

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF
CUMBERLAND COUNTY BOARD OF
VOCATIONAL EDUCATION
BRIDGETON, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Prepared by
Cumberland County Board of Vocational Education
Finance Department**

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
OUTLINE OF CAFR**

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INTRODUCTORY SECTION



Cumberland County Technical Education Center

Darlene R. Barber
Superintendent

E-mail: dbarber@cumberland.tec.nj.us

November 16, 2011

Honorable President and
Members of the Board of Education
Cumberland County Board of Vocational Education
Cumberland County, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Revisions of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with acceptable laws and regulations and findings and recommendations are included in the single audit section of this report.

1.) **REPORTING ENTITY AND ITS SERVICES:** Cumberland County Technical Education School District is a component of Cumberland County within the criteria adopted by GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Cumberland County Board of Vocational Education and all its schools constitute the District's reporting entity.

The district primarily provides vocational technical career training for secondary and adult students within the county and seeks to achieve a competency level whereby students, upon completion of their program, will be adequately trained to enter the work force or go on to further education. The district also provides a special education program for student with moderate cognitive disabilities (STRIVE) and provides occupational programs in 6 areas for learning disabled students.

CCTEC Enrollment History

| YEAR | Bridgeton | | CRHS | | Millville | | Vineland | | Other | | HSTOT | Adult | Total |
|-------|-----------|----|------|-----|-----------|-----|----------|-----|--------|-------|-------|-------|-------|
| | FT | ST | FT | ST | FT | ST | FT | ST | STRIVE | other | | | |
| 00-01 | 13 | 40 | 10 | 60 | 24 | 105 | 10 | 166 | 2 | 11 | 441 | 207 | 648 |
| 01-02 | 9 | 38 | 11 | 73 | 15 | 101 | 9 | 213 | 16 | 4 | 489 | 241 | 730 |
| 02-03 | 7 | 49 | 7 | 88 | 10 | 84 | 2 | 265 | 3 | 15 | 531 | 226 | 757 |
| 03-04 | 11 | 50 | 7 | 80 | 13 | 80 | 4 | 260 | 1 | 13 | 518 | 197 | 715 |
| 04-05 | 10 | 68 | 7 | 89 | 12 | 100 | 4 | 286 | 2 | 14 | 557 | 176 | 768 |
| 05-06 | 13 | 33 | 8 | 95 | 11 | 136 | 3 | 275 | | 11 | 585 | 200 | 785 |
| 06-07 | 5 | 54 | 8 | 107 | 17 | 109 | 2 | 297 | | 9 | 608 | 198 | 806 |
| 07-08 | 5 | 68 | 7 | 70 | 5 | 96 | 6 | 242 | 9 | 13 | 521 | 244 | 765 |
| 08-09 | 5 | 46 | 8 | 77 | 8 | 107 | 6 | 192 | 9 | 7 | 429 | 195 | 624 |
| 09-10 | 7 | 73 | 5 | 105 | 8 | 125 | 7 | 235 | 9 | 8 | 546 | 340 | 886 |
| 10-11 | 9 | 71 | 6 | 129 | 8 | 140 | 5 | 290 | 9 | 7 | 674 | 291 | 965 |

- 2). **ECONOMIC CONDITION AND OUTLOOK:** With the past two year's devastating economic downturn, Cumberland County was hit with massive unemployment and underemployed workers. The blight economic conditions remained throughout the past school year with Cumberland County seeing the highest unemployment rate in the State of New Jersey. There was much anticipation and hope when President Barack Obama, along with legislative support, passed the unprecedented American Reinvestment and Recovery Act. A major part of the plan is reinvestment in the American worker through retraining. The District served its highest number of postsecondary students seeking training and retraining.

Unemployment continues to have a positive impact on CCTEC postsecondary enrollment. When unemployment is unfavorable, more people tend to seek technical training and re-training. We continue to see high enrollment in all Allied Health Programs including LPN, Dental and Certified Nurses' Aides.

The State of New Jersey made a decision to cut state aid resulting in the depletion of the districts reserve funds. This will have a major impact on the future of the educational institution.

The Cumberland County Board of Vocational Education continues to support of a full time high school program option. The district participated in the Freeholder appointed Blue Ribbon Committee to put forth a plan for the future for a full time high school. The plan is expected to be completed in December, 2010.

- 3). **MAJOR INITIATIVES:** CCTEC embarked on a number of educational and other initiatives during the fiscal year.
- a. The District cut its administration by nearly \$250,000 eliminating both the Assistant Superintendent and Public Relations positions.
 - b. The District worked with Cumberland County College to enhance career pathways for all students.
 - c. The District participated in the Technical Centers That Work, through a statewide initiative, to raise the rigor and relevance of academics in career and technical programs.
 - d. The District continued to raise the level of applied math and science integrated into its career and technical programs.
 - e. The District continues to sponsor the Apprenticeship Coordinator and School to Work program.
 - f. High Placement Rates and Test Scores: As in past years, CCTEC's career training programs are validated by job placement of our graduates. Several programs boasted 100% placement last year.
 - g. Guaranteed Graduates: Every Cumberland TEC student who graduates and passes a proficiency test leaves their program with guaranteed skills. The guarantee is good for two years after graduation. Our students continue to perform well on state and national skills test given by industry experts. A majority of CCTEC programs exceed the state average in these competency tests.
 - h. Our LPN program continues to produce highly skilled, 100% employable nurses. For this reason the program numbers were increased to 60 students. There is high demand for LPNs in the industry. Our staff worked in conjunction with Cumberland County College to develop Dual Credit Courses in the Health Services field.

- i. The District provided technical training for the New Jersey Laborer's Union in weatherization and green technology.
- j. The District continues to work with the Department of Environmental Protection to improve and remediate the water condition at Cumberland County Technical Education Center.
- k. The District continued its work with the Cumberland County Cooperative working as LEA providing shared service projects such as county-wide special education transportation, school bus driver training and the newly formed school nurses program.
- l. The District took advantage of additional REAP grant funds and afforded teachers the opportunity to take advantage of more professional development activities in their field.
- m. The District offered half day, as well as full day, teacher in service programs specific to instituting math and science initiative to individual program curricula. A summer two week teacher camp assisted staff in technology and problem based learning.
- n. The STRIVE program continued with an extended year program. On the job training is a big part of the program affording students with disabilities the opportunity to gain valuable life learning work related skills.

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 estimate and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 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) **FINANCIAL INFORMATION AT FISCAL YEAR END:** 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 schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2011 and the amount and percentage of increases in relation to prior year revenues.

| Revenue | Amount | Percent of Total | Increase (Decrease) from 2010 | Percent of Increase (Decrease) |
|-----------------|-------------|------------------|-------------------------------|--------------------------------|
| Local Sources | \$4,275,589 | 48.78% | \$ 400,318 | 10.33% |
| State Sources | 4,124,662 | 47.08% | 1,258,837 | 43.93% |
| Federal Sources | 363,052 | 4.14% | (802,596) | (58.85)% |
| Total | \$8,763,303 | 100.00% | \$ 856,559 | 10.83% |

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2011 and the percentage of increases and decreases in relation to prior year amounts.

| <u>Expenditures</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase (Decrease) from 2010</u> | <u>Percent of Increase (Decrease)</u> |
|----------------------------|--------------------|-------------------------|--------------------------------------|---------------------------------------|
| Current Expense: | | | | |
| Instruction | \$2,179,623 | 26.43% | \$ (328,748) | (13.11)% |
| Undistributed Expenditures | 4,333,066 | 52.55% | (63,518) | (1.44)% |
| Capital Outlay | 461,295 | 5.59% | 98,693 | 27.22% |
| Special Schools | <u>1,271,913</u> | <u>15.43%</u> | <u>(140,080)</u> | <u>(9.92)%</u> |
| Total | <u>\$8,245,897</u> | <u>100.00%</u> | <u>\$ (433,653)</u> | <u>5.00%</u> |

8) **DEBT ADMINISTRATION:** All bond indebtedness on behalf of the District is held by the Cumberland County Board of Chosen Freeholders.

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

10) **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.

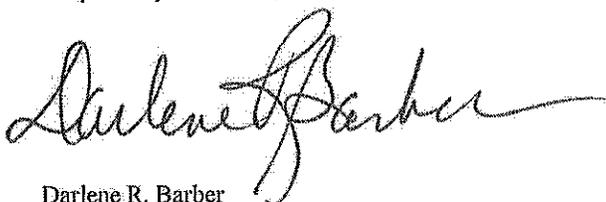
11) **OTHER INFORMATION:**

A) Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Triantos & Delp, CPA's LLC was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was also designed to meet the requirements of the Single Audit Act Revisions of 1996 and the related OMB Circular A-128 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 reports related specifically to the single audit are included in the single audit section of this report.

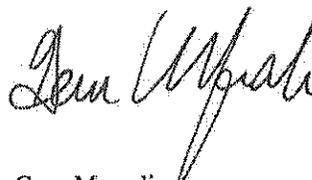
12) **ACKNOWLEDGEMENTS:**

We would like to express our appreciation to the members of the Cumberland County Board of Vocational Education 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,



Darlene R. Barber
Superintendent



Gene Mercoli
Business Administrator/Board Secretary

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2011

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Benjamin Merighi, President | 2011 |
| Daniel G. Vivarelli, Sr., Vice President | 2013 |
| Barbara O'Dea | 2012 |
| Carlos Villar | 2014 |
| Richard Stepura, Ed.D, Executive County Superintendent of Schools | Permanent |

Other Officials

Darlene R. Barber, Superintendent

Gene Mercoli, Board Secretary/Business Administrator

Walter Pudelko, Treasurer

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

Consultants and Advisors

AUDIT FIRM

Triantos & Delp, C.P.A.'s, LLC
645 South Main Road
Vineland, NJ 08360

ARCHITECT

Garrison Architects
130 Presidential Blvd.
Bala Cynwyd, PA 19004

OFFICIAL DEPOSITORY

Colonial Bank FSB
Delsea Drive
Vineland, NJ 08360

BOARD SOLICITOR

Mitchell H. Kizner, Esq.
Flaster/Greenberg, P.C.
Commerce Center, Third Floor
1810 Chapel Avenue West
Cherry Hill, NJ 08002-4609

FINANCIAL SECTION



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

*Thinking ahead to
achieve success.*

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Cumberland County Board of Vocational Education School District in the County of Cumberland, 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 Cumberland County Board of Vocational 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; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, 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 opinion.

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, each major fund, and the aggregate remaining fund information of the Cumberland County Board of Vocational Education in the County of Cumberland, 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 16, 2011 on our consideration of the Cumberland County Board of Vocational Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an 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 on pages 30 through 41 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.

MEMBERS:

- American Institute of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cumberland County Board of Vocational Education's basic financial statements. The accompanying introductory section and other supplementary information, such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt 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 section and statistical tables 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 expenditures 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, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

November 16, 2011

REQUIRED SUPPLEMENTARY INFORMATION—PART I



Cumberland County Technical Education Center

Darlene R. Barber
Superintendent

E-mail: dbarber@cumberland.tec.nj.us

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Cumberland County Board of Vocational Education's (CCBOVE) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district.

- The first two statements are *district-wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in more detail than the district-wide statements.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short and long-term* financial information about the activities of the district operates *like businesses*.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1
Major Features of District-Wide and Fund Financial Statements

| | <u>Fund Financial Statements</u> | | | |
|--|--|--|--|---|
| | <u>District-Wide Statements</u> | <u>Governmental Funds</u> | <u>Proprietary Funds</u> | <u>Fiduciary Funds</u> |
| Scope | Entire district (except fiduciary funds) | the activities of the district that are not proprietary or fiduciary, such as special education and building maintenance | Activities the district operates similar to private businesses: food services and adult education | Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies |
| Required financial statements | -Statement of net assets -Statement of activities | -Balance sheet -Statement of revenues, expenditures, and changes in fund balances | -Statement of net assets -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows | -Statement of fiduciary net assets -Statement of changes in fiduciary net assets |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified Accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities both financial and capital, short-term and long term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities both financial and capital and short-term and long-term | All assets and liabilities both short-term and long-term; CCBOVE's funds do not currently contain capital assets, although they can |
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable | All revenues and expenses during the year, regardless of when cash is received or paid | All additions and deductions during the year, regardless of when cash is received or paid |

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

District-wide Statements

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

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

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

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities* - The District charges fees to help it cover the cost for certain services it provides. The District's food services program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State Law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has three kinds of funds:

- *Governmental Fund* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences between them).
- *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
 - In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
 - *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (student transportation).
- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (in thousands)

Net assets. The District's *combined* net assets are \$6,508 on June 30, 2011. Approximately 1% of the total net assets are from business-type activities. The balance of the total net assets, which is approximately 99%, are attributed to governmental activities.

Changes in net assets. The District's total revenues are \$16,000 for the fiscal period ending June 30, 2011. Property taxes and state formula aid accounted for 40% of the District's revenue. 3% is derived from state and federal aid for specific programs, and the remainder, 57% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students 22%. The purely administrative activities of the District accounted for 9% of total costs. Salary increases due to contractual agreements for teachers and other educational staff are included in the instruction-related costs. Total revenues surpassed expenses, increasing net assets approximately \$1,858 over last year, primarily in governmental type activities.

Governmental Activities

Revenues for the District's governmental activities amounted to \$15,952. Total expenses amounted to \$14,111. The increase in net assets in governmental activities was \$1,841 for 2011.

Business-Type Activities

Revenues of the District's business-type activities amounted to \$48 and expenses were \$31. Factors contributing to these results included:

- * The District netted a small profit from a customized training program.
- * The school's catering function also realized a small profit.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (in thousands)

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$3,658. Miscellaneous revenue and non-resident fees exceeded the amounts anticipated in the 2011 budget. The District charged tuition for secondary high school students. Anticipated secondary tuition revenue exceeded that of the budgeted amount. The District also controlled expenditures.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for the following purpose:

- * Transfers between budgetary line accounts to prevent overruns.
- * To utilize unexpended funds for other purposes.

The District's final budget anticipated utilizing \$983 in fund balance and \$93 of prior year encumbrances to fund the appropriation plan for this fiscal period. The general fund balance increased by \$736.

With decreased funding, the district had only hoped to maintain our already excellent programs while striving to increase our high school enrollment. Both of these were achieved.

Actual expenditures for capital outlay amounted to \$85 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$89 was from the Special Revenue Fund and \$287 from the Capital Project Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION (in thousands)

Capital Assets

By the end of 2011, the District had invested 6.7 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (more detailed information about capital assets can be found in Note 5 to the financial statements.) Total depreciation expense for the year was \$243 while building improvements and additions to equipment and furniture amounted to \$459.

The District purchased its first 54 passenger school bus in many years. This will allow the school to save funding on the cost of transportation field trips. The Board of Education authorized utilizing unexpended appropriation lines for the replacement of the Culinary Freezing and renovation of the Cosmetology Room and Gymnasium. All scheduled to be replaced by Sept. 2011.

CCTEC has begun work on a grant project approved by the NJ DOE for the renovation and replacement of the school's HVAC systems, flat roofing areas and all exterior doors. The contract has been awarded and work has begun in June of 2011. Additionally the County has allocated bonding for the replacement of the school district's well system and potable water components. This project has also been awarded and will be moving forward in the Summer of 2011.

Long-Term Debt

The District does not have the authority to issue bonds. Any long-term debt is approved and issued by the County of Cumberland and is not a liability of the District.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The State of New Jersey, through Governor Chris Christie adjusted the District's 2009-2010 state aid resulting in a loss of \$1,106,712. The district reduced its forces by twelve people in order to help offset the loss in aid.
- Miscellaneous district revenue, including post-secondary tuition, is unpredictable. Historically, when local industry lays off workers, employment-related funding agencies have additional monies to allocate for retraining programs and we receive more students – and the tuition income they generate. This year was no exception. The district received a considerable amount of adult funding through workforce development and other agencies
- The State of New Jersey, as well as the entire country, continues to be in the midst of a recession. With large corporate failures and government bailouts becoming the norm, we must be ever cognizant of tax revenues and unwarranted expenditures. The Cumberland County Board of Vocational Education must continue position itself to be able to sustain high quality programming while weathering a very difficult financial future.
- The District constantly monitor's industry's needs to ensure our technical programs produce a job-ready workforce. In conjunction with the Workforce Investment Board and Cumberland County College, the Cumberland County Board of Vocational Education will work with the five top growing business and industry fields in Cumberland County. It is important the District recognizes the future needs and plans accordingly in those specific areas of economic development and develops career pathways to both college and the workforce.
- It is evident the District continues to grow with a record high secondary and adult enrollment for the second year in a row. The District continues to grow out of its current facility and future expansion, with or without a full-time secondary program, will be necessary.
- Several projects are in progress including a new potable water system upgrade, re-roofing, HVAC units and door replacements will had a bearing on the District's financial health.
- It is anticipated any accumulated surplus as of June 30 2012 will be used to evaluate and institute new career and technical programs as recommended by the administration.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding it receives. If you have questions about this report or need additional financial information, please contact Gene Mercoli, School Business Administrator, Cumberland County Board of Vocational Education, 601 Bridgeton Ave., Bridgeton, NJ 08302.

