

# **Comprehensive Annual Financial Report**

**of the**

**Essex County Vocational Schools**

**Newark, New Jersey**

**For the Fiscal Year Ended June 30, 2011**

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## INTRODUCTORY SECTION



# Essex County Vocational Technical Schools BOARD OF EDUCATION

REV. EDWIN D. LEAHY, O.S.B.  
PRESIDENT

ADRIANNE DAVIS  
VICE PRESIDENT

MEMBERS  
SALVATORE CARNOVALE  
REV. RON CHRISTIAN  
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MICHAEL PENNELLA, Ph.D.  
SUPERINTENDENT

ANTHONY ABBALEO  
BUSINESS ADMINISTRATOR/BOARD  
SECRETARY

JOSEPH ZARRA  
INTERIM ASSISTANT SUPERINTENDENT

M. MURPHY DURKIN  
BOARD ATTORNEY

October, 2011

Honorable President and Members  
of the Board of Education  
Essex County Schools District  
County of Essex  
Verona, New Jersey 07044

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Essex County Vocational Schools 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 Essex County Vocational Schools Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of 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 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133 "Audits of States, 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 Pay Payments." Information related to this single audit including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## 1. REPORTING ENTITY AND ITS SERVICES

As the county regional vocational school system, the district provides a full range of vocational and technical training to adult and high school students residing in Essex County. Over 94% of the district's high school student are full-time and receive a full range of educational services, academic programs and vocational-technical training in grades 9 to 12. The high school programs serve a wide range of students, including special education programs for handicapped students and advanced tech prep programs for academically talented students.

Apart from full time day and evening adult programs, the District oversees all apprenticeship training in the County and provides a wide range of part-time vocational-technical training programs, customized training programs and basic skills, GED and ESL programs for adults.

The District reflected a 1.6% increase in average daily enrollment for high school students in 2010-2011. The District operated at full capacity and received two applications for every one student that it accepts into the 9<sup>th</sup> grade. The following details the changes in the student enrollment of the district over the last ten (10) years.

1) REPORTING ENTITY AND ITS SERVICES (Continued)

<u>Year</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>Attendance Percent</u>	<u>%Change in Average Daily Enrollment</u>
2010-11	2,022.9	1,892.4	93.5	1.6%
2009-10	2,048.2	1,882.7	91.9	(.5%)
2008-09	2,095.4	1,936.6	92.4%	1.8%
2007-08	2,089.0	1,891.9	90.6 %	.01%
2006-07	2,137.8	1,935.0	90.5%	(7.70%)
2005-06	2,059.3	1,880.2	91.3%	1.3%
2004-05	2,068.8	1,865.0	90.1%	(.9%)
2003-04	2,072.8	1,886.0	91.0%	1.54%
2002-03	2,041.0	1,865.1	91.40%	(1.62%)
2001-02	2,074.1	1,907.8	92.0%	(1.9%)
2000-01	2,093.0	1,901.0	90.8%	1.95%

2) ECONOMIC CONDITIONS

The County of Essex continues to be a vital economic region being a center for insurance, health care, retail trade and transportation services. The total assessed valuation for property in Essex County and the unemployment rate for Essex County for 2010-2011 was not available.

### 3) STATE CERTIFICATION AND PROGRAM IMPROVEMENT

The District underwent monitoring by a team from the Department of Education in the spring of 2011. We received State Board of Education approval for full certification for the next seven years.

The District will continue to perform at a higher level on the State graduation test (HSPA) than comparable urban districts. The anticipated success on the HSPA test will result from an intensified supplemental academic curriculum. The district's success in mathematics is attributable to a Tech prep mathematics Curriculum that requires all students master Algebra II and has many students taking four years of college level laboratory science courses as well. The District's academy program is designed to give students access to competitive four-year colleges. The Academy curriculum includes calculus and high level technology.

### 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 assurance and recognized that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management and GASB 34.

As a recipient of Federal and State financial assistance, the district is responsible for ensuring 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's 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 CONTROL

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service 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-appropriation 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 OF 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 percentages of increases in relation to prior year revenues.

A) CURRENT GENERAL FUND OPERATIONS

<u>Revenue</u>	<u>\$ Amount</u>	<u>% of Total</u>
Local Sources	\$ 6,198,215	16.35%
Tuition	12,900,495	34.13%
State Sources	18,735,148	49.50%
Federal Sources	71,683	.02%
<b>Total</b>	<b>37,905,541</b>	<b>100%</b>

The following schedule presents a summary of general fund and special revenue expenditures for the fiscal year ended June 30, 2011.

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>
Instruction	\$15,396,841	40.62%
Support	21,455,982	56.74%
Special School	994,335	2.62%
Capital Outlay	58,383	.02%
<b>Total</b>	<b>37,905,541</b>	<b>100%</b>

8) CASH MANAGEMENT

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 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 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 where the funds are secured in accordance with the Act.

9) RISK MANAGMENT

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

10) OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Samuel Klein and Company was selected by the Board to audit the financial statements for the year ended June 30, 2011. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of Amendments of 1996 and the related OMB Circular A-133, and State Treasury Circular Letter 04-04. The auditors' 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 auditors' report related specifically to the single audit are included in the single audit section of this report.

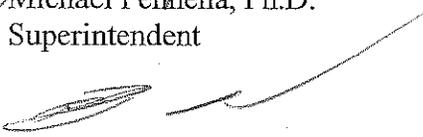
11) ACKNOWLEDGMENTS

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

Respectfully submitted,



Michael Pennella, Ph.D.  
Superintendent



Anthony Abbaleo  
Business Administrator/Board Secretary

ESSEX COUNTY VOCATIONAL SCHOOLS  
NEWARK, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2011

Reverend Edwin D. Leahy, President

Adrienne Davis, Vice President

**Board Members**

Anthony Molinaro

Ron Christian

Salvatore Carnovale

Leesandra Medina

**Other Officials**

Dr. Michael Pennella, Superintendent

Anthony Abbaleo, Business Administrator/Board Secretary

**ESSEX COUNTY VOCATIONAL SCHOOLS  
CONSULTANTS AND ADVISORS**

**Audit Firm**

Samuel Klein and Company  
Certified Public Accountants  
550 Broad Street  
Newark, New Jersey 07102-4517

**Attorney**

Durkin & Durkin, LLP  
1120 Bloomfield Avenue  
P.O. Box 1289  
West Caldwell, New Jersey 07007-9452

**Official Depository**

New Jersey Cash Management Fund (NJCMF)

Wells Fargo  
599 Bloomfield Avenue  
Verona, New Jersey 07044

MBIA Asset Management  
113 King Street  
Armonk, New York 10504

**FINANCIAL SECTION**

**SAMUEL KLEIN AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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NEWARK, N.J. 07102-4543  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members of the Board of Education  
Essex County Vocational Schools  
County of Essex  
Newark, New Jersey 07102

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Essex County Vocational Schools District, in the County of Essex, 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 Essex County Vocational Schools District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance 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 opinions.

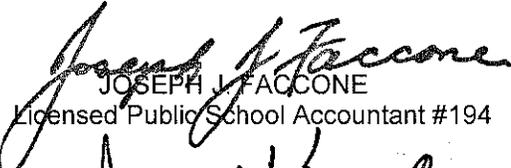
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Essex County Vocational Schools District in the County of Essex, 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 9, 2011 on our consideration of the Essex County Vocational Schools District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 13 through 19 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Essex County Vocational Schools District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements and 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 Nonprofit 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.

  
JOSEPH J. FACCONE  
Licensed Public School Accountant #194

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
November 9, 2011

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**



# Essex County Vocational Technical Schools BOARD OF EDUCATION

REV. EDWIN D. LEAHY, O.S.B.  
PRESIDENT

ADRIANNE DAVIS  
VICE PRESIDENT

MEMBERS  
SALVATORE CARNOVALE  
REV. RON CHRISTIAN  
LEESANDRA MEDINA

MICHAEL PENNELLA, Ph.D.  
SUPERINTENDENT

ANTHONY ABBALEO  
BUSINESS ADMINISTRATOR/BOARD  
SECRETARY

JOSEPH ZARRA  
INTERIM ASSISTANT SUPERINTENDENT

M. MURPHY DURKIN  
BOARD ATTORNEY

November 9, 2011

Honorable President and Members  
of the Board of Education  
Essex County Vocational Schools

Dear Board Members:

## **Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2011 (Unaudited)**

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

## **Using this Generally Accepted Accounting Principals Report (GAAP)**

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School District's most significant funds. In the case of the Essex County Vocational Schools, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the actual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the county's property tax base, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District maintains one business-like activity, the Food Service Program.

### **Reporting the School District's Most Significant Funds**

#### **Fund Financial Statements**

The analysis of the School District's major funds begins on page 26. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, and the Capital Projects Fund.

#### **Governmental Funds**

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

#### **The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2011 and 2010.

**Table 1  
Net Assets**

	June 30, 2011		June 30, 2010	
	Governmental Activities	Business- Type Activities	Governmental Activities	Business- Type Activities
<b><u>ASSETS</u></b>				
Current and Other Assets	\$ 10,417,991	\$ 85,068	\$ 12,043,036	\$ 123,771
Capital Assets, Net	<u>30,925,303</u>	<u>145,680</u>	<u>25,501,962</u>	<u>97,394</u>
Total Assets	<u>\$ 41,343,294</u>	<u>\$ 230,748</u>	<u>\$ 37,544,998</u>	<u>\$ 221,165</u>
<b><u>LIABILITIES</u></b>				
Current Liabilities	\$ 4,795,177	\$ 229,510	\$ 4,574,111	\$ 265,090
Noncurrent Liabilities	<u>781,391</u>	<u>                    </u>	<u>1,182,937</u>	<u>                    </u>
Total Liabilities	<u>5,576,568</u>	<u>229,510</u>	<u>5,757,048</u>	<u>265,090</u>
<b><u>NET ASSETS</u></b>				
Investment in Capital Assets	30,925,303	145,680	25,501,962	97,394
Restricted for:				
Capital Projects	3,457,691		7,219,554	
Other Purposes	2,463,728		854,522	
Unrestricted	<u>(1,079,996)</u>	<u>(144,442)</u>	<u>(1,788,088)</u>	<u>(141,319)</u>
Total Net Assets	<u>35,766,726</u>	<u>1,238</u>	<u>31,787,950</u>	<u>(43,925)</u>
Total Liabilities and Net Assets	<u>\$ 41,343,294</u>	<u>\$ 230,748</u>	<u>\$ 37,544,998</u>	<u>\$ 221,165</u>

Due to the requirement that the Essex County Vocational Schools prepares its financial statements following GASB Statement 34, compensated absences, along with capital assets (net of accumulated depreciation) are now shown on the Statement of Net Assets. The amount recorded under noncurrent liabilities is detailed below:

Compensated Absences	<u>\$ 620,330.33</u>
----------------------	----------------------

It must be noted that compensated absences due to retirements or other circumstances have always been paid through current budget appropriations and will continue to be paid. The School District has never failed to meet its contractual obligations.

	Governmental Activities		Business-Type Activities	
	2011	2010	2011	2010
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$	\$	\$ 266,950	\$ 233,615
Operating Grants and Contributions	6,511,295	7,003,363	1,033,778	1,034,901
General Revenues:				
County Appropriation	6,750,000	4,450,000		
Grants and Entitlements	19,248,531	20,318,190		
Tuition	13,056,242	12,977,282		
Other	651,224	329,029		
<b>Total Revenues</b>	<b>46,217,292</b>	<b>45,077,864</b>	<b>1,300,728</b>	<b>1,268,516</b>
<b>Expenditures</b>				
Program Expenses:				
Instruction	24,087,604	25,186,938		
Support Services:				
Student and Instruction Related	4,936,190	4,810,552		
Administration	5,459,864	5,505,273		
Operation and Plant Maintenance	6,417,256	6,237,475		
Pupil Transportation	401,056	384,294		
Food Service	58,699			
Special Schools	877,846	1,162,317		
Unallocated Depreciation				26,125
Cost of Sales				555,516
Salaries and Benefits				522,113
Other				147,908
<b>Total Expenses</b>	<b>42,238,515</b>	<b>43,286,849</b>		<b>1,251,662</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 3,978,777</b>	<b>\$ 1,791,015</b>	<b>\$ 1,300,728</b>	<b>\$ 16,854</b>

**Table 2  
Change in Net Assets**

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

**Governmental Activities**

A portion of the revenue for the Essex County Vocational Schools is provided by Essex County. Each year the Vocational School's Board of Education prepares and delivers to the Essex County Board of School Estimate an itemized statement of the amount of money necessary for the general fund expenses. The Board of School Estimate determines and certifies by action taken at a public meeting an amount of money to be appropriated for the use by the County Vocational Schools. The Essex County Board of Chosen Freeholders appropriates the amount so certified, which is assessed, levied and collected in the same manner as moneys appropriated for other purposes in Essex County. Monies from the County Tax Levy made up 14.61% of revenues for the general fund for the fiscal year ended June 30, 2011.

Instruction comprises 57.03% of district expense and support services of 42.97%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**  
**Net Cost of Service**

	<u>2011</u>
Governmental Activities:	
Instruction:	
Regular	\$ 8,969,799
Other Special Instruction	2,866,513
Vocational	6,116,422
Other Instruction	947,236
Support Services:	
Student and Instruction Related Services	3,843,108
General and Business Administrative Services	1,518,744
School Administration Services	1,775,167
Central Services	841,020
Administration of IT	1,179,334
Plant Operations and Maintenance	6,417,256
Pupil Transportation	401,056
Food Service	58,699
Special Schools	792,865
	<b>\$ 35,727,219</b>

A description of each service provided by the School District is detailed as follows:

Instruction expenditures include activities directly dealing with the teaching of pupils and the interaction between teacher and pupils.

Student and Instructional Related Services expenditures include the activities involved with assisting staff with the content and process of teaching to pupils.

Also included are Attendance and Social Work Services, Health Services and Guidance, Child Study and Educational Media Services.

Board of Education, Administration, Fiscal and Business expenditures are associated with administration and financial supervision of the District.

Operation and Maintenance of Plant expenditures involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil Transportation expenditures include activities involved in the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Employee Benefits expenditures include health insurance benefits, social security contributions, unemployment and workers compensations and tuition reimbursement.

Special Schools expenditures include the post-secondary program, summer school and adult education.

### Business-Type Activities

The School District operates business-type activities for the Food Service Program. The Food Service operations are managed by Maschio's Food Services, Inc. The management company receives a fee for each meal served. For fiscal year 2011, a total of 516,054 meals were served to students.

For the current school year, after adjustment of fixed asset valuation, the food service had an increase in net assets of \$49,066.31. Ending net assets for the food service shows an excess of \$1,237.85. This excess is shown as follows:

Capital Assets	\$ 145,680.42
Unrestricted	(144,442.57)

### General Fund Budgetary Highlights

The School District budget is prepared according to New Jersey Law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

### General Fund Budgetary Highlights

The following schedule details variations between the final budget amounts and actual results for the General Fund.

**Table 4  
Budget Variance**

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Current:			
Regular Instruction	\$ 7,296,045	\$ 6,597,886	\$ 698,159
Other Special Instruction	2,752,672	2,335,652	417,020
Vocational Education	5,097,006	4,983,696	113,310
Other Instruction	841,335	771,813	69,522
Support Services and Undistributed Costs:			
Student and Instruction Related	3,052,272	2,940,090	112,182
General and Business Administrative	1,406,934	1,237,482	169,452
School Administration Services	1,540,392	1,446,416	93,976
Central Services	707,290	685,268	22,022
Administration of IT	1,076,157	960,928	115,229
Plant Operations and Maintenance	6,008,495	5,228,817	779,678
Pupil Transportation	475,613	326,782	148,831
Business and Other Support Services:			
Employee Benefits	7,385,795	9,520,530	(2,134,735)
Food Service	50,000	47,828	2,172
Special Schools	804,834	646,031	158,803
Capital Outlay	58,383	55,712	2,671
Total Expenditures	<u>\$ 38,553,223</u>	<u>\$ 37,784,931</u>	<u>\$ 768,292</u>

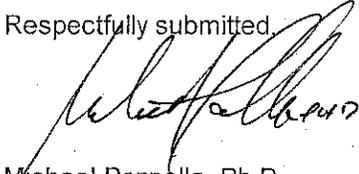
**Capital Assets**

At the end of fiscal year 2011, the School District had \$30,925,302.88 invested in land, buildings and equipment, net of accumulated depreciation.

**For the Future**

The Essex County Vocational and Technical School District, through the efforts of our teachers, administrators and support staff, will continue to provide the highest quality of education to all students attending our schools.

