357.95	28,512.95	10,845.00
Total Outflows	217,000.00	613,482.15	830,482.15	653,993.56	176,488.59
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -				

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**Atlantic County Vocational School District
Required Supplementary Information
Budget to GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2011**

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

		General Fund			Special Revenue Fund
Sources/inflows of resources					
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 12,346,371.26	[C-2]		\$ 653,993.56
Difference - budget to GAAP:					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized					(27,432.27)
Final two State Aid payments were delayed until July 2010 are recorded as GAAP revenue but are not recognized as budgetary revenue.		379,373.00			
Final two State Aid payments were delayed until July 2011 are recorded as budgetary revenue but are not recognized under GAAP.		(313,940.00)			
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	\$ 12,411,804.26	[B-2]		\$ 626,561.29
Uses/outflows of resources					
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 11,347,938.95	[C-2]		\$ 653,993.56
Difference - budget to GAAP:					
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.					(27,432.27)
	[B-2]	\$ 11,347,938.95	[B-2]		\$ 626,561.29

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

**Atlantic County Vocational School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011**

	Total Brought Forward (Ex. E-1a)	Title I	ARRA Title I	Title II Part A	Title IV	Totals 2011
REVENUES:						
Local Sources	\$ 35,421.95	\$ -	\$ -	\$ -	\$ -	\$ 35,421.95
State Sources	10,048.29	-	-	-	-	10,048.29
Federal Sources	385,695.99	189,001.58	23,630.34	10,079.41	116.00	608,523.32
Total Revenues	431,166.23	189,001.58	23,630.34	10,079.41	116.00	653,993.56
EXPENDITURES:						
Instruction:						
Salaries of Teachers	124,051.24	105,036.46	1,550.00	-	-	230,637.70
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	223,730.12	12,817.12	169.35	2,000.00	-	238,716.59
General Supplies	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Other Objects	3,200.00	-	550.00	-	-	3,750.00
Total Instruction	350,981.36	117,853.58	2,269.35	2,000.00	-	473,104.29
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	-	-
Other Salaries	3,000.00	3,280.00	-	-	-	6,280.00
Personal Services - Employee Benefits	18,689.40	23,489.00	-	131.37	-	42,309.77
Purchased Professional - Educational Services	-	-	-	-	-	-
Purchased Professional - Technical Services	14,500.00	17,300.00	-	4,500.00	-	36,300.00
Purchased Professional - Property Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	16,433.23	22,184.00	15,099.20	3,065.00	-	56,781.43
Supplies & Materials	3,444.29	500.00	116.21	383.04	116.00	4,559.54
Other Objects	-	-	6,145.58	-	-	6,145.58
Total Support Services	56,066.92	66,753.00	21,360.99	8,079.41	116.00	152,376.32
Facilities Acquisition and Constr. Services:						
Instructional Equipment	24,117.95	4,395.00	-	-	-	28,512.95
Noninstructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition and Constr. Services	24,117.95	4,395.00	-	-	-	28,512.95
Total Expenditures	431,166.23	189,001.58	23,630.34	10,079.41	116.00	653,993.56
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Atlantic County Vocational School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011**

	Total Brought Forward (Ex. E-1b)	Learn & Serve	I.D.E.A. Part B Basic	ARRA I.D.E.A. Part B Basic	Carl D. Perkins Secondary	Total Carried Forward
REVENUES:						
Local Sources	\$ 35,421.95	-	-	-	-	\$ 35,421.95
State Sources	10,048.29					10,048.29
Federal Sources	82,157.77	19,234.00	113,814.72	15,154.68	155,334.82	385,695.99
Total Revenues	127,628.01	19,234.00	113,814.72	15,154.68	155,334.82	431,166.23
EXPENDITURES:						
Instruction:						
Salaries of Teachers	46,070.00		70,141.24		7,840.00	124,051.24
Other Salaries for Instruction	-					-
Purchased Professional - Technical Services	-					-
Other Purchased Services (400-500 series)						
General Supplies	74,639.43	11,800.48	38,280.48	5,134.68	93,875.05	223,730.12
Textbooks	-					-
Other Objects	-				3,200.00	3,200.00
Total Instruction	120,709.43	11,800.48	108,421.72	5,134.68	104,915.05	350,981.36
Support Services:						
Salaries of Other Professional Staff	-					-
Other Salaries		3,000.00				3,000.00
Personal Services - Employee Benefits	1,744.00	149.40	5,393.00	10,020.00	1,383.00	18,689.40
Purchased Professional - Educational Services	-					-
Purchased Professional - Technical Services					14,500.00	14,500.00
Purchased Professional - Property Services	-					-
Other Purchased Services (400-500 series)	3,778.29	4,284.12			8,370.82	16,433.23
Supplies & Materials	1,396.29				2,048.00	3,444.29
Other Objects	-					-
Total Support Services	6,918.58	7,433.52	5,393.00	10,020.00	26,301.82	56,066.92
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-				24,117.95	24,117.95
Noninstructional Equipment	-					-
Total Facilities Acquisition and Constr. Services	-	-	-	-	24,117.95	24,117.95
Total Expenditures	127,628.01	19,234.00	113,814.72	15,154.68	155,334.82	431,166.23
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Atlantic County Vocational School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011**

	Total Brought Forward (Ex. E-1c)	Carl D. Perkins Post-Secondary	Apprenticeship Coordinator	Atlantiacare	NJPIRC	Total Carried Forward
REVENUES:						
Local Sources	\$ 25,212.48	\$ -	\$ -	\$ 9,959.47	\$ 250.00	\$ 35,421.95
State Sources	-	82,157.77	10,048.29			10,048.29
Federal Sources	-					82,157.77
Total Revenues	25,212.48	82,157.77	10,048.29	9,959.47	250.00	127,628.01
EXPENDITURES:						
Instruction:						
Salaries of Teachers	23,320.00	6,000.00	8,750.00	8,000.00		46,070.00
Other Salaries for Instruction	-					-
Purchased Professional - Technical Services	-					-
Other Purchased Services (400-500 series)	148.48	72,531.48		1,959.47		74,639.43
General Supplies						
Textbooks						
Other Objects						
Total Instruction	23,468.48	78,531.48	8,750.00	9,959.47	-	120,709.43
Support Services:						
Salaries of Other Professional Staff	-					-
Other Salaries	-					-
Personal Services - Employee Benefits	1,744.00					1,744.00
Purchased Professional - Educational Services	-					-
Purchased Professional - Technical Services	-					-
Purchased Professional - Property Services	-					-
Other Purchased Services (400-500 series)	-	2,850.00	928.29			3,778.29
Supplies & Materials	-	776.29	370.00		250.00	1,396.29
Other Objects	-					-
Total Support Services	1,744.00	3,626.29	1,298.29	-	250.00	6,918.58
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-					-
Noninstructional Equipment	-					-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-
Total Expenditures	25,212.48	82,157.77	10,048.29	9,959.47	250.00	127,628.01
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Atlantic County Vocational School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2011**