Table A-1
Cumberland County Board of Vocational Education's Net Assets
(in thousands of dollars)

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change 2010-2011 |
|----------------------------|-------------------------|-----------------|--------------------------|---------------|-----------------------|-----------------|-----------------------------------|
| | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | |
| Current and Other Assets | \$ 2,583 | \$ 4,258 | \$ 131 | \$ 154 | \$ 2,714 | \$ 4,412 | 62.6% |
| Noncurrent Assets | 467 | 326 | - | - | 467 | 326 | -30.2% |
| Capital Assets | 2,494 | 2,570 | - | - | 2,494 | 2,570 | 3.0% |
| Total Assets | \$ 5,544 | \$ 7,154 | \$ 131 | \$ 154 | \$ 5,675 | \$ 7,308 | 28.8% |
| Current Liabilities | \$ 796 | \$ 579 | \$ 70 | \$ 76 | \$ 866 | \$ 655 | -24.4% |
| Noncurrent Liabilities | 159 | 145 | - | - | 159 | 145 | -8.8% |
| Total Liabilities | \$ 955 | \$ 724 | \$ 70 | \$ 76 | \$ 1,025 | \$ 800 | -22.0% |
| Net Assets | | | | | | | |
| Invested in Capital Assets | | | | | | | |
| Net of Related Debt | \$ 2,494 | \$ 2,570 | \$ - | \$ - | \$ 2,494 | \$ 2,570 | 3.0% |
| Restricted | 1,844 | 3,514 | - | - | 1,844 | 3,514 | 90.6% |
| Unrestricted | 251 | 346 | 61 | 78 | 312 | 424 | 35.9% |
| Total Net Assets | \$ 4,589 | \$ 6,430 | \$ 61 | \$ 78 | \$ 4,650 | \$ 6,508 | 40.0% |

Table A-2
Cumberland County Board of Vocational Education's
Changes in Net Assets
(in thousands of dollars)

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change 2010-2011 |
|--|-------------------------|------------------|--------------------------|--------------|-----------------------|------------------|-----------------------------------|
| | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | |
| Revenues | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for Services | \$ 7,751 | \$ 7,130 | \$ 59 | \$ 32 | \$ 7,810 | \$ 7,162 | -8.3% |
| Federal & State Categorical Grants | 438 | 415 | 16 | 16 | 454 | 431 | -5.1% |
| General Revenues | | | | | | | |
| Property Taxes | 1,888 | 2,100 | - | - | 1,888 | 2,100 | 11.2% |
| State Formula Aid | 3,594 | 4,275 | - | - | 3,594 | 4,275 | 18.9% |
| Other | 1,001 | 2,032 | - | - | 1,001 | 2,032 | 103.0% |
| Total Revenues | \$ 14,672 | \$ 15,952 | \$ 75 | \$ 48 | \$ 14,747 | \$ 16,000 | 8.5% |
| Expenses | | | | | | | |
| Instruction - Related | \$ 2,725 | \$ 2,386 | \$ - | \$ - | \$ 2,725 | \$ 2,386 | -12.4% |
| Student Support Services | 638 | 659 | - | - | 638 | 659 | 3.3% |
| Maintenance & Operations | 1,037 | 875 | - | - | 1,037 | 875 | -15.6% |
| Transportation | 26 | 23 | - | - | 26 | 23 | -11.5% |
| Administration | 1,202 | 1,277 | - | - | 1,202 | 1,277 | 6.2% |
| Other | 9,657 | 8,891 | 82 | 31 | 9,739 | 8,922 | -8.4% |
| Total Expenses | \$ 15,285 | \$ 14,111 | \$ 82 | \$ 31 | \$ 15,367 | \$ 14,142 | -8.0% |
| Increase/(decrease) in Net Assets | \$ (613) | \$ 1,841 | \$ (7) | \$ 17 | \$ (620) | \$ 1,858 | -399.7% |

Table A-3
 Cumberland County Board of Vocational Education's Capital Assets
 (Net of Depreciation)
 (in thousands of dollars)

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change 2010-2011 |
|--------------------------|-------------------------|-----------------|--------------------------|--------------|-----------------------|-----------------|-----------------------------------|
| | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | |
| Land | \$ 106 | \$ 106 | \$ - | \$ - | \$ 106 | \$ 106 | 0.0% |
| Construction in Progress | 123 | 373 | - | - | 123 | 373 | 203.3% |
| Site Improvements | 378 | 377 | - | - | 378 | 377 | -0.3% |
| Buildings & Improvements | 825 | 746 | - | - | 825 | 746 | -9.6% |
| Machinery & Equipment | 1,043 | 956 | 19 | 11 | 1,062 | 967 | -8.9% |
| Total | \$ 2,475 | \$ 2,558 | \$ 19 | \$ 11 | \$ 2,494 | \$ 2,569 | 3.0% |

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2011

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 1,665,682. | \$ 15,542. | \$ 1,681,224. |
| Receivables, net | 2,592,809. | 22,459. | 2,615,268. |
| Note receivable | | 30,000. | 30,000. |
| Inventory | | 85,884. | 85,884. |
| Total Current Assets | <u>4,258,491.</u> | <u>153,885.</u> | <u>4,412,376.</u> |
| Noncurrent Assets: | | | |
| Restricted Assets: | | | |
| Capital reserve account - cash | 325,911. | | 325,911. |
| Capital assets, net | 2,569,769. | | 2,569,769. |
| Total noncurrent assets | <u>2,895,680.</u> | <u>0.</u> | <u>2,895,680.</u> |
| Total Assets | <u>7,154,171.</u> | <u>153,885.</u> | <u>7,308,056.</u> |
| LIABILITIES: | | | |
| Current Liabilities: | | | |
| Accounts payable | 596,477. | 7,405. | 603,882. |
| Interfund payable | (68,182.) | 68,182. | |
| Payable to federal government | 628. | | 628. |
| Deferred revenue | 16,641. | | 16,641. |
| Current portion of long-term liabilities | 33,075. | | 33,075. |
| Total Current Liabilities | <u>578,639.</u> | <u>75,587.</u> | <u>654,226.</u> |
| Noncurrent Liabilities: | | | |
| Accrued compensated absences | 145,393. | | 145,393. |
| Total Noncurrent Liabilities | <u>145,393.</u> | <u>0.</u> | <u>145,393.</u> |
| Total Liabilities | <u>724,032.</u> | <u>75,587.</u> | <u>799,619.</u> |
| NET ASSETS: | | | |
| Investment in capital assets, net of related debt | 2,569,769. | | 2,569,769. |
| Restricted for: | | | |
| Capital projects | 1,573,648. | | 1,573,648. |
| Other purposes | 1,940,454. | | 1,940,454. |
| Unrestricted | 346,268. | 78,298. | 424,566. |
| Total Net Assets | <u>\$ 6,430,139.</u> | <u>\$ 78,298.</u> | <u>\$ 6,508,437.</u> |

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

| Functions/Programs | Program Revenues | | Net (Expense) Revenues and Changes in Net Assets | |
|--|-----------------------|------------------------------------|--|--------------------------|
| | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-Type Activities |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Vocational | \$ 2,368,900. | \$ | \$ (2,368,900.) | \$ (2,368,900.) |
| Other instruction | 17,119. | | (17,119.) | (17,119.) |
| Support services: | | | | |
| Student & instruction related services | 659,426. | | (659,426.) | (659,426.) |
| School administrative services | 360,132. | | (360,132.) | (360,132.) |
| General and business admin services | 916,706. | | (916,706.) | (916,706.) |
| Plant operations and maintenance | 874,665. | | (874,665.) | (874,665.) |
| Pupil transportation | 23,058. | | (23,058.) | (23,058.) |
| Employee benefits | 1,545,225. | 414,620. | (1,130,605.) | (1,130,605.) |
| Special schools | 1,271,913. | | (220,512.) | (220,512.) |
| Internal service fund | 6,071,991. | | 6,623. | 6,623. |
| Debt service assessment | 1,800. | | (1,800.) | (1,800.) |
| Total governmental activities | 14,110,935. | 414,620. | (6,566,300.) | (6,566,300.) |
| Business-type activities: | | | | |
| Enterprise funds | 30,548. | 15,916. | 16,966. | 16,966. |
| Total business-type activities | 30,548. | 15,916. | 0. | 16,966. |
| Total primary government | \$ 14,141,483. | \$ 7,161,613. | \$ (6,566,300.) | \$ (6,549,334.) |

| | | | | |
|---|--|--|----------------------|----------------------|
| General revenues: | | | | |
| Taxes: | | | | |
| Prop taxes levied for general purposes, net | | | \$ 2,100,000. | \$ 2,100,000. |
| Federal and state aid not restricted | | | 3,583,637. | 3,583,637. |
| Federal and state aid restricted | | | 691,742. | 691,742. |
| Tuition received | | | 1,053,599. | 1,053,599. |
| Investment earnings | | | 32,495. | 32,495. |
| Miscellaneous income | | | 38,094. | 38,094. |
| Prior year adjustment | | | (291,398.) | (291,398.) |
| Adjustment to fixed assets | | | (133,221.) | (133,221.) |
| Other source/use of funds | | | 1,332,445. | 1,332,445. |
| Total general revenues, special items, extraordinary items and transfers | | | 8,407,393. | 8,407,414. |
| Change in net assets | | | 1,841,093. | 1,858,080. |
| Net assets - beginning | | | 4,589,046. | 4,650,357. |
| Net assets - ending | | | \$ 6,430,139. | \$ 6,508,437. |

See Accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Permanent Fund | Total Governmental Funds |
|--|----------------------|----------------------------|-----------------------------|-------------------------|-------------------|--------------------------------|
| Assets: | | | | | | |
| Cash and cash equivalents | \$ 1,960,924. | \$(307,019.) | \$(77,675.) | \$ | \$ | \$ 1,576,230. |
| Due from other funds | 250,536. | | | | | 250,536. |
| Receivables from other governments | 95,620. | 351,250. | 202,285. | | | 649,155. |
| Other | | | 1,332,445. | | | 1,332,445. |
| Capital reserve | 129,473. | | | | | 129,473. |
| Total assets | \$ 2,436,553. | \$ 44,231. | \$ 1,457,055. | \$ 0. | \$ 0. | \$ 3,937,839. |
| Liabilities and Fund Balances: | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 23,874. | \$ 31,285. | \$ 12,267. | \$ | \$ | \$ 67,426. |
| Interfund payable | | | 197,051. | | | 197,051. |
| Payable to federal government | | 628. | | | | 628. |
| Deferred revenue | 2,000. | 12,318. | | | | 14,318. |
| Total liabilities | 25,874. | 44,231. | 209,318. | 0. | 0. | 279,423. |
| Fund Balances: | | | | | | |
| Restricted for: | | | | | | |
| Excess surplus-current year | 953,322. | | | | | 953,322. |
| Excess surplus-designated for subsequent year's expenditures | 33,859. | | | | | 33,859. |
| Maintenance reserve | 143,900. | | | | | 143,900. |
| Capital reserve | 325,911. | | | | | 325,911. |
| Committed to: | | | | | | |
| Other purposes | 809,373. | | | | | 809,373. |
| Assigned to: | | | | | | |
| Designated by BOE for subsequent year's expenditures | 75,000. | | | | | 75,000. |
| Capital projects | | | 1,247,737. | | | 1,247,737. |
| Unassigned: | | | | | | |
| General fund | 69,314. | | | | | 69,314. |
| Total fund balances | 2,410,679. | 0. | 1,247,737. | 0. | 0. | 3,658,416. |
| Total liabilities and fund balances | \$ 2,436,553. | \$ 44,231. | \$ 1,457,055. | \$ 0. | \$ 0. | |

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

| | |
|--|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,169,932. and the accumulated depreciation is \$4,611,501. (See Note 5) | \$ 2,558,431. |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 7) | (171,833.) |
| Internal service fund net assets | 385,125. |
| Net assets of governmental activities | \$ 6,430,139. |

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Permanent Fund | Total Governmental Funds |
|---|----------------------|----------------------------|-----------------------------|-------------------------|-------------------|--------------------------------|
| REVENUES: | | | | | | |
| Local sources: | | | | | | |
| Local tax levy | \$ 2,100,000. | \$ | \$ | \$ | \$ | \$ 2,100,000. |
| Tuition charges | 1,007,999. | | | | | 1,007,999. |
| Non-resident fees | 45,600. | | | | | 45,600. |
| Interest earned | 32,495. | | | | | 32,495. |
| Miscellaneous-restricted | 1,051,401. | | | | | 1,051,401. |
| Miscellaneous-unrestricted | 38,094. | | | | | 38,094. |
| Total local sources | 4,275,589. | 0. | 0. | 0. | 0. | 4,275,589. |
| State sources | 3,998,257. | 126,405. | 202,285. | | | 4,326,947. |
| Federal sources | | 363,052. | | | | 363,052. |
| Total revenues | 8,273,846. | 489,457. | 202,285. | 0. | 0. | 8,965,588. |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Vocational instruction | 1,908,093. | 254,411. | | | | 2,162,504. |
| Other instruction | 17,119. | | | | | 17,119. |
| Support services: | | | | | | |
| Student & instruction related services | 553,638. | 96,075. | | | | 649,713. |
| School administrative services | 345,563. | | | | | 345,563. |
| Other administrative services | 440,971. | | | | | 440,971. |
| Central services | 314,138. | | | | | 314,138. |
| Admin info technology | 151,884. | | | | | 151,884. |
| Plant operations and maintenance | 872,237. | | | | | 872,237. |
| Pupil transportation | 23,058. | | | | | 23,058. |
| Employee benefits | 1,485,564. | 49,938. | | | | 1,535,502. |
| Special schools | 1,271,913. | | | | | 1,271,913. |
| Capital outlay | 85,269. | 89,033. | 286,993. | | | 461,295. |
| Total expenditures | 7,469,447. | 489,457. | 286,993. | 0. | 0. | 8,245,897. |
| Excess (deficiency) of revenues over exp. | 804,399. | | (84,708.) | | | 719,691. |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Prior year adjustment | (26,398.) | | | | | (26,398.) |
| Bond proceeds | | | 1,332,445. | | | 1,332,445. |
| Transfers/cancellations | | | (265,000.) | | | (265,000.) |
| Total other financing sources (uses) | (26,398.) | 0. | 1,067,445. | 0. | 0. | 1,041,047. |
| Net change in fund balances | 778,001. | | 982,737. | | | 1,760,738. |
| Fund balance - July 1 | 1,632,678. | | 265,000. | | | 1,897,678. |
| Fund balance - June 30 | \$ 2,410,679. | \$ 0. | \$ 1,247,737. | \$ 0. | \$ 0. | \$ 3,658,416. |

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

| | | |
|--|----------------------|----------------------|
| Total net changes in fund balances - governmental funds (from B-2) | | \$ 1,760,738. |
| <p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p> <p style="padding-left: 20px;">This is the amount by which capital outlays exceeded depreciation in the period.</p> | | |
| | Depreciation expense | \$ (242,819.) |
| | Capital outlays | 216,676. |
| | | <u>459,495.</u> |
| Adjustment to fixed asset carrying value (Note 5) | | (133,221.) |
| <p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p> <p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p> <p>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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p> | | |
| | | (9,723.) |
| Increase in net assets - internal service fund | | <u>6,623.</u> |
| Change in net assets of governmental activities | | <u>\$ 1,841,093.</u> |

See Accompanying Notes to the Basic Financial Statements

PROPRIETARY FUNDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

| | Totals | Governmental Activities - Internal Service Fund |
|---|--------------------|--|
| ASSETS: | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 15,542. | \$ 285,890. |
| Accounts receivable: | | |
| Interfund | 21,444. | 27,858. |
| Other receivables | 1,015. | 597,498. |
| Other assets | | 550. |
| Inventory | 85,884. | |
| Note receivable-City of Bridgeton | 30,000. | |
| Total current assets | <u>153,885.</u> | <u>911,796.</u> |
| Noncurrent assets: | | |
| Furniture, machinery & equipment | | 65,780. |
| Less accumulated depreciation | | (54,442.) |
| Total noncurrent assets | 0. | 11,338. |
| Total assets | <u>\$ 153,885.</u> | <u>\$ 923,134.</u> |
| LIABILITIES: | | |
| Current liabilities: | | |
| Accounts payable | \$ 7,405. | \$ 466,367. |
| Refund to participants | | 58,257. |
| Deferred revenue | | 2,323. |
| Interfund payable | 68,182. | |
| Prepaid benefits | | 4,427. |
| Total current liabilities | <u>75,587.</u> | <u>531,374.</u> |
| Noncurrent liabilities: | | |
| Compensated absences | | 6,635. |
| Total noncurrent liabilities | 0. | 6,635. |
| Total liabilities | <u>75,587.</u> | <u>538,009.</u> |
| NET ASSETS: | | |
| Invested in capital assets net of related debt | | 11,338. |
| Unrestricted | 78,298. | 373,787. |
| Total net assets | <u>\$ 78,298.</u> | <u>\$ 385,125.</u> |

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

| | Totals | Governmental Activities - Internal Service Fund |
|--|-------------------|--|
| Operating revenues: | | |
| Charges for services: | | |
| Daily sales | \$ 31,598. | \$ |
| Fees | | 6,078,614. |
| Total operating revenues | <u>31,598.</u> | <u>6,078,614.</u> |
| Operating expenses: | | |
| Cost of sales | 29,395. | |
| Salaries | | 191,900. |
| Payroll taxes and fringe benefits | | 69,547. |
| Other purchased services | | 39,122. |
| Contracted services | | 5,687,700. |
| General supplies | | 16,573. |
| Refunds to participating districts | | 58,257. |
| Miscellaneous | 1,153. | 1,335. |
| Depreciation | | 7,557. |
| Total operating expenses | <u>30,548.</u> | <u>6,071,991.</u> |
| Operating income/(loss) | <u>1,050.</u> | <u>6,623.</u> |
| Nonoperating revenues (expenses): | | |
| State sources: | | |
| State school lunch program | 244. | |
| Federal sources: | | |
| National school breakfast program | 5,055. | |
| National school lunch program | 10,617. | |
| Interest | 21. | |
| Total nonoperating revenues (expenses) | <u>15,937.</u> | <u>0.</u> |
| Change in net assets | 16,987. | 6,623. |
| Total net assets - beginning | <u>61,311.</u> | <u>378,502.</u> |
| Total net assets - ending | <u>\$ 78,298.</u> | <u>\$ 385,125.</u> |

See Accompanying Notes to the Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | Total Enterprise | Governmental Activities - Internal Service Fund |
|--|---------------------|--|
| CASH FLOWS FROM OPERATING ACT. | | |
| Receipts from customers | \$ 77,286. | \$ 6,009,881. |
| Payments to employees | | (191,900.) |
| Payments for employee benefits | | (69,753.) |
| Payments to suppliers | (41,438.) | (6,010,817.) |
| Net cash provided by (used for) oper act | <u>35,848.</u> | <u>(262,589.)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACT. | | |
| State sources | 244. | |
| Federal sources | 15,672. | |
| Interest | 21. | |
| Net cash provided by/(used for) non-capital fin act | <u>15,937.</u> | <u>0.</u> |
| Net increase (decrease) in cash and cash equiv | 51,785. | (262,589.) |
| Balances-beginning of year | (36,243.) | 548,479. |
| Balances-end of year | <u>\$ 15,542.</u> | <u>\$ 285,890.</u> |
| Reconciliation of operating income (loss) | | |
| to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 1,050. | \$ 6,623. |
| Adjust to reconcile operating income | | |
| (loss) to net cash provided by (used for) oper act: | | |
| Depreciation and net amortization | | 7,557. |
| (Increase)/decrease in accts receivable, net | 47,147. | (109,391.) |
| (Increase)/decrease in interfund receivables | (1,540.) | 50,638. |
| (Increase)/decrease in inventories | (17,878.) | |
| Increase/(decrease) in prepaid benefits | | 62. |
| Increase/(decrease) in accounts payable | 7,069. | (211,161.) |
| Increase/(decrease) in refunds to participants | | 3,309. |
| Increase/(decrease) in compensated absences | | (183.) |
| Increase/(decrease) in deferred revenue | | (10,043.) |
| Total adjustments | <u>34,798.</u> | <u>(269,212.)</u> |
| Net cash provided by (used for) operating activities | <u>\$ 35,848.</u> | <u>\$ (262,589.)</u> |