Respectfully submitted,



Michael Pennella, Ph.D.  
Superintendent

## **BASIC FINANCIAL STATEMENTS**

**A. DISTRICT-WIDE FINANCIAL STATEMENTS**

**ESSEX COUNTY VOCATIONAL SCHOOLS  
STATEMENT OF NET ASSETS  
JUNE 30, 2011**

A-1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 3,512,989.57	\$ 24,731.31	\$ 3,537,720.88
Receivables, Net	1,985,204.22	53,944.98	2,039,149.20
Inventories		6,391.60	6,391.60
Interfunds Receivable	3,501,405.96		3,501,405.96
Restricted Assets:			
Cash and Cash Equivalents	1,418,391.38		1,418,391.38
Capital Assets, Net (Note 2)	<u>30,925,302.88</u>	<u>145,680.42</u>	<u>31,070,983.30</u>
Total Assets	<u>\$ 41,343,294.01</u>	<u>\$ 230,748.31</u>	<u>\$ 41,574,042.32</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 94,190.70	\$	\$ 94,190.70
Interfunds Payable	3,271,895.50	229,510.46	3,501,405.96
Payable to State Government	342.10		342.10
Deferred Revenue	584,183.28		584,183.28
Contingent Liability (Note 18C)	844,565.50		844,565.50
Noncurrent Liabilities (Note 6):			
Due Within One Year	62,930.76		62,930.76
Due Beyond One Year	718,460.32		718,460.32
Total Liabilities	<u>5,576,568.16</u>	<u>229,510.46</u>	<u>5,806,078.62</u>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	30,925,302.88	145,680.42	31,070,983.30
Restricted for:			
Capital Projects	3,457,691.38		3,457,691.38
Other Purposes	2,463,727.84		2,463,727.84
Unrestricted	<u>(1,079,996.25)</u>	<u>(144,442.57)</u>	<u>(1,224,438.82)</u>
Total Net Assets	<u>35,766,725.85</u>	<u>1,237.85</u>	<u>35,767,963.70</u>
Total Liabilities and Net Assets	<u>\$ 41,343,294.01</u>	<u>\$ 230,748.31</u>	<u>\$ 41,574,042.32</u>

The accompanying notes to financial statements are an integral part of this statement.

ESSEX COUNTY VOCATIONAL SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

A-2

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
				Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$13,012,494.76	\$	\$ 4,042,695.38	\$ (8,969,799.38)	\$	\$ (8,969,799.38)
Other Special Instruction	3,196,316.63		329,803.22	(2,866,513.41)		(2,866,513.41)
Vocational Education	6,931,557.21		815,134.93	(6,116,422.28)		(6,116,422.28)
Other Instruction	947,235.74			(947,235.74)		(947,235.74)
Support Services:						
Student and Instruction Related Services	4,936,189.94		1,093,081.80	(3,843,108.14)		(3,843,108.14)
School Administrative Services	1,518,744.22			(1,518,744.22)		(1,518,744.22)
General Administrative Services	1,920,765.27		145,598.13	(1,775,167.14)		(1,775,167.14)
Central Services	841,020.31			(841,020.31)		(841,020.31)
Administration of Information Technology	1,179,333.94			(1,179,333.94)		(1,179,333.94)
Plant Operations and Maintenance	6,417,255.83			(6,417,255.83)		(6,417,255.83)
Pupil Transportation	401,055.62			(401,055.62)		(401,055.62)
Food Service	58,699.22			(58,699.22)		(58,699.22)
Special Schools	877,846.48			(877,846.48)		(877,846.48)
Total Governmental Activities	42,238,515.17		6,511,295.39	(35,727,219.78)		(35,727,219.78)
Business-Type Activities:						
Food Service	1,251,662.06	266,950.24	1,033,778.13	49,066.31	49,066.31	49,066.31
Total Business-Type Activities	1,251,662.06	266,950.24	1,033,778.13	49,066.31	49,066.31	49,066.31
Total Primary Government	\$43,490,177.23	\$266,950.24	\$7,545,073.52	\$(35,727,219.78)	\$49,066.31	\$(35,678,153.47)
General Revenues						
Taxes:						
Property Taxes, Levied for General Purposes, Net						\$ 6,750,000.00
Federal and State Aid Not Restricted						19,248,531.02
Tuition Received						13,056,241.50
Other Restricted Miscellaneous Revenue						210,126.22
Miscellaneous Income						441,097.52
Total General Revenues, Special Items, Extraordinary Items and Transfers						39,705,996.26
Change in Net Assets						4,027,842.79
Net Assets - Beginning					(47,828.46)	31,740,120.91
Net Assets - Ending					\$ 1,237.85	\$ 35,767,963.70

**B. FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**ESSEX COUNTY VOCATIONAL SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

B-1

<u>ASSETS</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Government Funds</u>
Cash and Cash Equivalents	\$ 5,089,815.65	\$	\$ 257,691.38	\$ 5,347,507.03
Accounts Receivable:				
Federal		778,795.71		778,795.71
State		157,565.22		157,565.22
Local	24,102.68	18,267.01		42,369.69
Tuition	1,006,473.60			1,006,473.60
Interfunds	229,510.46	71,895.50	3,200,000.00	3,501,405.96
<b>Total Assets</b>	<u><u>\$ 6,349,902.39</u></u>	<u><u>\$ 1,026,523.44</u></u>	<u><u>\$ 3,457,691.38</u></u>	<u><u>\$ 10,834,117.21</u></u>

<u>LIABILITIES</u>				
Cash Overdraft	\$	\$ 416,126.08	\$	\$ 416,126.08
State Intergovernmental Payable	342.10			342.10
Interfund Payable	3,271,895.50			3,271,895.50
Accounts Payable	67,976.62	26,214.08		94,190.70
Commitments and Contingencies	844,565.50			844,565.50
Deferred Revenue		584,183.28		584,183.28
<b>Total Liabilities</b>	<u><u>4,184,779.72</u></u>	<u><u>1,026,523.44</u></u>		<u><u>5,211,303.16</u></u>

<u>FUND BALANCES</u>				
Restricted Fund Balance:				
Capital Reserve	1,700,000.00			1,700,000.00
Capital Projects			2,860,615.31	2,860,615.31
Committed Fund Balance:				
Year End Encumbrances	706,308.84		597,076.07	1,303,384.91
Assigned Fund Balance:				
Designated for Subsequent Expenditures	57,419.00			57,419.00
Unassigned Fund Balance	(298,605.17)			(298,605.17)
<b>Total Fund Balances</b>	<u><u>2,165,122.67</u></u>		<u><u>3,457,691.38</u></u>	<u><u>5,622,814.05</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 6,349,902.39</u></u>	<u><u>\$ 1,026,523.44</u></u>	<u><u>\$ 3,457,691.38</u></u>	<u><u>\$ 10,834,117.21</u></u>

Total Fund Balance above: \$ 5,622,814.05

Amounts reported for governmental 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 capital assets is \$46,863,704.53 and the accumulated depreciation is \$15,938,401.65 (see Note 4). 30,925,302.88

Long-term liabilities are not payable in the current period and therefore are not reported as liabilities in the funds (see Note 5) (781,391.08)

Net assets of governmental activities (A-1) \$ 35,766,725.85

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>				
Local Sources:				
County Appropriation	\$ 4,450,000.00	\$	\$ 2,300,000.00	\$ 6,750,000.00
Tuition from Other LEA's	13,056,241.50			13,056,241.50
Other Restricted Miscellaneous Revenue	210,126.22			210,126.22
Unrestricted Miscellaneous Revenue	439,433.04		1,664.48	441,097.52
Total Revenues - Local Sources	18,155,800.76		2,301,664.48	20,457,465.24
Private Sources		49,259.40		49,259.40
State Sources	21,478,002.04	48,625.01		21,526,627.05
Federal Sources	66,881.44	4,117,058.52		4,183,939.96
Total Revenues	39,700,684.24	4,214,942.93	2,301,664.48	46,217,291.65
<b><u>EXPENDITURES</u></b>				
Current:				
Regular Instruction	6,597,886.44	2,711,271.90		9,309,158.34
Other Special Instruction	2,335,651.59			2,335,651.59
Vocational Education	4,983,695.99			4,983,695.99
Other Instruction	771,813.12			771,813.12
Support Services and Undistributed Costs:				
Student and Instruction Related	2,940,090.40	1,253,551.44		4,193,641.84
General and Business Administrative	1,237,481.51			1,237,481.51
School Administration Services	1,446,416.38			1,446,416.38
Central Services	685,268.18			685,268.18
Administration of Information Technology	960,928.06			960,928.06
Plant Operations and Maintenance	5,228,816.89			5,228,816.89
Pupil Transportation	326,782.42			326,782.42
Employee Benefits	9,520,530.03			9,520,530.03
Food Service	47,828.46			47,828.46
Special Schools	646,030.59			646,030.59
Capital Outlay	55,711.93	250,119.59	6,063,526.95	6,369,358.47
Total Expenditures	37,784,931.99	4,214,942.93	6,063,526.95	48,063,401.87
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,915,752.25	-	(3,761,862.47)	(1,846,110.22)
Net Change in Fund Balance	1,915,752.25	-	(3,761,862.47)	(1,846,110.22)
Fund Balances, July 1,	249,370.42		7,219,553.85	7,468,924.27
Fund Balances, June 30	\$ 2,165,122.67	\$ -	\$ 3,457,691.38	\$ 5,622,814.05

**ESSEX COUNTY VOCATIONAL SCHOOLS  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

B-3

	<u>Ref.</u>	
Total Net Change in Balances - Governmental Funds	B-2	\$ (1,846,110.22)
Amount Reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
<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. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense		\$ (930,917.58)
Capital Outlays		<u>6,369,358.47</u>
		5,438,440.89
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)</p>		
		(15,100.00)
<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>		
		<u>401,545.81</u>
Changes in Net Assets of Governmental Activities	A-2	<u><u>\$ 3,978,776.48</u></u>

**PROPRIETARY FUNDS**

ESSEX COUNTY VOCATIONAL SCHOOLS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
AS OF JUNE 30, 2011

B-4

**Business-Type  
Activities  
Enterprise Fund  
Food  
Service**

**ASSETS**

Current Assets:	
Cash and Cash Equivalents	\$ 24,731.31
Accounts Receivable:	
State Sources	1,026.46
Federal Sources	44,346.02
Other Accounts Receivable	8,572.50
Inventories	6,391.60
Total Current Assets	85,067.89
Noncurrent Assets:	
Furniture, Machinery and Equipment	423,519.91
Less Accumulated Depreciation	(277,839.49)
Total Noncurrent Assets	145,680.42
Total Assets	\$ 230,748.31

**LIABILITIES**

Interfund Payable	229,510.46
	\$ 229,510.46

**NET ASSETS**

Invested in Capital Assets Net of Related Debt	\$ 145,680.42
Unrestricted	(144,442.57)
Total Net Assets	\$ 1,237.85

**ESSEX COUNTY VOCATIONAL SCHOOLS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
AS OF JUNE 30, 2011**

**B-5**

**Business-Type  
Activities  
Enterprise Fund  
Food  
Service**

Operating Revenues:	
Charges for Services:	
Daily Sales - Nonreimbursable Programs	\$ 216,314.66
Other	2,807.12
Total Operating Revenues	<u>219,121.78</u>
 Operating Expenses:	
Cost of Sales	555,515.70
Salaries	433,831.04
Employee Benefits	88,282.27
General Supplies	47,504.31
Purchased Property Services	100,236.60
Depreciation	26,124.66
Refund to State of New Jersey	167.48
Total Operating Expenses	<u>1,251,662.06</u>
 Operating Loss	 <u>(1,032,540.28)</u>
 Nonoperating Revenues:	
State Sources:	
School Lunch Program	11,808.27
Federal Sources:	
School Breakfast Program	451,434.20
School Lunch Program	570,535.66
General Fund Contribution	47,828.46
Total Nonoperating Revenues	<u>1,081,606.59</u>
 Profit before Contributions and Transfers	 <u>49,066.31</u>
 Change in Net Assets	 49,066.31
 Total Net Assets - Beginning	 <u>(47,828.46)</u>
 Total Net Assets - Ending	 <u>\$ 1,237.85</u>

**ESSEX COUNTY VOCATIONAL SCHOOLS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
AS OF JUNE 30, 2011**

B-6

**Business-Type  
Activities  
Enterprise Fund  
Food  
Service**

<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 212,602.42
Payments to Employees	(491,220.07)
Payments for Employee Benefits	(91,926.17)
Payments to Suppliers	(626,549.50)
Other	(118,048.31)
Net Cash Provided by (Used for) Operating Activities	<u>(1,115,141.63)</u>
 <u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	14,346.35
Federal Sources	1,046,438.79
Operating Subsidies and Transfers	47,828.46
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,108,613.60</u>
 Net Decrease in Cash	 (6,528.03)
 Balances - Beginning of Year	 <u>31,259.34</u>
 Balances - End of Year	 <u>\$ 24,731.31</u>
 <u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>	
Operating Loss	\$ (1,032,540.28)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	26,124.66
Change in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(5,414.11)
(Increase)/Decrease in Other Assets	(74,411.51)
(Increase)/Decrease in Other Accounts Receivable	10,582.70
(Increase)/Decrease in Other Current Liabilities	54,476.93
(Increase)/Decrease in Other Accounts Payable	(93,960.02)
Total Adjustments	<u>(82,601.35)</u>
 Net Cash Used by Operating Activities	 <u>\$ (1,115,141.63)</u>

**FIDUCIARY FUNDS**

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**STATEMENT OF NET ASSETS**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2011**

B-7

<u>ASSETS</u>	Unemployment Compensation <u>Trust</u>	Agency <u>Fund</u>
Cash and Cash Equivalents	\$ 36,484.32	\$ 103,768.19
Accounts Receivable		192.55
	<hr/>	<hr/>
Total Assets	<u>\$ 36,484.32</u>	<u>\$ 103,960.74</u>
<u>LIABILITIES</u>		
Net Salaries and Wages	\$	\$ 3,874.34
Due to State of New Jersey	4,947.14	
Due to Student Groups		100,086.40
	<hr/>	<hr/>
Total Liabilities	<u>4,947.14</u>	<u>103,960.74</u>
<u>NET ASSETS</u>		
Reserved	<u>31,537.18</u>	<hr/>
Total Net Assets and Liabilities	<u>\$ 36,484.32</u>	<u>\$ 103,960.74</u>

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2011**

**B-8**

	<u>Unemployment Compensation Trust</u>
Additions: Due from Payroll Agency	\$ 50,572.33
Total Additions	<u>50,572.33</u>
Reductions: Payments to Department of Labor	78,516.82
	<u>78,516.82</u>
Change in Net Assets	(27,944.49)
Total Net Assets - Beginning	<u>59,481.67</u>
Total Net Assets - Ending	<u><u>\$ 31,537.18</u></u>

**NOTES TO FINANCIAL STATEMENTS**

**ESSEX COUNTY VOCATIONAL SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Essex County Vocational Schools is a county regional vocational school system. The District provides a full range of vocational and technical training to adult and high school students residing in Essex County. A full range of educational services, academic programs, and vocational-technical training in grades 9 to 12 are provided. The District functions independently of the County Board of Chosen Freeholders through an appointed board of seven members. The District had an approximate enrollment at June 30, 2011 of 2,021 students.

As a reporting entity, the school system is considered a component unit of the primary government County of Essex, State of New Jersey. As a component unit, the Essex County Vocational Schools Is responsible for general operations, food service, and student related activities of the School District.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Essex County Vocational Schools District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below.

**A. Basis of Presentation**

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

**1. Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program of function of the School District's governmental activities.

Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### A. Basis of Presentation (Continued)

#### 2. Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

### B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

#### 1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

**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. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay subfund.

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

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

**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 voters as a separate question on the ballot either during the annual election or at a special election.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Fund Accounting (Continued)

#### 1. Governmental Funds (Continued)

**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.

**Permanent Fund** - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is for the benefit of the school district. The District presently has no resources that are considered Permanent Funds.

#### 2. Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, 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 fund of the District:

**Enterprise Fund** - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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 balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

#### 3. Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. They are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. Fiduciary fund categories include pension (and other employee benefits) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The overarching rule for these funds is that they should never be used to report resources that can be used for programs of the reporting district.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Fund Accounting (Continued)

#### 3. Fiduciary Funds (Continued)

**Unemployment Insurance Trust** - The SUI Trust Fund accounts for resources held and administered while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

**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.

### C. Measurement Focus

#### 1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement of Net Assets.

#### 2. Fund Financial Statements

All government funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

### D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Basis of Accounting (Continued)

Ad Valorem (Property) Taxes are susceptible to accrual and 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 an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

### 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 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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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.