	<u>A.C. in School Youth</u>	<u>NJCCVTS Weatherization</u>	<u>Total Carried Forward</u>
REVENUES:			
Local Sources	\$ 17,040.00	\$ 8,172.48	\$ 25,212.48
State Sources			-
Federal Sources			-
Total Revenues	<u>17,040.00</u>	<u>8,172.48</u>	<u>25,212.48</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers			-
Other Salaries for Instruction	15,296.00	8,024.00	23,320.00
Purchased Professional - Technical Services			-
Other Purchased Services (400-500 series)			-
General Supplies		148.48	148.48
Textbooks			-
Other Objects			-
Total Instruction	<u>15,296.00</u>	<u>8,172.48</u>	<u>23,468.48</u>
Support Services:			
Salaries of Other Professional Staff			-
Other Salaries			-
Personal Services - Employee Benefits	1,744.00		1,744.00
Purchased Professional - Educational Services			-
Purchased Professional - Technical Services			-
Purchased Professional - Property Services			-
Other Purchased Services (400-500 series)			-
Supplies & Materials			-
Other Objects			-
Total Support Services	<u>1,744.00</u>	<u>-</u>	<u>1,744.00</u>
Facilities Acquisition and Constr. Services:			
Instructional Equipment			-
Noninstructional Equipment			-
Total Facilities Acquisition and Constr. Services	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools			
Total Expenditures	<u>17,040.00</u>	<u>8,172.48</u>	<u>25,212.48</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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

Atlantic County Vocational School District
 Capital Projects Fund
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2011

Number	Issue / Project Title	Original Date	Appropriations	Expenditures to Date		Unexpended Balance
				Prior Years	Current Year	
0120-010-06-1000	Emergent MEP Improvements	5/2/2006	\$ 2,400,000.00	\$ 1,588,191.00	\$	\$ 811,809.00
0120-010-07-1000	Comprehensive High School Conversion	7/29/2008	40,000,000.00	8,614,114.63	29,247,385.78	2,138,499.59
			\$ 42,400,000.00	\$ 10,202,305.63	\$ 29,247,385.78	\$ 2,950,308.59

**Atlantic County Vocational School District
Capital Projects Fund
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2011**

REVENUES AND OTHER FINANCING SOURCES:

Local Sources	
Bond proceeds and transfers	\$ 29,247,385.78
Interest Earned on Deposits	
	<hr/>
Total Revenues	<u>29,247,385.78</u>
EXPENDITURES	
Purchased Professional and Technical Services	782,352.51
Construction Services	28,323,906.94
Other Objects	141,126.33
	<hr/>
Total Expenditures	<u>29,247,385.78</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-
Fund Balances, July 1	<hr/> -
Fund Balances, June 30	<u><u>\$ -</u></u>

Atlantic County Vocational School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Emergent MEP Improvements
From Inception and for the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
REVENUES AND OTHER FINANCING SOURCES:				
Local Sources				
Bond proceeds and transfers	\$ 1,588,191.00	\$ -	\$ 1,588,191.00	\$ 2,400,000.00
Total Revenues	<u>1,588,191.00</u>	<u>-</u>	<u>1,588,191.00</u>	<u>2,400,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional/technical services	200,000.00		200,000.00	216,656.00
Construction services	1,371,402.00		1,371,402.00	1,969,595.00
Other Objects	16,789.00		16,789.00	213,749.00
Total Expenditures	<u>1,588,191.00</u>	<u>-</u>	<u>1,588,191.00</u>	<u>2,400,000.00</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ADDITIONAL PROJECT INFORMATION:				
Project Number	0120-010-06-1000			
Grant Date	N/A			
Bond Authorization Date	5/2/2006			
Bonds Authorized	\$ 2,400,000.00			
Bonds Issued	2,400,000.00			
Original Cost Authorized	2,400,000.00			
Additional Authorized Cost	-			
Revised Authorized Cost	2,400,000.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	June 30, 2008			
Revised Target Completion Date	11/12 Year			

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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Costs
REVENUES AND OTHER FINANCING SOURCES:				
Local Sources				
Bond proceeds and transfers	\$ 8,614,114.63	\$ 29,247,385.78	\$ 37,861,500.41	\$ 40,000,000.00
Total Revenues	<u>8,614,114.63</u>	<u>29,247,385.78</u>	<u>37,861,500.41</u>	<u>40,000,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional/technical services	2,432,546.68	782,352.51	3,214,899.19	5,483,592.46
Construction services	6,104,797.70	28,323,906.94	34,428,704.64	33,788,247.80
Other Objects	76,770.25	141,126.33	217,896.58	728,159.74
Total Expenditures	<u>8,614,114.63</u>	<u>29,247,385.78</u>	<u>37,861,500.41</u>	<u>40,000,000.00</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ADDITIONAL PROJECT INFORMATION:				
Project Number	0120-010-07-1000			
Grant Date	N/A			
Bond Authorization Date	7/29/2008			
Bonds Authorized	\$ 40,000,000.00			
Bonds Issued	40,000,000.00			
Original Cost Authorized	40,000,000.00			
Additional Authorized Cost	-			
Revised Authorized Cost	40,000,000.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	95%			
Original Target Completion Date	Sept. 1, 2011			
Revised Target Completion Date	May, 2012			

PROPRIETARY FUNDS – DETAILED STATEMENTS

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

**Atlantic County Vocational School District
Enterprise Fund
Combining Statement of Net Assets
June 30, 2011**

	Business-Type Activities - Enterprise Fund		
	Food Service	L'Academie Café	Total 2011
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 240,134.49	\$ 32,569.52	\$ 272,704.01
Total Current Assets	<u>240,134.49</u>	<u>32,569.52</u>	<u>272,704.01</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	12,503.00		12,503.00
Less Accumulated Depreciation	(11,127.00)		(11,127.00)
Total Noncurrent Assets	<u>1,376.00</u>	<u>-</u>	<u>1,376.00</u>
Total Assets	<u>\$ 241,510.49</u>	<u>\$ 32,569.52</u>	<u>\$ 274,080.01</u>
LIABILITIES			
Current Liabilities:			
Interfunds Payable	\$ 92,140.83		\$ 92,140.83
Total Current Liabilities	<u>92,140.83</u>	<u>-</u>	<u>92,140.83</u>
NET ASSETS			
Invested in Capital Assets Net of Related Debt	1,376.00		1,376.00
Unrestricted	147,993.66	32,569.52	180,563.18
Total Net Assets	<u>\$ 149,369.66</u>	<u>\$ 32,569.52</u>	<u>\$ 181,939.18</u>

