

HUNTERDON COUNTY VOCATIONAL SCHOOL

BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**HUNTERDON COUNTY VOCATIONAL SCHOOL
BOARD OF EDUCATION
FLEMINGTON, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Prepared by

**HUNTERDON COUNTY VOCATIONAL SCHOOL
BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION**

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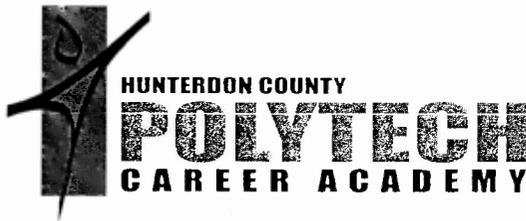
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INTRODUCTORY SECTION



Dr. Kimberly Metz, Superintendent
Susan Joyce, Business Administrator
District Board Office
 8 Bartles Corner Road, Ste. 2
 Flemington, NJ 08822
 908-788-1119
 908-806-4839 Fax

November 18, 2011

Honorable President and
 Members of the Board of Education
 Hunterdon County Vocational School District
 8 Bartles Corner Road, Suite 2
 Flemington, NJ 09822

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act 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 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:** The Hunterdon County Vocational School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 14. All funds and account groups of the District are included in this report. The Hunterdon County Vocational Board of Education and all its schools constitute the District's entire reporting entity.

The District provides a full range of educational services appropriate to grade levels 10 through 12.

2. **GRANTS:** During the 2010-11 school year the District was successful in obtaining grants to develop and implement vocational programs and services. Grants included:

YTTW – Youth Transition to Work - \$160,000

The Youth Transitions to Work (YTTW) competitive grant opportunity was offered by the N.J. Department of Labor. The grant was a joint venture partnered with Hunterdon County Vocational School, Raritan Valley Community College, Warren County Community College, Warren County Technical School and Somerset County Technical School. As the lead agency, the goal of the grant was to increase the number of graduating high school seniors as registered Cook or Food & Beverage Management apprentices with the U.S. Department of Labor. To register as an apprentice, students must be working for an employer in the field and attending a post-secondary education school for related instruction for a minimum of two years. Since the goal of nine students were registered as apprentice, a second year grant will be offered for 2011-12. If approved, the grant will be expanded to include Morris County Vocational School and Morris County Community College.

Apprenticeship- \$11,949

A goal of the Apprenticeship grant was to assist in funding an apprenticeship coordinator in each county of New Jersey to promote apprenticeship opportunities. The coordinator promoted the establishment of new apprenticeship programs, provided technical assistance to secondary schools, employers, unions and colleges seeking to establish linkages and provided information to Workforce Investment Boards, One-Stop Centers and other governmental agencies, community-based and faith-based organizations. The county apprenticeship coordinator also supervised, approved and coordinated delivery of related instruction, maintained records and participated in apprenticeship related activities and events.

High Schools that Work – \$15,000

High Schools that Work (HSTW) is a proven school improvement initiative. Using HSTW as a model framework, Career/Technology Centers That Work (TCTW) was formed to advance student achievement and to enhance students' successful transitions from high school to postsecondary education and careers. NJDOE has offered the opportunity for shared-time vocational schools to participate in the TCTW model for the third year. Funds were used to provide professional development for numerous staff members at national and state level workshops. Funds were also used to purchase materials to assist in the implementation of academics in career and technical programs. Nine staff members attended the HSTW National Conference in Nashville, Tennessee in July 2011 and eight staff members attended Technology Centers That Work Forum in Atlanta, Georgia in January 2011.

Perkins Secondary- \$85,870 + Reserve - \$17,515 = \$103,385

Perkins Secondary funds are used to enhance and expand secondary Career and Technical Education programs. This year grant funds were used to improve the implementation of academics into the CTE curriculums and to purchase technology equipment including iPads and netbooks. Funds were also used to expand CTE online instruction and online courses that provide industry recognized credentials or that were related to the CTE program to provide an online experience for students.

Summer camps that introduce students to careers were a component of the Perkins activities as well as professional speakers and national conferences. The commercial arts program was revised and updated to increase advisory committee members, offer work-based learning opportunities, create public relations materials, recruitment and develop articulation agreements with postsecondary institutions. In addition, a Teacher Tool Kit on how to deal with special needs students effectively in CTE programs was developed and presented at a teacher in-service.

Perkins Post Secondary - \$83,454

Post Secondary Perkins grant funds are used to enhance and expand post-secondary Career and Technical Education programs. This year grant funds were used for a variety of health related equipment including vision goggles, trainer treadmill, and a first aid training manikin, and an auto lift for the related automotive programs. Funds were used for professional speakers for the cosmetology students, and some technology equipment and supplies including micro projectors, netbooks and updated Microsoft software. Funds were also used for fiber optics and solar energy kits for the electrical apprenticeship program. In regards to stipend activities, funds were used for a coordinator to plan information sessions and career fairs, and to develop post-secondary dental and veterinary assistant programs with local community colleges. Professional development opportunities to State and national conferences were also made available.

Four-Year Green Program of Study Pilot Program - \$6,000

The Four-Year Green Program of Study Pilot Program was a competitive grant that was offered by the N.J. Department of Education. NJ was one of five states to develop a Green Program of Study. Partnering with US Green Building Council NJ/EIRC and Sustainable Jersey Program, they developed an Exploratory Program in Sustainable Design, Construction and Energy. Six mini-grants were awarded to pilot the first year of the four year program. Funds were used for professional development and implementation.

No Child Left Behind Title II - \$3,507

NCLB funds are used for professional development and teacher resources. This year grant funds were dedicated to a professional speaker for student and staff on career planning and developing a nurturing learning environment. Funds were also used for teacher resource books.