### G. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all liquid investments with 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 to the types of investments and types of financial institutions they may invest in. New Jersey State 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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

### 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 years of 2009-10 and 2010-11 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

### J. Short-Term Interfund Receivables/Payables

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### K. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two thousand. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Depreciation</u>	<u>Estimated Lives</u>
Building and Improvements	50 - 100 Years
Furniture and Equipment	5 - 20 Years
Vehicles	18 Years

### L. 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 entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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

### M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

### O. Deferred Revenue

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

### P. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

## 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include 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, 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.

### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

#### Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes, and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

#### Risk Category

As of June 30, 2011, the Board had funds invested and on deposit in checking and money market accounts. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 as amended by GASB No. 40.

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

	<u>Cash and Cash Equivalents</u>
Checking Accounts	\$ 3,910,066.18
MBIA	48,498.61
Investments	<u>1,137,399.98</u>
	<u>\$ 5,095,964.77</u>

**4. CAPITAL ASSETS**

	Beginning Balance July 1, 2010	Additions	Retirements	Transfer (From)/To	Ending Balance June 30, 2011
<b><u>Governmental Activities</u></b>					
<b>Nondepreciable:</b>					
Land	\$ 2,112,000.00	\$ 4,850,000.00	\$	\$	\$ 6,962,000.00
Construction-in-Progress	8,449,117.70	624,321.72	(8,449,117.70)	(8,449,117.70)	624,321.72
	<u>10,561,117.70</u>	<u>5,474,321.72</u>			<u>7,586,321.72</u>
<b>Depreciable:</b>					
Buildings and Improvements	25,616,865.00	28,138.50	(18,000.00)	8,449,117.70	34,094,121.20
Machinery and Equipment	4,334,363.36	866,898.25	(18,000.00)	8,449,117.70	5,183,261.61
	<u>29,951,228.36</u>	<u>895,036.75</u>	<u>(18,000.00)</u>		<u>39,277,382.81</u>
	40,512,346.06	6,369,358.47	(18,000.00)	-	46,863,704.53
<b>Less Accumulated Depreciation:</b>					
Buildings and Improvements	(12,856,180.45)	(495,913.10)			(13,352,093.55)
Machinery and Equipment	(2,154,203.62)	(435,004.48)	2,900.00		(2,586,308.10)
	<u>(15,010,384.07)</u>	<u>(930,917.58)</u>	2,900.00	-	(15,938,401.65)
	<u>\$ 25,501,961.99</u>	<u>\$ 5,438,440.89</u>	<u>\$ (15,100.00)</u>	<u>\$ -</u>	<u>\$ 30,925,302.88</u>
<b>Governmental Activities Capital Assets - Net</b>					
<b>Business-Type Activities</b>					
Machinery and Equipment	\$ 539,462.05	\$	\$ (115,942.14)	\$	\$ 423,519.91
	<u>(442,068.48)</u>	<u>(26,124.66)</u>	190,353.65		<u>(277,839.49)</u>
	<u>\$ 97,393.57</u>	<u>\$ (26,124.66)</u>	<u>\$ 74,411.51</u>	<u>\$ -</u>	<u>\$ 145,680.42</u>



## 6. PENSION PLANS (Continued)

### 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 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Pension benefits for members enrolled in the system after May 21, 2010 would be based on 1/60<sup>th</sup> of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member of the member's beneficiary.

### 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's portion of the unfunded accrued liability under 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 District's 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. 18A:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF.

**6. PENSION PLANS (Continued)**

**Contribution Requirements (Continued)**

**Three Year Trend Information for PERS**

<u>Year Funding</u>	<u>Pension Cost (AFC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2011	\$ 406,877	\$ 406,877	100%
June 30, 2010	310,478	310,478	100%
June 30, 2009	N/A	N/A	

**Three Year Trend Information for TPAF  
(Paid On-Behalf of the District)**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Total On-Behalf Medical Benefits</u>
June 30, 2011	\$ 56,407	100%	\$ 1,198,083
June 30, 2010	66,260	100%	1,244,459
June 30, 2009	54,706	100%	1,043,645

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$56,407.00 to the TPAF for pension and \$1,198,083.00 for post-retirement medical 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 \$1,292,324.14 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 24.

**7. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 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 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 prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

## 8. 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.

It is the policy of the Board to pay teachers, secretaries, and administrators for accumulated sick days upon retirement after at least 15 years of service. The employee shall receive terminal leave allowance of one day's salary for each four days of accumulated unused sick leave not to exceed a total of 70 days of salary. This became effective July 1, 1954. The liability of the board at June 30<sup>th</sup> for the three prior years is as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ 2,640,728.00
2010	1,182,936.89
2011	620,330.33

These amounts were recorded in the General Long-Term Debt Account Group, since they do not require the use of available spendable resources.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Assets. The current portion of the compensated absences balance of the governmental funds is reported separately on the Statement of Net Assets.

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, no liability existed for compensated absences in the Food Service Fund.

It is noted that the teachers' contract was settled in September, 2011. It has a cap of \$15,000.00 on the amount paid for sick leave and vacation leave, retroactive back to June 30, 2011.

## 9. 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:

Third Party Administrator:  
Great American Plan Administrators, Inc.  
403B Plan Providers:  
Great American  
Prudential  
NEA - Travelers Companies  
VALIC  
Met Life Investors (Capital Equitable - EquiVest)  
Vanguard  
Fidelity Investments

## 10. RISK MANAGEMENT

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

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, and 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 fiduciary trust fund for the current year and previous year:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010 - 2011	\$ -	\$43,805	\$ 65,835	\$ 31,537
2009 - 2010	-	44,805	72,516	53,567
2008 - 2009	1,071	62,645	101,763	81,279

## 11. INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 229,510.46	\$ 3,271,895.50
Special Revenue Fund	71,895.50	
Proprietary Fund		229,510.46
Capital Projects Fund	<u>3,200,000.00</u>	
Total	<u>\$ 3,501,405.96</u>	<u>\$ 3,501,405.96</u>

## 12. INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food and Supplies	<u>\$ 6,391.60</u>
-------------------	--------------------

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**13. DEFICIT FUND BALANCES**

The District has a surplus of \$2,165,122.67 in the General Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). P.L. 2003, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable.

**14. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Essex County Vocational School's Board of Education by inclusion of \$1,100,000.00 on June 17, 2008 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 approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also 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:23-2.13(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	\$ -
Deposits:	
Resolution	<u>1,700,000.00</u>
Ending Balance, June 30, 2011	<u>\$ 1,700,000.00</u>

**15. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$2,165,122.67 General Fund fund balance at June 30, 2011, \$1,700,000.00 Restricted for Capital Reserve, \$706,308.84 Committed for Year End Encumbrances, \$57,419.00 Assigned to Designated for Subsequent Expenditures and \$(298,605.17) is Unassigned.

**16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18:7F-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. There is \$ - 0 - excess surplus as of June 30, 2011.

## 17. RECONCILIATION OF FUND BALANCE - GENERAL FUND

	Unreserved and <u>Designated</u>
The Surpluses are Presented on a GAAP Basis and a Reconciliation to the Budget Basis is as follows:	
Balance on a Budget Basis on the General Fund Budgetary Basis Comparison	\$ 4,038,644.67
Less: Allocation of State Aid Payment of \$1,873,522.00 Not Recognized on a GAAP Basis	<u>1,873,522.00</u>
Balances on a GAAP Basis on the Governmental Fund Balance Sheet	<u><u>\$ 2,165,122.67</u></u>

## 18. CONTINGENT LIABILITIES

### A. Litigation

The Board Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Board's insurance carrier or would have a material financial impact on the Board.

### B. Federal and State Awards

The School District participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies, therefore, to the extent that the School District has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectivity of any related receivable at June 30, 2011 may be impaired. In the opinion of the management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore no provisions have been recorded in the accompanying general-purpose financial statements for such contingencies.

### C. Commitments and Contingencies

In October 2006 the School District was approved for funding to have a vendor install network cable runs to the District's four schools. This was completed and in accordance with e-rate rules the District paid the vendor 10% or \$143,139.50 of the cost of the project. USAC paid the balance of \$1,288,255.50 directly to the vendor.

In June 2008 the Universal Service Administrative Company (USAC), the administrator of the Universal Services Schools and Library Programs (e-rate), initialed a Cost Effectiveness Review (CER) of the School District's funding request.

If the USAC rules against the District, the USAC will issue a Commitment Adjustment (COMAD) letter reducing the funding approval to \$ - 0 - and requesting the District pay \$844,565.50 within 30 days.

Management has indicated that given the unprecedented review of a funding request after payment has been made, and in consultation with their e-rate consultant who believes the District will not prevail, it is only prudent to establish this liability on the balance sheet under Commitments and Contingencies.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. BUDGETARY COMPARISON SCHEDULES**

ESSEX COUNTY VOCATIONAL SCHOOLS  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES</b>					
Local Sources:					
County Tax Levy	\$ 4,450,000.00	-	\$ 4,450,000.00	\$ 4,450,000.00	\$ -
Tuition from LEAs	12,900,485.00	-	12,900,485.00	13,056,241.50	155,746.50
Other Restricted Miscellaneous Revenue	150,000.00	-	150,000.00	210,126.22	60,126.22
Unrestricted Miscellaneous Revenues	300,000.00	-	300,000.00	439,433.04	139,433.04
Total - Local Sources	17,800,485.00	-	17,800,485.00	18,155,800.76	355,305.76
State Sources:					
Categorical Special Education Aid	151,900.00	1,034,700.00	1,186,600.00	1,186,600.00	-
Equalization Aid	18,583,248.00	(1,034,700.00)	17,548,548.00	17,548,548.00	-
TPAF Pension (On-Behalf - Nonbudgeted)	-	-	-	1,254,480.00	1,254,480.00
TPAF Social Security (Reimbursed - Nonbudgeted)	-	-	-	1,291,982.04	1,291,982.04
Total State Sources	18,735,148.00	-	18,735,148.00	21,281,620.04	2,546,472.04
Federal Sources:					
Medicaid Reimbursement	31,883.00	-	31,883.00	33,381.44	1,498.44
Education Jobs - Education Jobs Fund	-	685,986.00	685,986.00	33,500.00	(652,486.00)
Total - Federal Sources	31,883.00	685,986.00	717,869.00	66,881.44	(650,987.56)
<b>Total Revenues</b>	<b>36,567,526.00</b>	<b>685,986.00</b>	<b>37,253,512.00</b>	<b>39,504,302.24</b>	<b>2,250,790.24</b>
<b>EXPENDITURES</b>					
Current Expense:					
<b>Regular Programs - Grade 9-12 - Instruction:</b>					
Salaries of Teachers	6,527,999.00	356,059.28	6,884,058.28	6,225,288.05	658,770.23
Purchased Professional-Educational Services	8,000.00	1,500.00	9,500.00	8,420.60	1,079.40
Other Purchased Services (400-500 Series)	10,000.00	2,722.20	12,722.20	8,291.44	4,430.76
General Supplies	131,513.00	(31,862.51)	99,650.49	85,666.29	13,984.20
Textbooks	15,230.00	185,709.12	200,939.12	195,098.56	5,840.56
Other Objects	41,619.00	8,209.00	49,828.00	47,791.00	2,037.00
Salaries of Teachers	-	-	-	-	-
Purchased Professional-Educational Services	1,000.00	(840.00)	160.00	-	160.00
Other Purchased Services (400-500 Series)	25,000.00	840.00	25,840.00	20,627.00	5,213.00
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>6,769,088.00</b>	<b>526,957.09</b>	<b>7,296,045.09</b>	<b>6,397,886.44</b>	<b>898,158.65</b>
<b>SPECIAL EDUCATION - INSTRUCTION:</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	-	1,426,580.32	1,426,580.32	1,391,334.34	35,245.98
Other Salaries for Instruction	-	312,147.98	312,147.98	312,147.98	-
<b>Total Resource Room/Resource Center</b>	<b>-</b>	<b>1,738,728.30</b>	<b>1,738,728.30</b>	<b>1,703,482.32</b>	<b>35,245.98</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>-</b>	<b>1,738,728.30</b>	<b>1,738,728.30</b>	<b>1,703,482.32</b>	<b>35,245.98</b>
<b>Bilingual Education - Instruction:</b>					
Salaries of Teachers	308,481.00	(23,111.00)	285,370.00	285,370.00	-
Other Salaries for Instruction	100,522.00	5,299.94	105,821.94	105,821.94	-
General Supplies	4,300.00	(294.04)	4,005.96	4,005.96	-
<b>Total Bilingual Education - Instruction</b>	<b>413,303.00</b>	<b>(18,105.10)</b>	<b>395,197.90</b>	<b>395,197.90</b>	<b>-</b>

ESSEX COUNTY VOCATIONAL SCHOOLS  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
 Sheet 2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Regular Vocational Programs - Instruction:</b>					
Salaries of Teachers	\$ 4,589,988.00	\$ 114,839.96	\$ 4,704,827.96	\$ 4,627,235.39	\$ 77,592.57
Other Purchased Services (400-500 Series)	4,000.00	-	4,000.00	754.50	3,245.50
General Supplies	304,921.00	78,167.01	383,088.01	352,232.10	30,855.91
Textbooks	92,802.00	(92,802.00)	-	-	-
Other Objects	4,478.00	612.00	5,090.00	3,474.00	1,616.00
<b>Total Regular Vocational Programs - Instruction</b>	<b>4,996,189.00</b>	<b>100,816.97</b>	<b>5,097,005.97</b>	<b>4,983,695.99</b>	<b>113,309.98</b>
<b>Special Vocational Programs - Instruction:</b>					
Salaries of Teachers	2,030,763.00	(1,485,409.62)	545,353.38	195,473.00	349,880.38
Other Salaries for Instruction	189,215.00	(189,215.00)	-	-	-
Purchased Technical Services	90,623.00	(67,000.00)	23,623.00	9,126.32	14,496.68
General Supplies	62,360.00	(15,510.45)	46,869.55	32,372.05	14,497.50
Textbooks	17,063.00	(17,063.00)	-	-	-
Other Objects	2,900.00	-	2,900.00	-	2,900.00
<b>Total Special Vocational Programs - Instruction</b>	<b>2,392,944.00</b>	<b>(1,774,198.07)</b>	<b>618,745.93</b>	<b>236,971.37</b>	<b>381,774.56</b>
<b>School-Sponsored Cocurricular Activities - Instruction:</b>					
Salaries	105,735.00	10,437.37	116,172.37	91,790.76	24,381.61
Supplies and Materials	26,266.00	399.99	26,665.99	25,349.03	1,316.96
Other Objects	2,601.00	6,900.00	9,501.00	8,890.79	610.21
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>134,602.00</b>	<b>17,737.36</b>	<b>152,339.36</b>	<b>126,030.58</b>	<b>26,308.78</b>
<b>School-Sponsored Cocurricular Athletics - Instruction:</b>					
Salaries	256,384.00	148,042.00	404,426.00	395,110.00	9,316.00
Purchased Services (300-500 Series)	82,900.00	(4,482.56)	78,417.44	64,908.68	13,508.76
Supplies and Materials	172,358.00	(6,000.70)	166,357.30	150,388.06	15,969.24
Other Objects	37,110.00	2,684.80	39,794.80	35,375.80	4,419.00
<b>Total School-Sponsored Cocurricular Athletics - Instruction</b>	<b>548,752.00</b>	<b>140,243.54</b>	<b>688,995.54</b>	<b>645,782.54</b>	<b>43,213.00</b>
<b>TOTAL INSTRUCTION</b>	<b>15,254,878.00</b>	<b>732,180.09</b>	<b>15,987,058.09</b>	<b>14,689,047.14</b>	<b>1,298,010.95</b>
<b>Undistributed Expenditures - Health Services:</b>					
Salaries	285,636.00	(1,386.00)	284,250.00	284,250.00	-
Other Purchased Services (400-500 Series)	39,600.00	3,000.00	42,600.00	35,305.40	7,294.60
Supplies and Materials	13,999.00	(2,618.00)	11,381.00	9,984.99	1,396.01
<b>Total Undistributed Expenditures - Health Services</b>	<b>339,235.00</b>	<b>(1,004.00)</b>	<b>338,231.00</b>	<b>329,540.39</b>	<b>8,690.61</b>
<b>Undistributed Expenditures - Guidance:</b>					
Salaries of Other Professional Staff	870,458.00	(21,999.30)	848,458.70	848,458.70	-
Salaries of Secretarial and Clerical Assistants	195,675.00	995.46	196,670.46	164,064.75	32,605.71
Other Salaries	56,450.00	(19,011.86)	37,438.12	36,556.12	882.00
Other Purchased Services (400-500 Series)	700.00	(308.16)	391.84	391.84	-
Supplies and Materials	18,735.00	(1,809.46)	16,925.54	14,781.19	2,144.35
Other Objects	-	-	-	-	-
<b>Total Undistributed Expenditures - Guidance</b>	<b>1,142,018.00</b>	<b>22,866.66</b>	<b>1,164,884.66</b>	<b>1,129,252.60</b>	<b>35,632.06</b>
<b>Undistributed Expenditures - Child Study Team:</b>					
Salaries of Other Professional Staff	506,936.00	100,197.00	607,133.00	607,133.00	-
Salaries of Secretarial and Clerical Assistants	55,027.00	1,429.88	56,456.88	56,456.88	-
Other Purchased Professional and Technical Services	11,900.00	(8,000.00)	3,900.00	-	3,900.00
Other Purchased Services (400-500 Series)	50,351.00	(25,827.42)	24,523.58	15,550.86	8,972.72
Supplies and Materials	8,500.00	-	8,500.00	2,641.32	5,858.68
Other Objects	11,940.00	(10,000.00)	1,940.00	240.00	1,700.00
<b>Total Undistributed Expenditures - Child Study Team</b>	<b>644,654.00</b>	<b>57,799.46</b>	<b>702,453.46</b>	<b>682,022.06</b>	<b>20,431.40</b>