**Atlantic County Vocational School District
Enterprise Fund
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Fund		
	Food Service	L'Academie Café	Total 2011
Operating Revenue:			
Charges for Service:			
Daily Sales	\$ 113,198.12	\$ -	\$ 113,198.12
Miscellaneous	11,463.79		11,463.79
Total Operating Revenue	124,661.91	-	124,661.91
Operating Expenses:			
Cost of Sales	183,795.75		183,795.75
Salaries	120,954.29		120,954.29
Supplies	7,870.02		7,870.02
Miscellaneous	1,501.78		1,501.78
Depreciation	1,768.00		1,768.00
Total Operating Expenses	315,889.84	-	315,889.84
Operating Income (Loss)	(191,227.93)	-	(191,227.93)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,358.73		2,358.73
Federal Sources:			
National School Lunch Program	99,576.56		99,576.56
School Breakfast Program	40,510.28		40,510.28
Interest and Investment Income	1,495.53	284.40	1,779.93
Total Nonoperating Revenues (Expenses)	143,941.10	284.40	144,225.50
Income (loss) before Contributions & Transfers	(47,286.83)	284.40	(47,002.43)
Transfers In (Out)	120,954.29	-	120,954.29
Changes in Net Assets	73,667.46	284.40	73,951.86
Total Net Assets - Beginning	75,702.20	32,285.12	107,987.32
Total Net Assets - Ending	\$ 149,369.66	\$ 32,569.52	\$ 181,939.18

**Atlantic County Vocational School District
Enterprise Fund
Comparative Statement of Cash Flows
For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Fund		
	Food Service	L'Academie Café	Total 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 124,661.91	\$ -	\$ 124,661.91
Payments to Employees	(120,954.29)		(120,954.29)
Payments to Suppliers	(195,354.25)		(195,354.25)
Net Cash Provided by (Used for) Operating Activities	<u>(191,646.63)</u>	<u>-</u>	<u>(191,646.63)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	3,098.50		3,098.50
Federal Sources	138,896.58		138,896.58
Operating Subsidies and Transfers to Other Funds	120,954.29		120,954.29
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>262,949.37</u>	<u>-</u>	<u>262,949.37</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	1,495.53	284.40	1,779.93
Net Cash Provided by (Used for) Investing Activities	<u>1,495.53</u>	<u>284.40</u>	<u>1,779.93</u>
Net Increase (Decrease) in Cash and Cash Equivalents	72,798.27	284.40	73,082.67
Balance - Beginning of Year	167,336.22	32,285.12	199,621.34
Balance - End of Year	<u>\$ 240,134.49</u>	<u>\$ 32,569.52</u>	<u>\$ 272,704.01</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (191,227.93)	\$ -	\$ (191,227.93)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	1,768.00		1,768.00
Increase (Decrease) in Interfund Payable	(2,186.70)		(2,186.70)
Total Adjustments	<u>(418.70)</u>	<u>-</u>	<u>(418.70)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (191,646.63)</u>	<u>\$ -</u>	<u>\$ (191,646.63)</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

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

**Atlantic County Vocational School District
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2011**

	Unemployment Compensation Trust	Agency Funds	Totals
ASSETS			
Cash and Cash Equivalents	\$ 1,916.51	\$ 132,710.34	\$ 134,626.85
Total Assets	1,916.51	132,710.34	134,626.85
LIABILITIES			
Payable to Student Groups		50,283.11	50,283.11
Payroll Deductions & Withholdings		82,427.23	82,427.23
Total Liabilities	-	132,710.34	132,710.34
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	\$ 1,916.51		1,916.51
Reserved for Scholarships			-
Total Net Assets			1,916.51
Total Liabilities and Net Assets			\$ 134,626.85

**Atlantic County Vocational School District
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011**

	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ADDITIONS		
Contributions:		
Employee withholdings	\$ 14,927.00	\$ 14,927.00
Transfers from other funds		-
Total Contributions	<u>14,927.00</u>	<u>14,927.00</u>
Investments Earnings:		
Interest	53.08	53.08
Net Investment Earnings	<u>53.08</u>	<u>53.08</u>
Total Additions	<u>14,980.08</u>	<u>14,980.08</u>
Deductions		
Payment of Unemployment Claims	20,989.03	20,989.03
Total Deductions	<u>20,989.03</u>	<u>20,989.03</u>
Change in Net Assets	(6,008.95)	(6,008.95)
Net Assets - Beginning of the Year	<u>7,925.46</u>	<u>7,925.46</u>
Net Assets - End of the Year	<u>\$ 1,916.51</u>	<u>\$ 1,916.51</u>

**Atlantic County Vocational School District
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
ASSETS:				
Cash and cash equivalents	\$ 63,199.50	\$ 133,381.21	\$ 146,297.60	\$ 50,283.11
Interfund accounts receivable	2,399.70		2,399.70	-
Total Assets	<u>\$ 65,599.20</u>	<u>\$ 133,381.21</u>	<u>\$ 148,697.30</u>	<u>\$ 50,283.11</u>
LIABILITIES				
Due to student groups	\$ 65,599.20	\$ 133,381.21	\$ 148,697.30	\$ 50,283.11
Total Liabilities	<u>\$ 65,599.20</u>	<u>\$ 133,381.21</u>	<u>\$ 148,697.30</u>	<u>\$ 50,283.11</u>

**Atlantic County Vocational School District
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2011**

	<u>Balance July 1, 2010</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance June 30, 2011</u>
ASSETS:							
Cash and Cash Equivalents	\$ 6,659.64	\$	7,649,989.92	\$	7,574,222.33	\$	82,427.23
Total Assets	<u>\$ 6,659.64</u>	<u>\$</u>	<u>7,649,989.92</u>	<u>\$</u>	<u>7,574,222.33</u>	<u>\$</u>	<u>82,427.23</u>
LIABILITIES:							
Payroll Deductions & Withholding Interfunds Payable	\$ 6,136.82 522.82	\$	7,649,989.92	\$	7,573,699.51 522.82	\$	82,427.23 -
Total Assets	<u>\$ 6,659.64</u>	<u>\$</u>	<u>7,649,989.92</u>	<u>\$</u>	<u>7,574,222.33</u>	<u>\$</u>	<u>82,427.23</u>