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUND

FIDUCIARY FUNDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

| | <u>Unemployment Compensation Trust</u> | <u>Agency Fund</u> | <u>Student Activity</u> |
|---------------------------------------|--|------------------------|-----------------------------|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 108,583. | \$ 1,994. | \$ 210,664. |
| Due from Unemployment | | 64. | |
| Other | | | 1,836. |
| Total assets | <u>108,583.</u> | <u>2,058.</u> | <u>212,500.</u> |
| LIABILITIES: | | | |
| Due to student groups | \$ | \$ | \$ 58,389. |
| Deferred revenue | | | 120,349. |
| Interfund payable | | 844. | 33,762. |
| Payroll deductions and withholdings | | 1,214. | |
| Due to Payroll/Agency | 64. | | |
| Total liabilities | <u>\$ 64.</u> | <u>\$ 2,058.</u> | <u>\$ 212,500.</u> |
| NET ASSETS: | | | |
| Held in trust for unemployment claims | <u>\$ 108,519.</u> | | |

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Unemployment Compensation Trust</u> |
|-------------------------|--|
| ADDITIONS: | |
| Contributions: | |
| Plan member | \$ 8,019. |
| Total contributions | <u>8,019.</u> |
| Investment earnings: | |
| Interest | 1,374. |
| Net investment earnings | <u>1,374.</u> |
| DEDUCTIONS: | |
| Unemployment claims | 64,269. |
| Total deductions | <u>64,269.</u> |
| Change in net assets | (54,876.) |
| NET ASSETS - JULY 1 | <u>163,395.</u> |
| NET ASSETS - JUNE 30 | <u>\$ 108,519.</u> |

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Cumberland County Vocational Education School District (District), a component unit of Cumberland County, 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. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Cumberland County Board of Vocational Education is a component unit of the County of Cumberland. The Board 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 primary criterion for including activities within the District's reporting entity, as set forth in section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and account groups of the District over which the Board exercises operating control. The operations of the District include a vocational school located in Cumberland County. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year.

B. Basic Financial Statements-District-Wide Statements:

The District's basic financial statements include both district-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the district-wide and fund financial statements categorize primary activities as either governmental or business type.

In the district-wide Statement of Net Assets, both governmental and business-type activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The district-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity.

This district-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements-Fund Financial Statements:

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

The following fund types are used by the District:

GOVERNMENTAL FUNDS

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

General Fund: The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in the 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.

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

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the County Board of School Estimate.

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs. As a Type I School District, debt service revenues and expenditures take place at the County level.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements-Fund Financial Statements: (Continued)

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 Funds: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations, house construction projects, supermarket careers, food service restaurant, customized training, and educational technology training center programs. The food service fund, house construction fund, supermarket careers fund, food service restaurant and the customized training funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of an LEA, or to other LEAs, on a cost-reimbursement basis. The District's internal service fund consists of a transportation cooperative.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statements of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

| | |
|---|--------------|
| <u>Joint Pupil Transportation Fund:</u> | |
| Furniture and Equipment | 5 to 7 years |
| School Bus | 8 years |

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 following is a description of the fiduciary funds of the District:

Agency Funds: Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

Unemployment Compensation Trust: The Unemployment Compensation Trust Fund consists of assets that the District has reserved for possible future unemployment claims.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting:

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the district-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using economic resources measurement focus as defined below.

In fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus as appropriate.

- All government funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- The proprietary fund utilized an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the district-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting: (Continued)

All proprietary funds utilized the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

E. 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 the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

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.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control: (Continued)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Project Fund</u> |
|--|---------------------|---------------------------------|---------------------------------|
| Sources/inflows of resources | | | |
| Actual amounts (budgetary) "revenues" | \$8,231,678. | \$472,002. | \$3,404,108. |
| State aid payment recognized for GAAP statements in the current year previously recognized for budgetary purposes. | 396,143. | 0. | 0. |
| State Aid Payment not recognized for GAAP purposes until the subsequent year. | (353,975.) | 0. | (1,869,378.) |
| Adjust for Encumbrances: | | | |
| Add Prior Year Encumbrances | N/A | 23,641. | N/A |
| Less Current Year Encumbrances | N/A | (6,186.) | N/A |
| Total Revenues and Financing Sources (GAAP Basis) | \$8,273,846. | \$489,457. | \$1,534,730. |
| Uses/outflows of resources | | | |
| Actual amounts (budgetary) "total outflows" | \$7,469,447. | \$472,002. | \$286,993. |
| Adjustments: | | | |
| Add Prior Year Encumbrances | N/A | 23,641. | N/A |
| Less Current Year Encumbrances | N/A | (6,186.) | N/A |
| Total Expenditures (GAAP Basis) | \$7,469,447. | \$489,457. | \$286,993. |

F. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash, Cash Equivalents and Investments:

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

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

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 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.

H. Tuition Receivable:

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

I. Tuition Payable:

Tuition charges for the fiscal year 2009-2010 is based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

J. Inventories:

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

K. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

L. Fixed Assets:

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in the governmental fund operations, or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-wide Statements

In the district-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, as determined by an independent appraisal company. Donated fixed assets are valued at their estimated fair market value on the date received.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fixed Assets: (Continued)

District-wide Statements (Continued)

Depreciation of all exhaustible fixed assets is recorded as allocated expenses in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

| | |
|----------------------------------|-------------|
| Land Improvements | 20 years |
| Building & Building Improvements | 25-50 years |
| Machinery & Equipment | 5-20 years |

Fund Financial Statements

In the fund financial statements, fixed assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the district-wide statements.

M. Compensated Absences:

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

The liability for these compensated absences is recorded as long-term debt in the district-wide statements. In the fund financial statements, governmental funds report only the compensated absences that are expected to be liquidated with expendable available financial resources, while the proprietary fund reports the liability as it is incurred.

N. Deferred Revenue:

Deferred revenue in the special revenue fund and internal service fund represents cash that has been received but not yet earned.

O. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the district-wide statements. The long-term debt consists primarily of accrued compensated absences.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

NOTE 2.CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

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

- a.) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b.) Bonds or any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c.) Bonds or other obligations of the school district.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 2.CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)
Investments: (Continued)

As of June 30, 2011 cash and cash equivalents and investments of the District consisted of the following:

| | Cash and Cash Equivalents | Total |
|-------------------------------|------------------------------|---------------------|
| Checking and savings accounts | \$1,884,865. | \$1,884,865. |
| TOTAL | <u>\$1,884,865.</u> | <u>\$1,884,865.</u> |

The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2011 was \$1,884,865. and the bank balance was \$2,802,618. Of the bank balance, \$250,000. was covered by federal depository insurance and \$2,552,618. was covered by a collateral pool as required by New Jersey statutes.

NOTE 3.CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Cumberland County Board of Vocational Education by inclusion of \$1. on June 30, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

| | |
|----------------------------------|-------------------|
| Beginning balance, July 1, 2010 | \$322,446. |
| Interest earnings | 3,465. |
| Deposits | |
| Approved at April, 2010 election | 0. |
| Withdrawals | 0. |
| Ending balance, June 30, 2011 | <u>\$325,911.</u> |

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is \$9,986,500.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 4. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Cumberland County Board of Vocational Education during 2002-2003 and transferred \$138,400. into that account.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with EFCFA (N.J.S.A.18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

The activity of the maintenance reserve account for July 1, 2010 to June 30, 2011 fiscal year is as follows:

| | |
|---------------------------------|-------------------|
| Beginning balance, July 1, 2010 | \$143,900. |
| Withdrawals: | 0. |
| Deposits | 0. |
| Ending balance, June 30, 2011 | <u>\$143,900.</u> |

The June 30, 2011 maximum maintenance reserve amount is \$5,346,356.

NOTE 5. FIXED ASSETS

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

| | Beginning Balance | Additions | Retirements | Adjustments | Ending Balance |
|--|-------------------|------------|-------------|--------------|----------------|
| Governmental Activities: | | | | | |
| Capital Assets That Are Not Being Depreciated: | | | | | |
| Land | \$ 106,168. | \$ | \$ | \$ | \$ 106,168. |
| Construction in Progress | 122,963. | 367,725. | | (117,258.) | 373,430. |
| Total Capital Assets Not Being Depreciated | 229,131. | 367,725. | 0. | (117,258.) | 479,598. |
| Bldg. & Bldg. Improve. | 3,855,904. | | | | 3,855,904. |
| Site Improvements | 747,196. | 38,025. | | | 785,221. |
| Machinery & Equip. | 1,994,885. | 53,745. | | (579.) | 2,049,209. |
| Totals at Historical Cost | 6,597,985. | 91,770. | 0. | (579.) | 6,690,334. |
| Less: Accum Deprec for: | | | | | |
| Bldg. & Bldg. Improve. | (3,030,814.) | (72,460.) | | (6,838.) | (3,110,112.) |
| Site Improvements | (369,537.) | (35,197.) | | (3,025.) | (407,759.) |
| Machinery & Equipment | (951,789.) | (135,162.) | | (6,679.) | (1,093,630.) |
| Total Accum Deprec | (4,352,140.) | (242,819.) | 0. | (16,542.) | (4,611,501.) |
| Total Capital Assets Being Depreciated Net of Accum Depreciation | 2,245,845. | (151,049.) | | (15,963.) | 2,078,833. |
| Governmental Activities | | | | | |
| Capital Assets, Net | \$2,474,976. | \$216,676. | \$0. | \$(133,221.) | \$2,558,431. |
| Business-type Activities: | | | | | |
| Internal Service Fund: | | | | | |
| Equipment | 65,780. | | | | 65,780. |
| Less Accum Dep for: | | | | | |
| Equipment | (46,885.) | (7,557.) | | | (54,442.) |
| Total Internal Ser.Fund | 18,895. | (7,557.) | 0. | 0. | 11,338. |
| Business-Type Activ Capital Assets, Net | \$18,895. | \$(7,557.) | \$0. | \$0. | \$11,338. |

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 5. FIXED ASSETS (Continued)

***Depreciation Expense was Charged to Governmental Functions as Follows:**

| | |
|--|----------------------------|
| Instruction: | |
| Regular | \$(206,396.) |
| Support Services: | |
| Student & Instruction Related Services | (9,713.) |
| School Administration | (14,569.) |
| General and Business Administrative Services | (9,713.) |
| Plant Operations and Maintenance | (2,428.) |
| Total Depreciation Expense | <u>\$(242,819.)</u> |

NOTE 6. INVENTORY

Inventory in the Enterprise Funds at June 30, 2011 consisted of the following:

| | |
|---|-------------------------|
| Food Service – Food and Supplies | \$316. |
| Supermarket Careers – Food and Supplies | 9,606. |
| House Construction – Houses | 75,962. |
| | <u>\$85,884.</u> |

For value of Federal donated commodities as reflected on Schedule A, the Schedule of Expenditures of Federal Awards is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 7. GENERAL LONG-TERM DEBT

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities:

| Type of Debt | Balance at 6/30/10 | Additions | Reductions | Balance at 6/30/11 | Amounts Due Within 1 Year |
|---------------------------------|--------------------------|------------------------|--------------------|--------------------------|------------------------------|
| Governmental Activities: | | | | | |
| Compensated Absen Pay | \$162,110. | \$9,723. | \$0. | \$171,833. | \$33,075. |
| Total Governmental Act: | <u>\$162,110.</u> | <u>\$9,723.</u> | <u>\$0.</u> | <u>\$171,833.</u> | <u>\$33,075.</u> |

NOTE 8. OPERATING LEASES

During the year ended June 30, 2011, the District was leasing various office equipment under operating leases. Leases were for various terms. The District's total equipment lease expense for the year ended June 30, 2011 was \$23,808.

The future minimum lease payments under these leases are as follows:

| | |
|--------------|-------------------------|
| 2011-2012 | \$33,238. |
| 2012-2013 | 29,270. |
| 2013-2014 | 9,430. |
| 2014-2015 | 5,940. |
| Total | <u>\$77,878.</u> |

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 9. PENSION PLANS

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

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 credit to the members' accounts.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 9.PENSION PLANS (Continued)

Significant Legislation – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) 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 ½ 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. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

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% 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 both 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.

Three-Year Trend Information for PERS

| Year | Annual Pension Cost (APC) | Percentage Of APC Contributed | Net Pension Obligation |
|---------------|---------------------------|-------------------------------|------------------------|
| June 30, 2011 | \$167,298. | 0% | \$167,298. |
| June 30, 2010 | 120,198. | 0% | 120,198. |
| June 30, 2009 | 100,070. | 0% | 100,070. |

Three-Year Trend Information for TPAF

(Paid on Behalf of the District)

| Year | Annual Pension Cost (APC) | Percentage Of APC Contributed | Net Pension Obligation |
|---------------|---------------------------|-------------------------------|------------------------|
| June 30, 2011 | \$207,052. | 100% | \$0. |
| June 30, 2010 | 213,423. | 100% | 0. |
| June 30, 2009 | 212,265. | 100% | 0. |

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$207,052. to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$207,568. 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 general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 10. POST RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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 to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

NOTE 11. RISK MANAGEMENT:

The District is exposed to various types 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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund 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 previous two years:

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Interest Income</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|-------------------------------|------------------------|--------------------------|-----------------------|
| 2010-2011 | \$0. | \$8,019. | \$1,374. | \$64,269. | \$108,519. |
| 2009-2010 | 0. | 8,576. | 2,378. | 19,176. | 163,395. |
| 2008-2009 | 0. | 7,637. | 4,284. | 10,299. | 171,617. |

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 12.DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Thomas Seely Agency
 Vanguard Group
 A.G. Edwards, Inc.
 Lincoln Investment Planning
 Allen Associates

NOTE 13.INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011.

| Due to: | Due From: | | | | | | |
|------------------|------------------|--------------|-------------------|------------------|----------------|------------------|-------------------|
| | General | Special Rev. | Cap. Pjts. | Enterprise | Internal Serv. | Fiduciary | Total |
| General | \$ | \$ | \$197,051. | \$67,945. | \$ | \$34,606. | \$299,602. |
| Enterprise Fd. | 21,207. | | | | | | 21,207. |
| Internal Sv. Fd. | 27,859. | | | | | | 27,859. |
| Fiduciary Fd. | | | | | | | 0. |
| Total | \$49,066. | \$0. | \$197,051. | \$67,945. | \$0. | \$34,606. | \$348,668. |

The balance of \$197,051. due to the general fund from the capital projects fund represents funds from the general fund used for working capital in advance of the receipt of bond proceeds being held by Cumberland County. These amounts will be repaid when the funds are received from Cumberland County during a subsequent year.

General Fund advanced cash to various Enterprise Funds periodically to alleviate cash flow problems in the Enterprise Fund.

The remaining balances resulted from the time lag between the dates that:

1. The interfund transactions occur;
2. Transactions are recorded in the accounting system; and
3. Payments between funds are made.

NOTE 14.COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. 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.

Cumberland County Board of Vocational Education
Notes to the Financial Statements
June 30, 2011

NOTE 14. COMPENSATED ABSENCES (Continued)

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, a liability existed for compensated absences in the Proprietary Funds in the amount of \$6,635.

NOTE 15. FUND BALANCE APPROPRIATED

General Fund - Of the \$2,410,679. General Fund balance at June 30, 2011, \$809,373 is reserved for encumbrances; \$987,181. is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$33,859. of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$325,911. has been reserved in the Capital Reserve Account; \$143,900. has been reserved in the Maintenance Reserve Account; \$75,000. has been appropriated and included as anticipated revenue for the year ending June 30, 2012; and \$69,314. is unreserved and undesignated.

NOTE 16. CONTINGENT LIABILITIES

The Board is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

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 districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$987,181.

NOTE 18. OTHER INFORMATION

On February 22, 2011, the County of Cumberland adopted Ordinance 2011-1. This Ordinance re-appropriated the proceeds of previous bond issues related to the County Vocational Technical School and authorized those funds to be used for other capital projects related to the County Vocational Technical School. The result of this action by the County to the school was the cancellation of existing capital projects and the recording of the newly authorized projects. An interfund of \$26,000. due from the Capital Project Fund to the General Fund related to the old project was cancelled.