ESSEX COUNTY VOCATIONAL SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
Sheet 3

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undistributed Expenditures - Improvement of Instruction Services:</b>					
Salaries of Supervisor of Instruction	\$ 422,679.00	\$ 3,637.00	\$ 426,316.00	\$ 416,662.00	\$ 9,654.00
Salaries of Other Professional Staff	135,617.00	(5,667.08)	129,949.92	129,949.92	-
Other Purchased Services (400-500 Series)	6,600.00	(81.66)	6,518.34	1,580.95	4,937.39
Supplies and Materials	12,662.00	-	12,662.00	7,521.74	5,140.26
Other Objects	20,390.00	-	20,390.00	15,225.00	5,165.00
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>	<b>597,948.00</b>	<b>(2,111.74)</b>	<b>595,836.26</b>	<b>570,939.61</b>	<b>24,896.65</b>
<b>Undistributed Expenditures - Educational Media Services/School Library:</b>					
Salaries	229,705.00	(76,950.00)	152,755.00	152,755.00	-
Supplies and Materials	27,300.00	19,500.00	46,800.00	40,683.88	6,116.12
<b>Total Undistributed Expenditures - Educational Media Services/School Library</b>	<b>257,005.00</b>	<b>(57,450.00)</b>	<b>199,555.00</b>	<b>193,438.88</b>	<b>6,116.12</b>
<b>Undistributed Expenditures - Instructional Staff Training Services:</b>					
Salaries of Supervisors of Instruction	41,683.00	(36,538.39)	5,144.61	5,144.61	-
Other Salaries	11,444.00	3,186.00	14,630.00	14,630.00	-
Other Purchased Services (400-500 Series)	29,389.00	(8,351.77)	21,037.23	12,624.10	8,413.13
Other Objects	10,500.00	-	10,500.00	2,518.15	7,981.85
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>93,016.00</b>	<b>(41,704.16)</b>	<b>51,311.84</b>	<b>34,916.86</b>	<b>16,394.98</b>
<b>Undistributed Expenditures - Support Services - General Administration:</b>					
Salaries	655,946.00	(84,882.59)	571,063.41	553,799.31	17,264.10
Legal Services	99,000.00	86,225.00	185,225.00	165,214.16	20,010.84
Audit Services	44,000.00	(3,000.00)	41,000.00	35,350.00	5,650.00
Purchased Technical Services	27,825.00	-	27,825.00	5,000.00	22,825.00
Communications/Telephone	327,500.00	-	327,500.00	271,127.12	56,372.88
Other Purchased Services (400-500 Series)	133,995.00	21,950.00	155,945.00	128,298.36	27,646.64
General Supplies	44,926.00	(3,600.00)	41,326.00	27,237.10	14,088.90
Judgments Against the School District	120,000.00	(104,000.00)	16,000.00	15,967.66	32.34
Miscellaneous Expenditures	21,000.00	(115.00)	20,885.00	15,324.00	5,561.00
BOE Membership Dues and Fees	20,000.00	165.00	20,165.00	20,163.80	1.20
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>1,494,192.00</b>	<b>(87,257.59)</b>	<b>1,406,934.41</b>	<b>1,237,481.51</b>	<b>169,452.90</b>
<b>Undistributed Expenditures - Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	825,514.00	19,343.23	844,857.23	826,509.56	18,347.67
Salaries of Secretarial and Clerical Assistants	329,857.00	69,610.04	399,467.04	399,467.04	-
Purchased Professional and Technical Services	119,184.00	(3,367.59)	115,816.41	90,642.49	25,173.92
Other Purchased Services (400-500 Series)	3,896.00	3,646.62	7,542.62	4,272.00	3,270.62
Supplies and Materials	115,461.00	316.85	115,777.85	81,172.01	34,605.84
Other Objects	12,477.00	4,654.00	17,131.00	10,853.28	6,277.72
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>1,406,389.00</b>	<b>134,003.15</b>	<b>1,540,392.15</b>	<b>1,446,416.38</b>	<b>93,975.77</b>
<b>Undistributed Expenditures - Central Services:</b>					
Salaries	622,540.00	(19,055.43)	603,484.57	588,546.53	14,938.04
Purchased Professional Services	24,225.00	(8,525.00)	15,700.00	13,000.00	2,700.00
Other Purchased Services (400-500 Series)	35,775.00	23,000.00	58,775.00	56,609.55	2,165.45
Supplies and Materials	25,000.00	2,230.00	27,230.00	26,813.10	416.90
Miscellaneous Expenditures	2,100.00	-	2,100.00	299.00	1,801.00
<b>Total Undistributed Expenditures - Central Services</b>	<b>709,640.00</b>	<b>(2,350.43)</b>	<b>707,289.57</b>	<b>685,268.18</b>	<b>22,021.39</b>
<b>Undistributed Expenditures - Administration of Information Technology:</b>					
Salaries	429,860.00	22,904.97	452,764.97	452,275.97	489.00
Other Purchased Services (400-500 Series)	224,321.00	55,114.35	279,435.35	195,042.85	84,392.50
Supplies and Materials	434,621.00	(93,795.84)	340,825.16	311,988.77	28,836.39
Other Objects	2,250.00	881.77	3,131.77	1,620.47	1,511.30
<b>Total Undistributed Expenditures - Administration of Information Technology</b>	<b>1,091,052.00</b>	<b>(14,894.75)</b>	<b>1,076,157.25</b>	<b>960,928.06</b>	<b>115,229.19</b>

**ESSEX COUNTY VOCATIONAL SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undistributed Expenditures - Required Maintenance for School Facilities:</b>					
Salaries	\$ 515,871.00	\$ 39,465.83	\$ 555,336.83	\$ 552,446.76	\$ 2,890.07
Cleaning, Repair and Maintenance Services	252,000.00	246,036.26	498,036.26	474,908.11	23,128.15
General Supplies	157,475.00	(46,828.56)	210,646.44	205,736.98	4,909.46
Other Objects	13,000.00	(9,045.00)	3,955.00	3,954.00	1.00
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>1,038,346.00</b>	<b>229,628.53</b>	<b>1,267,974.53</b>	<b>1,237,045.85</b>	<b>30,928.68</b>
<b>Undistributed Expenditures - Custodial Services:</b>					
Salaries	1,063,140.00	33,279.94	1,096,419.94	1,044,597.04	51,822.90
Cleaning, Repair and Maintenance Services	250,000.00	201,719.35	451,719.35	306,942.63	144,776.72
Rental of Land, Building and Other than Lease Purchases	120,000.00	(40,000.00)	80,000.00	70,838.58	9,161.42
Other Purchased Property Services	62,000.00	3,000.00	65,000.00	48,586.08	16,413.92
Insurance	273,257.00	(31,504.38)	241,752.62	241,752.62	-
Miscellaneous Purchased Services	1,272,380.00	(48,085.77)	1,224,314.23	1,149,604.37	74,709.86
General Supplies	10,868.00	(9,553.79)	1,314.21	1,314.21	-
Energy (Energy and Electricity)	815,000.00	(50,000.00)	765,000.00	332,417.52	432,582.48
Energy (Natural Gas)	485,000.00	330,000.00	815,000.00	795,717.99	19,282.01
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>4,351,645.00</b>	<b>388,875.35</b>	<b>4,740,520.35</b>	<b>3,991,771.04</b>	<b>748,749.31</b>
<b>Total Undistributed Expenditures - Operation and Maintenance of Plant Services</b>	<b>5,389,991.00</b>	<b>618,503.88</b>	<b>6,008,494.88</b>	<b>5,228,816.89</b>	<b>779,677.99</b>
<b>Undistributed Expenditures - Student Transportation Services:</b>					
Salaries for Pupil Transportation (Between Home and School) - Special	172,782.00	7,007.51	179,789.51	177,128.90	2,660.61
Cleaning, Repair and Maintenance Services	20,000.00	(15,000.00)	5,000.00	-	5,000.00
Contract Services (Other than Between Home and School) - Vendors	263,000.00	27,823.51	290,823.51	149,653.52	141,169.99
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>455,782.00</b>	<b>19,831.02</b>	<b>475,613.02</b>	<b>326,782.42</b>	<b>148,830.60</b>
<b>UNALLOCATED BENEFITS:</b>					
Group Insurance	21,000.00	(6,000.00)	15,000.00	11,609.86	3,390.14
Social Security Contributions	690,000.00	(6,000.00)	684,000.00	520,853.00	163,147.00
TPAF Contributions - ERIP	523,240.00	(108,500.00)	414,740.00	406,877.00	7,863.00
Unemployment Compensation	125,000.00	51,000.00	176,000.00	175,559.92	440.08
Workmen's Compensation	329,167.00	(4,000.00)	325,167.00	313,515.47	11,651.53
Health Benefits	5,127,897.00	38,900.00	5,166,797.00	4,951,224.07	215,572.93
Tuition Reimbursement	50,000.00	(11,152.00)	38,848.00	36,504.00	2,344.00
Other Employee Benefits	227,000.00	338,242.69	565,242.69	557,914.67	7,328.02
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>7,093,304.00</b>	<b>292,490.69</b>	<b>7,385,794.69</b>	<b>6,974,057.99</b>	<b>411,736.70</b>
On-Behalf TPAF Pension Contributions (Nonbudgeted)	-	-	-	1,254,490.00	(1,254,490.00)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,291,982.04	(1,291,982.04)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,546,472.04</b>	<b>(2,546,472.04)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>7,093,304.00</b>	<b>292,490.69</b>	<b>7,385,794.69</b>	<b>9,520,530.03</b>	<b>(2,134,735.34)</b>
<b>Undistributed Expenditures - Food Services:</b>					
Transfers to Cover Deficit (Enterprise Fund)	50,000.00	-	50,000.00	47,828.46	2,171.54
<b>Total Undistributed Expenditures - Food Services</b>	<b>50,000.00</b>	<b>-</b>	<b>50,000.00</b>	<b>47,828.46</b>	<b>2,171.54</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>20,764,226.00</b>	<b>938,722.19</b>	<b>21,702,948.19</b>	<b>22,394,142.33</b>	<b>(691,194.14)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>36,019,104.00</b>	<b>1,670,902.28</b>	<b>37,690,006.28</b>	<b>37,083,189.47</b>	<b>606,816.81</b>

ESSEX COUNTY VOCATIONAL SCHOOLS  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>CAPITAL OUTLAY:</b>					
<b>Equipment:</b>					
Regular Programs - Instruction:					
Grades 9-12	\$ -	\$ 5,734.04	\$ 5,734.04	\$ 3,211.79	\$ 2,522.25
Special Education - Instruction:					
Undistributed Expenditures - General Administration	-	2,625.59	2,625.59	2,625.59	-
Special Schools (All Programs)	-	15,306.38	15,306.38	15,306.38	-
Total Equipment	-	23,666.01	23,666.01	21,143.76	2,522.25
<b>Facilities Acquisition and Construction Services:</b>					
Construction Services	-	34,717.13	34,717.13	34,568.17	148.96
Total Facilities Acquisition and Construction Services	-	34,717.13	34,717.13	34,568.17	148.96
<b>TOTAL CAPITAL OUTLAY</b>	-	58,383.14	58,383.14	55,711.93	2,671.21
<b>SPECIAL SCHOOLS:</b>					
Summer School - Instruction:					
Salaries of Teachers	61,515.00	(31,818.37)	29,696.63	28,243.25	1,453.38
General Supplies	1,678.00	(1,500.00)	178.00	-	178.00
Total Summer School - Instruction	63,193.00	(33,318.37)	29,874.63	28,243.25	1,631.38
Total Summer School	63,193.00	(33,318.37)	29,874.63	28,243.25	1,631.38
<b>Post-Secondary Programs - Support Services:</b>					
Salaries of Teachers	152,683.00	45,379.75	198,062.75	198,062.75	-
General Supplies	20,000.00	-	20,000.00	18,151.44	1,848.56
Textbooks	16,800.00	(2,500.00)	14,300.00	2,263.01	12,036.99
Other Objects	3,000.00	-	3,000.00	1,200.00	1,800.00
Total Post-Secondary Programs - Instruction	192,483.00	42,879.75	235,362.75	219,677.20	15,685.55
<b>Post-Secondary Programs - Support Services:</b>					
Salaries	38,591.00	(15,047.17)	23,543.83	23,543.83	-
Total Post-Secondary Programs - Support Services	38,591.00	(15,047.17)	23,543.83	23,543.83	-
Total Post-Secondary Programs	231,074.00	27,832.58	258,906.58	243,221.03	15,685.55
<b>Accredited Evening/Adult High School/Post-Graduate - Instruction:</b>					
Salaries of Teachers	-	3,200.00	3,200.00	2,970.00	230.00
General Supplies	-	1,300.00	1,300.00	204.25	1,095.75
Total Accredited Evening/Adult High School/Post-Graduate - Instruction	-	4,500.00	4,500.00	3,174.25	1,325.75
<b>Total Accredited Evening/Adult High School/Post-Graduate</b>	-	4,500.00	4,500.00	3,174.25	1,325.75
<b>Adult Education-Local-Instruction:</b>					
Salaries of Teachers	-	3,668.01	3,668.01	-	3,668.01
Total Adult Education-Local-Instruction	-	3,668.01	3,668.01	-	3,668.01
<b>Adult Education - Local - Support Services:</b>					
Salaries	153,177.00	(85,376.09)	67,800.91	60,836.70	6,964.21
Supplies and Materials	5,000.00	1,319.62	6,319.62	4,001.02	2,318.60
Total Adult Education - Local - Support Services	158,177.00	(84,056.47)	74,120.53	64,837.72	9,282.81
Total Adult Education - Local	158,177.00	(80,388.46)	77,788.54	64,837.72	12,950.82
<b>Vocational Evening - Local - Instruction:</b>					
Salaries of Teachers	391,754.00	(106,013.50)	285,740.50	256,106.63	29,633.87
Other Salaries for Instruction	2,987.00	(1,692.00)	1,295.00	1,283.00	12.00
General Supplies	11,450.00	872.00	12,322.00	8,221.75	4,100.25
Textbooks	6,900.00	-	6,900.00	-	6,900.00
Other Objects	126,577.00	930.00	127,507.00	40,942.96	86,564.04
Total Vocational Evening - Local - Instruction	539,668.00	(105,903.50)	433,764.50	306,554.34	127,210.16
Total Vocational Evening - Local	539,668.00	(105,903.50)	433,764.50	306,554.34	127,210.16
<b>TOTAL SPECIAL SCHOOLS</b>	992,112.00	(187,277.75)	804,834.25	646,030.59	158,803.66

ESSEX COUNTY VOCATIONAL SCHOOLS  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
 Sheet 6

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>TOTAL EXPENDITURES</b>	\$ 37,011,216.00	\$ 1,542,007.67	\$ 38,553,223.67	\$ 37,784,931.99	\$ 768,291.68
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)</b>	(443,690.00)	(856,021.67)	(1,299,711.67)	1,719,370.25	3,019,081.92
Fund Balance, July 1	2,834,810.05	(10,349,176.03)	(7,514,365.98)	2,319,274.42	(9,833,640.40)
Fund Balance, June 30	\$ 2,391,120.05	\$ (11,205,197.70)	\$ (8,814,077.65)	\$ 4,038,644.67	\$ (6,814,558.48)
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 1,700,000.00	
Committed Fund Balance:				706,308.84	
Year-End Encumbrances				57,419.00	
Assigned Fund Balance:				1,574,916.83	
Designated for Subsequent Year's Expenditures				4,038,644.67	
Unassigned Fund Balance				(1,873,522.00)	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(1,873,522.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,165,122.67	