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

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

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

4. BUDGETARY CONTROLS: *In* addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section. Budgetary controls are meant to be complex enough to maintain fiscal integrity and insure compliance, but permit the District to be flexible enough to meet the demands of a dynamic marketplace and changing district and community needs.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-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.

5. ACCOUNTING SYSTEM AND REPORTS: *The* District's accounting records reflect that 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.

6. CASH MANAGEMENT: *The* investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements" Note 1. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

7. RISK MANAGEMENT: The Board carried 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. Refer to the insurance schedule for more information.

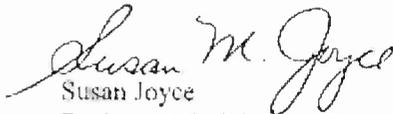
8. INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., CPA, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

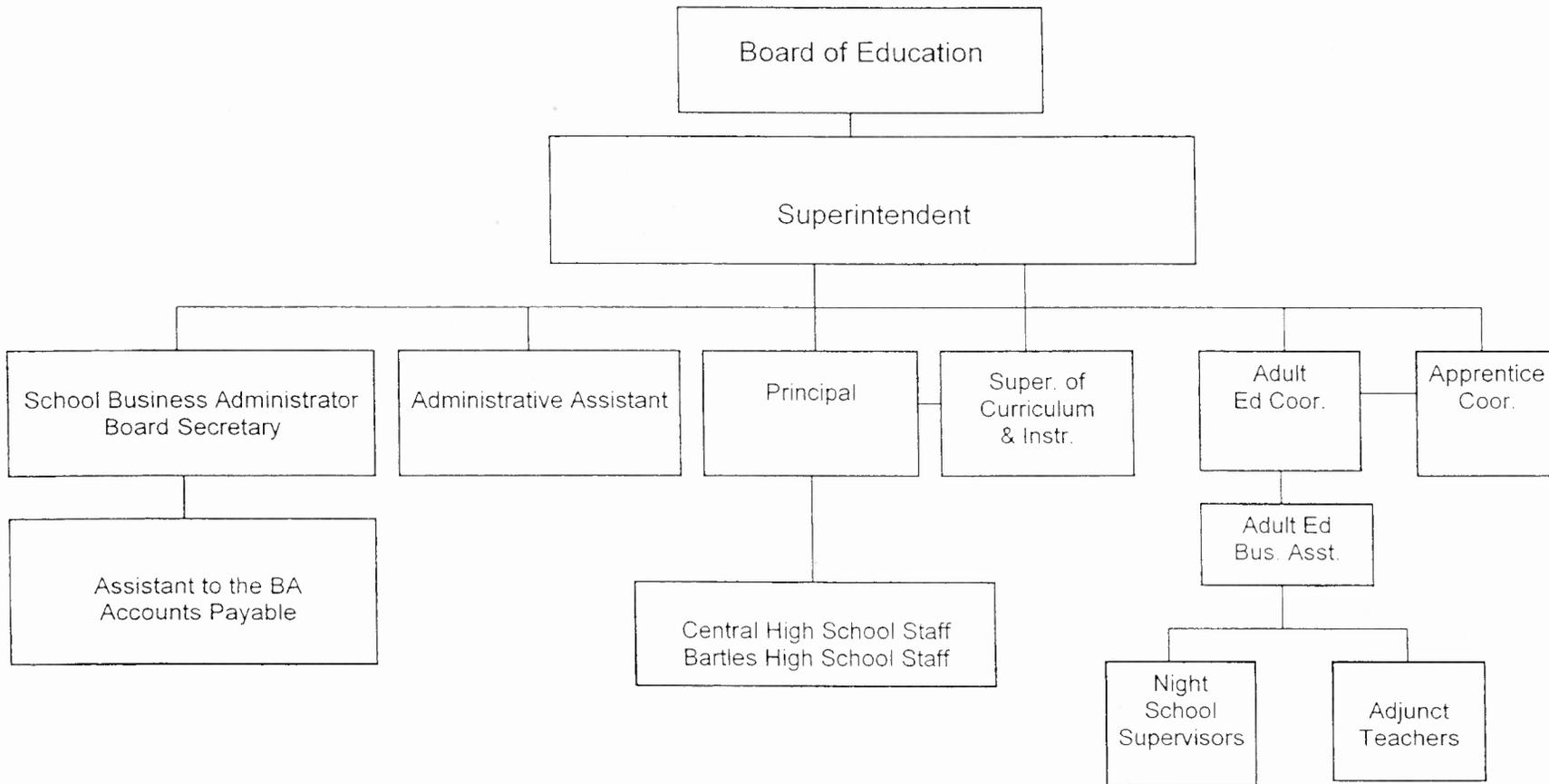
Respectfully submitted,



Dr. Kimberly Metz
Superintendent



Susan Joyce
Business Administrator/Board Secretary



HUNTERDON COUNTY POLYTECH
Organizational Chart

HUNTERDON COUNTY VOCATIOINAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY 08822

ROSTER OF OFFICIALS
JUNE 30, 2011

Members of the Board of Education

Elizabeth Martin	President	2011
Michael Yates	V. President	2012
Janice Kovach	Member	2013
Laurence Molloy	Member	2013
Jeff Scott, Acting County Superintendent	Member	

Other Officials

Kimberly Metz	Superintendent
Susan Joyce	Business Administrator/Board Secretary
Margaret Pasqua	Treasurer
Courter Kobert & Cohen	Solicitor
Matthew Holt	Freeholder Liaison
Ron Sworen	Freeholder Liaison
Robert G. Walton	Freeholder Liaison