REQUIRED SUPPLEMENTARY INFORMATION—PART II

BUDGETARY COMPARISON SCHEDULES

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-------------------|-----------------|-------------------|-------------------|----------------------------------|
| Revenues: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 2,100,000. | \$ | \$ 2,100,000. | \$ 2,100,000. | \$ |
| Tuition | 826,000. | | 826,000. | 1,007,999. | 181,999. |
| Non-resident fees | 20,000. | | 20,000. | 45,600. | 25,600. |
| Interest earned | 3,500. | | 3,500. | 32,485. | 28,985. |
| Miscellaneous-restricted | 900,437. | 41,275. | 941,712. | 1,051,401. | 109,689. |
| Miscellaneous-unrestricted | | | | 38,094. | 38,094. |
| Total local sources | 3,849,937. | 41,275. | 3,891,212. | 4,275,589. | 384,377. |
| State sources: | | | | | |
| Equalization aid | 3,399,127. | | 3,399,127. | 3,399,127. | |
| Special education aid | 142,342. | | 142,342. | 142,342. | |
| On behalf TPAF pension contribution (non-budgeted) | | | | 207,052. | 207,052. |
| Reimbursed TPAF social security contribution (non-budgeted) | | | | 207,568. | 207,568. |
| Total state sources | 3,541,469. | 0. | 3,541,469. | 3,956,089. | 414,620. |
| Total revenues | 7,391,406. | 41,275. | 7,432,681. | 8,231,678. | 798,997. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-------------------|------------------|-------------------|-------------------|----------------------------------|
| Expenditures: | | | | | |
| Current expense: | | | | | |
| Vocational programs: | | | | | |
| Regular vocational programs-instruction: | | | | | |
| Salaries of teachers | \$ 1,181,646. | \$(17,000.) | \$ 1,164,646. | \$ 1,145,430. | \$ 19,216. |
| Other salaries for instruction | 66,261. | | 66,261. | 63,760. | 2,501. |
| Purchased prof/educ services | 10,000. | | 10,000. | 8,400. | 1,600. |
| Other purchased services | 54,440. | | 54,440. | 38,231. | 16,209. |
| General supplies | 204,399. | (15,000.) | 189,399. | 103,187. | 86,212. |
| Textbooks | 21,445. | 7,400. | 28,845. | 28,492. | 353. |
| Other objects | 4,000. | | 4,000. | 1,471. | 2,529. |
| Total regular vocational programs-instruction | 1,542,191. | (24,600.) | 1,517,591. | 1,388,971. | 128,620. |
| Special vocational programs-instruction: | | | | | |
| Salaries of teachers | 406,417. | | 406,417. | 401,494. | 4,923. |
| Other salaries for instruction | 127,587. | | 127,587. | 84,354. | 43,233. |
| Other purchased services | 18,000. | 910. | 18,910. | 8,703. | 10,207. |
| General supplies | 35,683. | | 35,683. | 24,210. | 11,473. |
| Textbooks | 10,300. | (7,400.) | 2,900. | 361. | 2,539. |
| Other objects | 500. | | 500. | | 500. |
| Total special vocational programs-instruction | 598,487. | (6,490.) | 591,997. | 519,122. | 72,875. |
| Total vocational programs | 2,140,678. | (31,090.) | 2,109,588. | 1,908,093. | 201,495. |
| School sponsored cocurricular activities-instruction | | | | | |
| Salaries | 36,300. | (1,100.) | 34,200. | 11,120. | 23,080. |
| Purchased services | 3,000. | 1,100. | 4,100. | 4,041. | 59. |
| Supplies and materials | 1,250. | | 1,250. | 951. | 299. |
| Total school sponsored cocurricular activities | 39,550. | 0. | 39,550. | 16,112. | 23,438. |
| School sponsored athletics-instruction | | | | | |
| Salaries | 500. | 350. | 850. | 840. | 10. |
| Purchased services | 1,500. | (350.) | 1,150. | 167. | 983. |
| Supplies and materials | 1,500. | | 1,500. | | 1,500. |
| Total school sponsored athletics | 3,500. | 0. | 3,500. | 1,007. | 2,493. |
| Total instruction | 2,183,728. | (31,090.) | 2,152,638. | 1,925,212. | 227,426. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|--------------------|-----------------|------------|--|
| Undistributed expenditures: | | | | | |
| Attendance and social work services: | | | | | |
| Salaries | \$ 40,522. | \$ 250. | \$ 40,772. | \$ 40,772. | \$ |
| Purchased prof/tech services | 10,800. | (2,750.) | 8,050. | 7,306. | 744. |
| Other purchased services | 6,700. | 2,250. | 8,950. | 8,178. | 772. |
| Supplies and materials | 3,500. | | 3,500. | 2,468. | 1,032. |
| Other objects | 2,500. | 250. | 2,750. | 2,522. | 228. |
| Total attendance and social work services | 64,022. | 0. | 64,022. | 61,246. | 2,776. |
| Health services: | | | | | |
| Salaries | 83,008. | 880. | 83,888. | 83,888. | |
| Purchased prof. and technical services | 2,750. | (775.) | 1,975. | 210. | 1,765. |
| Other purchased services | 1,000. | | 1,000. | 261. | 739. |
| Supplies and materials | 3,788. | | 3,788. | 1,919. | 1,869. |
| Other objects | 750. | | 750. | | 750. |
| Total health services | 91,296. | 105. | 91,401. | 86,278. | 5,123. |
| Speech, OT, PT & related services: | | | | | |
| Salaries | 36,982. | | 36,982. | 36,232. | 750. |
| Purchased professional /educ. services | 750. | | 750. | | 750. |
| Supplies and materials | 505. | | 505. | | 505. |
| Other objects | 750. | | 750. | 149. | 601. |
| Total Speech, OT, PT & related services | 38,987. | 0. | 38,987. | 36,381. | 2,606. |
| Guidance: | | | | | |
| Salaries of other professional staff | 167,213. | | 170,813. | 170,752. | 61. |
| Salaries of sec and clerical assistants | 20,869. | 3,600. | 20,869. | 20,869. | |
| Other purchased services | 1,750. | | 1,750. | 671. | 1,079. |
| Supplies and materials | 2,020. | | 2,020. | 1,110. | 910. |
| Other objects | 1,000. | | 1,000. | 700. | 300. |
| Total other support services-students-regular | 192,852. | 3,600. | 196,452. | 194,102. | 2,350. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------------|-----------------|-----------------|-----------------|----------------------------------|
| Child Study Team: | | | | | |
| Salaries of other professional staff | \$ 150,439. | \$ | \$ 150,439. | \$ 141,993. | \$ 8,446. |
| Purchased prof.-educational services | 1,500. | | 1,500. | | 1,500. |
| Other purchased services | 1,000. | | 1,000. | 120. | 880. |
| Supplies and materials | 2,020. | | 2,020. | 295. | 1,725. |
| Other objects | 2,000. | | 2,000. | 800. | 1,200. |
| Total Child Study Team | 155,959. | 0. | 155,959. | 143,208. | 13,751. |
| Improvement of instructional services: | | | | | |
| Other salaries | 1,000. | | 1,000. | | 1,000. |
| Purchased prof/educ services | 3,500. | | 3,500. | | 3,500. |
| Supplies and materials | 1,000. | | 1,000. | | 1,000. |
| Total improvement of instructional services | 5,500. | 0. | 5,500. | 0. | 5,500. |
| Educational media services/school library: | | | | | |
| Salaries | 21,153. | | 21,153. | 19,902. | 1,251. |
| Salaries of technology coordinators | 6,000. | | 6,000. | 5,229. | 771. |
| Other purchased services | 11,200. | | 11,200. | 3,931. | 7,269. |
| Supplies and materials | 10,000. | | 10,000. | 3,361. | 6,639. |
| Other objects | 1,250. | | 1,250. | | 1,250. |
| Total educational media services/school library | 49,603. | 0. | 49,603. | 32,423. | 17,180. |
| Instructional staff training services: | | | | | |
| Purchased prof/educational services | 2,500. | | 2,500. | | 2,500. |
| Total instructional staff training services | 2,500. | 0. | 2,500. | 0. | 2,500. |
| Support services-general administration: | | | | | |
| Salaries | 274,855. | | 274,855. | 269,770. | 5,085. |
| Salaries of attorneys | 21,325. | | 21,325. | 21,320. | 5. |
| Legal services | 10,000. | (6,000.) | 4,000. | | 4,000. |
| Audit fees | 25,000. | (1,200.) | 23,800. | 23,650. | 150. |
| Architectural/engineering services | 25,000. | (5,568.) | 19,432. | 16,384. | 3,048. |
| Other purchased professional services | 10,000. | 19,373. | 29,373. | 29,342. | 31. |
| Communications/telephone | 41,000. | (7,500.) | 33,500. | 28,040. | 5,460. |
| BOE other purchased services | 5,000. | | 5,000. | 604. | 4,396. |
| Other purchased services | 29,550. | 1,534. | 31,084. | 27,363. | 3,721. |
| General supplies | 6,320. | 13. | 6,333. | 5,624. | 709. |
| BOE in-house training/meeting supplies | 1,000. | | 1,000. | 920. | 80. |
| Judgements against schools | 1,500. | | 1,500. | | 1,500. |
| Miscellaneous expenditures | 4,250. | 1,500. | 5,750. | 5,360. | 390. |
| BOE membership dues and fees | 16,600. | (1,500.) | 15,100. | 12,594. | 2,506. |
| Total support services-general administration | 471,400. | 652. | 472,052. | 440,971. | 31,081. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|-----------------|--------------|-------------|----------------------------------|
| Support services school administration: | | | | | |
| Salaries of principals | \$ 241,596. | \$ | \$ 241,596. | \$ 241,596. | \$ |
| Salaries of secretarial and clerical assistants | 86,338. | | 86,338. | 83,482. | 2,856. |
| Other purchased services | 7,346. | (350.) | 6,996. | 5,046. | 1,950. |
| Supplies and materials | 11,640. | | 11,640. | 11,629. | 11. |
| Other objects | 3,500. | 370. | 3,870. | 3,810. | 60. |
| Total support services school administration | 350,420. | 20. | 350,440. | 345,563. | 4,877. |
| Central services: | | | | | |
| Salaries | 289,125. | | 289,125. | 287,694. | 1,431. |
| Purchased professional services | 5,300. | | 5,300. | 221. | 5,079. |
| Purchased technical services | 16,500. | | 16,500. | 16,316. | 184. |
| Miscellaneous purchased services | 11,050. | | 11,050. | 5,780. | 5,270. |
| Supplies and materials | 8,000. | | 8,000. | 2,762. | 5,238. |
| Miscellaneous expenditures | 1,500. | | 1,500. | 1,365. | 135. |
| Total central services | 331,475. | 0. | 331,475. | 314,138. | 17,337. |
| Admin. Info Technology: | | | | | |
| Salaries | 119,919. | | 119,919. | 119,487. | 432. |
| Purchased technical services | 5,000. | (2,600.) | 2,400. | | 2,400. |
| Miscellaneous purchased services | 33,000. | (5,000.) | 28,000. | 19,407. | 8,593. |
| Supplies and materials | 11,645. | 1,260. | 12,905. | 12,840. | 65. |
| Miscellaneous expenditures | 1,250. | | 1,250. | 150. | 1,100. |
| Total admin info technology | 170,814. | (6,340.) | 164,474. | 151,884. | 12,590. |
| Allowable maintenance for school facilities: | | | | | |
| Salaries | 122,865. | | 122,865. | 122,112. | 753. |
| Cleaning, repair and maintenance services | 247,000. | (149,028.) | 97,972. | 60,775. | 37,197. |
| General supplies | 5,000. | | 5,000. | 1,047. | 3,953. |
| Total allowable maintenance for school facilities | 374,865. | (149,028.) | 225,837. | 183,934. | 41,903. |
| Other operation and maintenance of plant services | | | | | |
| Salaries | 151,747. | 18,100. | 169,847. | 169,909. | 38. |
| Purchased professional and technical services | 10,000. | 2,500. | 12,500. | 12,405. | 95. |
| Cleaning, repair and maintenance of services | 57,000. | 1,500. | 58,500. | 58,408. | 92. |
| Other purchased property services | 9,200. | 3,900. | 13,100. | 12,047. | 1,053. |
| Insurance | 40,200. | (9,000.) | 31,200. | 30,953. | 247. |
| Miscellaneous purchased services | 1,500. | | 1,500. | 1,456. | 44. |
| General supplies | 45,450. | 5,030. | 50,480. | 48,460. | 2,020. |
| Energy (natural gas) | 205,000. | (102,000.) | 103,000. | 102,876. | 124. |
| Energy (electricity) | 225,000. | (23,000.) | 202,000. | 201,689. | 311. |
| Total other operation and mainten of plant services | 745,097. | (102,970.) | 642,127. | 638,103. | 4,024. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|-------------------|-------------------|-----------------|-----------------|----------------------------------|
| Care and upkeep of grounds: | | | | | |
| Salaries | \$ 20,494. | \$ | \$ 20,494. | \$ 19,994. | \$ 500. |
| Purchased professional/technical services | 1,000. | | 1,000. | | 1,000. |
| Cleaning, repair, and maintenance | 8,250. | (4,000.) | 4,250. | | 4,250. |
| General supplies | 3,200. | | 3,200. | | 3,200. |
| Other objects | 500. | | 500. | | 500. |
| Total care and upkeep of grounds | 33,444. | (4,000.) | 29,444. | 19,994. | 9,450. |
| Security: | | | | | |
| Salaries | 15,000. | 14,000. | 29,000. | 26,303. | 2,697. |
| Purchased professional/technical services | 1,550. | | 1,550. | 432. | 1,118. |
| Cleaning, repair, and maintenance | 3,550. | (3,000.) | 550. | | 550. |
| General supplies | 2,500. | 1,000. | 3,500. | 3,471. | 29. |
| Total security | 22,600. | 12,000. | 34,600. | 30,206. | 4,394. |
| Total operation and maintenance of plant services | 1,176,006. | (243,998.) | 932,008. | 872,237. | 59,771. |
| Students transportation services: | | | | | |
| Salaries (other than between home/school) | 13,000. | | 13,000. | 5,121. | 7,879. |
| Cleaning, repair & maintenance services | 4,000. | (200.) | 3,800. | 11. | 3,789. |
| Contracted services (not home/school) vendors | 26,000. | | 26,000. | 6,475. | 19,525. |
| Miscellaneous purchased services - trans | 11,000. | | 11,000. | 10,631. | 369. |
| Supplies and materials | 788. | (100.) | 688. | 317. | 371. |
| Miscellaneous expenditures | 250. | 300. | 550. | 503. | 47. |
| Total student transportation services | 55,038. | 0. | 55,038. | 23,058. | 31,980. |
| Allocated Benefits: | | | | | |
| Vocational programs - instruction | | | | | |
| Health benefits | 420,244. | (111,000.) | 309,244. | 305,498. | 3,746. |
| Total vocational programs - instruction | 420,244. | (111,000.) | 309,244. | 305,498. | 3,746. |
| Attendance and social work services: | | | | | |
| Health benefits | 19,136. | | 19,136. | 16,672. | 2,464. |
| Total attendance and social work services | 19,136. | 0. | 19,136. | 16,672. | 2,464. |
| Health services: | | | | | |
| Health benefits | 12,758. | | 12,758. | 11,175. | 1,583. |
| Total health services | 12,758. | 0. | 12,758. | 11,175. | 1,583. |
| Guidance: | | | | | |
| Health benefits | 49,631. | (3,600.) | 46,031. | 43,432. | 2,599. |
| Total other support services-students-regular | 49,631. | (3,600.) | 46,031. | 43,432. | 2,599. |
| Child Study Teams: | | | | | |
| Health benefits | 40,063. | | 40,063. | 37,076. | 2,987. |
| Total other support services-students-special | 40,063. | 0. | 40,063. | 37,076. | 2,987. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|-----------------|--------------|------------|----------------------------------|
| Educational media services-school library | \$ 9,568. | \$ 0. | \$ 9,568. | \$ 11,965. | \$(2,397.) |
| Health benefits | 9,568. | 0. | 9,568. | 11,965. | (2,397.) |
| Total educational media services-school library | | | | | |
| Support services-general administration | 4,000. | 4,000. | 4,000. | 4,000. | |
| Other retirement contributions-PERS | 51,669. | (4,000.) | 46,669. | 44,969. | 1,680. |
| Other retirement contributions-regular | 55,569. | (5,000.) | 50,569. | 48,969. | 1,680. |
| Health benefits | | | | | |
| Total support services-general administration | | | | | |
| Support services-school administration | 76,262. | | 76,262. | 73,570. | 2,692. |
| Health benefits | 76,262. | 0. | 76,262. | 73,570. | 2,692. |
| Total support services-school administration | | | | | |
| Central services: | | | | | |
| Other retirement contributions - regular | 2,500. | 2,500. | 2,500. | 2,500. | |
| Other retirement contributions - regular | 72,033. | (2,500.) | 69,533. | 74,112. | (2,079.) |
| Health benefits | 74,533. | 0. | 74,533. | 76,812. | (2,079.) |
| Total central services | | | | | |
| Admin. Info. Technology: | | | | | |
| Health benefits | 34,942. | (15,000.) | 19,942. | 12,230. | 7,712. |
| Total admin info technology | 34,942. | (15,000.) | 19,942. | 12,230. | 7,712. |
| Operation and maintenance of plant services | | | | | |
| Health benefits | 64,370. | | 64,370. | 64,881. | (511.) |
| Total operation and maintenance of plant services | 64,370. | 0. | 64,370. | 64,881. | (511.) |
| Total allocated benefits | 857,176. | (134,600.) | 722,576. | 702,100. | 20,476. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------------|-----------------|--------------|-------------|----------------------------------|
| Unallocated benefits: | | | | | |
| Social security contributions | \$ 135,000. | \$ 5,315. | \$ 140,315. | \$ 140,248. | \$ 67. |
| Other retirement contributions-PERS | 127,500. | 39,789. | 167,289. | 167,298. | 1. |
| Other retirement contributions-regular | | 7,658. | 7,658. | 4,514. | 3,144. |
| Unemployment compensation | 66,250. | (27,000.) | 39,250. | 39,250. | 39,250. |
| Workmen's compensation | 54,875. | (4,000.) | 50,875. | 42,715. | 8,160. |
| Health benefits | 7,840. | | 7,840. | 7,840. | |
| Tuition reimbursement | 18,000. | (5,280.) | 12,720. | 6,229. | 6,491. |
| Other employee benefits | 60,000. | (24,799.) | 35,201. | 35,201. | 35,201. |
| Total unallocated benefits | 489,465. | (8,307.) | 481,158. | 368,844. | 92,314. |
| Total personal service-employee benefits | 1,326,641. | (142,907.) | 1,183,734. | 1,070,944. | 112,790. |
| On behalf TPAF pension contributions (non-budgeted) | | | | | |
| Reimbursed TPAF soc sec contributions (non-budgeted) | | | | 207,052. | (207,052.) |
| Total undistributed expenditures | 4,483,513. | (386,866.) | 4,096,645. | 4,187,053. | (92,408.) |
| Total expenditures-current expense | 6,667,241. | (419,958.) | 6,247,283. | 6,112,265. | 135,018. |
| CAPITAL OUTLAY: | | | | | |
| Undistributed expenditures: | | | | | |
| Admin info technology | 10,000. | 9,670. | 19,670. | 19,670. | |
| Custodial services | 7,500. | 4,170. | 4,170. | 2,987. | 1,183. |
| Care and upkeep of grounds | | (7,500.) | | | |
| Security | 87,000. | 40,500. | 40,500. | 40,500. | 40,500. |
| School buses-regular | 104,500. | | 87,000. | 87,000. | 87,000. |
| Total equipment | | 46,840. | 151,340. | 22,657. | 128,683. |
| Facilities acquisition and construction services | | | | | |
| Architectural/engineering services | | 24,012. | 24,012. | 8,600. | 15,412. |
| Construction services | 1,800. | 598,608. | 598,608. | 52,212. | 546,396. |
| Other professional/technical services | | 18,000. | 19,800. | 19,800. | 19,800. |
| Other objects | | 1,800. | 1,800. | 1,800. | |
| Total facilities acquisition & construction services | 1,800. | 642,420. | 644,220. | 62,612. | 581,608. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|-----------------|--------------|------------|----------------------------------|
| Total capital outlay expenditures | \$ 106,300. | \$ 689,260. | \$ 795,560. | \$ 85,269. | \$ 710,291. |
| Post-secondary vocational programs - instruction: | | | | | |
| Salaries of teachers | 841,250. | 2,567. | 843,817. | 800,138. | 43,679. |
| Purchased profitechnical services | 7,000. | | 7,000. | 718. | 6,282. |
| Other purchased services | 32,200. | 385. | 32,585. | 13,982. | 18,603. |
| General supplies | 154,395. | (23,617.) | 130,778. | 101,689. | 29,089. |
| Textbooks | 61,000. | | 61,000. | 56,545. | 4,355. |
| Other objects | 4,500. | | 4,500. | 4,330. | 170. |
| Total post-second vocational pgms-instruction | 1,100,345. | (20,665.) | 1,079,680. | 977,502. | 102,178. |
| Post-secondary programs support services: | | | | | |
| Salaries | 40,500. | 15,000. | 55,500. | 36,917. | 18,583. |
| Personal services-employee benefits | 156,460. | (79,000.) | 77,460. | 76,003. | 1,457. |
| Supplies and materials | 20,102. | | 20,102. | 2,835. | 17,267. |
| Other objects | 21,250. | | 21,250. | 17,426. | 3,824. |
| Total post-secondary programs support services | 238,312. | (64,000.) | 174,312. | 133,181. | 41,131. |
| Total post secondary programs | 1,338,657. | (84,665.) | 1,253,992. | 1,110,683. | 143,309. |
| Vocational evening-local-instruction: | | | | | |
| Salaries of teachers | 76,500. | (37,000.) | 39,500. | 35,137. | 4,363. |
| General supplies | 31,833. | (23,722.) | 7,911. | 470. | 7,441. |
| Total vocational evening-local-instruction | 108,333. | (60,722.) | 47,411. | 35,607. | 11,804. |
| Vocational evening-local-support services: | | | | | |
| Salaries | 81,085. | | 81,085. | 72,376. | 8,709. |
| Personal services-employee benefits | 9,875. | 750. | 10,625. | 10,606. | 19. |
| Other purchased services | 44,500. | 9,800. | 54,300. | 40,562. | 13,738. |
| Supplies and materials | 11,250. | (60.) | 11,200. | 2,079. | 9,121. |
| Total vocational evening-local-support services | 146,710. | 10,500. | 157,210. | 125,623. | 31,587. |
| Total vocational evening - local | 254,843. | (50,222.) | 204,621. | 161,230. | 43,391. |
| Total special schools | 1,593,500. | (134,887.) | 1,458,613. | 1,271,313. | 186,700. |
| Total expenditures | 8,367,041. | 134,415. | 8,501,456. | 7,469,447. | 1,032,009. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|-----------------|-----------------|---------------|----------------------------------|
| Excess (deficiency) of revenues over (under) expenditures | \$ (975,635.) | \$ (93,140.) | \$ (1,068,775.) | \$ 762,231. | \$ 1,831,006. |
| Other financing sources (uses): | | | | | |
| Operating transfers in: | | | | | |
| Prior year adjustment | | | | (26,398.) | (26,398.) |
| Operating transfers out: | | | | | |
| Transfers | (7,000.) | (7,000.) | (7,000.) | | 7,000. |
| Total other financing sources (uses) | (7,000.) | 0. | (7,000.) | (26,398.) | (19,398.) |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (uses) | (982,635.) | (93,140.) | (1,075,775.) | 735,833. | 1,811,608. |
| Fund balances, July 1 | 2,028,821. | | 2,028,821. | 2,028,821. | |
| Fund balances, June 30 | \$ 1,046,186. | \$ (93,140.) | \$ 953,046. | \$ 2,764,654. | \$ 1,811,608. |