ESSEX COUNTY VOCATIONAL SCHOOLS  
GENERAL FUND  
EDUCATION JOBS FUND PROGRAM - BUDGET AND ACTUAL  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Exhibit C-1b

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b><u>REVENUES</u></b>			
Federal Sources:			
Education Jobs Fund	\$ 685,986.00	\$ 33,500.00	\$ 652,486.00
Total Federal Sources	<u>685,986.00</u>	<u>33,500.00</u>	<u>652,486.00</u>
<b>Total Revenues</b>	<u><u>\$ 685,986.00</u></u>	<u><u>\$ 33,500.00</u></u>	<u><u>\$ 652,486.00</u></u>
<b>EXPENDITURES:</b>			
<b>Current Expense:</b>			
<b>Regular Programs - Grade 9-12 - Instruction:</b>			
Salaries of Teachers	\$ 646,186.00	\$ -	\$ 646,186.00
Total Regular Programs - Instruction	<u>646,186.00</u>	<u>-</u>	<u>646,186.00</u>
<b>Undistributed Expenditures - Support Services - School Administration:</b>			
Salaries of Other Professional Staff	39,800.00	33,500.00	6,300.00
Total Undistributed Expenditures - Support Services - School Administration	<u>39,800.00</u>	<u>33,500.00</u>	<u>6,300.00</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>685,986.00</u>	<u>33,500.00</u>	<u>652,486.00</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 685,986.00</u></u>	<u><u>\$ 33,500.00</u></u>	<u><u>\$ 652,486.00</u></u>

ESSEX COUNTY VOCATIONAL SCHOOLS  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
State Sources	\$ 100,000.00	\$ 1,166,962.84	\$ 1,266,962.84	\$ 48,625.01	\$ (1,218,337.83)
Federal Sources	2,850,000.00	2,701,352.52	5,551,352.52	4,117,058.52	(1,434,294.00)
Local Sources	60,000.00	(6,140.70)	53,859.30	49,259.40	(4,599.90)
<b>Total Revenues</b>	<b><u>\$ 3,010,000.00</u></b>	<b><u>\$ 3,862,174.66</u></b>	<b><u>\$ 6,872,174.66</u></b>	<b><u>\$ 4,214,942.93</u></b>	<b><u>\$ (2,657,231.73)</u></b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 1,815,387.88	\$ 63,589.94	\$ 1,878,977.82	\$ 1,551,644.14	\$ 327,333.68
Purchased Professional and Technical Services		361,573.00	361,573.00	353,666.50	7,906.50
Other Purchased Professional Services		30,729.75	30,729.75	729.75	30,000.00
General Supplies	513,761.74	693,617.68	1,207,379.42	792,095.89	415,283.53
Textbooks		4,556.87	4,556.87	2,242.87	2,314.00
Other Objects		24,380.00	24,380.00	10,892.75	13,487.25
<b>Total Instruction</b>	<b><u>2,329,149.62</u></b>	<b><u>1,178,447.24</u></b>	<b><u>3,507,596.86</u></b>	<b><u>2,711,271.90</u></b>	<b><u>796,324.96</u></b>
<b>Support Services:</b>					
Salaries of Personal Services	640,850.38	(11,758.12)	629,092.26	412,685.93	216,406.33
Other Salaries	40,000.00	(30,000.00)	10,000.00	10,000.00	-
Personal Services - Employee Benefits		603,026.88	603,026.88	343,323.07	259,703.81
Purchased Professional and Technical Services		354,524.84	354,524.84	268,809.11	85,715.73
Other Purchased Services (400-500)		179,287.89	179,287.89	129,037.03	50,250.86
Travel		6,800.00	6,800.00	2,761.99	4,038.01
Supplies and Materials		85,822.27	85,822.27	66,242.84	19,579.43
Other Objects		25,350.57	25,350.57	20,691.47	4,659.10
<b>Total Support Services</b>	<b><u>680,850.38</u></b>	<b><u>1,213,054.33</u></b>	<b><u>1,893,904.71</u></b>	<b><u>1,253,551.44</u></b>	<b><u>640,353.27</u></b>
<b>Facilities Acquisition and Construction Services:</b>					
Buildings		1,239,226.00	1,239,226.00	28,138.50	1,211,087.50
Instructional Equipment		229,197.09	229,197.09	219,731.09	9,466.00
Noninstructional Equipment	-	2,250.00	2,250.00	2,250.00	-
<b>Total Facilities Acquisition and Construction Services</b>	<b><u>-</u></b>	<b><u>1,470,673.09</u></b>	<b><u>1,470,673.09</u></b>	<b><u>250,119.59</u></b>	<b><u>1,220,553.50</u></b>
<b>Total Expenditures</b>	<b><u>\$ 3,010,000.00</u></b>	<b><u>\$ 3,862,174.66</u></b>	<b><u>\$ 6,872,174.66</u></b>	<b><u>\$ 4,214,942.93</u></b>	<b><u>\$ 2,657,231.73</u></b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

ESSEX COUNTY VOCATIONAL SCHOOLS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET-TO-GAAP RECONCILIATION  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-3

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 39,504,302.24	[C-2]	\$ 4,214,942.93
Difference - Budget-to-GAAP:				
State aid payment recognized for GAAP statements in the current year previously recognized for budgetary statements.		2,069,904.00		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		<u>(1,873,522.00)</u>		
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 [B-2]	 <u>\$ 39,700,684.24</u>	 [B-2]	 <u>\$ 4,214,942.93</u>
<b><u>Uses/Outflows of Resources</u></b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 37,784,931.99	[C-2]	\$ 4,214,942.93
Differences - budget-to-GAAP				
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers (outflows from general fund.		<u>-</u>		
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds including transfers	 [B-2]	 <u>\$ 37,784,931.99</u>	 [B-2]	 <u>\$ 4,214,942.93</u>

**OTHER SUPPLEMENTARY INFORMATION**

**D. SCHOOL BASED BUDGET SCHEDULES (IF APPLICABLE)**

**E. SPECIAL REVENUE FUND**

ESSEX COUNTY VOCATIONAL SCHOOLS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30 2011

E-1  
Sheet #1

	Total Brought Forward E-1, Sheet #2	Time 1 INCLB		I.D.E.A. Part B		Green Program of Study 2009-2010	2010-2011	Title IV Drug-Free Schools Carryover	Total Page #1
		Reallocated	Carryover	2010-2011	Carryover				
<b>REVENUES</b>									
Federal Sources	\$ 2,016,858.08	\$ 92,208.88	\$ 183,745.92	\$ 244,416.82	\$ 68,438.74	\$ 29,729.98	\$ 4,188.60	\$ 3,341.35	\$ 4,117,058.52
State Sources	48,625.01								48,625.01
Local Sources	49,259.40								49,259.40
<b>Total Revenues</b>	<b>\$ 2,114,742.49</b>	<b>\$ 92,208.88</b>	<b>\$ 183,745.92</b>	<b>\$ 244,416.82</b>	<b>\$ 68,438.74</b>	<b>\$ 29,729.98</b>	<b>\$ 4,188.60</b>	<b>\$ 3,341.35</b>	<b>\$ 4,214,942.53</b>
<b>EXPENDITURES</b>									
<b>Instruction:</b>									
Salaries of Teachers	\$ 668,719.21	\$	\$	\$ 131,778.43	\$ 9,240.00	\$	\$	\$	\$ 1,551,044.14
Purchased Professional and Technical Services	5,000.00								353,668.50
Other Purchased Services (400-600 Series)	729.75			12,459.09	25,545.02				729.75
General Supplies	697,863.18		4,163.74						792,095.89
Textbooks	2,242.87			8,512.75					2,242.87
Other Objects	2,380.00			152,750.27					10,892.75
<b>Total Instruction</b>	<b>1,376,935.01</b>	<b>1,138,443.16</b>	<b>4,163.74</b>	<b>4,194.70</b>	<b>34,785.02</b>				<b>2,711,271.80</b>
<b>Support Services:</b>									
Personal Services - Salaries	65,051.50	84,560.78	18,566.73	74,938.50	17,853.00				412,685.93
Other Salaries	10,000.00								10,000.00
Personal Services - Employee Benefits	117,251.48	593.97	151,015.45	8,463.08	13,800.72			3,341.35	343,323.97
Purchased Professional and Technical Services	182,501.70		10,000.00			27,000.50	2,121.60		268,609.11
Other Purchased Services (400-500 Series)	99,069.84	5,244.61		5,547.74		500.00	2,067.00		199,037.03
Travel	194.89								2,761.88
Supplies and Materials	8,605.45	391.87		1,933.23					86,242.84
Other Objects	6,012.92	1,477.65		784.00		2,229.48			20,691.47
<b>Total Support Services</b>	<b>487,687.89</b>	<b>92,208.88</b>	<b>179,592.18</b>	<b>91,686.55</b>	<b>31,653.72</b>	<b>29,729.98</b>	<b>4,188.60</b>	<b>3,341.35</b>	<b>1,253,551.44</b>
<b>Facilities Acquisition and Construction:</b>									
Buildings	28,138.50								28,138.50
Instructional Equipment	219,731.09								219,731.09
Noninstructional Equipment	2,250.00								2,250.00
<b>Total Facilities Acquisition and Construction</b>	<b>250,119.59</b>								<b>250,119.59</b>
<b>Total Expenditures</b>	<b>\$ 2,114,742.49</b>	<b>\$ 92,208.88</b>	<b>\$ 183,745.92</b>	<b>\$ 244,416.82</b>	<b>\$ 68,438.74</b>	<b>\$ 29,729.98</b>	<b>\$ 4,188.60</b>	<b>\$ 3,341.35</b>	<b>\$ 4,214,942.83</b>

ESSEX COUNTY VOCATIONAL SCHOOLS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ARRA		Title II		Adult Basic Education		School Improvement Grant		Carl D. Perkins		Adult Carl D. Perkins		Total Page #2
	Title I Part A	IDEA Basic	A Current	A Carryover	D Current	D Carryover	Current	Carryover	Current	Carryover	Current	Carryover	
<b>REVENUES</b>													
Federal Sources	\$ 39,622.50	\$ 331,212.38	\$ 123,188.62	\$ 21,646.15	\$ 1,765.00	\$ 2,316.18	\$ 435,611.95	\$ 12,261.77	\$ 437,294.00	\$ 295.63	\$ 126,005.00	\$ 204.39	\$ 2,016,658.08
State Sources	48,625.01												48,625.01
Local Sources	49,259.40												49,259.40
<b>Total Revenues</b>	<b>\$ 137,506.91</b>	<b>\$ 331,212.38</b>	<b>\$ 123,188.62</b>	<b>\$ 21,646.15</b>	<b>\$ 1,765.00</b>	<b>\$ 2,316.18</b>	<b>\$ 435,611.95</b>	<b>\$ 12,261.77</b>	<b>\$ 437,294.00</b>	<b>\$ 295.63</b>	<b>\$ 126,005.00</b>	<b>\$ 204.39</b>	<b>\$ 2,114,742.49</b>
<b>EXPENDITURES</b>													
Instruction:													
Salaries of Teachers	\$ 13,320.00	\$ 165,537.50	\$ 72,502.96	\$ 116,522.00	\$ -	\$ -	\$ 160,336.95	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 658,710.21
Purchased Professional and Technical Services	729.75												729.75
Other Purchased Services (400-500 Series)	48,028.44	176,715.90	32,550.29	176,715.90	1,765.00	2,316.18	92,013.40	608.62	265,619.64	135.63	37,961.55	204.39	697,653.16
General Supplies													2,242.87
Textbooks													2,380.00
Other Objects	62,076.19	342,253.40	105,053.25	116,522.00	1,765.00	2,316.18	282,350.35	608.62	293,198.64	135.63	37,961.55	204.39	1,376,635.01
Total Instruction													
Support Services:													
Personal Services - Salaries	10,470.00	8,815.50					45,786.00						65,051.50
Other Salaries		10,000.00											10,000.00
Personal Services - Employee Benefits	219.63	1,823.93	6,266.62	21,646.15			52,745.00	11,653.15					117,251.49
Purchased Professional and Technical Services		127,751.70					54,750.00						182,501.70
Other Purchased Services (400-500 Series)	29,892.60	400.00							11,358.80	160.00			98,069.84
Travel	184.99												184.99
Supplies and Materials	1,700.00	628.05											8,605.45
Other Objects	42,477.22	6,012.92					153,261.00	11,653.15	11,358.80	160.00	5,840.92		6,012.92
Total Support Services													487,687.65
Facilities Acquisition and Construction:													
Buildings	28,138.50												28,138.50
Instructional Equipment	4,813.00								132,735.56		82,182.53		219,731.09
Noninstructional Equipment		2,250.00											2,250.00
Total Facilities Acquisition and Construction	32,951.50	2,250.00							132,735.56		82,182.53		250,119.59
<b>Total Expenditures</b>	<b>\$ 137,506.91</b>	<b>\$ 353,368.30</b>	<b>\$ 123,188.62</b>	<b>\$ 21,646.15</b>	<b>\$ 1,765.00</b>	<b>\$ 2,316.18</b>	<b>\$ 435,611.95</b>	<b>\$ 12,261.77</b>	<b>\$ 437,294.00</b>	<b>\$ 295.63</b>	<b>\$ 126,005.00</b>	<b>\$ 204.39</b>	<b>\$ 2,114,742.49</b>

ESSEX COUNTY VOCATIONAL SCHOOLS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

E-1  
Sheet #3

	Total Brought Forward E-1, Sheet #4	Title III			Apprenticeship	Martin Luther King, Jr. Commission	Total Page #3
		Current	Reallocated	C/O Reallocated			
<b>REVENUES</b>							
Federal Sources	\$ 35,155.27			\$ 12,902.90	\$ 12,739.99	\$ 729.75	\$ 39,622.50
State Sources	49,259.40						48,625.01
Local Sources							49,259.40
<b>Total Revenues</b>	<b>\$ 84,414.67</b>	<b>\$ 15,129.51</b>	<b>\$ 8,181.96</b>	<b>\$ 12,902.90</b>	<b>\$ 12,739.99</b>	<b>\$ 729.75</b>	<b>\$ 137,506.91</b>
<b>EXPENDITURES</b>							
Instruction:							
Salaries of Teachers	\$ -	\$ 2,475.00	\$ -	\$ -	\$ 10,845.00	\$ -	\$ 13,320.00
Purchased Professional and Technical Services						729.75	729.75
Other Purchased Services (400-500 Series)	18,821.07	5,134.01	8,181.96	12,902.90			48,028.44
General Supplies							
Textbooks							
Other Objects							
<b>Total Instruction</b>	<b>18,821.07</b>	<b>7,609.01</b>	<b>8,181.96</b>	<b>12,902.90</b>	<b>10,845.00</b>	<b>729.75</b>	<b>62,078.19</b>
Support Services:							
Personal Services - Salaries	8,859.60	1,510.50					10,470.00
Other Salaries							219.63
Personal Services - Employee Benefits							
Purchased Professional and Technical Services	28,695.60	1,197.00			194.99		29,892.60
Other Purchased Services (400-500 Series)					1,700.00		1,700.00
Travel							
Supplies and Materials							
Other Objects							
<b>Total Support Services</b>	<b>37,655.10</b>	<b>2,707.50</b>			<b>1,894.99</b>		<b>42,477.22</b>
Facilities Acquisition and Construction:							
Buildings	28,138.50	4,813.00					28,138.50
Instructional Equipment							4,813.00
Noninstructional Equipment	28,138.50	4,813.00					32,951.50
<b>Total Facilities Acquisition and Construction</b>	<b>\$ 84,414.67</b>	<b>\$ 15,129.51</b>	<b>\$ 8,181.96</b>	<b>\$ 12,902.90</b>	<b>\$ 12,739.99</b>	<b>\$ 729.75</b>	<b>\$ 137,506.91</b>
<b>Total Expenditures</b>							

ESSEX COUNTY VOCATIONAL SCHOOLS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