Statistical Section

Atlantic County Vocational School District
Net Assets by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	\$ 8,739,380	\$ 8,287,540	\$ 10,812,662	\$ 10,069,983	\$ 9,788,004	\$ 11,142,005	\$ 10,690,660	\$ 11,708,103	\$ 18,486,060	\$ 38,156,011
Restricted	528,871	96,202	54,471	268,820	467,596	269,784	341,660	310,023	453,811	2,256,793
Unrestricted	138,894	73,928	(264,477)	361,240	669,707	527,376	765,834	987,259	555,067	(285,079)
Total governmental activities net assets	\$ 9,407,145	\$ 8,457,670	\$ 10,502,656	\$ 10,700,043	\$ 10,925,307	\$ 11,939,165	\$ 11,818,154	\$ 13,015,365	\$ 19,494,939	\$ 40,127,725
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ 3,846	\$ 2,972	\$ 2,273	\$ 1,574	\$ 875	\$ 6,698	\$ 4,912	\$ 3,144	\$ 1,376
Restricted		56,681	64,715	55,357	63,887	120,737	90,214	70,425	104,843	180,563
Unrestricted		60,527	67,687	57,630	65,461	121,612	96,912	75,337	107,987	181,939
Total business-type activities net assets	\$ 38,455	\$ 60,527	\$ 67,687	\$ 57,630	\$ 65,461	\$ 121,612	\$ 96,912	\$ 75,337	\$ 107,987	\$ 181,939
District-wide										
Invested in capital assets, net of related debt	\$ 8,739,380	\$ 8,291,386	\$ 10,815,634	\$ 10,072,256	\$ 9,789,578	\$ 11,142,880	\$ 10,697,358	\$ 11,713,015	\$ 18,489,204	\$ 38,157,387
Restricted	528,871	96,202	54,471	268,820	467,596	269,784	341,660	310,023	453,811	2,256,793
Unrestricted	177,349	130,609	(198,762)	416,597	733,594	648,113	876,048	1,067,684	659,911	(104,516)
Total district net assets	\$ 9,445,600	\$ 8,518,197	\$ 10,670,343	\$ 10,757,673	\$ 10,990,768	\$ 12,060,777	\$ 11,915,066	\$ 13,090,722	\$ 19,602,927	\$ 40,309,665

Source: CAFR Schedule A-1

Atlantic County Vocational School District
Changes in Net Assets,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
Instruction:										
Regular instruction	\$ 1,698,987	\$ 1,858,323	\$ 1,958,354	\$ 2,111,150	\$ 2,383,462	\$ 3,122,231	\$ 3,563,264	\$ 3,482,141	\$ 3,959,822	\$ 3,430,737
Other special education	112,683	126,888	141,501	175,883	3,786	13,823	6,314	237,258	273,568	291,624
Vocational education	1,752,149	1,896,342	1,568,342	1,379,105	1,363,282	1,665,728	1,503,460	1,777,019	1,754,228	1,210,601
Other instruction	25,900	34,958	68,220	59,385	84,395	75,010	56,192	221,857	237,012	261,795
Support Services:										
Student & instruction related services	1,226,338	1,004,557	1,232,226	1,111,848	846,446	991,635	900,149	918,897	1,077,865	1,135,526
General administrative/business services	579,510	1,173,690	1,324,888	1,428,873	1,404,766	1,277,003	1,368,219	1,306,280	1,210,658	1,277,501
School administrative services	972,401	424,315	491,513	426,415	340,660	342,875	352,642	337,100	349,873	402,616
Plant operations and maintenance	1,648,373	1,790,311	2,254,178	2,236,122	2,298,796	2,393,275	2,390,397	2,107,925	2,458,745	2,606,185
Pupil transportation	28,408	33,363	37,988	42,828	56,810	59,651	79,285	51,260	111,662	108,903
Special Schools	1,115,288	1,360,332	1,097,190	999,673	1,550,988	1,995,533	1,975,620	1,494,080	1,366,185	1,196,001
Unallocated depreciation								542,583	596,839	596,839
Capital Outlay	9,160,037	53,331	10,174,993	18,295	10,333,401	27,522	12,195,742	12,496,401	13,358,477	12,438,329
Total governmental activities expenses	\$ 15,277,142	\$ 17,311,038	\$ 18,174,993	\$ 19,889,747	\$ 20,333,401	\$ 21,196,426	\$ 22,195,742	\$ 22,496,401	\$ 23,358,477	\$ 22,438,329
Business-type activities:										
Food service	152,716	161,914	251,066	270,762	287,370	208,914	379,535	399,678	391,800	315,890
Construction Enterprise	42,617	18,366	200	61,074						
Electronic Technology Training	373,795	149,359								
L'Academie Café										
Total business-type activities expenses	\$ 569,128	\$ 329,639	\$ 251,266	\$ 331,836	\$ 287,370	\$ 208,914	\$ 379,535	\$ 399,678	\$ 391,800	\$ 315,890
Total district expenses	\$ 9,729,165	\$ 10,426,259	\$ 10,426,259	\$ 10,321,583	\$ 10,620,771	\$ 12,174,266	\$ 12,575,328	\$ 12,896,252	\$ 13,750,277.12	\$ 12,754,218.98
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools										
Tuition	\$ 385,616	\$ 536,930	\$ 406,010	\$ 441,937	\$ 482,228	\$ 497,926	\$ 494,392	\$ 478,126	\$ 416,966	\$ 475,610
Operating grants and contributions	557,750	589,400	555,151	1,639,400	1,895,000	1,907,500	2,392,692	2,933,201	3,793,099	3,595,520
Total governmental activities program revenues	1,556,783	1,508,960	1,728,159	1,468,652	1,496,716	2,068,761	1,933,317	1,401,501	1,578,212	3,822,622
Total district-wide net expense	\$ 2,500,149	\$ 2,634,290	\$ 2,689,320	\$ 3,549,969	\$ 3,853,944	\$ 4,474,187	\$ 4,820,401	\$ 4,812,827	\$ 5,788,277	\$ 7,893,752
Business-type activities:										
Charges for services:										
Food service	116,043	110,864	121,233	123,072	122,868	128,237	155,930	140,671	180,507	124,662
Construction Enterprise	29,091	8,500		50,000						
Electronic Technology Training	91,696	110,900								
L'Academie Café										
Operating grants and contributions	15,065	18,646	30,570	47,948	43,384	56,419	71,828	9,690	6,598	142,446
Capital grants and contributions										
Total business-type activities program revenue	\$ 251,895	\$ 248,910	\$ 151,803	\$ 221,020	\$ 166,252	\$ 183,105	\$ 235,583	\$ 249,991	\$ 307,804	\$ 267,107
Total district program revenue	\$ 2,752,044	\$ 2,883,200	\$ 2,841,123	\$ 3,771,009	\$ 4,020,196	\$ 4,667,292	\$ 5,055,984	\$ 5,082,618	\$ 6,096,080	\$ 8,160,860
Net (Expense)/Revenue										
Governmental activities	(6,659,888)	(7,085,090)	(7,485,673)	(6,439,758)	(6,479,457)	(7,490,099)	(7,375,341)	(7,683,574)	(7,570,200)	(4,544,577)
Business-type activities	(317,233)	(80,729)	(89,463)	(110,816)	(121,118)	(16,875)	(144,003)	(149,860)	(83,987)	(48,782)
Total district-wide net expense	\$ (6,977,121)	\$ (7,165,819)	\$ (7,585,136)	\$ (6,550,574)	\$ (6,600,575)	\$ (7,506,974)	\$ (7,519,344)	\$ (7,833,434)	\$ (7,654,187)	\$ (4,593,359)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
County appropriation levied for general purposes	\$ 3,100,000	\$ 3,208,500	\$ 3,304,756	\$ 3,403,898	\$ 3,506,000	\$ 3,624,000	\$ 3,750,840	\$ 3,882,000	\$ 3,882,000	\$ 3,882,000
County appropriation for capital improvement		3,359,755	3,359,755		2,951,297	2,957,500	3,029,585	3,029,585	2,671,427	626,561
Unrestricted grants and contributions	2,619,062	2,697,357	2,858,822	3,006,838	136,337	145,837	287,159	191,912	144,763	144,763
Other restricted Miscellaneous income			95,613	88,846	39,969	383,496	333,084	360,086	360,086	636,052
Investment earnings	32,480	73,566	141,620	138,322	200,067	(94,112)	254,600	333,084	360,086	636,052
Miscellaneous income	343,285	230,398			200,067	(94,112)	254,600	333,084	360,086	636,052
Special Items	(52,413)	(30,297)				(73,022)				
Transfers	(21,438)	(21,500)	(106,623)	(100,759)	(128,949)					
Bond proceeds						1,560,236	27,933	1,507,060	7,107,065	20,153,704
Total general revenues and other changes in net assets	\$ 6,617,360	\$ 7,306,316	\$ 7,641,571	\$ 7,630,869	\$ 7,600,367	\$ 8,116,601	\$ 8,416,962	\$ 8,879,625	\$ 9,056,634	\$ 14,953,064