Recapitulation:

| | |
|--|---------------|
| Restricted Fund Balance: | |
| Capital Reserve | 325,911. |
| Maintenance Reserve | 143,900. |
| Excess surplus-designated for subsequent year's expenditures | 33,859. |
| Excess Surplus-Current Year | 953,322. |
| Committed Fund Balance: | 809,373. |
| Year End Encumbrances | 75,000. |
| Assigned Fund Balance: | 423,289. |
| Designated for Subsequent Year's Expenditures | 2,764,654. |
| Year End Encumbrances | |
| Unassigned Fund Balance | |
| Reconciliation to Governmental Funds Statements (GAAP): | |
| Last State Aid Payment not Recognized on GAAP Basis | 353,975. |
| Fund Balance per Governmental Funds (GAAP) | \$ 2,410,679. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Original Budget | Budget Transfer | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|--------------------|-----------------|----------|--|
| REVENUES: | | | | | |
| Local sources | | \$ | \$ | \$ | \$ |
| State sources | 129,728. | | 128,728. | 127,580. | (2,148.) |
| Federal sources | 488,239. | | 488,239. | 344,422. | (143,817.) |
| Total revenues | 617,967. | 0. | 617,967. | 472,002. | (145,965.) |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | 156,023. | | 156,023. | 134,719. | 21,304. |
| Purchased professional/technical services | 23,266. | | 23,266. | 20,586. | 2,680. |
| Other purchased services | 14,773. | | 14,773. | 12,778. | 1,995. |
| General supplies | 144,055. | | 144,055. | 65,216. | 78,839. |
| Other objects | 11,497. | | 11,497. | 7,996. | 3,501. |
| Total instruction | 349,614. | 0. | 349,614. | 241,295. | 108,319. |
| Support Services: | | | | | |
| Other salaries | 48,178. | | 48,178. | 42,081. | 6,097. |
| Personal services - employee benefits | 63,293. | | 63,293. | 49,938. | 13,355. |
| Purchased technical services | | 30,035. | 30,035. | 18,054. | 11,981. |
| Travel | | 13,327. | 13,327. | 12,775. | 552. |
| Other purchased services | | 13,302. | 13,302. | 8,466. | 4,836. |
| Supplies and materials | | 11,185. | 11,185. | 10,360. | 825. |
| Total support services | 111,471. | 67,849. | 179,320. | 141,674. | 37,646. |
| Facilities acquisition and construction serv: | | | | | |
| Instructional equipment | | 84,356. | 84,356. | 84,356. | |
| Noninstructional equipment | | 4,677. | 4,677. | 4,677. | |
| Total facilities acquisition and construction serv | 0. | 89,033. | 89,033. | 89,033. | 0. |
| Total expenditures | 461,085. | 156,882. | 617,967. | 472,002. | 145,965. |
| Total outflows | 461,085. | 156,882. | 617,967. | 472,002. | 145,965. |
| Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) | \$ 156,882. | \$(156,882.) | \$ 0. | \$ 0. | \$ 0. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

| | General Fund | Special Revenue Fund |
|---|-----------------|-------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules | \$ 8,231,678. | \$ 472,002. |
| Difference - budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | N/A | |
| Prior year encumbrance | | 23,641. |
| Current year encumbrance | | (6,186.) |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 396,143. | 0. |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | (353,975.) | 0. |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | \$ 8,273,846. | \$ 489,457. |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | \$ 7,469,447. | \$ 472,002. |
| Differences - 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. | N/A | |
| Prior year encumbrance | | 23,641. |
| Current year encumbrance | | (6,186.) |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | \$ 7,469,447. | \$ 489,457. |

SCHOOL LEVEL SCHEDULES

N/A

SPECIAL REVENUE FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Title I, Part A | Title I, Part A ARRA | Title II, Part A | Title II, Part D | I.D.E.A. Part B | I.D.E.A. Part B ARRA | Perkins Secondary |
|--|--------------------|-------------------------|---------------------|---------------------|--------------------|----------------------------|----------------------|
| Revenues: | | | | | | | |
| Local sources | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| State sources | 99,201. | 2,200. | 4,608. | 248. | 109,411. | 4,616. | 101,171. |
| Federal sources | \$ 99,201. | \$ 2,200. | \$ 4,608. | \$ 248. | \$ 109,411. | \$ 4,616. | \$ 37,325. |
| Total revenues | | | | | | | |
| | \$ 71,962. | \$ 3,150. | \$ 3,150. | \$ | \$ 22,445. | \$ | \$ 12,336. |
| Expenditures: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | | | | | | | |
| Purchased prof/tech services | | | | | | | |
| Other purchased services | 1,066. | 97. | | | 3,057. | 608. | 30,885. |
| General supplies | | | | | 2,836. | | 5,360. |
| Other objects | | | | | | | |
| Total instruction | 73,028. | 0. | 3,247. | 0. | 34,494. | 608. | 48,581. |
| Support services: | | | | | | | |
| Other salaries | | | | | | | |
| Personal services-empl bene | 25,368. | | 461. | | 42,081. | | |
| Purchased technical services | 806. | 2,200. | 900. | | 22,931. | | |
| Travel | | | | | 2,275. | | |
| Other purchased services | | | | 248. | 3,547. | 900. | 882. |
| Supplies & materials | | | | | 4,083. | 3,108. | |
| Total support services | 26,173. | 2,200. | 1,361. | 248. | 74,917. | 4,008. | 882. |
| Facilities acquisition and construction serv.: | | | | | | | |
| Instructional equipment | | | | | | | 84,356. |
| Noninstructional equipment | | | | | | | 4,677. |
| Total facilities acquis and construction services | | | | | | | 89,033. |
| Total expenditures | \$ 99,201. | \$ 2,200. | \$ 4,608. | \$ 248. | \$ 109,411. | \$ 4,616. | \$ 138,496. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Learn & Serve America | 21st Century | REAP | Summer Youth | Shared Time Vocational School Initiat. | Apprentice Coordinator | Totals 2011 |
|--|-----------------------------|-----------------|------------|-----------------|--|---------------------------|----------------|
| Revenues: | | | | | | | |
| Local sources | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| State sources | 19,233. | 14,004. | 31,331. | 22,245. | 14,535. | 11,874. | 127,580. |
| Federal sources | \$ 19,233. | \$ 14,004. | \$ 31,331. | \$ 22,245. | \$ 14,535. | \$ 11,874. | \$ 344,422. |
| Total revenues | | | | | | | |
| | | | | | | | \$ 472,002. |
| Expenditures: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | \$ | \$ 11,700. | \$ 9,216. | \$ 15,396. | \$ 850. | \$ | \$ 134,719. |
| Purchased prof/tech services | | | | | 2,250. | | 20,586. |
| Other purchased services | 16,279. | 2,304. | 11,814. | | | | 12,778. |
| General supplies | | | 5,857. | 5,671. | | | 65,216. |
| Other objects | | | | | | | 7,996. |
| Total instruction | 16,279. | 14,004. | 26,887. | 21,067. | 3,100. | 0. | 241,295. |
| Support services: | | | | | | | |
| Other salaries | | | | | | | 42,081. |
| Personal services-empl bene | | | | 1,178. | | | 49,938. |
| Purchased technical services | | | | | | 11,874. | 18,054. |
| Travel | 1,340. | | | | 11,435. | | 12,775. |
| Other purchased services | 490. | | 3,281. | | | | 8,466. |
| Supplies & materials | 1,124. | | 1,163. | | | | 10,360. |
| Total support services | 2,954. | 0. | 4,444. | 1,178. | 11,435. | 11,874. | 141,674. |
| Facilities acquisition and construction serv.: | | | | | | | |
| Instructional equipment | | | | | | | 84,356. |
| Noninstructional equipment | | | | | | | 4,677. |
| Total facilities acquis and construction services | 0. | 0. | 0. | 0. | 0. | 0. | 89,033. |
| Total expenditures | \$ 19,233. | \$ 14,004. | \$ 31,331. | \$ 22,245. | \$ 14,535. | \$ 11,874. | \$ 472,002. |

CAPITAL PROJECTS FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2011

| <u>Description</u> | <u>Appropriations</u> | <u>Prior Year</u> | <u>Expenditures to Date</u> | <u>Prior Year</u> | <u>Adjustment</u> | <u>Transfers</u> | <u>Unexpended</u> |
|---|-----------------------|-------------------|-----------------------------|-------------------|-------------------|---------------------|----------------------|
| | | | <u>Current Year</u> | | | | <u>June 30, 2011</u> |
| Classroom upgrades, equipment, and various renovations | \$ 340,000. | \$ 75,000. | \$ | \$ | | \$(265,000.) | \$ |
| Roof and HVAC repairs and upgrades, door and hardware upgrades | 2,938,112. | | 286,889. | | | | 2,651,223. |
| Water well system | 465,996. | | 104. | | | | 465,892. |
| Totals | \$3,744,108. | \$75,000. | \$286,993. | \$0. | \$0. | \$(265,000.) | \$3,117,115. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
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: | |
| State sources - SDA Grant | \$ 2,071,663. |
| Bond proceeds | 1,332,445. |
| Total revenues | <u>3,404,108.</u> |
| | |
| Expenditures and Other Financing Uses: | |
| Purchased professional and technical services | 215,885. |
| Construction services | 71,108. |
| Total expenditures | <u>286,993.</u> |
| | |
| Excess (deficiency) of revenues over (under) expenditures | 3,117,115. |
| | |
| Other financing sources (uses): | |
| Transfer/cancellation | <u>(265,000.)</u> |
| Total other financing sources (uses) | <u>(265,000.)</u> |
| | |
| Net change in fund balances | 2,852,115. |
| | |
| Fund balance - beginning | <u>265,000.</u> |
| | |
| Fund balance - ending | <u><u>\$ 3,117,115.</u></u> |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ROOF AND HVAC REPAIRS AND UPGRADES, DOOR AND HARDWARE UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|---------------|------------------|---------------|-------------------------------|
| Revenues and other financing sources: | | | | |
| State sources - SDA Grant | \$ | \$ 2,071,663. | \$ 2,071,663. | \$ 2,071,663. |
| Bond proceeds-County of Cumberland | | 866,449. | 866,449. | 866,449. |
| Total revenues | 0. | 2,938,112. | 2,938,112. | 2,938,112. |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional/technical services | | 215,781. | 215,781. | 255,000. |
| Construction services | | 71,108. | 71,108. | 2,683,112. |
| Total expenditures | 0. | 286,889. | 286,889. | 2,938,112. |
| Excess (deficiency) or revenues over (under) expenditures | \$ 0. | \$ 2,651,223. | \$ 2,651,223. | \$ 0. |
| Additional project information: | | | | |
| Project Number | | 0995-030-09-G0XL | | |
| Grant Date | | 05/12/11 | | |
| Bond Authorization Date | | 02/22/11 | | |
| Bonds Authorized | | \$ 866,449. | | |
| Bonds Issued | | \$ 866,449. | | |
| Original Authorized Cost | | \$ 2,938,112. | | |
| Additional Authorized Cost | | \$ 0. | | |
| Revised Authorized Cost | | \$ 2,938,112. | | |
| Percentage Increase Over Original Authorized Cost | | N/A | | |
| Percentage Completion | | 9.76% | | |
| Original Target Completion Date | | N/A | | |
| Revised Target Completion Date | | N/A | | |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WATER WELL SYSTEM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|---------------|--------------|-------------|-------------------------------|
| Revenues and other financing sources: | | | | |
| Bond proceeds-County of Cumberland | \$ | \$ 465,996. | \$ 465,996. | \$ 465,996. |
| Total revenues | 0. | 465,996. | 465,996. | 465,996. |
| Expenditures and Other Financing Uses: | | | | |
| Purchased professional/technical services | | 104. | 104. | 50,000. |
| Construction services | | | | 415,996. |
| Total expenditures | 0. | 104. | 104. | 465,996. |
| Excess (deficiency) or revenues over (under) expenditures | \$ 0. | \$ 465,892. | \$ 465,892. | \$ 0. |

Additional project information:

| | |
|----------------------------|------------------|
| Project Number | 0995-030-04-1000 |
| Grant Date | N/A |
| Bond Authorization Date | 02/24/04 |
| Bonds Authorized | \$ 340,000. |
| Bonds Issued | \$ 340,000. |
| Original Authorized Cost | \$ 340,000. |
| Additional Authorized Cost | \$ 0. |
| Revised Authorized Cost | \$ 340,000. |

| | |
|---|-------|
| Percentage Increase Over Original Authorized Cost | N/A |
| Percentage Completion | 22.1% |
| Original Target Completion Date | N/A |
| Revised Target Completion Date | N/A |