E-1  
Sheet #4

	Science Education Grant 2010-2011	Agricultural Education Grant Carryover	Summer City WJA	PSE&G Fossil Fuel	NJSEAIG Safety Grant	Newark Tech ROD Grant	Total Page #4
<b>REVENUES</b>							
Federal Sources	\$ 1,838.01	\$ 5,178.76	\$ 8,959.50	11,604.30	28,695.60	28,138.50	35,155.27
State Sources							49,259.40
Local Sources	\$ 1,838.01	\$ 5,178.76	\$ 8,959.50	\$ 11,604.30	\$ 28,695.60	\$ 28,138.50	\$ 84,414.67
<b>Total Revenues</b>							
<b>EXPENDITURES</b>							
Instruction:							
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional and Technical Services							
Other Purchased Services (400-500 Series)	1,838.01	5,178.76		11,604.30			18,621.07
General Supplies							
Textbooks							
Other Objects	1,838.01	5,178.76		11,604.30			18,621.07
Total Instruction							
Support Services:							
Personal Services - Salaries			8,959.50				8,959.50
Other Salaries							
Personal Services - Employee Benefits							
Purchased Professional and Technical Services							
Other Purchased Services (400-500 Series)					28,695.60		28,695.60
Travel							
Supplies and Materials							
Other Objects			8,959.50				37,655.10
Total Support Services							
Facilities Acquisition and Construction:							
Buildings						28,138.50	28,138.50
Instructional Equipment							
Noninstructional Equipment							
Total Facilities Acquisition and Construction							
Total Expenditures	\$ 1,838.01	\$ 5,178.76	\$ 8,959.50	\$ 11,604.30	\$ 28,695.60	\$ 28,138.50	\$ 84,414.67

**F. CAPITAL PROJECTS FUND**

ESSEX COUNTY VOCATIONAL SCHOOLS  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

F-1

<u>Project Title/Issue</u>	<u>Balance Unexpended June 30, 2010</u>	<u>Revenue</u>	<u>Expended Current Year</u>	<u>Adjustment</u>	<u>Balance Unexpended June 30, 2011</u>
Capital Projects:					
Renovations	\$ 4,019,553.85	\$	\$ 589,205.23	\$ 1,664.48	\$ 3,432,013.10
Acquisition and Construction of New School	3,200,000.00	2,300,000.00	5,474,321.72	(1,664.48)	25,678.28
Interest	-	1,664.48	-	-	-
	<u>\$ 7,219,553.85</u>	<u>\$ 2,301,664.48</u>	<u>\$ 6,063,526.95</u>	<u>\$ -</u>	<u>\$ 3,457,691.38</u>

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

F-2

Revenues and Other Financing Sources:	
County Appropriation	\$ 2,300,000.00
Interest Income	<u>1,664.48</u>
Total Revenues and Other Financing Sources	<u>2,301,664.48</u>
Expenditures and Other Financing Uses:	
Capital Expenditures	<u>6,063,526.95</u>
Total Expenditures and Other Financing Uses	<u>6,063,526.95</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(3,761,862.47)
Fund Balance - Beginning of Year	<u>7,219,553.85</u>
Fund Balance - End of Year	<u><u>\$ 3,457,691.38</u></u>

**G. PROPRIETARY FUNDS**

**ENTERPRISE FUND**

ESSEX COUNTY VOCATIONAL SCHOOLS  
 COMBINING SCHEDULE OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2011

G-1

Business-Type  
 Activities  
Enterprise Fund  
 Food  
Service

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 24,731.31
Accounts Receivable:	
State Sources	1,026.46
Federal Sources	44,346.02
Other Accounts Receivable	8,572.50
Inventories	6,391.60
Total Current Assets	85,067.89

Noncurrent Assets:

Furniture, Machinery and Equipment	423,519.91
Less Accumulated Depreciation	(277,839.49)
Total Noncurrent Assets	145,680.42

Total Assets	\$ 230,748.31
--------------	---------------

LIABILITIES

Due to General Fund	\$ 229,510.46
---------------------	---------------

Total Liabilities	\$ 229,510.46
-------------------	---------------

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 145,680.42
Unrestricted	(144,442.57)
Total Net Assets	\$ 1,237.85

**ESSEX COUNTY VOCATIONAL SCHOOLS  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2011**

G-2

Business-Type  
 Activities  
Enterprise Fund  
Food  
Service

Operating Revenues:	
Charges for Services:	
Daily Sales - Nonreimbursable Programs	\$ 216,314.66
Other	2,807.12
Total Operating Revenues	<u>219,121.78</u>
 Operating Expenses:	
Cost of Sales	555,515.70
Salaries	433,831.04
Employee Benefits	88,282.27
General Supplies	47,504.31
Other Purchased Professional Services	100,236.60
Depreciation	26,124.66
Refund to State of New Jersey	167.48
Total Operating Expenses	<u>1,251,662.06</u>
 Operating Loss	 <u>(1,032,540.28)</u>
 Nonoperating Revenues (Expenses):	
State Sources:	
School Lunch Program	11,808.27
Federal Sources:	
School Breakfast Program	451,434.20
School Lunch Program	570,535.66
General Fund Contribution	47,828.46
Total Nonoperating Revenues (Expenses)	<u>1,081,606.59</u>
 Profit before Contributions and Transfers	 <u>49,066.31</u>
 Change in Net Assets	 49,066.31
 Total Net Assets - Beginning	 <u>(47,828.46)</u>
 Total Net Assets - Ending	 <u>\$ 1,237.85</u>

**ESSEX COUNTY VOCATIONAL SCHOOLS  
COMBINING SCHEDULE OF CASH FLOWS  
PROPRIETARY FUNDS  
JUNE 30, 2011**

**G-3**

Business-Type  
Activities  
Enterprise Fund  
Food  
Service

<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 212,602.42
Payments to Employees	(491,220.07)
Payments for Employee Benefits	(91,926.17)
Payments to Suppliers	(626,549.50)
Other	(118,048.31)
Net Cash Provided by (Used for) Operating Activities	<u>(1,115,141.63)</u>
 <u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	14,346.35
Federal Sources	1,046,438.79
Interest	
Operating Subsidies and Transfers	47,828.46
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,108,613.60</u>
 Net Decrease in Cash	 (6,528.03)
 Balances - Beginning of Year	 <u>31,259.34</u>
 Balances - End of Year	 <u>\$ 24,731.31</u>
 <u>Reconciliation of Operating Income (Loss) to Net</u> <u>Cash Provided (Used) by Operating Activities</u>	
Operating Loss	\$ (1,032,540.28)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	26,124.66
Change in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(5,414.11)
(Increase)/Decrease in Other Assets	(74,411.51)
(Increase)/Decrease in Other Accounts Receivable	10,582.70
Increase/(Decrease) in Other Current Liabilities	54,476.93
Increase/(Decrease) in Other Accounts Payable	(93,960.02)
Total Adjustments	<u>(82,601.35)</u>
 Net Cash Used by Operating Activities	 <u>\$ (1,115,141.63)</u>

**INTERNAL SERVICE FUND**

## H. FIDUCIARY FUNDS

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2011**

H-1

<u>ASSETS</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
Cash and Cash Equivalents	\$ 36,484.32	\$ 103,768.19
Accounts Receivable		192.55
	<hr/>	<hr/>
Total Assets	<u>\$ 36,484.32</u>	<u>\$ 103,960.74</u>
<u>LIABILITIES</u>		
Payroll Deductions and Withholdings	\$	\$
Net Salaries and Wages		3,874.34
Due to State of New Jersey	4,947.14	
Due to Student Groups		100,086.40
	<hr/>	<hr/>
Total Liabilities	<u>4,947.14</u>	<u>103,960.74</u>
<u>NET ASSETS</u>		
Reserved	<u>31,537.18</u>	<u>-</u>
Total Net Assets and Liabilities	<u>\$ 36,484.32</u>	<u>\$ 103,960.74</u>

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

H-2

Unemployment  
 Compensation  
Trust

Additions:		
Due from Payroll Agency		\$ 50,572.33
Total Additions		<u>50,572.33</u>
Reductions:		
Payments to Department of Labor		<u>78,516.82</u>
Total Reductions		<u>78,516.82</u>
Change in Net Assets		(27,944.49)
Total Net Assets - Beginning		<u>59,481.67</u>
Total Net Assets - Ending		<u><u>\$ 31,537.18</u></u>

**ESSEX COUNTY VOCATIONAL SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

H-3

<u>School</u>	<u>Balance June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2011</u>
North 13th Street Center: Student Activity	\$ 36,777.60	\$ 57,624.15	\$ 77,438.21	\$ 16,963.54
Newark Center: Student Activity	13,968.87	46,866.73	47,966.19	12,869.41
Bloomfield Center	17,147.66	26,341.66	28,144.02	15,345.30
West Caldwell Center: Student Activity	<u>61,029.88</u>	<u>22,788.68</u>	<u>28,910.41</u>	<u>54,908.15</u>
Total	<u>\$ 128,924.01</u>	<u>\$ 153,621.22</u>	<u>\$ 182,458.83</u>	<u>\$ 100,086.40</u>

**ESSEX COUNTY VOCATIONAL SCHOOLS  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

H-4

<u>ASSETS</u>	Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2011</u>
Cash and Cash Equivalents	\$12,834.15	\$ 24,740,167.21	\$ 24,749,319.57	\$ 3,681.79
Account Receivable	<u>                    </u>	<u>          192.55</u>	<u>                    </u>	<u>          192.55</u>
Total Assets	<u>\$12,834.15</u>	<u>\$ 24,740,359.76</u>	<u>\$ 24,749,319.57</u>	<u>\$ 3,874.34</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 669.75	\$ 9,159,189.82	\$ 9,159,859.57	\$
Net Salaries and Wages	12,045.00	15,581,169.94	15,589,340.60	3,874.34
Due to State	<u>          119.40</u>	<u>                    </u>	<u>          119.40</u>	<u>                    </u>
Total Liabilities	<u>\$12,834.15</u>	<u>\$ 24,740,359.76</u>	<u>\$ 24,749,319.57</u>	<u>\$ 3,874.34</u>

**I. LONG-TERM DEBT**

ESSEX COUNTY VOCATIONAL SCHOOLS  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
YEAR ENDED JUNE 30, 2011

I-2

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Issued	Retired	Balance June 30, 2011
			Principal	Interest				
Copier	4/13/2010	5 Years	\$ 43,411.02	\$ 6,088.98	14.03%	\$ 47,850.00	\$ 9,900.00	\$ 37,950.00
Copier	12/14/2009	5 Years	16,006.60	2,713.40	16.95%	16,848.00	3,744.00	13,104.00
Copier	10/5/2009	5 Years	10,008.75	1,691.25	16.90%	10,140.00	2,340.00	7,800.00
Copier	4/10/2009	5 Years	25,340.59	3,999.41	15.78%	22,494.00	5,868.00	16,626.00
Multiple Copiers	7/15/2008	5 Years	183,056.76	22,322.81	12.19%	126,659.51	41,078.76	85,580.75
						<u>\$ 223,991.51</u>	<u>\$ 62,930.76</u>	<u>\$ 161,060.75</u>

**STATISTICAL SECTION (UNAUDITED)**

## **INTRODUCTION TO THE STATISTICAL SECTION**

## FINANCIAL TRENDS

ESSEX COUNTY VOCATIONAL SCHOOLS  
NET ASSETS BY COMPONENT  
LAST EIGHT FISCAL YEARS  
(Accrual Basis of Accounting)  
(Unaudited)

J-1

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in Capital Assets, Net of Related Debt	\$ 45,791,573	\$ 44,285,358	\$ 42,977,260	\$ 49,862,150	\$ 54,160,767	\$ 55,077,334	\$ 25,501,962	\$ 30,925,303
Restricted	61,081	267,609	12,955,559	6,105,132	5,752,950	9,010,761	8,074,076	5,921,419
Unrestricted	3,192,076	5,336,895	(2,342,521)	(251,845)	(530,500)	(2,442,785)	(1,778,088)	(1,079,996)
Total Governmental Activities Net Assets	<u>\$ 49,044,730</u>	<u>\$ 49,889,862</u>	<u>\$ 53,590,298</u>	<u>\$ 55,715,437</u>	<u>\$ 59,383,217</u>	<u>\$ 61,645,311</u>	<u>\$ 31,797,949</u>	<u>\$ 35,766,726</u>
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	\$ 237,785	\$ 212,220	\$ 186,655	\$ 178,505	\$ 143,462	\$ 118,026	\$ 97,394	\$ 145,680
Unrestricted	47,557	2,046	15,212	26,893	(110,759)	(177,630)	(145,222)	(144,443)
Total Business-Type Activities Net Assets	<u>\$ 285,342</u>	<u>\$ 214,266</u>	<u>\$ 201,867</u>	<u>\$ 205,398</u>	<u>\$ 32,704</u>	<u>\$ (59,604)</u>	<u>\$ (47,828)</u>	<u>\$ 1,238</u>
District-Wide								
Invested in Capital Assets, Net of Related Debt	\$ 46,029,358	\$ 44,497,578	\$ 43,163,915	\$ 50,040,655	\$ 54,304,229	\$ 55,195,360	\$ 25,599,356	\$ 31,070,983
Restricted	61,081	267,609	12,955,559	6,105,132	5,752,950	9,010,761	8,074,076	5,921,419
Unrestricted	3,239,633	5,338,941	(2,327,309)	(224,952)	(641,259)	(2,620,415)	(1,933,310)	(1,224,439)
Total District Net Assets	<u>\$ 49,330,072</u>	<u>\$ 50,104,128</u>	<u>\$ 53,792,165</u>	<u>\$ 55,920,835</u>	<u>\$ 59,415,921</u>	<u>\$ 61,585,707</u>	<u>\$ 31,740,121</u>	<u>\$ 35,767,964</u>

ESSEX COUNTY VOCATIONAL SCHOOLS  
CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS  
(Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>								
Governmental Activities:								
Instruction:								
Regular	\$ 13,129,299	\$ 14,283,676	\$ 11,497,034	\$ 16,548,254	\$ 16,397,283	\$ 12,469,724	\$ 13,695,978	\$ 13,012,495
Other Vocational Education	548,352	626,606	493,432	674,627	3,771,571	7,614,828	7,345,140	3,196,317
Vocational	3,841,535	4,604,679	4,110,596	5,941,507	3,282,385	3,212,032	3,268,771	6,931,557
Other Instruction	2,340,531	2,318,957	992,273	1,225,866	1,405,055	1,272,004	877,050	947,236
Support Services:								
Student and Instruction Related Services	3,388,209	2,973,450	3,761,346	4,814,966	4,551,874	4,731,927	4,810,552	4,936,190
General Administration	3,460,916	1,523,304	1,521,224	2,655,729	2,760,297	1,725,112	1,373,545	1,518,744
School Administrative Services	1,349,621	1,255,428	1,391,617	2,084,403	2,064,481	1,851,641	2,021,284	1,920,765
Plant Operations and Maintenance	4,464,543	4,987,564	6,470,097	5,907,687	5,073,002	6,511,373	6,237,475	6,417,256
Pupil Transportation	216,203	337,953	310,819	217,362	349,026	430,555	384,294	401,056
Employee Benefits	-	-	7,750,502	-	-	-	-	58,699
Food Service	-	-	-	-	-	-	-	2,020,354
Other Support Services	982,566	1,005,211	1,510,746	1,096,443	1,358,313	1,811,573	2,110,444	877,846
Special Schools	704,351	626,363	856,924	1,096,443	1,084,363	1,204,800	1,162,317	-
Unallocated Depreciation	335,128	322,540	322,540	-	-	-	-	-
Total Governmental Activities Expenses	<u>34,761,254</u>	<u>34,865,731</u>	<u>40,989,150</u>	<u>41,166,846</u>	<u>42,097,649</u>	<u>42,835,569</u>	<u>43,286,849</u>	<u>42,238,515</u>
Business-Type Activities:								
Food Service	721,190	777,845	829,656	921,486	985,897	1,106,080	1,256,740	1,251,662
Total Business-Type Activities Expense	<u>721,190</u>	<u>777,845</u>	<u>829,656</u>	<u>921,486</u>	<u>985,897</u>	<u>1,106,080</u>	<u>1,256,740</u>	<u>1,251,662</u>
Total District Expenses	<u>\$ 35,482,444</u>	<u>\$ 35,643,576</u>	<u>\$ 41,818,806</u>	<u>\$ 42,088,332</u>	<u>\$ 43,083,546</u>	<u>\$ 43,941,650</u>	<u>\$ 44,543,589</u>	<u>\$ 43,490,177</u>
<b>Program Revenues</b>								
Governmental Activities:								
Charges for Services:								
Instruction (Tuition)	\$ 7,393,490	\$ 9,618,705	\$ 12,405,118	\$ 12,515,524	\$ 13,285,931	\$ 12,993,653	\$ 12,987,556	\$ 13,056,242
Operating Grants and Contributions	20,496,290	19,787,871	21,439,976	23,452,184	24,086,178	24,547,596	27,321,553	25,759,826
Total Governmental Activities Program Revenues	<u>27,889,780</u>	<u>29,406,576</u>	<u>33,845,094</u>	<u>35,967,708</u>	<u>37,372,110</u>	<u>37,541,249</u>	<u>40,309,109</u>	<u>38,816,068</u>