Atlantic County Vocational School District
 Changes in Net Assets,
 Last Ten Fiscal Years
 (fiscal basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Less on disposal of capital assets							(119,253)			
Total governmental activities	6,020,956	6,158,024	9,630,659	6,537,145	6,704,721	8,503,957	7,254,330	8,880,805	14,049,754	25,177,363
Business-type activities:										
Investment earnings	4,797	1,297								1,780
Special items		80,004								
Transfers	21,438	21,500				73,022	119,253	128,284	115,577	120,954
Total business-type activities	26,235	102,801	106,623	100,759	128,949	73,022	119,303	128,284	116,647	122,734
Total district-wide	\$ 6,047,191	\$ 6,260,825	\$ 9,737,282	\$ 6,637,904	\$ 6,833,670	\$ 8,576,983	\$ 7,373,633	\$ 9,009,090	\$ 14,166,401	\$ 25,300,097
Changes in Net Assets										
Governmental activities	(638,932)	(927,066)	2,144,986	97,387	225,264	1,013,868	(121,011)	1,197,231	6,479,554	20,632,786
Business-type activities	(230,956)	22,072	7,160	(10,057)	7,831	96,151	(24,700)	(21,576)	32,650	73,952
Total district	\$ (929,930)	\$ (904,994)	\$ 2,152,146	\$ 87,330	\$ 233,095	\$ 1,070,009	\$ (145,711)	\$ 1,175,656	\$ 6,512,204	\$ 20,706,738

Source: CAFR Schedule A-2

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

Exhibit J-3

	Fiscal Year Ending June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Restricted										
Committed										
Assigned										
Unassigned										
Reserved	986,250	797,994	165,620	746,734	1,207,085	992,416	1,302,400	1,676,081	1,317,004	337,128.4
Unreserved	380,959	100,517	323,304	470,332	522,640	438,411	442,240	303,539	334,006	
Total general fund	\$ 1,367,209	\$ 898,511	\$ 488,924	\$ 1,217,066	\$ 1,729,725	\$ 1,430,827	\$ 1,744,640	\$ 1,979,620	\$ 1,651,010	\$ 2,593,922
All Other Governmental Funds										
Restricted										
Committed										
Assigned										
Unassigned										
Reserved										
Unreserved, reported in:										
Special revenue fund										
Capital projects fund										
Total all other governmental funds	\$ -	\$ (20,787)	\$ (19,761)	\$ (19,761)	\$ (19,761)	\$ (19,761)	\$ (24,211)	\$ -	\$ -	\$ -

Source: CAFR Schedule B-1

Atlantic County Vocational School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
County appropriation	\$ 3,100,000	\$ 3,208,500	\$ 3,304,756	\$ 3,403,898	\$ 3,506,000	\$ 3,624,000	\$ 3,750,840	\$ 3,882,000	\$ 3,882,000	\$ 3,882,000
Tuition charges	557,750	588,400	555,151	1,639,400	1,895,000	1,907,500	2,392,682	2,933,201	3,793,099	3,595,520
Other tuition	385,616	536,930	406,010	441,937	462,228	497,926	494,392	478,126	416,966	475,610
Other restricted miscellaneous	32,480	81,263	116,783	92,946	157,821	361,510	191,912	191,912	144,763	87,173
Miscellaneous	348,268	230,398	138,322	383,496	240,036	383,496	254,600	390,526	410,189	583,720
State sources	3,442,485	3,640,054	3,798,640	3,909,889	3,912,001	4,261,454	4,441,389	3,948,551	2,961,709	3,882,321
Federal sources	830,340	558,566	766,171	561,701	514,528	549,134	328,037	425,093	1,237,827	582,021
Total revenue	8,696,939	8,844,111	9,090,131	10,187,893	10,687,614	11,585,020	12,166,051	12,249,408	12,846,553	13,038,366
Expenditures										
Instruction:										
Regular instruction	1,526,380	1,625,484	1,622,442	1,739,224	1,929,741	2,730,673	3,132,428	3,087,879	2,738,063	2,581,770
Special instruction	84,728	87,218	99,380	128,344	1,306	9,789	4,401	207,650	223,043	219,459
Vocational instruction	1,339,245	1,425,095	1,108,057	976,141	1,022,185	1,378,321	1,245,576	1,527,234	1,189,920	911,027
Other instruction	17,891	26,854	17,482	10,847	34,158	33,771	18,624	181,323	195,901	197,012
Support Services:										
Student & instruction related services	1,031,547	814,922	966,006	915,057	703,184	871,146	771,310	785,008	912,017	854,530
General & business administrative services	446,769	893,775	942,432	546,646	465,688	503,483	559,621	521,739	487,793	412,165
School administrative services	757,579	317,995	339,478	291,218	251,121	272,457	272,118	274,877	288,624	302,985
Central Services				336,885	359,128	372,750	391,086	394,298	381,197	348,107
Administrative Information Technology				159,355	200,920	129,025	128,389	189,624	163,923	201,100
Plant operations and maintenance	1,278,100	1,303,913	1,589,444	1,583,471	1,646,674	1,840,341	1,891,083	1,892,799	2,233,247	1,981,261
Pupil transportation	21,783	24,757	26,805	30,955	41,746	42,672	56,924	48,486	100,026	81,954
Unallocated employee benefits	1,169,539	1,460,177	1,735,094	1,850,049	1,987,984	1,563,791	1,625,521	1,457,078	2,756,669	2,960,107
Special schools	845,380	1,032,991	779,815	712,377	1,120,476	1,591,535	1,578,799	1,262,493	1,147,188	869,938
Capital outlay	336,454	268,618	165,634	78,423	281,695	1,937,288	89,488	1,603,955	7,349,026	20,226,790
Total Expenditures	8,855,395	9,281,799	9,392,069	9,358,992	10,046,006	13,277,042	11,765,368	13,434,442	20,166,640	32,128,204
Excess (Deficiency) of revenues over (under) expenditures	(158,456)	(437,688)	(301,938)	828,901	641,608	(1,692,022)	400,683	(1,185,034)	(7,320,088)	(19,089,839)
Other Financing Sources (Uses)										
Transfers in						50,229				
Transfers out	(21,438)	(21,500)	(106,623)	(100,759)	(128,949)	(123,251)	(119,253)	1,507,060	(115,577)	(120,954)
Bond proceeds						1,560,258	27,933	(62,835)	7,107,055	20,153,704
Cancellations	(52,413)	(30,297)	(106,623)	(100,759)	(128,949)	(94,112)	(91,320)	1,444,224	6,991,478	20,032,750
Total other financing sources (uses)	(73,851)	(51,797)	(106,623)	(100,759)	(128,949)	1,393,124	(91,320)	1,444,224	6,991,478	20,032,750
Net change in fund balances	\$ (232,307)	\$ (489,485)	\$ (408,561)	\$ 728,142	\$ 512,659	\$ (298,898)	\$ 309,363	\$ 259,191	\$ (328,610)	\$ 942,911