PROPRIETARY FUNDS

ENTERPRISE FUNDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

| | Supermarket Careers | Food Service | House Construction | Food Service Restaurant | Customized Training Fund | Total |
|----------------------------------|------------------------|------------------|-----------------------|----------------------------|-----------------------------|--------------------|
| ASSETS: | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$(38,452.) | \$ 934. | \$ 36,734. | \$ 13,071. | \$ 3,255. | \$ 15,542. |
| Accounts receivable: | | | | | | |
| Interfund | 19,565. | | | 1,879. | | 21,444. |
| Other | | | | 1,015. | | 1,015. |
| Inventory | 9,606. | 316. | 75,962. | | | 85,884. |
| Note receivable | | | 30,000. | | | 30,000. |
| Total current assets | (9,281.) | 1,250. | 142,696. | 15,965. | 3,255. | 153,885. |
| Total assets | \$(9,281.) | \$ 1,250. | \$ 142,696. | \$ 15,965. | \$ 3,255. | \$ 153,885. |
| LIABILITIES: | | | | | | |
| Current liabilities: | | | | | | |
| Interfund payable | \$ 6,700. | \$ 238. | \$ 61,244. | \$ | \$ | \$ 68,182. |
| Accounts payable | | | 7,405. | | | 7,405. |
| Total current liabilities | 6,700. | 238. | 68,649. | 0. | 0. | 75,587. |
| Total liabilities | 6,700. | 238. | 68,649. | 0. | 0. | 75,587. |
| NET ASSETS: | | | | | | |
| Unrestricted | (15,981.) | 1,012. | 74,047. | 15,965. | 3,255. | 78,298. |
| Total net assets | \$(15,981.) | \$ 1,012. | \$ 74,047. | \$ 15,965. | \$ 3,255. | \$ 78,298. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Supermarket Careers Fund | Food Service Fund | House Construction Fund | Food Service Restaurant Fund | Customized Training Fund | Total |
|---------------------------------------|--------------------------------|-------------------------|-------------------------------|------------------------------------|-----------------------------|------------|
| OPERATING REVENUES: | | | | | | |
| Daily sales | \$ 6,751. | \$ 4,212. | \$ | \$ 8,635. | \$ 12,000. | \$ 31,598. |
| Total operating revenues | 6,751. | 4,212. | 0. | 8,635. | 12,000. | 31,598. |
| OPERATING EXPENSES: | | | | | | |
| Cost of sales | 5,000. | 19,222. | | 5,173. | | 29,395. |
| Miscellaneous | | 119. | | | 1,034. | 1,153. |
| Total operating expenses | 5,000. | 19,341. | 0. | 5,173. | 1,034. | 30,548. |
| Operating income/(loss) | 1,751. | (15,129.) | 0. | 3,462. | 10,966. | 1,050. |
| NON-OPERATING REVENUES/EXPENSES: | | | | | | |
| State sources: | | 244. | | | | 244. |
| State school lunch program | | | | | | |
| Federal sources: | | | | | | |
| National school breakfast program | | 5,055. | | | | 5,055. |
| National school lunch program | | 10,617. | | | | 10,617. |
| Interest | | 21. | | | | 21. |
| Total non-operating revenues/expenses | 0. | 15,937. | 0. | 0. | 0. | 15,937. |
| Change in net assets | 1,751. | 808. | | 3,462. | 10,966. | 16,987. |
| NET ASSETS - JULY 1 | (17,732.) | 204. | 74,047. | 12,503. | (7,711.) | 61,311. |
| NET ASSETS - JUNE 30 | \$(15,981.) | \$ 1,012. | \$ 74,047. | \$ 15,965. | \$ 3,255. | \$ 78,298. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Supermarket Careers Fund | Food Service Fund | House Construction Fund | Food Service Restaurant Fund | Customized Training Fund | Total |
|--|--------------------------------|-------------------------|-------------------------------|------------------------------------|-----------------------------|------------|
| | \$ 6,751. | \$ 4,294. | \$ 46,761. | \$ 7,480. | \$ 12,000. | \$ 77,286. |
| | (5,000.) | (19,427.) | (10,804.) | (5,173.) | (1,034.) | (41,438.) |
| | 1,751. | (15,133.) | 35,957. | 2,307. | 10,966. | 35,848. |
| | 0. | 15,937. | 0. | 0. | 0. | 15,937. |
| | (40,203.) | 130. | 777. | 10,764. | (7,711.) | (36,243.) |
| | \$(38,452.) | \$ 934. | \$ 36,734. | \$ 13,071. | \$ 3,255. | \$ 15,542. |
| | \$ 1,751. | \$(15,129.) | \$ | \$ 3,462. | \$ 10,966. | \$ 1,050. |
| | | | 46,762. | 385. | | 47,147. |
| | | | (17,874.) | (1,540.) | | (1,540.) |
| | | (4.) | 7,069. | (17,878.) | | (17,878.) |
| | \$ 1,751. | \$(15,133.) | \$ 35,957. | \$ 2,307. | \$ 10,966. | \$ 35,848. |

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers
 Payments to suppliers

Net cash provided (used) by operating activities

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State sources
 Federal sources
 Interest

Net cash provided by noncapital financing activities

Cash and cash equivalents - July 1

Cash and cash equivalents - June 30

Reconciliation of operating income/(loss) to
 net cash provided/(used) by operating
 activities:

Operating income/(loss)
 Change in assets and liabilities:
 (Increase)/decrease in accounts receivable
 (Increase)/decrease in interfund receivable
 (Increase)/decrease in inventory
 Increase/(decrease) in accounts payable

Net cash provided/(used) by operating activities

INTERNAL SERVICE FUND

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
INTERNAL SERVICE FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

| | <u>Transportation Internal Service Fund</u> |
|------------------------------|---|
| ASSETS: | |
| Current assets: | |
| Cash and cash equivalents | \$ 285,890. |
| Accounts receivable | 597,498. |
| Interfund receivable | 27,858. |
| Other | 550. |
| | <hr/> |
| Total current assets | 911,796. |
| Fixed assets: | |
| Vehicles | 60,459. |
| Equipment | 5,321. |
| Accumulated depreciation | (54,442.) |
| | <hr/> |
| Total fixed assets | 11,338. |
| | <hr/> |
| Total assets | <u>\$ 923,134.</u> |
| LIABILITIES: | |
| Current liabilities: | |
| Accounts payable | \$ 466,367. |
| Refund to participants | 58,257. |
| Deferred revenue | 2,323. |
| Prepaid benefits | 4,427. |
| | <hr/> |
| Total current liabilities | 531,374. |
| Noncurrent liabilities: | |
| Compensated absences | 6,635. |
| | <hr/> |
| Total Noncurrent liabilities | 6,635. |
| | <hr/> |
| Total liabilities | 538,009. |
| NET ASSETS: | |
| Invested in fixed assets | 11,338. |
| Unrestricted | 373,787. |
| | <hr/> |
| Total net assets | <u>\$ 385,125.</u> |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | <u>Transportation Internal Service Fund</u> |
|------------------------------------|---|
| OPERATING REVENUES: | |
| Charges for services | \$ 6,078,614. |
| Total operating revenues | <u>6,078,614.</u> |
| OPERATING EXPENSES: | |
| Contracted services | 5,687,700. |
| Supplies | 16,573. |
| Salaries | 191,900. |
| Payroll taxes and fringe benefits | 69,547. |
| Depreciation | 7,557. |
| Other purchased services | 39,122. |
| Refunds to participating districts | 58,257. |
| Miscellaneous | <u>1,335.</u> |
| Total operating expenses | <u>6,071,991.</u> |
| Operating income/(loss) | <u>6,623.</u> |
| Change in net assets | 6,623. |
| NET ASSETS - JULY 1 | <u>378,502.</u> |
| NET ASSETS - JUNE 30 | <u><u>\$ 385,125.</u></u> |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Transportation Internal Service Fund |
|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from customers and users | \$ 6,009,881. |
| Payments to employees | (191,900.) |
| Payments for employees benefits | (69,753.) |
| Payments to suppliers | (6,010,817.) |
| Net cash provided (used) by operating activities | (262,589.) |
| Net increase/(decrease) in cash and cash equivalents | (262,589.) |
| Cash and cash equivalents - July 1 | 548,479. |
| Cash and cash equivalents - June 30 | \$ 285,890. |
| Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities: | |
| Operating income/(loss) | \$ 6,623. |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation expense | 7,557. |
| Change in assets and liabilities: | |
| (Increase)/decrease in accounts receivable | (109,391.) |
| (Increase)/decrease in interfund receivable | 50,638. |
| Increase/(decrease) in accounts payable | (211,161.) |
| Increase/(decrease) in refunds to participants | 3,309. |
| Increase/(decrease) in prepaid benefits | 62. |
| Increase/(decrease) in compensated absence | (183.) |
| Increase/(decrease) in deferred revenue | (10,043.) |
| Net cash provided (used in) operating activities | \$(262,589.) |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2011

| | Student Activity | Payroll | Unemployment Compensation Trust | Total |
|-------------------------------------|---------------------|------------------|---------------------------------------|--------------------|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 210,664. | \$ 1,994. | \$ 108,583. | \$ 321,241. |
| Due from Unemployment | | 64. | | 64. |
| Other accounts receivable | 1,836. | | | 1,836. |
| Total assets | \$ 212,500. | \$ 2,058. | \$ 108,583. | \$ 323,141. |
| LIABILITIES: | | | | |
| Due to student groups | \$ 58,389. | \$ | \$ | \$ 58,389. |
| Deferred revenue | 120,349. | | | 120,349. |
| Interfund payable | 33,762. | 844. | | 34,606. |
| Payroll deductions and withholdings | | 1,214. | | 1,214. |
| Due to Payroll/Agency | | | 64. | 64. |
| Total liabilities | \$ 212,500. | \$ 2,058. | \$ 64. | \$ 214,622. |
| NET ASSETS: | \$ 0. | \$ 0. | \$ 108,519. | \$ 108,519. |
| Total net assets | \$ 0. | \$ 0. | \$ 108,519. | \$ 108,519. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | <u>Unemployment Compensation Trust</u> |
|-------------------------|--|
| ADDITIONS: | |
| Contributions: | |
| Plan member | \$ 8,019. |
| Total contributions | <u>8,019.</u> |
| Investment earnings: | |
| Interest | 1,374. |
| Net investment earnings | <u>1,374.</u> |
| Total additions | <u>9,393.</u> |
| DEDUCTIONS: | |
| Unemployment claims | 64,269. |
| Total deductions | <u>64,269.</u> |
| Change in net assets | (54,876.) |
| NET ASSETS, JULY 1 | <u>163,395.</u> |
| NET ASSETS, JUNE 30 | <u><u>\$ 108,519.</u></u> |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Cash Balance July 1, 2010 | Cash Receipts | Cash Disbursements | Cash Balance June 30, 2011 |
|-----------------------|---------------------------------|--------------------|-----------------------|----------------------------------|
| Student Activities | \$ 5,857. | \$ 2,767. | \$ 1,995. | \$ 6,629. |
| Adult Student Account | 85,955. | 606,838. | 515,282. | 177,511. |
| Program Fund | 24,509. | 5,661. | 3,646. | 26,524. |
| Total | <u>\$ 116,321.</u> | <u>\$ 615,266.</u> | <u>\$ 520,923.</u> | <u>\$ 210,664.</u> |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
PAYROLL AGENCY FUND SCHEDULE OF
RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Balance July 1, 2010 | Additions | Deletions | Balance June 30, 2011 |
|-------------------------------------|-------------------------|----------------------|----------------------|--------------------------|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 1,798. | \$ 5,455,209. | \$ 5,455,013. | \$ 1,994. |
| Due from Unemployment | 63. | 8,019. | 8,018. | 64. |
| Total assets | \$ 1,861. | \$ 5,463,228. | \$ 5,463,031. | \$ 2,058. |
| LIABILITIES: | | | | |
| Net payroll | \$ | \$ 3,223,718. | \$ 3,223,718. | \$ |
| Payroll deductions and withholdings | 1,067. | 2,239,460. | 2,239,313. | 1,214. |
| Interfund payable | 794. | 50. | | 844. |
| Total liabilities | \$ 1,861. | \$ 5,463,228. | \$ 5,463,031. | \$ 2,058. |

LONG-TERM DEBT

N/A

STATISTICAL SECTION

FINANCIAL TRENDS

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

| | FISCAL YEAR ENDING JUNE 30. | | | | | | | | |
|--|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Governmental Activities: | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 6,624,497. | \$ 6,525,501. | \$ 6,329,121. | \$ 1,935,113. | \$ 2,163,133. | \$ 2,243,703. | \$ 2,394,342. | \$ 2,493,871. | \$ 2,569,769. |
| Restricted | 1,723,806. | 2,206,193. | 1,665,035. | 933,346. | 2,090,421. | 2,125,952. | 2,398,155. | 1,844,480. | 3,514,102. |
| Unrestricted | 321,018. | 278,295. | 909,870. | 1,793,694. | 594,227. | 425,850. | 480,550. | 250,695. | 346,268. |
| Total governmental activities net assets | \$ 8,669,321. | \$ 9,009,969. | \$ 8,904,026. | \$ 4,662,153. | \$ 4,847,781. | \$ 4,795,505. | \$ 5,273,047. | \$ 4,589,046. | \$ 6,430,139. |
| Business-Type Activities: | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 204. | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Unrestricted | 144,646. | 138,664. | 252,204. | 174,596. | 85,902. | 76,121. | 68,195. | 61,311. | 78,298. |
| Total business-type activities net assets | \$ 144,850. | \$ 138,664. | \$ 252,204. | \$ 174,596. | \$ 85,902. | \$ 76,121. | \$ 68,195. | \$ 61,311. | \$ 78,298. |
| District-Wide: | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 6,624,701. | \$ 6,525,501. | \$ 6,329,121. | \$ 1,935,113. | \$ 2,163,133. | \$ 2,243,703. | \$ 2,394,342. | \$ 2,493,871. | \$ 2,569,769. |
| Restricted | 1,723,806. | 2,206,193. | 1,665,035. | 933,346. | 2,090,421. | 2,125,952. | 2,398,155. | 1,844,480. | 3,514,102. |
| Unrestricted | 465,664. | 416,959. | 1,162,074. | 1,968,290. | 680,129. | 501,971. | 548,745. | 312,006. | 424,566. |
| Total District Net Assets | \$ 8,814,171. | \$ 9,148,653. | \$ 9,156,230. | \$ 4,836,749. | \$ 4,933,683. | \$ 4,871,626. | \$ 5,341,242. | \$ 4,650,357. | \$ 6,508,437. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION

CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

| | FISCAL YEAR ENDING JUNE 30 | | | | | | | | |
|--|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Expenses | | | | | | | | | |
| Governmental activities | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Vocational | \$ 2,542,039. | \$ 2,518,888. | \$ 2,630,369. | \$ 2,316,324. | \$ 2,606,388. | \$ 2,589,478. | \$ 2,423,404. | \$ 2,703,218. | \$ 2,368,900. |
| Other instruction | 10,650. | 11,030. | 11,900. | 12,862. | 19,033. | 26,159. | 26,252. | 22,263. | 17,119. |
| Support Services: | | | | | | | | | |
| Student & instruction related services | 686,273. | 797,627. | 673,055. | 664,454. | 692,805. | 722,274. | 642,562. | 637,535. | 659,426. |
| School administrative services | 285,193. | 309,604. | 312,505. | 275,497. | 278,857. | 301,337. | 361,588. | 351,090. | 360,132. |
| General & business administrative services | 664,914. | 751,223. | 795,860. | 945,979. | 1,012,495. | 1,058,717. | 931,618. | 850,644. | 916,706. |
| Plant operations & maintenance | 695,754. | 721,477. | 724,791. | 792,873. | 878,027. | 891,883. | 1,010,878. | 1,036,960. | 874,665. |
| Pupil transportation | 3,638,107. | 3,982,627. | 4,896,824. | 5,630,323. | 5,926,367. | 45,375. | 34,931. | 25,868. | 23,058. |
| Employee benefits | 874,718. | 987,875. | 1,034,671. | 1,186,886. | 1,494,729. | 1,649,156. | 1,502,200. | 1,487,401. | 1,545,225. |
| Special schools | 922,477. | 987,215. | 1,125,266. | 1,005,658. | 1,070,405. | 1,027,071. | 1,101,511. | 1,411,993. | 1,271,913. |
| Internal service fund | | | | | | 6,394,439. | 6,911,155. | 6,757,906. | 6,071,991. |
| NJ Debt Service Assessment | | | | | | | | | 1,800. |
| Total governmental activities | 10,320,125. | 11,067,546. | 12,205,241. | 12,830,456. | 13,979,106. | 14,705,889. | 14,946,109. | 15,284,878. | 14,110,935. |
| Business-type activities: | | | | | | | | | |
| Enterprise fund | 151,304. | 211,418. | 190,902. | 278,485. | 289,988. | 179,713. | 33,420. | 81,600. | 30,548. |
| Total business-type activities expense | 151,304. | 211,418. | 190,902. | 278,485. | 289,988. | 179,713. | 33,420. | 81,600. | 30,548. |
| Total district expenses | \$ 10,471,429. | \$ 11,278,964. | \$ 12,396,143. | \$ 13,108,941. | \$ 14,269,094. | \$ 14,885,602. | \$ 14,979,529. | \$ 15,366,478. | \$ 14,141,483. |
| Program Revenues | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| Charges for Services: | | | | | | | | | |
| Internal service fund | \$ 3,625,950. | \$ 4,033,127. | \$ 4,947,531. | \$ | \$ 5,942,909. | \$ 6,452,905. | \$ 6,973,150. | \$ 6,764,817. | \$ 6,078,614. |
| Special schools | 486,857. | 475,815. | 690,804. | | 559,532. | 565,226. | 684,655. | 985,742. | 1,051,401. |
| Operating grants & contributions | 303,513. | 363,570. | 361,973. | | 663,637. | 688,997. | 432,365. | 437,579. | 414,620. |
| Total governmental activities program revenues | 4,416,320. | 4,872,512. | 6,000,308. | 6,550,887. | 7,166,078. | 7,707,128. | 8,090,170. | 8,188,138. | 7,544,635. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Business-type activities: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| Enterprise fund | \$ 155,145. | \$ 176,021. | \$ 175,873. | \$ 152,456. | \$ | \$ 172,480. | \$ 18,369. | \$ 58,899. | \$ 31,598. |
| Child care | | | | | 215,921. | | | | |
| Operating grants & contributions | 8,446. | 8,446. | 9,695. | 16,356. | 15,247. | 15,094. | 16,731. | 15,805. | 15,916. |
| Total business type activities program revenues | 155,145. | 194,467. | 185,568. | 168,812. | 231,168. | 187,574. | 35,100. | 74,704. | 47,514. |
| Total district program revenues | \$ 4,571,465. | \$ 5,056,979. | \$ 6,185,876. | \$ 6,719,699. | \$ 7,397,246. | \$ 7,894,702. | \$ 8,125,270. | \$ 8,262,842. | \$ 7,592,149. |
| Net (Expense)/Revenue | | | | | | | | | |
| Governmental activities | \$(5,903,805.) | \$(6,195,034.) | \$(6,204,933.) | \$(6,279,569.) | \$(6,813,028.) | \$(6,998,761.) | \$(6,855,939.) | \$(7,096,740.) | \$(6,566,300.) |
| Business-type activities | 3,841. | (26,951.) | (5,334.) | (109,673.) | (58,820.) | 7,861. | 1,680. | (6,896.) | 16,996. |
| Total district-wide net expense | \$(5,899,964.) | \$(6,221,985.) | \$(6,210,267.) | \$(6,389,242.) | \$(6,871,848.) | \$(6,990,900.) | \$(6,854,259.) | \$(7,103,636.) | \$(6,549,304.) |
| General Revenues & Other Changes in Net Assets | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 1,527,350. | \$ 1,413,675. | \$ 1,436,085. | \$ 1,525,308. | \$ 1,782,635. | \$ 1,743,320. | \$ 2,231,800. | \$ 1,888,000. | \$ 2,100,000. |
| Grants and contributions | 4,055,542. | 4,378,120. | 4,197,554. | 4,248,684. | 4,295,733. | 4,305,855. | 4,201,203. | 3,593,894. | 4,275,379. |
| Tuition received | 243,850. | 250,000. | 488,500. | 546,000. | 556,900. | 590,800. | 801,500. | 928,084. | 1,053,599. |
| Investment earnings | 21,080. | 20,502. | 50,977. | 89,360. | 123,277. | 74,340. | 45,633. | 12,528. | 32,496. |
| Miscellaneous income | 70,812. | 60,100. | 33,026. | 42,721. | 106,693. | 245,716. | 58,744. | 60,917. | 38,094. |
| Prior year adjustment | 12,817. | | 10,985. | | | | (960.) | (93.) | (291,398.) |
| Bond proceeds from County of Cumberland | 25,000. | 433,901. | | | | | | | |
| Capital projects funds from County of Cumberland | | | | (4,414,377.) | 132,328. | (31,822.) | (4,439.) | | (133,221.) |
| Adjustment to carrying value of fixed assets per appraisal | | (20,596.) | (118,157.) | | | | | | |
| Transfers | | | | | 1,090. | 18,476. | | | 1,332,445. |
| Other | | | | | | | | | |
| Total governmental activities | 5,956,451. | 6,535,702. | 6,098,970. | 2,037,696. | 6,998,656. | 6,946,485. | 7,333,481. | 6,483,330. | 8,407,393. |
| Business-type activities: | | | | | | | | | |
| Investment earnings | 171. | 169. | 717. | 975. | 1,216. | 834. | | 12. | 21. |
| Transfers | 20,596. | 20,596. | 118,157. | 31,090. | (31,090.) | (18,476.) | (9,606.) | | |
| Other | | | | | | | | | |
| Total business-type activities | 171. | 20,765. | 118,874. | 32,065. | (29,874.) | (17,642.) | (9,606.) | 12. | 21. |
| Total district-wide | \$ 5,956,622. | \$ 6,556,467. | \$ 6,217,844. | \$ 2,069,761. | \$ 6,968,782. | \$ 6,928,843. | \$ 7,323,875. | \$ 6,483,342. | \$ 8,407,414. |
| Change in net assets | | | | | | | | | |
| Governmental activities | 52,646. | 340,668. | (105,963.) | (4,241,873.) | 185,628. | (52,276.) | 477,542. | (613,410.) | 1,841,093. |
| Business-type activities | 4,012. | (6,186.) | 113,540. | (77,608.) | (88,694.) | (9,781.) | (7,926.) | (6,884.) | 16,987. |
| Total district | \$ 56,658. | \$ 334,482. | \$ 7,577. | \$(4,319,481.) | \$ 96,934. | \$(62,057.) | \$ 469,616. | \$(620,294.) | \$ 1,858,080. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
 LAST NINE FISCAL YEARS
 (Modified Accrual Basis of Accounting)