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY 08822

CONSULTANTS AND ADVISORS

AUDIT FIRM

William M. Colantano, Jr.
100 Route 31 North
Washington, NJ 07882-1530

ATTORNEY

Courter Kobert & Cohen
1001 Route 517
Hackettstown, NJ 07840

OFFICIAL DEPOSITORIES

TD Bank
Flemington, NJ 08822

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

November 18, 2011

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Hunterdon County Vocational School District in the County of Hunterdon, 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 Hunterdon County Vocational Board of Education management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Hunterdon County Vocational Board of Education in the County of Hunterdon, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable for the fiscal 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 a report dated November 18, 2011 on our consideration of the Hunterdon County Vocational Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information 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 inquires 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 performed for the purpose of forming an opinion on the financial statements that collectively comprise the Hunterdon County Vocational Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" 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.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

Hunterdon County Polytech Career Academy
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2011

UNAUDITED

The discussion and analysis of Hunterdon County Vocational School District's (DBA Hunterdon County Polytech and referred to in this document as Polytech) provides an overall narrative review to the School District's financial activities for the year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in the district's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the district's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

This discussion and analysis is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

Polytech was created by resolution of the Hunterdon County Board of Chosen Freeholders on May 12, 1992. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education consisting of five members. The Board of Education is responsible, among other things, for developing policy, adopting the budget, supervising committees and hiring the superintendent. The superintendent and business administrator are responsible for carrying out the policies of the Board of Education and oversees the day-to-day operations of the District. The Board of Education is appointed by the Freeholders. It has been the custom that a representative from each sending school district is appointed, and serves a four-year term.

The 2010-2011 school year maintained the same enrollment over the 2009-2010 school year. This is attributed to the continuous efforts on the part of Polytech to reach out to the community and sending districts and to inform the populace of the advantages of attending the county vocational school.

As a county vocational school, reorganization occurs the first week of November each year. Elizabeth Martin was elected as the new president of the board and Michael Yates was elected Vice President. When her term expired, Judy Formalarie was not re-appointed by the Freeholders. She was replaced by the Freeholder appointed Laurence Molloy. Rhonda Paradis resigned from the Board and was replaced by the Freeholder appointed Janice Kovach. The fifth board member, Dr. Gerald Vernotica, was not re-appointed by Governor Christie as Hunterdon County Executive Superintendent,

therefore could no longer serve on the board. He was replaced by Jeffrey Scott, Interim Hunterdon County Superintendent and Executive Hunterdon County School Business Administrator.

The Board and the Hunterdon County Polytech Education Association were in year three of a three year contract. There was no loss of school time or continuity due to labor disputes.

Kimberly Metz continued her efforts to inform the freeholders and the sending districts of the current status of Polytech and its vision for the future. There were meetings set up throughout the year with representatives from sending districts and with the freeholders to discuss the various objectives and encourage participation and dialogue among the parties involved.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2011 are as follows:

- General Revenues accounted for \$2,551,928 in revenue, or 48.74% of all revenues. Program specific revenues in the form of charges for services, (including tuition) and operating grants accounted for \$2,683,449 or 51.26% of total revenues of \$ 5,235,377.
- The school district has \$5,145,706 in expenses; only \$2,683,449 of these expenses was offset by program specific charges for services (including tuition), grants or contributions, with the remainder, primarily property taxes, supporting the programs.
- Among Governmental Funds, the General Fund had \$4,663,957 in revenues and \$4,283,730 in expenditures. The General Fund's balance increased by \$ 380,227 from the previous year.

Using this Comprehensive Annual Financial Report (C.A.F.R.)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can view the Polytech School District in the context of a financial whole, an entire operating entity.

The financial statements then proceed to provide an increasingly detailed look at specific financial entities. These financial statements are comprised of three elements: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting the School District as a Whole

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

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' 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. In the case of Polytech School District the General Fund is by far the most significant fund.

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: 'How did we do financially during 2011?' The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration 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 whether the financial position of the School District has or has not improved. Changes in the District's financial position may be the result of many factors, including the School District's property tax base, current laws in New Jersey restricting revenue growth, facility status, required educational programs and other factors.

The Statement of Net Assets and Activities is separated into two distinct kinds of activities.

- Governmental Activities - All of the School Districts programs and services are reported here including, but not limited to, instruction, support services, facilities rents and related charges, and extracurricular activities.
- Business-Type Activities - This service is provided on a charge for goods or services basis, to recover all the expenses of the goods or services provided. The Special services enterprise fund is reported as a business activity

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include the General Fund, and Special Revenue Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to 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.

Enterprise Fund

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

The School District as a Whole

Net Assets

Table 1 provides a summary of the School Districts net assets at June 30, 2011 with comparisons to June 30, 2010.

Table 1
Net Assets
For the Fiscal Year Ending June 30, 2011

	6/30/2011	6/30/2010	Variance	
			Dollars	Percent
Assets				
Current & Other Assets	\$2,508,504	\$2,201,534	\$306,970	13.94%
Capital Assets	11,064,040	11,364,335	(300,295)	-2.64%
Total Assets	13,572,544	13,565,869	6,675	0.05%
Liabilities				
Long Term Liabilities	280,147	322,104	(41,957)	-13.03%
Other Liabilities	221,925	248,104	(26,179)	-10.55%
Total Liabilities	502,072	570,208	(68,136)	-11.95%
Net Assets				
Invested in Capital Assets,				
Net of Related Debt	11,064,040	11,364,335	(300,295)	-2.64%
Restricted	647,375	675,039	(27,664)	-4.10%
Unrestricted	1,359,057	956,244	402,813	42.12%
	\$13,070,472	\$12,995,618	\$74,854	0.58%

Memo

Current Assets and Unrestricted Net Assets have increased. There was an increase in depreciation expense. There are outstanding receivables in grant funds for the audited year.