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**CHANGES IN NET ASSETS**  
**LAST SIX FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

J-2  
Sheet #2

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Program Revenues</b>								
Business-Type Activities:								
Charges for Services:								
Food Service	\$ 181,743	\$ 189,840	\$ 246,436	\$ 287,543	\$ 262,214	\$ 266,623	\$ 233,615	\$ 266,950
Operating Grants and Contributions	519,106	516,929	570,820	637,475	550,987	747,150	1,034,901	1,033,778
Total Business-Type Activities Program Revenues	700,849	706,769	817,256	925,018	813,202	1,013,773	1,268,516	1,300,728
Total District Program Revenues	\$ 28,590,629	\$ 30,113,345	\$ 34,662,350	\$ 36,892,726	\$ 38,185,311	\$ 38,555,022	\$ 41,577,625	\$ 40,116,796
<b>Net (Expense)/Revenue</b>								
Governmental Activities	\$ (6,871,474)	\$ (5,459,155)	\$ (7,144,056)	\$ (5,199,138)	\$ (4,725,539)	\$ (5,294,320)	\$ (2,977,740)	\$ (3,422,448)
Business-Type Activities	(20,341)	(71,076)	(12,400)	3,532	(172,695)	(92,307)	11,776	49,066
Total District-Wide Net Expense	\$ (6,891,815)	\$ (5,530,231)	\$ (7,156,456)	\$ (5,195,606)	\$ (4,898,235)	\$ (5,386,628)	\$ (2,965,964)	\$ (3,373,381)
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 3,700,000	\$ 2,700,000	\$ 10,398,770	\$ 6,733,550	\$ 7,843,901	\$ 7,022,012	\$ 4,450,000	\$ 6,750,000
Grants and Contributions	-	2,566	1,201	-	-	-	-	-
Tuition Received	-	-	-	142,535	554,543	534,402	579,180	651,224
Miscellaneous Income	139,790	3,601,721	444,521	443,067	-	-	(260,425)	-
Transfers	-	-	-	-	8,398,445	7,556,414	4,768,755	7,401,224
Total Governmental Activities	3,839,790	6,304,287	10,844,492	7,319,152	8,398,445	7,556,414	4,768,755	7,401,224
Total District-Wide	\$ 3,839,790	\$ 6,304,287	\$ 10,844,492	\$ 7,319,152	\$ 8,398,445	\$ 7,556,414	\$ 4,768,755	\$ 7,401,224
<b>Change in Net Assets</b>								
Governmental Activities	\$ (3,031,684)	\$ 845,132	\$ 3,700,436	\$ 2,120,014	\$ 3,672,905	\$ 2,262,094	\$ 1,791,015	\$ 3,978,776
Business-Type Activities	(20,341)	(71,076)	(12,400)	3,532	(172,695)	(92,307)	11,776	49,066
Total District	\$ (3,052,025)	\$ 774,056	\$ 3,688,036	\$ 2,123,546	\$ 3,500,210	\$ 2,169,786	\$ 1,802,791	\$ 4,027,842

ESSEX COUNTY VOCATIONAL SCHOOLS  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST EIGHT FISCAL YEARS  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

J-3

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:								
Reserved	\$ 61,081	\$ 267,609	\$ 97,087	\$ 137,343	\$ 1,558,022	\$ 3,367,054	\$ 854,522	\$ 2,463,728
Unreserved	(428,501)	1,398,553	(1,145,782)	805,593	643,821	97,943	(605,151)	(298,605)
Total General Fund	<u>\$ (367,420)</u>	<u>\$ 1,666,162</u>	<u>\$ (1,048,695)</u>	<u>\$ 942,936</u>	<u>\$ 2,201,843</u>	<u>\$ 3,464,997</u>	<u>\$ 249,370</u>	<u>\$ 2,165,123</u>
All Other Governmental Funds:								
Reserved	\$	\$	\$ 8,266,231	\$ 1,659,717	\$ 1,334	\$ 344,169	\$ 541,179	\$ 597,076
Unreserved, Reported in:								
Special Revenue Fund	(134,260)	(134,260)	(134,151)	(134,212)	(179,884)			
Capital Projects Fund	4,561,668	4,904,401	4,592,241	4,308,072	4,193,595	5,399,539	6,678,375	2,860,615
Total all Other Governmental Funds	<u>\$ 4,427,408</u>	<u>\$ 4,770,141</u>	<u>\$ 12,724,321</u>	<u>\$ 5,833,577</u>	<u>\$ 4,015,044</u>	<u>\$ 5,743,708</u>	<u>\$ 7,219,554</u>	<u>\$ 3,457,691</u>

During 2006 a capital expansion and renovation program was undertaken.

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
*(Unaudited)*

J-4

	Fiscal Year Ending June 30th							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>								
Tax Levy	\$ 3,700,000	\$ 3,733,040	\$ 10,398,770	\$ 6,733,550	\$ 7,843,901	\$ 7,022,012	\$ 4,450,000	\$ 6,750,000
Tuition Charges	7,432,139	7,138,920	12,405,118	12,658,059	13,285,931	13,273,818	10,639,209	13,056,242
Restricted Miscellaneous							216,457	210,126
Unrestricted Miscellaneous	101,141	6,084,072	444,521	443,067	554,543	254,237	2,711,070	441,098
Private Sources	26,918	35,244	58,429	20,988	57,540	48,637	80,159	49,259
State Sources	16,496,626	17,164,516	17,521,195	19,493,874	20,509,905	21,165,322	22,605,472	21,526,627
Federal Sources	3,972,746	3,676,478	3,863,553	3,937,322	3,518,733	3,333,637	4,635,922	4,183,940
<b>Total Revenue</b>	<u>31,729,570</u>	<u>37,832,270</u>	<u>44,689,586</u>	<u>43,286,860</u>	<u>45,770,554</u>	<u>45,097,663</u>	<u>45,338,289</u>	<u>46,217,292</u>
<b>Expenditures</b>								
Instruction:								
Regular Instruction	7,876,818	8,316,186	10,717,117	11,184,282	11,573,779	8,951,558	10,479,987	9,309,158
Other Special Instruction	521,433	626,606	493,432	436,169	2,354,557	5,372,324	5,593,332	2,335,652
Vocational Education	3,606,596	4,275,201	3,781,118	3,813,791	2,041,248	2,281,914	2,509,585	4,983,696
Other Instruction	2,273,569	2,014,358	992,273	992,484	1,097,869	1,000,710	756,261	771,813
Support Services:								
Student and Instruction Related Services	3,151,973	2,973,450	3,761,346	3,986,893	3,604,574	3,783,491	4,213,352	4,193,642
General Administration	1,403,357	1,498,334	1,521,224	2,253,191	2,556,435	1,149,742	1,184,378	1,237,482
School Administrative Services	1,229,313	1,255,429	1,391,617	1,413,423	1,368,893	1,539,944	1,603,332	1,446,416
Business and Other Support Services	909,445	972,138	1,115,374	-	1,100,734	1,425,200	1,819,896	1,646,196
Plant Operations and Maintenance	4,157,586	4,387,564	5,797,412	5,096,435	4,599,018	5,122,625	5,378,438	5,228,817
Pupil Transportation	200,391	337,953	310,819	204,722	287,394	338,726	331,368	326,782
Employee Benefits	6,846,735	7,167,169	7,750,502	8,964,686	9,427,041	8,564,109	9,038,245	9,520,530
Food Service								47,828
Special Schools	648,112	626,363	856,924	690,927	675,469	863,010	905,868	646,031
Capital Outlay	133,942	1,005,203	961,107	9,154,095	5,639,378	1,712,491	3,003,601	6,369,358
<b>Total Expenditures</b>	<u>32,959,270</u>	<u>35,455,954</u>	<u>39,450,265</u>	<u>48,191,098</u>	<u>46,326,389</u>	<u>42,105,846</u>	<u>46,817,644</u>	<u>48,063,402</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,229,700)</u>	<u>2,376,316</u>	<u>5,239,321</u>	<u>(4,904,238)</u>	<u>(555,835)</u>	<u>2,991,817</u>	<u>(1,479,356)</u>	<u>(1,846,110)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,229,700)</u>	<u>\$ 2,376,316</u>	<u>\$ 5,239,321</u>	<u>\$ (4,904,238)</u>	<u>\$ (555,835)</u>	<u>\$ 2,991,817</u>	<u>\$ (1,479,356)</u>	<u>\$ (1,846,110)</u>

Source: District Records

ESSEX COUNTY VOCATIONAL SCHOOLS  
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
 LAST EIGHT FISCAL YEARS  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

J-5

Fiscal Year Ending June 30:	Sale of Capital Assets	LPN Program	LPN Fees	CNA Nurse Program	E Rate Reimbursement	Interest	Game Gate Receipts	Adult Tuition	Miscellaneous	Annual Totals
2004	\$ 3,489,897							\$ 93,591	\$ 7,550	\$ 101,141
2005								100,135	114,390	3,704,422
2006								105,412		105,412
2007								142,535	443,067	585,602
2008								280,165	554,543	554,543
2009						8,008		280,165	254,237	534,402
2010		88,123	49,417	16,216	216,457	2,342	1,215	62,081	137,663	579,180
2011		99,782	47,605	7,120	210,126			60,140	224,108	651,224

Source: District Records

## REVENUE CAPACITY

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

J-6

Fiscal Year Ended June 30,	<u>Land</u>	<u>Improvements</u>	Less Exemptions and <u>Abatements</u>	<u>Equipment (a)</u>	Net <u>Taxable Value</u>
2011	N/A	N/A	N/A	N/A	N/A
2010	\$ 34,713,649,311	\$ 40,705,221,276	\$329,615,000	\$167,175,713	\$ 75,256,431,300
2009	31,454,553,431	37,801,556,352	367,257,800	162,857,390	69,051,709,373
2008	27,282,217,881	33,825,592,350	401,765,800	146,888,187	60,852,932,618
2007	24,699,096,900	32,239,063,570	407,687,229	143,665,474	57,489,513,173
2006	16,777,719,986	23,756,289,760	402,972,229	131,912,993	40,262,950,510
2005	14,133,184,550	21,156,053,228	359,493,747	153,733,824	35,083,477,855
2004	13,550,831,850	20,545,517,791	276,277,700	157,594,306	33,977,666,247
2003	13,154,548,750	20,079,857,741	270,092,400	165,784,892	33,130,098,983
2002	8,983,961,550	14,018,414,398	32,574,600	65,821,134	23,035,622,482

**Source: Municipal Tax Assessor:**

Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

**Note:**

Reassessment occurs when the County Board of Taxation requests the Treasury to order a reassessment.

(a) Taxable value of machinery, implements and equipment of telephone, telegraph and messenger system companies.

N/A - Not Available

**ESSEX COUNTY VOCATIONAL SCHOOLS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST EIGHT FISCAL YEARS**  
*(Rate per \$100 of Assessed Value)*  
*(Unaudited)*

J-7

Fiscal Year Ended <u>June 30,</u>	<u>Total Rate</u>	<u>Vocational School Share</u>
2004	\$ 5.137	\$ 0.061
2005	4.703	0.040
2006	4.281	N/A
2007	3.828	N/A
2008	3.765	N/A
2009	3.784	N/A
2010	3.944	N/A
2011	N/A	N/A

Source: County Records

**ESSEX COUNTY VOCATIONAL SCHOOLS  
MUNICIPALITIES WITHIN ESSEX COUNTY  
VARIOUS ECONOMIC AND DEMOGRAPHIC DATA  
(Unaudited)**

J-8

	2010		2010 Taxes		2010 Estimated Population*
	Net Assessed Value	2010 Tax Levy	County Portion	County Portion	
Belleville Township	\$ 3,567,135,218	\$ 88,887,028	\$ 13,932,623	\$ 13,932,623	35,926
Bloomfield Township	5,152,499,771	134,276,069	20,241,384	20,241,384	47,315
Caldwell Township	1,131,875,733	23,229,057	4,458,525	4,458,525	7,822
Cedar Grove Township	2,543,701,129	42,157,326	10,016,796	10,016,796	12,411
East Orange City	3,505,915,011	111,326,589	13,652,155	13,652,155	64,270
Essex Fells Borough	829,476,548	13,215,469	3,243,128	3,243,128	2,113
Fairfield Township	3,125,008,280	48,381,325	12,233,515	12,233,515	7,466
Glen Ridge Borough	1,555,624,133	41,372,891	6,092,891	6,092,891	7,527
Irvington Township	3,115,120,303	102,840,176	12,078,566	12,078,566	53,926
Livingston Township	7,927,791,610	154,993,668	31,033,120	31,033,120	29,366
Maplewood Township	3,929,721,019	99,893,159	15,445,694	15,445,694	23,867
Millburn Township	8,983,668,604	147,378,040	34,934,330	34,934,330	20,149
Montclair Township	7,391,363,685	184,446,358	28,898,690	28,898,690	37,669
Newark City	19,166,383,151	342,246,987	72,039,694	72,039,694	277,140
North Caldwell Borough	1,835,275,774	31,561,780	7,207,945	7,207,945	6,183
Nutley Township	4,348,470,726	103,787,874	17,128,211	17,128,211	28,370
City of Orange Township	1,800,231,498	48,986,622	7,015,844	7,015,844	30,134
Roseland Borough	1,980,725,360	33,297,543	7,615,302	7,615,302	5,819
South Orange Village Township	2,823,492,179	74,556,086	11,038,421	11,038,421	16,198
Verona Township	2,461,369,323	52,915,939	9,640,363	9,640,363	13,332
West Caldwell Township	2,569,566,983	47,879,463	10,130,210	10,130,210	10,759
West Orange Township	6,632,422,059	195,945,325	25,677,945	25,677,945	46,207
<b>Total</b>	<b>\$ 96,376,838,097</b>	<b>\$ 2,123,574,777</b>	<b>\$ 373,755,354</b>	<b>\$ 373,755,354</b>	<b>783,969</b>

**Source:** County Tax Assessor

\* Division of Local Government Services - Department of Community Affairs

**ESSEX COUNTY VOCATIONAL SCHOOLS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST EIGHT FISCAL YEARS  
(Unaudited)**

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Total Essex County Tax Levy</u>	<u>School Estimate Amount for the Fiscal Year</u>	<u>Percentage of Essex County Levy</u>
2004	\$ 313,534,350	\$ 3,700,000	1.1801%
2005	319,343,294	2,700,000	0.8455%
2006	325,743,294	1,700,000	0.5219%
2007	334,701,235	4,700,000	1.4042%
2008	349,575,243	4,250,000	1.2158%
2009	363,575,246	4,450,000	1.2240%
2010	373,755,353	4,450,000	1.1906%
2011	N/A	N/A	N/A

The County of Essex funds the Vocational School. The amount of each years' funding is set by the County Board of School Estimate. The amount set by the Board of School Estimate is then appropriated in the County of Essex yearly budget.

## DEBT CAPACITY

**ESSEX COUNTY VOCATIONAL SCHOOLS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

J-10

Not applicable, the Vocational School does not issue any type of debt instruments.

ESSEX COUNTY VOCATIONAL SCHOOLS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
*(Unaudited)*

J-11

Not applicable, the Vocational School does not issue any type of debt instruments.

ESSEX COUNTY VOCATIONAL SCHOOLS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2011  
*(Unaudited)*

J-12

Not applicable, the Vocational School does not issue any type of debt instruments.

ESSEX COUNTY VOCATIONAL SCHOOLS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
*(Unaudited)*

J-13

Not applicable, the Vocational School does not issue any type of debt instruments.

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

**ESSEX COUNTY VOCATIONAL SCHOOLS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

**J-14**

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal</u> <u>Income</u> <sup>b</sup>	<u>Per Capita</u> <u>Personal</u> <u>Income</u> <sup>c</sup>	<u>Unemployment</u> <u>Rate</u> <sup>d</sup>
2002	795,905	\$ 44,944	\$ 37,876	7.30%
2003	796,313	44,944	38,897	7.30%
2004	798,513	44,944	41,829	5.70%
2005	798,413	44,944	43,866	5.60%
2006	795,431	44,944	47,427	6.60%
2007	772,273	N/A	50,156	N/A
2008	770,675	N/A	51,617	6.60%
2009	769,644	N/A	50,349	10.50%
2010	783,969	N/A	N/A	10.20%
2011	N/A	N/A	N/A	N/A

**Source:**

- (a) Population information provided by the New Jersey Department 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 New Jersey Department of Labor and Workforce Development.