| | Fiscal Year Ending June 30. | | | | | | | | |
|---|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| General Fund | | | | | | | | | |
| Reserved | \$ 1,530,919. | \$ 1,616,143. | \$ 1,392,782. | \$ 1,818,635. | \$ 1,800,421. | \$ 1,860,952. | \$ 2,133,155. | \$ 1,579,480. | \$ 2,341,365. |
| Unreserved | 418,990. | 405,060. | 780,189. | 536,955. | 457,342. | 238,781. | 272,329. | 53,198. | 69,314. |
| Total general fund | \$ 1,949,909. | \$ 2,021,203. | \$ 2,172,971. | \$ 2,355,590. | \$ 2,257,763. | \$ 2,099,733. | \$ 2,405,484. | \$ 1,632,678. | \$ 2,410,679. |
| All Other Governmental Funds | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | |
| Special revenue fund | (10,298.) | (9,785.) | (9,785.) | (9,785.) | (9,785.) | (13,597.) | | | |
| Capital projects fund | 48,728. | 382,135. | 290,000. | 290,000. | 290,000. | 265,000. | 265,000. | 265,000. | 1,247,737. |
| Total all other governmental funds | \$ 38,430. | \$ 372,350. | \$ 280,215. | \$ 280,215. | \$ 280,215. | \$ 251,403. | \$ 265,000. | \$ 265,000. | \$ 1,247,737. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Tax levy | \$ 1,300,000. | \$ 1,527,350. | \$ 1,847,576. | \$ 1,436,085. | \$ 1,525,308. | \$ 1,782,635. | \$ 1,743,320. | \$ 2,231,800. | \$ 1,888,000. | \$ 2,100,000. |
| Tuition charges | 18,200. | 243,850. | 250,000. | 452,900. | 546,000. | 556,900. | 590,600. | 801,500. | 896,084. | 1,007,989. |
| Non-resident fees | | | | | | | | 36,000. | 32,000. | 45,800. |
| Interest earnings | 29,799. | 578,749. | 20,502. | 50,977. | 89,360. | 123,277. | 74,340. | 45,633. | 12,528. | 32,495. |
| Miscellaneous | 542,314. | | 535,916. | 759,430. | 581,774. | 666,225. | 810,942. | 707,399. | 1,046,659. | 1,089,495. |
| State sources | 3,504,144. | 3,892,656. | 4,139,446. | 4,077,462. | 4,103,192. | 4,389,322. | 4,609,001. | 4,263,908. | 2,865,825. | 4,326,947. |
| Federal sources | 763,717. | 666,399. | 602,244. | 482,065. | 570,774. | 570,048. | 385,851. | 369,660. | 1,165,648. | 363,052. |
| Total revenue | 6,158,174. | 6,709,004. | 7,395,684. | 7,258,919. | 7,416,408. | 8,088,407. | 8,214,054. | 8,455,900. | 7,906,744. | 8,965,588. |
| Expenditures | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Vocational instruction | 1,197,476. | 1,299,151. | 1,253,687. | 1,302,773. | 2,172,100. | 2,458,934. | 2,420,101. | 2,234,554. | 2,486,108. | 2,162,504. |
| Special education instruction | 694,144. | 701,948. | 730,159. | 769,137. | | | | | | |
| Other special instruction | 8,700. | | | | | | | | | |
| School sponsored/other instruction | 1,450. | 10,650. | 11,030. | 11,900. | 12,862. | 19,033. | 26,159. | 26,252. | 22,263. | 17,119. |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 438,204. | 666,062. | 772,449. | 646,775. | 664,454. | 685,866. | 714,303. | 633,675. | 627,318. | 649,713. |
| General administration | 349,070. | 367,494. | 416,006. | 358,272. | 945,979. | 1,005,556. | 1,050,746. | 399,354. | 389,168. | 440,971. |
| School administration services | 245,045. | 247,829. | 271,838. | 273,084. | 267,732. | 268,449. | 289,382. | 348,267. | 335,765. | 345,563. |
| Central services | | | | 408,632. | | | | 371,243. | 313,915. | 314,138. |
| Admin info tech | 658,301. | 693,351. | 715,183. | 718,221. | 791,910. | 876,292. | 889,890. | 1,008,656. | 1,034,406. | 872,237. |
| Plant operations & maintenance | 18,401. | 13,069. | 12,389. | 17,120. | 21,445. | 34,458. | 33,347. | 152,134. | 137,344. | 151,884. |
| Pupil transportation | 564,363. | 278,035. | 310,039. | 2,676. | | | | 34,931. | 25,868. | 23,058. |
| Other support services | 622,627. | 865,358. | 958,569. | 1,037,742. | 1,170,480. | 1,491,360. | 1,649,156. | 1,440,203. | 1,532,800. | 1,535,502. |
| Employee benefits | 819,884. | 922,477. | 987,215. | 1,125,266. | 1,005,658. | 1,070,405. | 1,027,071. | 1,101,511. | 1,411,993. | 1,271,913. |
| Special schools | | | | | | | | 384,812. | 362,602. | 461,295. |
| Capital outlay | 591,049. | 291,289. | 531,310. | 404,631. | 181,169. | 276,971. | 319,217. | | | |
| Total expenditures | 6,208,714. | 6,356,713. | 6,969,874. | 7,076,229. | 7,233,789. | 8,187,324. | 8,419,372. | 8,135,592. | 8,679,550. | 8,245,897. |

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|--------------|-------------|-------------|-------------|-------------|--------------|---------------|-------------|---------------|---------------|
| Excess (deficiency) of revenues over/(under) expenditures | \$ (50,540.) | \$ 352,291. | \$ 425,810. | \$ 182,690. | \$ 182,619. | \$ (98,917.) | \$ (205,318.) | \$ 320,308. | \$ (772,806.) | \$ 719,691. |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Proceeds from sale of bonds | | 25,000. | | | | 1,090. | | (960.) | | 1,392,445. |
| Prior year adjustment | | | | | | | | | | (26,398.) |
| Transfers/cancellations | | 28,246. | 6,096. | 518. | 21. | 1,118. | 18,499. | | | (265,000.) |
| Transfers in | | (15,394.) | (26,692.) | (123,575.) | (21.) | (1,118.) | (23.) | | | |
| Transfers out | | | | | | | | | | |
| Total other financing sources/(uses) | 0. | 37,862. | (20,596.) | (123,057.) | 0. | 1,090. | 18,476. | (960.) | 0. | 1,041,047. |
| Net change in fund balances | \$ (50,540.) | \$ 390,153. | \$ 405,214. | \$ 59,633. | \$ 182,619. | \$ (97,827.) | \$ (186,842.) | \$ 319,348. | \$ (772,806.) | \$ 1,760,738. |
| Debt Service as a Percentage of Noncapital Expenditures | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Source: District records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

| Fiscal Year Ended June 30 | Tuition | Non-Resident Fees | Interest on Investments | Fac./ Land Rent | Prior Years' Refunds | Adult and Evening Fees | School Fees | Sale of Assets | Donation | Microsoft Grant | Misc. | Total |
|---------------------------|------------|-------------------|-------------------------|-----------------|----------------------|------------------------|-------------|----------------|----------|-----------------|------------|-------------|
| 2002 | \$ 18,200. | \$ 32,800. | \$ 26,645. | \$ 12,000. | \$ 14,588. | \$ 436,428. | \$ 16,715. | \$ | \$ | \$ | \$ 29,783. | \$ 587,159. |
| 2003 | 243,850. | 44,000. | 18,558. | 16,205. | | 276,086. | 210,772. | | | | 10,606. | 820,077. |
| 2004 | 250,000. | 22,400. | 19,643. | 6,175. | | 285,489. | 190,326. | | | | 31,526. | 805,559. |
| 2005 | 452,900. | 35,600. | 50,460. | 6,495. | 7,480. | 495,252. | 195,552. | | | | 19,051. | 1,262,790. |
| 2006 | 546,000. | 23,200. | 89,339. | 6,000. | | 539,053. | | | | | 13,521. | 1,217,113. |
| 2007 | 556,900. | 23,200. | 123,249. | 6,000. | | 559,532. | | | | | 26,140. | 1,301,574. |
| 2008 | 590,600. | 8,000. | 74,340. | 8,000. | 1,532. | 563,226. | | 6,553. | 2,000. | | 79,967. | 1,475,882. |
| 2009 | 801,500. | 36,000. | 45,633. | 8,000. | | 684,655. | | 148,217. | | | 14,744. | 1,590,532. |
| 2010 | 896,084. | 32,000. | 12,528. | 8,000. | 6,158. | 985,742. | | | | | 41,566. | 1,982,078. |
| 2011 | 1,007,999. | 45,600. | 32,495. | 8,000. | | 1,051,401. | | 9,985. | | | 20,109. | 2,175,589. |

Source: District records

REVENUE CAPACITY

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30, | Taxes Levied For The Fiscal Year | Collected Within the Fiscal Year of the Levy (a) | | Collections in Subsequent Years |
|-------------------------------------|---|---|-----------------------|--|
| | | Amount | Percentage of Levy | |
| 2002 | \$ 1,300,000. | \$ 1,300,000. | 100.00% | |
| 2003 | 1,527,350. | 1,527,350. | 100.00% | |
| 2004 | 1,847,576. | 1,847,576. | 100.00% | |
| 2005 | 1,436,085. | 1,436,085. | 100.00% | |
| 2006 | 1,259,048. | 1,259,048. | 100.00% | |
| 2007 | 1,782,635. | 1,782,635. | 100.00% | |
| 2008 | 1,743,320. | 1,743,320. | 100.00% | |
| 2009 | 2,231,800. | 2,231,800. | 100.00% | |
| 2010 | 1,888,000. | 1,888,000. | 100.00% | |
| 2011 | 2,100,000. | 2,100,000. | 100.00% | |

Source: District records including the Certificate and Report of School Taxes (A4F form)

- a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

DEBT CAPACITY

N/A

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

| Year | County Population (a) | Personal Income (b) | Per Capita Personal Income (c) | Unemployment Rate (d) |
|------|--------------------------|------------------------|--------------------------------------|--------------------------|
| 2001 | 146,903 | \$ 3,606,027,941. | \$ 24,547. | 7.50% |
| 2002 | 148,012 | 3,803,612,376. | 25,698. | 8.50% |
| 2003 | 149,417 | 3,888,129,174. | 26,022. | 8.60% |
| 2004 | 151,020 | 4,111,368,480. | 27,224. | 6.70% |
| 2005 | 153,252 | 4,313,890,548. | 28,149. | 6.20% |
| 2006 | 154,823 | 4,464,166,382. | 28,834. | 6.90% |
| 2007 | 155,544 | 4,603,946,856. | 29,599. | 6.50% |
| 2008 | 156,830 | 4,974,804,430. | 31,721. | 8.00% |
| 2009 | 157,745 | 5,028,437,365. | 31,877. | 12.70% |
| 2010 | 156,898 | N/A | N/A | 13.30% |

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

OPERATING INFORMATION

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| Function/Program | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction: | | | | | | | | | | |
| Vocational | 30.73 | 35.43 | 45.98 | 43.00 | 42.42 | 36.00 | 40.00 | 43.00 | 45.40 | 40.00 |
| Support Services: | | | | | | | | | | |
| General Administrative Services | 9.00 | 9.00 | 9.00 | 10.00 | 10.00 | 10.00 | 10.00 | 9.00 | 9.00 | 9.00 |
| School Administrative Services | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Other Administrative Services | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Administrative Information Technology | 2.00 | 2.00 | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Plant Operations and Maintenance | 6.00 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 5.50 | 6.50 | 6.00 | 6.00 |
| Special Schools Fund 13 | 6.20 | 8.16 | 8.40 | 7.55 | 8.20 | 7.80 | 7.80 | 12.70 | 10.60 | 10.00 |
| Food Service | 1.00 | .30 | .36 | .36 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Total | 67.93 | 74.39 | 85.24 | 82.41 | 84.62 | 77.80 | 80.80 | 88.70 | 88.50 | 82.50 |

Source: District Personnel Records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | Enrollment | Operating Expenditures (a) | Cost Per Pupil | Percentage Change | Teaching Staff (b) | Pupil/Teacher Ratio | Average Daily Enrollment (ADE) (c) | Average Daily Attendance (ADA) (c) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|----------------------------|----------------|-------------------|--------------------|---------------------|------------------------------------|------------------------------------|--------------------------------------|-------------------------------|
| 2002 | 489 | \$ 5,917,665. | \$ 11,488. | (9.47)% | 30.7 | 15.90 | 250.6 | 231.4 | 6.41% | 92.34% |
| 2003 | 531 | 6,065,424. | 11,423. | (0.57)% | 45.4 | 15.00 | 266.0 | 246.0 | 6.14% | 92.48% |
| 2004 | 518 | 6,438,564. | 12,430. | 8.82% | 46.0 | 11.20 | 260.1 | 236.7 | (2.22)% | 91.00% |
| 2005 | 557 | 6,671,598. | 11,978. | (3.64)% | 43.0 | 12.90 | 451.3 | 408.6 | 73.51% | 90.54% |
| 2006 | 585 | 7,052,620. | 12,056. | 0.65% | 42.4 | 13.70 | 473.7 | 427.4 | 4.96% | 90.23% |
| 2007 | 608 | 7,910,353. | 13,010. | 7.91% | 36.0 | 16.88 | 458.8 | 420.3 | (3.15)% | 91.61% |
| 2008 | 521 | 8,100,155. | 15,547. | 19.50% | 41.0 | 12.71 | 462.8 | 416.7 | 0.87% | 89.89% |
| 2009 | 465 | 7,750,780. | 16,668. | 7.21% | 38.0 | 12.24 | 413.7 | 372.2 | (10.61)% | 89.97% |
| 2010 | 582 | 8,316,948. | 14,290. | (14.27)% | 31.0 | 18.77 | 301.7 | 283.0 | (27.07)% | 93.80% |
| 2011 | 657 | 7,784,602. | 11,848. | (17.09)% | 32.0 | 20.53 | 342.2 | 321.8 | 13.42% | 94.04% |

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

Enrollment does not include adult enrollment.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

| District Building | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Other | | | | | | | | | | |
| CCTEC (1969) | 120,330 | 120,330 | 120,330 | 120,330 | 120,330 | 120,330 | 120,330 | 120,330 | 120,330 | 120,330 |
| Square Feet | 505 | 505 | 505 | 505 | 505 | 505 | 505 | 505 | 505 | 505 |
| Capacity (Students) | 489 | 531 | 518 | 557 | 585 | 608 | 521 | 465 | 546 | 657 |
| Enrollment | | | | | | | | | | |

Number of Schools at June 30, 2011:

Other = 1

Source: District records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

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

*School Facilities

| Project #(s) | School | Total |
|-------------------------|------------|-----------------------------|
| 2002 | N/A | N/A |
| 2003 | \$ 73,766. | \$ 73,766. |
| 2004 | 89,804. | 89,804. |
| 2005 | 77,149. | 77,149. |
| 2006 | 182,019. | 182,019. |
| 2007 | 195,115. | 195,115. |
| 2008 | 253,981. | 253,981. |
| 2009 | 288,243. | 288,243. |
| 2010 | 303,393. | 303,393. |
| 2011 | 183,934. | 183,934. |
| Total School Facilities | | \$ 1,647,404. \$ 1,647,404. |

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

| | <u>Coverage</u> | <u>Deductible</u> |
|--------------------------------------|-----------------|-------------------|
| School Package Policy - NJSBAIG | | |
| Property-Blanket Building & Contents | \$300,000,000. | \$ 5,000. |
| Comprehensive General Liability | 11,000,000. | |
| Comprehensive Automobile Liability | 11,000,000. | 1,000. |
| Blanket Extra Expense | 50,000,000. | 5,000. |
| Blanket Valuable Papers & Records | 10,000,000. | 5,000. |
| Computers and Scheduled Equipment | | |
| Data Processing Equipment | 1,050,000. | 1,000. |
| Boiler and Machinery | | |
| Property Damage | 100,000,000. | 5,000. |
| Employee Benefit Liability | 11,000,000. | 1,000. |
| Errors & Omissions | | |
| Errors & Omissions Policy Coverage A | 11,000,000. | 5,000. |
| Errors & Omissions Policy Coverage B | 100,000. | 5,000. |
| Public Officials Bond | | |
| Walter Pudelko, Treasurer | 195,000. | 1,000. |
| Gene Mercoli, Business Administrator | 175,000. | 1,000. |
| Public Employee Dishonesty | 100,000. | 500. |
| Forgery & Alteration | 100,000. | 500. |
| Money & Securities | 100,000. | 500. |
| Counterfeit | 100,000. | 500. |
| Computer Fraud | 100,000. | 500. |
| Workers Compensation - NJSBAIG | 2,000,000. | |
| Flood | 500,000. | 1,000. |
| Environmental Impairment Liability | 1,000,000. | 10,000. |
| Student Accident | 1,000,000. | |

SINGLE AUDIT SECTION



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

*Thinking ahead to
achieve success.*

MEMBERS:

- American Institute of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

K-1

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

Honorable President and
Members of the Board of Education
Cumberland County Board of Vocational Education School District
County of Cumberland, New Jersey

We have audited the financial statements of the Board of Education of the Cumberland County Board of Vocational Education School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cumberland County Board of Vocational Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cumberland County Board of Vocational Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cumberland County Board of Vocational Education'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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

K-1

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cumberland County Board of Vocational Education's 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 and Regulatory Compliance, Department of Education, State of New Jersey. However, we noted a matter that we reported to the Board of Education of the Cumberland County Vocational Education School District in a separate report entitled, *Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 16, 2011.