Table 2 provides a summary of the District's changes in net asset in fiscal year 2011 with comparisons to 2010.

Table 2
Changes in Net Assets

	6/30/2011	6/30/2010	Variance	
			Dollars	Percent
Revenues				
Program Revenues:				
Charges for Services	\$247,770	\$7,240	\$240,530	3322.24%
Operating Grants	323,628	494,030	-\$170,402	-34.49%
Tuition	2,112,051	1,817,082	\$294,969	16.23%
General Revenues				
County Taxes	1,448,174	1,448,174	\$0	0.00%
Unrestricted Grants	1,076,462	950,744	\$125,718	13.22%
Other	27,292	30,654	-\$3,362	-10.97%
Total Revenues	5,235,377	4,747,924	487,453	10.27%
Program Expenses				
Instruction:				
Vocational	2,221,863	2,218,999	2,864	0.13%
Other	25,204	23,223	1,981	8.53%
Support Services:				
Student & Instructional Staff	656,797	828,593	(171,796)	-20.73%
General & Business Administration	587,085	607,792	(20,707)	-3.41%
School Administration	210,065	199,553	10,512	5.27%
Operations & Maintenance	681,217	753,658	(72,441)	-9.61%
Transportation	24,497	24,533	(36)	-0.15%
Interest and Other Debt Charges	47,529		47,529	
Adult Vocational	425,601	460,587	(34,986)	-7.60%
Special Services	265,846	48,608	217,238	446.92%
Total Expenses	5,145,704	5,165,546	(19,842)	-0.38%
Increase (Decrease) Before Special Items	\$89,673	(\$417,622)	\$507,295	
Special Items:				
Return of Unexpended Capital				
Project Balance to County of Hunterdon	\$ (14,819)		\$ (14,819)	
Increase (Decrease) in Net Assets	\$ 74,854	\$ (417,622)	\$ 492,476	

Governmental Activities

County taxes made up 29.04% of revenues for Governmental Funds for fiscal year 2011. The district's total revenues for Governmental Funds were \$4,987,607 for the fiscal year ended June 30, 2011. Tuition revenue in a total amount of \$2,112,051 accounted for 42.35% of total revenues. The remaining revenues for Governmental Funds were from interest on investments, state aid, federal grants, and miscellaneous income.

Business- Type Activities for Fiscal Year 2011

Special services

- Special services programs had Operating Revenues of \$247,770 and Operating Expenses of \$265,846, a difference of \$18,076.

Governmental Activities

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

Table 3
Cost of Governmental Services
For the Fiscal Year Ending June 30, 2011

	TOTAL COST OF SERVICES		NET COST OF SERVICES	
	6/30/2011	6/30/2010	6/30/2011	6/30/2010
Instruction	\$2,247,067	\$2,242,222	\$384,263	\$448,502
Support Services:				
Student & Instructional Staff	656,797	828,593	428,382	539,903
General & Business Administration	587,085	607,792	587,085	607,792
School Administration	210,065	199,553	210,065	199,553
Plant Operations & Maintenance	681,217	753,658	681,217	753,658
Pupil Transportation	24,497	24,533	23,517	24,533
Interest and Other Debt Charges	47,529		47,529	
Adult Vocational	425,601	460,587	82,121	231,885
Special Services	265,846	48,608	18,076	41,368
	<u>\$5,145,704</u>	<u>\$5,165,546</u>	<u>\$2,462,255</u>	<u>\$2,847,194</u>

- Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student including extracurricular activities.
- Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- General administration, school administration and business include expenses associated with administrative and financial supervision of the District.
- Maintenance and operation of facilities activities involve the rental of the facilities, cost of utilities, and maintaining equipment in effective working condition.
- Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.
- Pupil transportation includes activities involved with the conveyance of students to and from school activities and field trips.

The District's Revenues

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. Revenues came primarily from four sources: tax levy, tuition, state aid, and federal and state grants. The major source of operating revenue, about 72.02% continues to be from local sources including tax levy, outside tuition, and miscellaneous revenues. State aid and federal aid represents about 27.98% of the total revenues.

The following schedule represents a summary of the revenues of the General and Special Revenue Funds for the fiscal year ended June 30, 2011.

Revenue	Amount	Percent of Total
Local Sources	\$3,592,377	72.03%
State Sources	1,134,116	22.74%
Federal Sources	261,114	5.24%
	<hr/>	
Total	\$4,987,607	100.00%

The District's Expenditures

The following schedule represents a summary of General Fund and Special Revenue Fund, expenditures for the fiscal year ended June 30, 2011.

Expenditures	Amount	<u>Percent of Total</u>
Current:		
Instruction	\$1,529,535	33.10%
Undistributed Expenditures	2,640,878	57.14%
Capital Outlay	32,942	0.71%
Interest and Other Charges	47,529	1.03%
Adult Vocational	370,636	8.02%
	<hr/>	
Total	\$4,621,520	100.00%

General Fund Budgeting Highlights

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

During the course of the fiscal year 2011, the School District amended its General Fund budget as needed to reflect the following:

- The 2009-2010 school year budget was adopted in April 2009. Budgets are due in the county office in March 2009. Polytech administration works closely with the sending districts to get an accurate picture of enrollment for the budgeted year. However, at the time the budgets are prepared enrollment figures are just estimates. As a result, Polytech must budget for all programs being fully enrolled. Final enrollment figures are not available until May.
- Budget reductions of in excess of \$240,000 for regular operations were made in 2009-2011 and the Fund 13 Adult vocational accounts show a budget reduction of over \$98,000. These reductions are a result of the reduction in State Aid and resulted in spending freezes towards the end of the school year.
- Budgetary adjustments in the Plant Maintenance and Plant Operations accounts were necessary to fund renovations at the Bartles Corner Campus. The renovations included a staff lavatory, conference rooms for Guidance and Social Worker conferences and improvements in the District Administrative offices.