Source: CAFR Schedule B-2

Atlantic County Vocational School District
 General Fund Other Local Revenue by Source,
 Last Ten Fiscal Years
 Unaudited

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Other	Rent	Miscellaneous	Total General Funds	Other Grants Special Revenue	Totals
2002	\$ 39,749	\$ 943,366	\$ 74,788	\$	\$ 261,208	\$ 1,319,111	\$ 5,003	\$ 1,324,114
2003	11,342	1,125,330			292,622	1,429,294	7,697	1,436,991
2004	1,508	869,630		12,672	223,053	1,106,863	21,170	1,128,033
2005		2,081,337		14,976	212,192	2,308,505	4,100	2,312,605
2006	39,969	2,357,228		128,868	207,536	2,733,601	21,484	2,755,085
2007		2,405,426		194,104	335,229	2,934,759	215,673	3,150,432
2008		2,887,084		163,564	378,195	3,428,843	216,932	3,645,775
2009		2,933,201		183,516	820,606	3,937,323	11,563	3,948,885
2010		3,793,099	478,126	183,516	341,480	4,796,221	50,102	4,846,324
2011		4,071,130		106,052	530,419	4,707,601	34,422	4,742,023

Source: District Records

**Atlantic County Vocational School District
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Exhibit J-14

Fiscal Year Ended June 30,	(a) Population	(b) Personal Income (thousands of dollars)	(c) Per Capita Personal Income	(d) Unemployment Rate
2002	258,169	\$ 8,070,536	\$ 32,851	6.6%
2003	261,810	8,321,533	33,623	6.9%
2004	266,015	8,695,475	34,671	6.1%
2005	268,318	9,027,178	35,826	5.2%
2006	269,495	9,576,094	37,194	5.2%
2007	269,945	9,602,449	38,553	5.7%
2008	270,609	9,602,449	39,835	5.8%
2009	271,712	10,639,155	39,156	12.1%
2010	Not available	Not available	Not available	12.4%
2011	Not available	Not available	Not available	Not available

Source:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

Atlantic County Vocational School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

Exhibit J-16

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction:										
Regular instruction	Not Available	Not Available	Not Available	Not Available	34.5	31.5	34.5	36.5	43.0	41.0
Vocational education	Not Available	Not Available	Not Available	Not Available	34.5	24.0	25.0	25.0	22.0	20.0
Adult/continuing education programs	Not Available	Not Available	Not Available	Not Available	3.0	3.0	4.0	4.0	3.0	3.0
Support Services:										
Student & instruction related services	Not Available	Not Available	Not Available	Not Available	8.5	8.0	9.5	10.0	9.0	13.5
General administrative services	Not Available	Not Available	Not Available	Not Available	8.0	5.5	7.0	7.0	7.0	4.0
School administrative services	Not Available	Not Available	Not Available	Not Available	3.5	12.0	8.5	9.0	9.0	5.5
Business administrative services	Not Available	Not Available	Not Available	Not Available	4.5	4.5	4.0	4.0	4.0	4.0
Plant operations and maintenance	Not Available	Not Available	Not Available	Not Available	17.0	17.0	18.0	17.0	15.0	19.0
Pupil transportation	Not Available	Not Available	Not Available	Not Available	1.0	1.5	0.5	0.5	1.0	-
Food Service	Not Available	Not Available	Not Available	Not Available	4.0	4.0	4.0	4.0	5.0	5.0
Total	-	-	-	-	118.5	111.0	115.0	117.0	118.0	115.0

Source: District Personnel Records (Budget and Certificated Staff Reports, Payroll Breakdown Reports)

Atlantic County Vocational School District
 Operating Statistics,
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio Overall District	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	665	\$ 8,541,616	\$ 12,845	-13.06%	71	9.4:1	702.6	660.8	-9.51%	94.05%
2003	735	9,013,181	12,263	-4.53%	70	10.5:1	735.2	694.3	4.64%	94.44%
2004	759	9,226,435	12,156	-0.87%	65	11.7:1	759.0	721.2	3.24%	95.02%
2005	650	9,280,569	14,278	17.45%	66	9.9:1	650.0	614.0	-14.36%	94.46%
2006	702	9,764,311	13,909	-2.58%	69	10.2:1	702.1	668.4	8.02%	95.20%
2007	749	11,339,754	15,140	8.85%	56	13.4:1	748.3	715.3	6.58%	95.59%
2008	788	11,675,880	14,817	-2.13%	60	13.1:1	788.1	752.1	5.32%	95.43%
2009	754	11,893,322	15,774	6.46%	61	14.5:1	754.2	732.9	-4.30%	97.18%
2010	800	12,817,614	16,022	1.57%	68	12:1	800.2	760.7	6.10%	95.06%
2011	854	11,402,616	13,352	-16.66%	72	11.8:1	830.9	798.2	3.84%	96.06%