This report is intended solely for the information and use of the audit committee, management, the Cumberland County Board of Vocational Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

November 16, 2011



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

*Thinking ahead to
achieve success.*

MEMBERS:

- American Institute of Certified Public Accountants
- New Jersey Society of Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

K-2

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
NEW JERSEY OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Cumberland County Board of Vocational Education School District
County of Cumberland, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Cumberland County Board of Vocational Education School District, in the County of Cumberland, 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 Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2011. Cumberland County Board of Vocational Education'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 Cumberland County Board of Vocational Education's management. Our responsibility is to express an opinion on the Cumberland County Board of Vocational Education'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; the 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 and Regulatory Compliance, 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 state program occurred. An audit includes examining, on a test basis, evidence about the Cumberland County Board of Vocational Education'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 Cumberland County Board of Vocational Education's compliance with those requirements.

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



Triantos & Delp

CERTIFIED PUBLIC ACCOUNTANTS, LLC

K-2

Internal Control Over Compliance

The management of the Board of Education of the Cumberland 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 Cumberland County Board of Vocational Education's internal control over compliance with requirements that could have a direct and material effect on a major 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cumberland County Board of Vocational Education's internal control over compliance.

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

Our consideration of the internal control over compliance as for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or 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 and use of the audit committee, management, the Cumberland County Board of Vocational Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

November 16, 2011

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA No. | Grant or State Project Number | Program or Award Amount | Grant Period From/To | Balance 6/30/2010 | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Bal. | Accounts Receivable | Balance at June 30, 2011 Deferred Revenue | Due to Grantor |
|---|---------------------|----------------------------------|-------------------------------|-------------------------|----------------------|------------------------------------|------------------|---------------------------|-------------|--------------------------------------|------------------------|---|-------------------|
| U.S. Department of Education Passed Through State Dept. of Education: Special Revenue Fund: | | | | | | | | | | | | | |
| Title I, Part A | 84.010 | NCLB-099511 | \$ 107,667. | 9/1/10-8/31/11 | \$ (29,852.) | \$ 5,141. | \$ 41,066. | \$(87,987.) | \$(5,141.) | \$ | \$(87,987.) | \$ | \$ |
| Title I, Part A | 84.010 | NCLB-099510 | 102,826. | 9/1/09-8/31/10 | (810.) | (5,141.) | | (11,214.) | 5,141. | | (3,010.) | | |
| Title I, Part A-ARRA | 84.010 | NCLB-099510-ARRA | 39,520. | 7/1/09-8/31/11 | (9,047.) | | | (2,200.) | | | (4,806.) | | |
| Title II, Part A | 84.168 | NCLB-099511 | 6,509. | 9/1/10-8/31/11 | (1,023.) | | 9,047. | (248.) | | | | | |
| Title II, Part A | 84.168 | NCLB-099510 | 9,047. | 9/1/09-8/31/10 | (140.) | | | | | | | | |
| Title II, Part D | 84.168 | NCLB-099511 | 248. | 9/1/10-8/31/11 | 1,233. | | | | | | | | |
| Title II, Part D | 84.168 | NCLB-099510 | 1,023. | 9/1/09-8/31/10 | | | 1,023. | | | | | | |
| Title IV | 84.186 | NCLB-099510 | 1,469. | 9/1/09-8/31/10 | | | 140. | | | | | | |
| I.D.E.A., Part A, Basic, Carryover | 84.027 | FT-099507 | | 9/1/07-8/31/08 | | | | | | (1,233.) | | | |
| I.D.E.A. Part A, Basic | 84.027 | FT-099511 | 93,594. | 9/1/09-8/31/10 | | 8,131. | | (87,961.) | (8,131.) | | (87,961.) | | |
| I.D.E.A. Part A, Basic | 84.027 | FT-099510 | 82,733. | 9/1/09-8/31/10 | (26,481.) | (8,131.) | 47,931. | (21,450.) | 8,131. | | (9,029.) | | |
| I.D.E.A. Part A, ARRA | 84.027 | FT-099510-ARRA | 66,750. | 7/1/09-8/31/11 | (4,413.) | | | (4,616.) | | | (37,325.) | | |
| Perkins-Secondary | 84.048 | PERK-099511 | 37,325. | 7/1/10-6/30/11 | (51,322.) | | 51,401. | (37,325.) | | | | | 579. |
| Perkins-Post Secondary | 84.048 | PERK-099510 | 51,429. | 7/1/09-6/30/10 | | | | | 500. | | | | |
| REAP | 84.358A | | 40,657. | 7/1/10-9/30/11 | | | | | | | | | |
| REAP | 84.358A | | 45,270. | 7/1/09-9/30/10 | (9,347.) | | 39,474. | (31,331.) | | | (1,204.) | | |
| REAP | 84.358A | | 44,745. | 7/1/08-9/30/09 | (1,296.) | | 1,296. | | | | | | |
| Weatherization | 81.042 | | 36,321. | 7/1/09-6/30/10 | (32,000.) | | 32,000. | | | | | | |
| Passed through Cumberland County: 21st Century | 84.287 | | 14,004. | 7/1/10-6/30/11 | | | 14,004. | (14,004.) | | | | | |
| Passed through Gloucester County Vocational Tech School: Learn & Serve America | 94.004 | 11AMER310ALS | 19,233. | 10/1/10-9/30/11 | | | | | | | | | |
| Learn & Serve America | 94.004 | 10AMER310ALS | 20,749. | 10/1/09-9/30/10 | (20,749.) | | 20,749. | (19,233.) | | | (19,233.) | | |
| Passed through Cumberland County: WIA Youth | 17.259 | | 29,000. | 7/1/10-6/30/11 | | | 22,245. | (22,245.) | | | | | |
| Total Special Revenue Fund | | | | | (185,247.) | 0. | 280,376. | (344,422.) | 500. | (1,233.) | (250,605.) | 0. | 579. |
| US Dept. of Agriculture Passed Through State Dept. of Education Enterprise Fund: | | | | | | | | | | | | | |
| National School Breakfast Program | 10.553 | N/A | 5,055. | 7/1/10-6/30/11 | | | 5,055. | (5,055.) | | | | | |
| National School Breakfast Program | 10.553 | N/A | 5,352. | 7/1/09-6/30/10 | (483.) | | 483. | | | | | | |
| National School Lunch Program | 10.555 | N/A | 10,617. | 7/1/10-6/30/11 | | | 10,617. | (10,617.) | | | | | |
| National School Lunch Program | 10.555 | N/A | 9,700. | 7/1/09-6/30/10 | (795.) | | 795. | | | | | | |
| Total Enterprise Fund | | | | | (1,278.) | 0. | 16,950. | (15,672.) | 0. | 0. | 0. | 0. | 0. |
| Total Federal Financial Awards | | | | | \$(186,525.) | \$ 0. | \$ 297,326. | \$(360,094.) | \$ 500. | \$(1,233.) | \$(250,605.) | \$ 0. | \$ 579. |

The Accompanying Notes to the Schedule of Expenditures of Federal Awards and Financial Assistance are an Integral Part of this Schedule

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2011

| State Grantor/Program Title State Dept. of Education: | Grant or State Project No. | Program or Award Amount | Grant Period From/To | Balance at June 30, 2010 | | Cash Received | Budgetary Expenditures | Adjustments/ Repayment of Prior Year Bal. |
|--|-------------------------------|-------------------------------|----------------------------|--------------------------------------|-------------------|------------------|---------------------------|--|
| | | | | Deferred Revenue (Accts. Rec.) | Due to Grantor | | | |
| General Fund: | | | | | | | | |
| Equalization Aid | 11-495-034-5120-078 | \$3,399,127. | 7/1/10-6/30/11 | \$ | \$ | \$3,399,127. | \$(3,399,127.) | \$ |
| Special Education Cate. Aid | 11-495-034-5120-089 | 142,342. | 7/1/10-6/30/11 | | | 142,342. | (142,342.) | |
| On Behalf TPAF Pension | 11-495-034-5095-001 | 207,052. | 7/1/10-6/30/11 | | | 207,052. | (207,052.) | |
| Reimb TPAF Soc Sec Con | 10-495-034-5095-002 | 224,156. | 7/1/09-6/30/10 | (10,489.) | | 10,489. | | |
| Reimb TPAF Soc Sec Con | 11-495-034-5095-002 | 207,568. | 7/1/10-6/30/11 | | | 197,828. | (207,568.) | |
| Total General Fund | | | | (10,489.) | 0. | 3,986,838. | (3,986,089.) | 0. |
| Special Revenue Fund: | | | | | | | | |
| Perkins Post-Secondary | | 83,454. | 7/1/10-6/30/11 | | | 81,654. | (83,454.) | |
| Perkins Post-Secondary | | 83,454. | 7/1/09-6/30/10 | (81,605.) | | | | |
| Perkins Secondary | | 17,717. | 7/1/10-6/30/11 | | | 14,250. | (17,717.) | |
| Shared Time Voc Sch Initiative | 10-304330-06 | 15,000. | 7/1/10-6/30/11 | 683. | | 128. | (13,726.) | |
| Shared Time Voc Sch Initiative | 10-304330-06 | 20,000. | 7/1/09-6/30/10 | (5,992.) | | 5,992. | (811.) | |
| Apprentice Coordinator | WDP01-10-0106 | 15,792. | 7/1/09-6/30/10 | | | 11,874. | (11,874.) | |
| Apprentice Coordinator | WDP0111-0106 | 11,874. | 7/1/10-6/30/11 | (86,914.) | 0. | 113,898. | (127,581.) | 0. |
| Total Special Revenue Fund | | | | (86,914.) | 0. | 113,898. | (127,581.) | 0. |
| Capital Project Fund: | | | | | | | | |
| State Facilities & Financing Act | | | | | | | | |
| School addition & renovation | | | | | | | | |
| School addition & renovation | 0995-030-09-1001 | 2,071,663. | | (39,519.) | | 0. | (202,285.) | 39,519. |
| Total Capital Projects Fund | | | | (39,519.) | 0. | 0. | (202,285.) | 39,519. |
| State Department of Agriculture Enterprise Fund: | | | | | | | | |
| National School Lunch Pgm. | 10-100-010-3350-023 | 399. | 7/1/09-6/30/10 | (33.) | | 33. | | |
| National School Lunch Pgm. | 11-100-010-3350-023 | 244. | 7/1/10-6/30/11 | (30.) | | 244. | (244.) | |
| National School Break Pgm | 10-100-010-3350-021 | 354. | 7/1/09-6/30/10 | (63.) | 0. | 307. | (244.) | 0. |
| Total Enterprise Fund | | | | (63.) | 0. | 307. | (244.) | 0. |
| Total State Financial Assistance | | | | \$(136,985.) | \$ 0. | \$4,071,043. | \$(4,286,199.) | \$ 39,519. |

The Accompanying Notes to the Schedule of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2011

| State Grantor/Program Title State Dept. of Education: | Grant or State Project No. | Program or Award Amount | Grant Period From/To | Balance at June 30, 2011 | | MEMO | |
|--|-------------------------------|-------------------------------|----------------------------|--------------------------|---------------------|-------------------|-------------------------|
| | | | | (Accounts Receivable) | Deferred Revenue | Due to Grantor | Budgetary Receivable |
| General Fund: | | | | | | | |
| Equalization Aid | 11-495-034-5120-078 | \$3,399,127. | 7/1/10-6/30/11 | \$ | \$ | \$ | \$3,399,127. |
| Special Education Cate. Aid | 11-495-034-5120-089 | 142,342. | 7/1/10-6/30/11 | | | 14,234. | 142,342. |
| On Behalf TPAF Pension | 11-495-034-5095-001 | 207,052. | 7/1/10-6/30/11 | | | | |
| Reimb TPAF Soc Sec Con | 10-495-034-5095-002 | 224,156. | 7/1/09-6/30/10 | | | | 207,052. |
| Reimb TPAF Soc Sec Con | 11-495-034-5095-002 | 207,568. | 7/1/10-6/30/11 | (9,740.) | | | 207,568. |
| Total General Fund | | | | (9,740.) | 0. | 353,975. | 3,956,089. |
| Special Revenue Fund: | | | | | | | |
| Perkins Post-Secondary | | 83,454. | 7/1/10-6/30/11 | (83,454.) | | 4,173. | 83,454. |
| Perkins Post-Secondary | | 83,454. | 7/1/09-6/30/10 | | | 49. | |
| Perkins Secondary | | 17,717. | 7/1/10-6/30/11 | (17,717.) | | | 17,717. |
| Shared Time Voc Sch Initiative | 10-304330-06 | 15,000. | 7/1/10-6/30/11 | | 525. | | 13,725. |
| Shared Time Voc Sch Initiative | 10-304330-06 | 20,000. | 7/1/09-6/30/10 | | | | 811. |
| Apprentice Coordinator | WDP01-10-0106 | 15,792. | 7/1/09-6/30/10 | | | | |
| Apprentice Coordinator | WDP0111-0106 | 11,874. | 7/1/10-6/30/11 | (101,171.) | 525. | 49. | 11,874. |
| Total Special Revenue Fund | | | | (101,171.) | 525. | 49. | 127,581. |
| Capital Project Fund: | | | | | | | |
| State Facilities & Financing Act | | | | | | | |
| School addition & renovation | 0995-030-09-1001 | 2,071,663. | | (202,285.) | | | |
| School addition & renovation | | | | (202,285.) | 0. | 0. | 0. |
| Total Capital Projects Fund | | | | | | | |
| State Department of Agriculture | | | | | | | |
| Enterprise Fund: | | | | | | | |
| National School Lunch Pgm. | 10-100-010-3350-023 | 399. | 7/1/09-6/30/10 | | | | 244 |
| National School Lunch Pgm. | 11-100-010-3350-023 | 244. | 7/1/10-6/30/11 | | | | |
| National School Break Pgm | 10-100-010-3350-021 | 354. | 7/1/09-6/30/10 | | | | 244. |
| Total Enterprise Fund | | | | 0. | 0. | 0. | 244. |
| Total State Financial Assistance | | | | (313,196.) | 525. | 49. | 4,083,914. |

Cumberland County Board of Vocational Education
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

NOTE 1.GENERAL

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

NOTE 2.BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3.RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$42,168. for the general fund and \$17,455. for the special revenue fund. See *Note 1* (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>Total</u> |
|------------------------|-------------------|---------------------|---------------------|
| General Fund | \$ | \$3,998,257. | \$3,998,257. |
| Special Revenue Fund | 363,052. | 126,405. | 489,457. |
| Food Service Fund | 15,672. | 244. | 15,916. |
| Total Financial Assis. | <u>\$378,724.</u> | <u>\$4,124,906.</u> | <u>\$4,503,630.</u> |

Cumberland County Board of Vocational Education
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

NOTE 4.RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5.OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 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.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
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

Internal control over financial reporting:

- 1. Material weakness(es) identified? Yes No
- 2. Significant Deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to general purpose financial statements noticed? Yes No

Federal Awards

Internal Control over major programs:

- 1. Material weakness(es) identified? Yes No
- 2. Significant Deficiencies identified that are considered to be material weaknesses? Yes None Reported

Type of auditor’s report issued on compliance for major programs? Unqualified

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

Identification of major programs:

CFDA Number(s) **Name of Federal Program or Cluster**

N/A

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

Auditee qualified as low-risk auditee? Yes No

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I – Summary of Auditor’s Results

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000.

Auditee qualified as low risk auditee?

Yes No

Type of auditor’s report issued on compliance for major programs:

Unqualified

Internal Control over major programs:

1. Material weakness(es) identified? Yes No

2. Significant Deficiencies identified that are not considered to be material weaknesses? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?

Yes No

Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|-----------------------|------------------------------|
| 495-034-5120-078 | Equalization Aid |

Section II – Financial Statement Findings

None

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

Federal Awards

None

State Awards

Finding:

None

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATUS OF PRIOR YEAR FINDINGS

None