- Successful recruitment efforts to accept out-of-county students and to increase enrollment in introductory classes, brought in unanticipated tuition revenues. As a result, tuition revenues exceeded budgeted revenues by approximately \$177,000. Overall revenues exceeded budgeted amounts by \$200,821.

The fiscal crisis that enveloped the nation has had a major impact on state funding. For the past several years the state has pushed the final state aid payment to the following fiscal year. This year the last two state aid payments were made in the following fiscal year. These last two payments are represented as a receivable on the books.

- State Aid reductions and continued flat-funding by Hunterdon County will result in staffing cuts and spending freezes in the 2011-2012 school year.

Capital Assets

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/11 with a comparison to 6/30/10.

Table 4
Capital Assets (Net of Depreciation)
at June 30, 2011

	06/30/11	06/30/10	<u>Dollars</u>	<u>Percent</u>
Land	\$1,129,855	\$1,129,855		
Land Improvements	108,466	117,505	(\$9,039)	-7.69%
Building & Improvements	9,368,863	9,605,341	(236,478)	-2.46%
Machinery & Equipment	418,327	468,814	(50,487)	-10.77%
Vehicles	38,529	42,820	(4,291)	-10.02%
Total	<u>\$11,064,040</u>	<u>\$11,364,335</u>	(\$300,295)	-2.64%

For the Future

Space is still the dominant problem facing Polytech. As enrollment increases we are faced with limiting the number of students allowed in each program. Initiating new and emerging programs to meet the need of a changing economy present a tremendous challenge in terms of space and revenue. For the past three years and again for the 2011-2012 school year Polytech has kept the local tax levy flat. Additional space, programs, and personnel will require increased revenue in the coming years. A decision to move forward or to remain status quo is now reaching the critical point.

As the Freeholder board changes so does the perceived role of Hunterdon County Polytech change. Each new Freeholder board presents different challenges. There will again be changes to the Freeholder board in the coming election. Polytech board members and administration continue to move ahead for the betterment of vocational education in the county. .

Polytech continues to stay abreast of all relevant technological changes occurring in the work place. Our goal is to keep our students current with these advances. Our students will be able to enter the workforce and/or continue their education with every advantage afforded by a first rate technological school.

Contacting the School District

This financial report is designed to provide our citizens, and taxpayers, with a general overview of the School District's finances and to show the School Districts accountability for the money it receives. If you have questions about this report or need additional information contact the Office of the School Business Administrator, Hunterdon County Polytech Career Academy, 8 Bartles Corner Road - Suite 2, Flemington, New Jersey 08822.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Govern- mental Activities	Business- Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 1,144,890	\$ 421,377	\$ 1,566,267
Receivables-Net	283,163	1,699	284,862
Other Assets	10,000		10,000
Restricted Assets:			
Cash & Cash Equivalents	647,375		647,375
Capital Assets, Net (Note 3)	11,064,040		11,064,040
Total Assets	<u>13,149,468</u>	<u>423,076</u>	<u>13,572,544</u>
LIABILITIES			
Accounts Payable	6,320	207	6,527
Deferred Revenue	215,398		215,398
Compensated Absences Payable	280,147		280,147
Total Liabilities	<u>501,865</u>	<u>207</u>	<u>502,072</u>
NET ASSETS			
Invested in Capital Assets	11,064,040		11,064,040
Restricted For:			
Capital Reserve	647,275		647,275
Maintenance Reserve	100		100
Unrestricted	936,188	422,869	1,359,057
TOTAL NET ASSETS	<u>\$ 12,647,603</u>	<u>\$ 422,869</u>	<u>\$ 13,070,472</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Types Activities	Total
Government Activities:								
Instruction:								
Regular Vocational Instruction	\$ 1,504,962	\$ 716,901	\$ 1,768,571	\$ 94,233		\$ (359,059)		\$ (359,059)
Other Instruction	24,573	631				(25,204)		(25,204)
Support Services:								
Students & Instruction Related Services	519,670	137,127		228,415		(428,382)		(428,382)
General & Business Administrative Services	450,973	136,112				(587,085)		(587,085)
School Administrative Services	152,417	57,648				(210,065)		(210,065)
Plant Operations & Maintenance	638,323	42,894				(681,217)		(681,217)
Pupil Transportation	18,484	6,013		980		(23,517)		(23,517)
Interest and Other Debt Charges	47,529					(47,529)		(47,529)
Special Schools	370,636	54,965	343,480			(82,121)		(82,121)
Total Government Activities	<u>3,727,567</u>	<u>1,152,291</u>	<u>2,112,051</u>	<u>323,628</u>	<u>\$ -</u>	<u>(2,444,179)</u>	<u>\$ -</u>	<u>(2,444,179)</u>
Business-Type Activities:								
Customized Training	265,846		247,770				(18,076)	(18,076)
Total Business-Type Activities	<u>265,846</u>	<u>-</u>	<u>247,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,076)</u>	<u>(18,076)</u>
Total Primary Government	<u>\$ 3,993,413</u>	<u>\$ 1,152,291</u>	<u>\$ 2,359,821</u>	<u>\$ 323,628</u>	<u>\$ -</u>	<u>(2,444,179)</u>	<u>(18,076)</u>	<u>(2,462,255)</u>
			General Revenues					
						1,448,174		1,448,174
						1,076,462		1,076,462
						2,803		2,803
						24,489		24,489
						(14,819)		(14,819)
						2,537,109	-	2,537,109
						92,930	(18,076)	74,854
						12,554,673	440,945	12,995,618
						<u>\$ 12,647,603</u>	<u>\$ 422,869</u>	<u>\$ 13,070,472</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Govern- mental Funds
ASSETS				
Cash & Cash Equivalents	\$ 1,144,890			\$ 1,144,890
Receivables from Other Governments:				
State		\$ 221,383		221,383
Federal		61,311		61,311
Other	469			469
Due from Other Funds	96,219			96,219
Security Deposit	10,000			10,000
Restricted Cash & Equivalents	647,375			647,375
TOTAL ASSETS	<u>\$ 1,898,953</u>	<u>\$ 282,694</u>	<u>\$ -</u>	<u>\$ 2,181,647</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable		\$ 6,320		\$ 6,320
Due to Other Funds		96,219		96,219
Deferred Revenue	\$ 35,243	180,155		215,398
Total Liabilities	<u>35,243</u>	<u>282,694</u>	<u>\$ -</u>	<u>317,937</u>
Fund Balances:				
Restricted Fund Balance:				
Capital Reserve Account	647,275			647,275
Maintenance Reserve Account	100			100
Excess Surplus	662,877			662,877
Committed Fund Balance:				
Year-end Encumbrances	204,288			204,288
Assigned Fund Balance:				
Designated for Subsequent Year's Expenditures	175,095			175,095
Unassigned Fund Balance	174,075			174,075
Total Fund Balances	<u>1,863,710</u>	<u>-</u>	<u>-</u>	<u>1,863,710</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,898,953</u>	<u>\$ 282,694</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the Statement of Net