Source: District records and ASSA

Atlantic County Vocational School District
 School Building Information,
 Last Ten Fiscal Years

Exhibit J-18

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Buildings										
Technical School										
Atlantic County Vocational School (1973 - renovation 1993)										
Square Feet	143,230	143,230	143,230	143,230	143,230	143,230	143,230	143,230	143,230	143,230
Capacity (students)	412	412	412	412	412	412	412	412	412	412
Enrollment	440	479	413	422	388	675	653	804	717	774
Other										
Annex Building acquired 2003										
Square Feet			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
Enrollment			78	71	72	74	70	79	83	80

Number of Schools at June 30, 2010
 High School = 1
 Other = 1

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

Atlantic County Vocational School District
 General Fund
 Schedule of Required Maintenance for School Facilities,
 Last Ten Fiscal Years
 (Unaudited)

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

School Facilities	Project # (s)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Atlantic County Vocational School	N/A	\$ 431,536.00	\$ 385,175.00	\$ 425,323.00	\$ 395,664.00	\$ 419,001.00	\$ 411,544.00	\$ 455,296.00	\$ 496,538.53	\$ 458,376.77	\$ 359,838.26
Total School Facilities		431,536.00	385,175.00	425,323.00	395,664.00	419,001.00	411,544.00	455,296.00	496,538.53	458,376.77	359,838.26
Other Facilities											
Grand Total		\$ 431,536.00	\$ 385,175.00	\$ 425,323.00	\$ 395,664.00	\$ 419,001.00	\$ 411,544.00	\$ 455,296.00	\$ 496,538.53	\$ 458,376.77	\$ 359,838.26

Source: District Records

Atlantic County Vocational School District
Insurance Schedule
For the Fiscal Year Ended June 30, 2011
(Unaudited)

Exhibit J-20

Type of Coverage	Amount of Coverage	Deductible
Public Entity Property Coverage:		
Real & Personal Property	\$ 25,299,625	\$ 5,000
Environmental Package	1,000,000	10,000
Increased Cost of Construction Building Ordinance	10,000,000	Included
Earthquake		
Per Occurrence	50,000,000	
Annual Pool Aggregate	50,000,000	
Flood		
Per Occurrence	10,000,000	
Annual Pool Aggregate - Zones A&V	10,000,000	
Annual Pool Aggregate - All Other Zones	50,000,000	
Extra Expense	25,000,000	5,000
Valuable Papers	10,000,000	5,000
Loss or Rents	115,000	5,000
Business Income/Tuition	1,800,000	Included
Electronic Data Processing	325,000	1,000
Arson Reward	10,000	Included
Fire Department Service Charge	10,000	Included
Boiler and Machinery Coverage:		
Equipment Breakdown including Business Interruption/Extra Expense	100,000,000	5,000
Perishable Goods	500,000	5,000
Expediting Expenses	500,000	5,000
Public Employee Crime Coverage:		
Blanket Faithful Performance	1,000,000	1,000
Depositors Forgery	1,000,000	1,000
Money & Securities (In/Out)	25,000	500
Money Orders/Counterfeit	25,000	500
Public Entity General Liability Coverage/Law Enforcement Liability Coverage:		
Combined Single Limit for Bodily Injury and Property Damage	16,000,000	
Products/Completed Operations Aggregate	16,000,000	
Annual Pool Aggregate for Child Molestation/Sexual Abuse	17,000,000	
Per Occurrence/Per Perpetrator for Child Molestation/Sexual Abuse	16,000,000	
Each Occurrence and in the Aggregate for Personal Injury/Advertising Injury	16,000,000	
Employee Benefits - Each Claim	16,000,000	1,000
Premises Medical Payments		
Per Person	1,000	100
Per Accident	10,000	100

**Atlantic County Vocational School District
Insurance Schedule
For the Fiscal Year Ended June 30, 2011
(Unaudited)**

Exhibit J-20

Type of Coverage	Amount of Coverage	Deductible
Commercial Automobile Coverage:		
Combined Single Limits for Bodily Injury/Property Damage (Per Occurrence)	\$ 16,000,000	\$
Uninsured/Underinsured Motorist - Private Passenger Auto	16,000,000	
Personal Injury Protection (including Pedestrians)	250,000	
Medical Payments:		
for Private Passenger Vehicles	10,000	
for All Other Vehicles	5,000	
Non-owned Auto	16,000,000	
Hired Auto	16,000,000	
Auto Physical Damage Deductible		1,000
Standard Worker's Compensation & Employer's Liability Coverage:		
Workers Compensation - Coverage A	Statutory	
Employers' Liability Agreement - Coverage B:		
Bodily Injury Each Accident	2,000,000	
Bodily Injury Each Employee	2,000,000	
Bodily Injury by Disease (Aggregate Limit)	2,000,000	
School Leader Errors and Omissions Coverage:		
Coverage A:		
Each Policy Period	16,000,000	
Each Claim Period		5,000
Coverage B:		
Each policy period	300,000	
Each claim period	100,000	5,000

Source: District Records

Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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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

The Honorable President and
Members of Board of Education
Atlantic County Vocational School District
County of Atlantic
New Jersey

We have audited the basic financial statements of the Board of Education of the Atlantic County Vocational School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 30, 2011. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Atlantic County Vocational School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the Atlantic County Vocational School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Atlantic County Vocational School District's internal control over financial reporting.

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 misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses, as defined above. We did not identify any deficiencies in internal control over financial reporting as described above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Board of Education of the Atlantic County Vocational School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. In addition, we noted certain immaterial instances of noncompliance that we have reported to the Board of Education of the Atlantic County Vocational School District in a separate *Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance*, dated November 30, 2011.

This report is intended solely for the information of the management of the Board of Education of the Atlantic County Vocational School District, the Atlantic County Vocational School District's Board, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended and should not be used by anyone other than these parties.

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



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

November 30, 2011



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Atlantic County Vocational School District, in the County of Atlantic, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each major federal and state program for the fiscal year ended June 30, 2011. The Board of Education of the Atlantic County Vocational School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education of the Atlantic County Vocational School District's management. Our responsibility is to express an opinion on the Board of Education of the Atlantic County Vocational School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Atlantic County Vocational School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education of the Atlantic County Vocational School District's compliance with those requirements.

In our opinion, the Board of Education of the Atlantic County Vocational School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

The management of the Board of Education of the Atlantic County Vocational School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Board of Education of the Atlantic County Vocational School District's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Atlantic County Vocational School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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 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.