N/A - Not Available

**ESSEX COUNTY VOCATIONAL SCHOOLS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

**J-15**

<u>Employer</u>	<u>2010</u>		<u>2001</u>	
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Employees</u>	<u>Rank (Optional)</u>
St. Barnabas Health Care System	23,000	1	22,300	1
Verizon	17,100	2		
Prudential Insurance Company of America	16,850	3	18,000	2
University of Medicine and Dentistry of NJ	15,500	4	6,600	6
Continental Airline	11,000	5	7,800	4
Newark Board of Education	7,050	6	7,050	5
Automatic Data Processing	5,649	7		
New Jersey Transit	4,000	8		
City of Newark	4,000	9	3,900	9
County of Essex	3,900	10	4,000	8
Bell Atlantic			14,000	3
Hoffman-LaRoche Inc.			6,000	7
Horizon Blue Cross & Blue Shield			3,700	10

Source: School District

## OPERATING INFORMATION

**ESSEX COUNTY VOCATIONAL SCHOOLS  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST FOUR FISCAL YEARS  
(Unaudited)**

**J-16**

<b><u>Function/Program</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
<b>Instruction:</b>				
Regular	98	*	101	103
Other Special Education	25	*	26	25
Vocational	88	*	80	63
Other Instruction	15	*	19	18
<b>Support Services:</b>				
Student and Instruction Related Services	35	*	33	35
General Administration	8	*	8	9
School Administrative Services	20	*	15	17
Plant Operations and Maintenance	25	*	14	23
Pupil Transportation	4	*	4	4
Business and Other Support Services	<u>17</u>	<u>*</u>	<u>17</u>	<u>15</u>
<b>Total</b>	<b><u>335</u></b>	<b><u>-</u></b>	<b><u>317</u></b>	<b><u>312</u></b>

\* Information not provided by the District

**Source:** District Personnel Records

**ESSEX COUNTY VOCATIONAL SCHOOLS  
OPERATING STATISTICS  
LAST EIGHT FISCAL YEARS  
(Unaudited)**

J-17

Fiscal Year	a		Cost Per Pupil	b		c		Student Attendance Percentage
	Enrollment	Operating Expenditures		Percentage Change	Teaching Staff	Average Daily Enrollment (ADE)	% Change in Average Daily Enrollment	
2004	2,073	\$ 26,262,643	\$ 12,669	-	179	2,073.0	-	90.98%
2005	2,105	28,193,838	13,394	5.72%	182	2,062.9	-0.49%	98.00%
2006	2,091	31,902,031	15,257	13.91%	169	2,049.2	-0.67%	98.00%
2007	2,184	39,037,003	17,874	17.15%	194	2,137.8	4.32%	90.51%
2008	2,121	37,093,798	17,489	-2.16%	167	2,136.0	-0.08%	91.71%
2009	2,095	40,393,356	19,281	10.25%	167	1,936.6	-9.34%	N/A
2010	2,050	37,623,819	18,353	-4.81%	167	1,889.8	-2.42%	N/A
2011	2,286	37,729,220	16,504	-10.07%	184	2,022.9	7.04%	N/A

**Sources:** District records

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- 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).

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHOOL BUILDING INFORMATION  
LAST FIVE FISCAL YEARS  
(Unaudited)**

**J-18**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>District Building</u></b>					
<b><u>North 13th Street</u></b>					
Square Feet	194,772	117,274	117,274	117,274	117,274
Capacity (Students)	700	920	920	920	920
Enrollment	670	686	669	579	612
<b><u>Technical Careers Center</u></b>					
Square Feet	157,654	163,069	163,069	163,069	163,069
Capacity (Students)	700	1,091	1,091	1,091	1,091
Enrollment	653	709	733	691	696
<b><u>Bloomfield Center</u></b>					
Square Feet	93,837	80,215	80,215	80,215	80,215
Capacity (Students)	480	675	675	675	675
Enrollment	461	459	455	436	464
<b><u>West Caldwell Center</u></b>					
Square Feet	67,800	61,994	61,994	61,994	61,994
Capacity (Students)	295	405	405	405	405
Enrollment	307	267	329	293	249
	514,063	422,552	422,552	422,552	422,552

Source: District Facilities Office

ESSEX COUNTY VOCATIONAL SCHOOLS  
 SCHEDULE OF REQUIRED MAINTENANCE  
 LAST NINE FISCAL YEARS  
 (Unaudited)

J-19

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

*School Facilities Project #'s	North 13th Street	Technical Careers	Bloomfield Center	West Caldwell Center	Total
2003	\$ 85,298	\$ 122,087	\$ 87,388	\$ 74,298	\$ 369,071
2004	149,583	129,864	71,548	78,360	429,355
2005	129,782	132,109	85,211	83,601	430,703
2006	138,737	122,618	78,975	73,066	413,396
2007	294,930	238,725	142,091	102,665	778,411
2008	207,326	281,371	140,685	111,067	740,449
2009	312,860	319,430	138,495	162,724	933,509
2010	371,733	379,679	223,905	193,287	1,168,604
2011	282,922	365,151	283,654	291,354	1,223,081
Total School Facilities	\$ 1,973,171	\$ 2,091,034	\$ 1,251,952	\$ 1,170,422	\$ 6,486,579

\* 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

**ESSEX COUNTY VOCATIONAL SCHOOLS  
INSURANCE SCHEDULE  
JUNE 30, 2011  
(Unaudited)**

J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - New Jersey School Boards		
Insurance Group:		
Property - Blanket Building and Contents	\$ 93,629,599	\$ 5,000
Comprehensive General Liability	16,000,000	-
Comprehensive Automobile Liability	16,000,000	-
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Loss of Rents	940,000	5,000
Business Income/Tuition	5,000,000	5,000
Computers and Scheduled Equipment:		
Data Processing Equipment	500,000	1,000
Boiler and Machinery:		
Property Damage	100,000,000	5,000
Crime and Bonds:		
Faithful Performance	250,000	1,000
Forgery and Alteration	250,000	1,000
Money and Securities	50,000	500
Money Orders/Counterfeit	100,000	1,000
Computer Fraud	100,000	1,000
Board Secretary	250,000	1,000
Treasurer	250,000	1,000
Flood - Aggregates	25,000,000	500,000
Earthquake - Aggregates	50,000,000	

Source: District Records

**SINGLE AUDIT SECTION**

1

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

The Honorable President and Members of the Board of Education  
Essex County Vocational Schools District  
County of Essex  
Newark, New Jersey 07102

We have audited the financial statements of the Board of Education of the Essex County Vocational Schools District, in the County of Essex, State of New Jersey, as of and for the fiscal year ended June 30, 2011 and have issued our report thereon dated November 9, 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 Essex County School District'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 Essex County Vocational Schools District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Essex County Vocational Schools District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Essex County Vocational Schools District'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.

We noted certain matters that we reported to the Board of Education of the Essex County Vocational Schools District in a separate report entitled *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 9, 2011.

This report is intended solely for the information and use of the audit committee, management, the Essex County Vocational Schools District, 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.

  
JOSEPH J. FACCONO  
Licensed Public School Accountant #194

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
November 9, 2011

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

The Honorable President and Members of the Board of Education  
Essex County Vocational Schools District  
County of Essex  
Newark, New Jersey 07102

**Compliance**

We have audited the compliance of the Board of Education of the Essex County Vocational Schools, in the County of Essex, 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 could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. Essex County Vocational Schools 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 Essex County Vocational Schools management. Our responsibility is to express an opinion on the Essex County Vocational Schools 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Essex County Vocational Schools 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 Essex County Vocational Schools compliance with those requirements.

In our opinion, the Board of Education of the Essex County Vocational Schools, in the County of Essex, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011.

### Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 Essex County Vocational Schools, 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.

  
JOSEPH J. FACCONI  
Licensed Public School Accountant #194

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
November 9, 2011.

ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/ Program Title	Grant Period	Award Amount	June 30, 2010		Cash Received	Budgetary Expenditures	Adjustments	Paid to Grantor	June 30, 2011	
				Accounts Receivable	Deferred Revenue					Accounts Receivable	Deferred Revenue
			\$	\$	\$	\$	\$	\$	\$	\$	\$
84-10A	US Department of Education: General Fund: Education-Jobs Fund	8/10/10-6/30/12	665,986.00			33,500.00	33,500.00				
	Total General Fund					33,500.00	33,500.00				
84-10A	US Department of Education Pass-Through State Department of Education: Special Revenue Fund:										
84-010A	Title I	9/1/10-6/31/11	1,894,477.00			1,891,566.88	1,580,102.50			321,484.39	
84-281	Title II - A	9/1/10-6/31/11	140,306.00			153,954.29	123,186.62			30,765.67	
84-281	Title II - D	9/1/10-6/31/11	4,525.00			3,425.89	1,765.00			1,660.89	
84-365A	Title III	9/1/10-6/31/11	32,952.00			38,320.86	36,214.37			2,106.59	
84-002A	Adult Basic Education	7/1/10-6/30/11	142,989.00			81,421.95	132,066.81			(50,644.86)	
84-027	I.D.E.A. Part B - Basic	9/1/10-6/31/11	814,744.00			236,793.70	244,416.82			(6,623.12)	
84-048A	Carl D. Perkins - Vocational Education	7/1/10-6/30/11	445,689.00			100,705.00	126,005.00			(25,300.00)	
84-048A	Carl D. Perkins - Post-Secondary	10/1/09-9/30/11	30,000.00			26,729.98	29,729.98				
84-048A	Green Program of Study	7/1/10-6/30/11	114,000.00			6,000.00	4,188.60				
84-048A	Green Program of Study	10/1/10-6/30/11	526,481.00			405,049.00	435,511.35			1,511.40	
84-377A	School Improvement Grant	9/1/10-6/31/11	1,874,204.00	(6,073.68)	3,667.81	188,056.11	181,882.45	(3,667.81)			
84-010	Title I - SIA Carryover	9/1/10-6/31/10	169,806.00	(25,509.56)		47,245.71	21,646.15				
84-281	Title II - A	9/1/09-6/31/10	19,117.00	(4,844.63)		2,711.11	2,916.18				
84-365A	Title III	9/1/09-6/31/10	23,789.00	(11,110.91)		14,519.04	3,409.13	(0.00)			
84-188	Title IV - Drug Free Schools	9/1/09-6/31/10	25,089.00	(2,139.90)		11,843.00	3,341.35				
84-027	I.D.E.A. Part B - Basic	9/1/09-6/31/10	667,763.00	(50,665.56)		117,304.90	66,638.74	(6,341.75)			
84-002A	Adult Basic Education	7/1/09-6/30/10	184,800.00	(108,478.28)		120,740.05	12,281.77				
84-048	Carl D. Perkins - Vocational Education	7/1/09-6/30/10	546,355.00	(64,844.58)		65,240.21	295.63				
84-048	Carl D. Perkins - Post-Secondary	7/1/09-6/30/10	178,706.00	(20,664.61)		20,668.00	204.39				
84-388	ARRA Title I Part A	9/1/09-6/31/11	1,738,385	(28,336.06)		606,422.00	353,268.30	(5,282.39)			
84-381	ARRA Title I - SIA A	9/1/09-6/31/11	28,283.00			305,521.00	351,212.38				
84-002A	ARRA I.D.E.A. Part B - Basic	7/1/07-6/30/08	665,723.00	(82,054.21)						(104,946.69)	
84-281	Adult Basic Education	7/1/06-6/30/07	202,200.00	(34,307.95)						(34,307.95)	
84-188	Title II - D	9/1/06-6/30/07	5,000.00	(20.01)						(20.01)	
84-281	Title IV Drug Free Schools	9/1/05-6/31/06	41,174.00						2,331.00		
12-00	Local Capacity Building and Improvement	10/1/04-6/30/06	36,846.00						1,270.00		
84-010	Title I	9/1/04-6/31/05	250,000.00	(51,313.00)						(51,313.00)	
84-027	Title II - A	9/1/04-6/31/05	1,876,209.00								
84-002A	Adult Basic Education	7/1/04-6/30/05	213,400.00	(70,779.23)						(70,779.23)	
84-365A	Title III	9/1/03-6/31/04	2,056,730.00								
84-027	I.D.E.A. Part B - Basic	9/1/03-6/31/04	25,306.00								
84-027	I.D.E.A. Part B - Basic Carryover	9/1/02-6/31/03	397,745.00								
84-027	I.D.E.A. Part B - Basic Carryover	9/1/02-6/31/03	315,175.00								
84-08	Carl D. Perkins - Vocational Education	9/1/01-6/31/02	280,260.00								
84-08	Carl D. Perkins - Vocational Education	9/1/03-6/31/04	100,412.00								
84-08	Local Capacity Building and Improvement	9/1/03-6/31/04	663,856.00								
12-00	Improvement	10/1/03-6/30/04	58,000.00	(639.00)						(639.00)	
84-002A	Agricultural Education Collaboration	7/1/02-6/30/03	1,000.00								
	Adult Basic Education		197,400.00			4,490,294.98	4,117,058.52	(10,028.55)	55,471.00	357,826.94	
					3,667.81						

ESSEX COUNTY VOCATIONAL SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Schedule A  
 Sheet #2

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/ Program Title	Grant Period	Award Amount	June 30, 2010			June 30, 2011		
				Accounts Receivable	Deferred Revenue	Due to Grantor	Accounts Receivable	Deferred Revenue	Due to Grantor
10.553	U.S. Department of Agriculture Pass-Through School Breakfast Program	7/1/09-6/30/10	\$ 404,148.40	\$ (32,341.18)	\$	\$	\$	\$	
10.555	National Lunch Program	7/1/09-6/30/10	551,245.10	(36,473.77)	36,473.77				
10.553	School Breakfast Program	7/1/10-6/30/11	451,434.20		451,716.66	451,434.20	(18,717.64)		
10.555	National Lunch Program	7/1/10-6/30/11	570,535.89	(66,514.65)	545,927.18	570,535.89	(24,628.48)		
	Total U.S. Department of Agriculture				1,045,438.78	1,021,969.96	(44,346.02)		
93.778	U.S. Department of Treasury Medicaid Reimbursement	7/1/10-6/30/11	33,381.44		33,381.44	33,381.44			
	Total Federal Financial Awards			\$ (656,676.43)	\$ 3,667.61	\$ 55,471.00	\$ (623,141.73)	\$ 557,829.94	



## ESSEX COUNTY VOCATIONAL SCHOOLS

## NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE

JUNE 30, 2011

**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, Essex County Vocational Schools. 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 Schedules of Federal Awards and State Financial Assistance.

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 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 basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

ESSEX COUNTY VOCATIONAL SCHOOLS

NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE

JUNE 30, 2011  
(Continued)

3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$196,382 for the general fund and \$ - 0 - for the special revenue fund. See Exhibit "C-3" (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	\$ 66,881.44	\$ 21,281,620.04	\$ 21,348,501.48
Special Revenue Fund	4,117,058.52	48,625.01	4,165,683.53
Food Service Fund	<u>1,021,969.86</u>	<u>11,808.27</u>	<u>1,033,778.13</u>
Total Awards and Financial Assistance	<u>\$ 5,205,909.82</u>	<u>\$ 21,342,053.32</u>	<u>\$ 26,547,963.14</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

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.

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Section I - Summary of Auditor's Results**

**Financial Statements Section**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ Yes   √   No
- 2) Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   √   None Reported

Noncompliance material to general-purpose financial statements noted? \_\_\_\_\_ Yes   √   No

**Federal Awards Section**

Internal control over major programs:

- 1) Material weakness(es) identified? \_\_\_\_\_ Yes   √   No
- 2) Significant deficiency(ies) identified that are not 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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.389	ARRA - Title I Part A
84.391	ARRA - I.D.E.A. Part B - Basic
84.010	Title I
84.027	I.D.E.A. Part B - Basic
84.048	Carl D. Perkins - Vocational Education
10.553	School Breakfast Program
10.555	National School Lunch Program
84.377A	School Improvement Grant

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000.00

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   √   No

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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

**State Awards Section**

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 deficiency(ies) 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 NJOMB Circular Letter 04-04?

\_\_\_\_\_ Yes      √      No

Identification of major Programs:

**GMIS Number(s)**

**Name of State Program**

11-495-034-5120-089  
11-495-034-5120-078  
11-495-034-5095-002

Categorical Special Education  
Equalization Aid  
TPAF Social Security

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

\$640,262.00

Auditee qualified as low-risk auditee?

  √      Yes    \_\_\_\_\_    No

**Section II - Financial Statement Findings**

NONE

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**Section III:**

**a) Federal Award Findings and Questioned Costs:**

NONE

**b) State Award Findings and Questioned Costs:**

NONE

**ESSEX COUNTY VOCATIONAL SCHOOLS  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FISCAL YEAR ENDED JUNE 30, 2011**

**THERE WERE NO PRIOR YEAR AUDIT FINDINGS**