Assets (A-1) are different because:

Capital assets used in government activities are not financial resources
& therefore are not reported in the funds. The cost of the assets is
and the accumulated depreciation is

\$ 13,183,123
2,119,083

11,064,040

Long-term liabilities, including bonds payable, are not due & payable
in the current period & therefore are not reported as liabilities in the funds

(280,147)

Net Assets of Governmental Activities

\$ 12,647,603

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Govern- mental Funds
REVENUES				
Local Sources:				
County Tax Levy	\$ 1,448,174			\$ 1,448,174
Tuition Charges-Other LEA's	1,768,571			1,768,571
Tuition Charges-Other	343,480			343,480
Interest Earned on Capital Reserve Funds	1,295			1,295
Interest on Investments	1,486		\$ 22	1,508
Miscellaneous	24,489	\$ 4,860		29,349
Total	3,587,495	4,860	22	3,592,377
State Sources	1,076,462	121,758		1,198,220
Federal Sources		197,010		197,010
Total Revenues	4,663,957	323,628	22	4,987,607
EXPENDITURES				
Current :				
Instructional:				
Vocational Instruction	1,420,374	84,588		1,504,962
Other Instruction	24,573			24,573
Support Service & Undistributed Costs:				
Student & Instruction Related Services	291,255	228,415		519,670
General & Business Admin Services	450,973			450,973
School Administrative Services	152,417			152,417
Plant Operations & Maintenance	638,323			638,323
Pupil Transportation	17,504	980		18,484
Unallocated Benefits	861,011			861,011
Capital Outlay	9,135	9,645	14,162	32,942
Debt Service:				
Interest and Other Charges	47,529			47,529
Special Schools	370,636			370,636
Total Expenditures	4,283,730	323,628	14,162	4,621,520
Excess (Deficiency) of Revenues Over (Under) Expenditures	380,227		(14,140)	366,087
Other Financing Sources (Uses):				
Operating Transfer In (Out)-County of Hunterdon Return of Unexpended Balance			(14,819)	(14,819)
Net Change in Fund Balance	380,227		(28,959)	351,268
Fund Balances, July 1	1,483,483		28,959	1,512,442
Fund Balances, June 30	\$ 1,863,710	\$ -	\$ -	\$ 1,863,710

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

Total Net Changes in Fund Balances-Governmental Fund (from B-2) \$ 351,268

Amounts Reported for Governmental Activities in the Statement of
 Activities (A-2) are Different Because:

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

Capital Outlays	\$ 32,942	
Depreciation Expense	<u>(333,237)</u>	(300,295)

In the statement of activities, compensated absences & early retirement
 benefits are measured by the amounts earned during the year. In
 the governmental funds, however, expenditures for these items are reported
 in the amount of financial resources used (paid). When the earned
 amount exceeds the paid amount, the difference is a reduction in
 the reconciliation; when the paid amount exceeds the earned amount, the
 difference is an addition to the reconciliation.

41,957

Change in Net Assets of Governmental Activities \$ 92,930

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
ENTERPRISE FUND
JUNE 30, 2011

	<u>Customized Training Program</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 421,377
Accounts Receivable	1,699
Total Assets	<u>423,076</u>
 LIABILITIES	
Current Liabilities:	
Accounts Payable	<u>207</u>
Total Liabilities	<u>207</u>
 NET ASSETS	
Unrestricted	<u>422,869</u>
TOTAL NET ASSETS	<u><u>\$ 422,869</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Customized Training Program
Operating Revenues:	
Charges for Services:	
Program Fees	\$ 247,770
Total Operating Revenues	<u>247,770</u>
Operating Expenses:	
Salaries	185,128
Employee Benefits	16,521
Purchased Professional and Technical Services	43,993
Supplies and Materials	19,826
Other Objects	378
Total Operating Expenses	<u>265,846</u>
Operating Income (Loss)	(18,076)
Net Assets, Beginning	<u>440,945</u>
Net Assets, Ending	<u><u>\$ 422,869</u></u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Customized Training Program</u>
Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ (18,076)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	(1,699)
Increase (Decrease) in Accounts Payable	<u>180</u>
Net Cash Provided by (Used For) Operating Activities	<u>(19,595)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(19,595)
Cash and Cash Equivalents, July 1, 2010	<u>440,972</u>
Cash and Cash Equivalents, June 30, 2011	<u><u>\$ 421,377</u></u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY FUND NET ASSETS
 JUNE 30, 2011