Our consideration of the 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information of the management of the Atlantic County Vocational School Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

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



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

November 30, 2011

Atlantic County Vocational School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal CFDA Number	Federal Grantor/Pass-Through Grantor Program Title	Grant Period	Award Amount	Balance June 30, 2010	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) 06/30/2011	Deferred Revenue/ 06/30/2011	Due to Grantor June 30, 2011								
U.S. Department of Education																				
Passed-Through State Department of Education																				
Special Revenue Fund:																				
<i>Title I - Part A Cluster:</i>																				
84.010	Title I - Part A - FY 11	9/1/2010	\$ 250,037.00	\$ (108,430.71)	\$	\$ 1,705.29	\$ 110,136.00	\$ (189,001.58)	\$	\$ (250,037.00)	\$ 62,740.71	\$								
84.010	Title I - Part A - FY 10	9/1/2009	127,991.00	(10,364.00)		(1,705.29)	10,364.00													
84.010	Title I - Part A - FY 09	9/1/2008	124,614.00	2,108.00								2,108.00								
84.010	Title I - Part A - FY 08	9/1/2007	96,329.00	(17,483.45)			26,274.00	(23,630.34)		(18,493.00)	3,653.21									
84.389	Title I - Part A - ARRA	9/1/2011	42,847.00	(134,170.16)			146,774.00	(212,631.92)		(268,530.00)	66,393.92	2,108.00								
Total Title I - Part A Cluster																				
84.281	Title IIA - FY 11	9/1/2010	29,295.29	(4,873.34)		14,290.66	8,226.00	(10,079.41)		(29,295.29)	33,506.54									
84.281	Title IIA - FY 10	9/1/2009	19,164.00	1,275.00			1,275.00			(10,938.00)										
84.281	Title IID - FY 11	9/1/2010	1,156.00	299.00						(1,156.00)	1,156.00									
84.281	Title IID - FY 10	9/1/2009	2,221.00	2,179.00				(116.00)				299.00								
84.186	Title IV - FY 10	9/1/2009	2,179.00	(2,063.00)						(2,179.00)										
84.186	Title IV - FY 11	9/1/2010	1,067.00	1,371.99						(1,067.00)	1,067.00									
84.186	Title IV - FY 07	9/1/2006	2,736.00	21.00								1,371.99								
84.298A	Title V - FY 06	9/1/2005	1,595.00									21.00								
Special Education Cluster:																				
84.027	IDEA Part B, Basic Regular	9/1/2010	114,384.00			12,470.00	42,989.00	(113,814.72)		(58,925.00)	589.28									
84.391	IDEA Part B, Basic Regular - ARRA	9/1/2010	15,154.68	(72,663.00)		(12,470.00)	85,133.00	(15,154.68)												
84.027	IDEA Part B, Basic Regular	9/1/2009	85,133.00	(126,522.32)			141,677.00													
84.391	IDEA Part B, Basic Regular - ARRA	9/1/2009	141,677.00	(139,185.32)			289,799.00	(128,969.40)		(58,925.00)	569.28									
Total Special Education Cluster																				
84.243	Technical Prep Associate Degree - FY 07	9/1/2006	72,534.00	(3,433.00)						(3,433.00)										
84.243	Technical Prep Associate Degree - FY 06	9/1/2005	72,354.00	(103.00)						(103.00)										
84.048	Perkins Secondary - 10	9/1/2009	129,559.00	(19,326.00)			19,326.00													
84.048	Perkins Secondary - 11	9/1/2010	165,875.00				125,091.58	(155,334.82)		(41,781.00)	11,537.76									
84.048	Perkins Post-Secondary - 10	9/1/2009	76,622.00	(13,900.00)			13,900.00													
84.048	Perkins Post-Secondary - 11	9/1/2010	83,454.00				75,424.00	(82,157.77)		(8,030.00)	1,296.23									
94.004	Learn and Serve Program - 11	9/1/2010	19,234.00					(19,234.00)												
94.004	Learn and Serve Program - 09	9/30/2009	25,000.00	2,187.38								2,187.38								
94.004	Learn and Serve Program - 08	10/1/2007	25,000.00	4,038.00								4,038.00								
94.004	Learn and Serve Program - 07	9/30/2007	30,264.00	336.00								336.00								
84.336A	Teacher Quality Education Mentor Training - 05	9/1/2004	600.00	600.00								600.00								
Total Special Revenue Fund																				
U.S. Department of Agriculture																				
Passed-Through State Department of Education																				
Enterprise Funds:																				
<i>Child Nutrition Program Cluster:</i>																				
10.555	National School Lunch Program	6/30/2010	81,125.60	(7,518.89)			7,518.89	(99,576.56)												
10.553	National School Lunch Program	6/30/2011	99,576.56				99,576.56													
10.553	School Breakfast Program	6/30/2010	34,027.30	(3,700.64)			3,700.64													
10.553	School Breakfast Program	6/30/2011	40,510.28				40,510.28													
Total Child Nutrition Program Cluster																				
Total Enterprise Funds																				
Total Federal Financial Awards																				
											\$	\$ 8,111,121.95	\$	\$ 748,610.16	\$	\$ (444,671.29)	\$	\$ 115,526.73	\$	\$ 10,961.37

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

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011**

Note 1: General

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

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting, and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's basic financial statements.

Note 3: Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97, (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$65,433.00 for the general fund and \$(27,432.27) for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>TPAF Pension</u>	<u>Total</u>
General Fund	\$	\$ 3,822,622.15	\$ (294,958.00)	\$ 3,527,664.15
Special Revenue Fund	582,021.28	9,699.15		591,720.43
Food Service Fund	<u>140,086.84</u>	<u>2,358.73</u>		<u>142,445.57</u>
Total Awards and Financial Assistance	\$ <u>722,108.12</u>	\$ <u>3,834,680.03</u>	\$ <u>(294,958.00)</u>	\$ <u>4,261,830.15</u>

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011
(CONTINUED)**

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

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, 2011. 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, 2011.

Note 6: Adjustments

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year. Both favorable and unfavorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in the prior year are included in the schedule(s) of financial assistance in a column entitled "Adjustments".

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

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

2) Significant Deficiencies identified that are not considered to be material weaknesses? Yes X No

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

Federal Awards

Internal Control over major programs:

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

2) Significant Deficiencies identified that are not considered to be material weaknesses? Yes X No

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Part A
84.389	Title I Part A – ARRA

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)

Section II - Financial Statement Findings

None

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

FEDERAL AWARDS

None

STATE AWARDS

None

STATUS OF PRIOR YEAR FINDINGS

FINANCIAL STATEMENT:

None

FEDERAL:

None

STATE:

Finding 10-1

The Board Secretary & Treasurers' year end reports were not completed in a timely manner.

Current Status

The District has implemented corrective action over this finding.