	Unemployment Compensation Fund	Awards Trust Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS					
Cash & Cash Equivalents	\$ 14,733	\$ 24,715	\$ 167,486	\$ 14,936	\$ 221,870
Total Assets	14,733	24,715	167,486	14,936	221,870
LIABILITIES					
Accounts Payable	8,782				8,782
Payroll Deductions & Withholdings Due to Student Groups			167,486	14,936	182,422
Total Liabilities	8,782	-	167,486	14,936	191,204
NET ASSETS					
Held in Trust for Unemployment Claims & Other Purposes	5,951	24,715			30,666
TOTAL NET ASSETS	\$ 5,951	\$ 24,715	\$ -	\$ -	\$ 30,666

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Unemployment Compensation Fund	Awards Trust Fund	Total
ADDITIONS			
Contributions:			
Employee Withholdings	\$ 5,105		\$ 5,105
Other		\$ 5,287	5,287
Operating Transfer In	29,749		29,749
Investment Earnings-Interest		23	23
Total Additions	<u>34,854</u>	<u>5,310</u>	<u>40,164</u>
DEDUCTIONS			
Awards Paid		1,823	1,823
Unemployment Claims	53,803		53,803
Total Deductions	<u>53,803</u>	<u>1,823</u>	<u>55,626</u>
Change in Net Assets	(18,949)	3,487	(15,462)
Net Assets, Beginning of the Year	<u>24,900</u>	<u>21,228</u>	<u>46,128</u>
Net Assets, End of the Year	<u>\$ 5,951</u>	<u>\$ 24,715</u>	<u>\$ 30,666</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the Hunterdon County Vocational School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The Basic Financial Statements Include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a component unit of the County of Hunterdon, established to function as an educational institution to provide vocational education to the students of Hunterdon County. The Board consists of five appointed officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The District had an approximate enrollment at June 30, 2011 of approximately 505 students.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a County is required to remit to its school district the entire tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all County taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or 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 District accounts for the proceeds of specific revenue sources 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 in the Special Revenue Fund.

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 financing provided by the County of Hunterdon and State grants.

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - 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 Funds of the District:

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Proprietary Fund Types (Cont'd)

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are 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 Customized Training Program.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and 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:

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other government's and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund - This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the "Benefit Reimbursement Method."

Student Activities Agency Fund - This fund is used to account for funds derived from activities of pupil organizations and accumulated for payment of student group activities.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types (Cont'd)

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

Awards Trust – This fund accounts for miscellaneous receipts and remittances for various awards with the District acting as a custodian of the funds.

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.

D. 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 and to the Board of School Estimate. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 were insignificant.

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

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. 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 yearend 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.

F. 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.

G. Short-Term Interfund Receivables/Payables

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

H. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

I. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	45
Building Improvements & Portable Classroom	45
Land Improvements	20
Maintenance Equipment	15
Furniture	20
Office Equipment	5-10
Computer Equipment	5-10
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Buses	08
Vehicles	08

J. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 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. 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 Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Deferred Revenue

Deferred revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

L. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

M. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restricting imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2011 consists of the capital project, capital and maintenance reserve balances.

N. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

O. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 2. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

NJSA 17:9-41 e.t. 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 saving 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.

Deposits at June 30, 2011 appear in the financial statements as summarized below:

Cash		<u>\$ 2,435,512</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Statement of Net Assets	B-1	\$ 1,792,265
Enterprise Fund, Statement of Net Assets	B-4	421,377
Fiduciary Funds, Statement of Net Assets	B-7	<u>221,870</u>
Total Cash		<u>\$ 2,435,512</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2011 is \$2,435,512 and the bank balance is \$2,475,297. Of the bank balance, \$250,000 is covered by federal depository insurance and \$2,225,297 is insured by GUDPA.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 2. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the district are category 1 assets, these disclosures are not required.
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2011, the district had no investments.

NOTE 3. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated				
Land	\$ 1,129,855			\$ 1,129,855
Total	<u>1,129,855</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>1,129,855</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 3. CAPITAL ASSETS Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Being				
Depreciated:				
Building & Improvements	\$ 10,576,847			\$ 10,576,847
Land Improvements	180,777			180,777
Furniture & Equipment	1,181,552	\$ 32,942		1,214,494
Buses & Other Vehicles	81,150			81,150
Total	<u>12,020,326</u>	<u>32,942</u>	<u>\$ -0-</u>	<u>12,053,268</u>
Accumulated Depreciation:				
Building & Improvements	971,506	236,478		1,207,984
Land Improvements	63,272	9,039		72,311
Furniture & Equipment	712,738	83,429		796,167
Buses & Other Vehicles	38,330	4,291		42,621
Total	<u>1,785,846</u>	<u>333,237</u>	<u>-0-</u>	<u>2,119,083</u>
Total Capital Assets, Being				
Depreciated, Net	<u>10,234,480</u>	<u>(300,295)</u>	<u>-0-</u>	<u>9,934,185</u>
Governmental Activities Capital				
Assets, Net	<u>\$ 11,364,335</u>	<u>\$ (300,295)</u>	<u>\$ -0-</u>	<u>\$ 11,064,040</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Other Instruction	\$ 2,663
Regular Vocational	163,064
Support Services:	
Student & Instruction	56,307
General & Business Admin	48,864
School Administration	16,515
Plant Maintenance	1,374
Pupil Transportation	4,291
Special Schools	40,159
Total Depreciation Expense, Governmental Activities	<u>\$ 333,237</u>

NOTE 4. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences Payable	\$ 322,104	\$ 12,983	\$ 54,940	\$ 280,147	\$ 15,656
Total Governmental Activities Long-Term Liabilities	<u>\$ 322,104</u>	<u>\$ 12,983</u>	<u>\$ 54,940</u>	<u>\$ 280,147</u>	<u>\$ 15,656</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 5. PENSION PLANS

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pension and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

C. Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2010) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 5. PENSION PLANS (Cont'd)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "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. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was 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 New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF, PERS and DCRP provide for employee contribution of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

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

Year Funding	Post Retirement Benefit Costs	Percentage of APC Contributed
06/30/11	\$ 124,921	100%
06/30/10	120,868	100%
06/30/09	118,616	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/11	\$ 43,304	100%
06/30/10	34,790	100%
06/30/09	38,415	100%

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 5. PENSION PLANS (Cont'd)

During the year ended June 30, 2011, the State of New Jersey contributed \$119,304 to the TPAF for post-retirement medical benefits and \$5,617 for the non-contributory insurance premiums on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$116,573 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the general-purpose financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

NOTE 6. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 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. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 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. In fiscal year 2010, the State paid \$126.3 million toward Ch 126 benefits for 14,050 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

Plan Description-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-aug2010.pdf>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 6. POST-RETIRMENT BENEFITS (Cont'd)

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

NOTE 7. 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

VALIC
 Met-Life
 AXA Equitable

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances as of June 30, 2011 were as follows:

	Receivable	Payable
General Fund	\$ 96,219	
Special Revenue Fund		\$ 96,219
	\$ 415,805	\$ 415,805

The interfund between the General and Special Revenue Funds represent a required loan due to a delay in receipt of grant funds.

NOTE 9. CONTINGENT LIABILITIES

In the opinion of management there are no matters pending that will have a material adverse effect on the financial position of the District.

NOTE 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, students accident and surety bonds. There was no significant reduction in insurance coverage from coverage in the prior year. The District did not have any insurance settlements, which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Districts expendable trust fund for the current and previous two years:

Fiscal Year	District Contrib	Interest Earnings	Employee Contrib	Amount Reimbursed	Ending Balance
2010-2011	\$ 29,749	\$ -0-	\$ 5,105	\$ 53,803	\$ 5,951
2009-2010	-0-	-0-	18,222	9,338	24,900
2008-2009					16,016

NOTE 11. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2011 and 2010 is as follows:

	2011	2010
Restricted:		
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	\$ 647,275	\$ 645,980
Maintenance Reserve Account-Represents funds restricted for the required maintenance of a school facility	100	100
Excess Surplus-Represents amount in excess of allowable percentage of expenditures (6% of expenditures). In accordance with State Statute the excess surplus is designated for utilization in succeeding years budgets	437,685	225,192
Excess Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	225,192	225,287
Committed:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	204,288	74,213
Assigned:		
Designated Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	175,095	166,000
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	250,000	250,798
Total Fund Balance	\$ 1,939,635	\$ 1,587,570

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 12. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District in the year ended June 30, 1999 in the amount of \$157,789 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 districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts.

The following schedule is a summarization of the Legal Reserve Accounts:

Capital Reserve Account

Fiscal Year	<u>Transfers</u>	<u>District Contribution</u>	<u>Interest Earnings</u>	<u>Ending Balance</u>
1998-1999		\$ 157,789	\$ 9,467	\$ 167,256
1999-2000			8,363	175,619
2000-2001			8,781	184,400
2001-2002		7,000	3,730	195,130
2002-2003			3,312	198,442
2003-2004			2,470	200,912
2004-2005			4,057	204,969
2005-2006			7,716	212,685
2006-2007			11,201	223,886
2007-2008		200,000	13,142	437,028
2008-2009	\$ 100,000	100,000	6,866	643,894
2009-2010			2,086	645,980
2010-2011			1,295	647,275

NOTE 13. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$437,685.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 14. LEASE PAYABLE

Effective July 1, 2005 the District entered into a five-year lease for 15,000 square feet of property located in the Bartles Corner Business Park, Raritan Township, NJ. The term of the lease was from July 1, 2004 to June 30, 2010 with an annual rental payment of \$172,500. The lease has been extended for an additional three years with an annual rental of \$189,750 with the right to extend the lease for additional two years. In addition to the annual rent the District is also responsible for a proportionate share of the real estate taxes and common area charges.

NOTE 15. CAPITAL PROJECT

Hunterdon County Vocational School has received approval for grant funds from the State of New Jersey for the acquisition and renovations of the Hunterdon Central Regional High School vocational building, the addition of the culinary wing and building trades facility and the renovations to the alternative school. The grants, in the amount of \$4,384,038, represents 40% of approved costs of the project and the balance of the costs are to be financed by the County of Hunterdon.

The County of Hunterdon has provided \$6,600,000 by ordinance No. 22-02 for the additional funding required. In the year ended June 30, 2004 the County acquired the vocational building of Hunterdon Central Regional High School and by contract dated December 21, 2004 the County transferred ownership of the vocational building to the District. The unexpended balance of the ordinance in an approximate amount of \$2,019,745 has been utilized for expansion and renovations.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
County Tax Levy	\$ 1,448,174		\$ 1,448,174	\$ 1,448,174	
Tuition from LEA's	1,725,000		1,725,000	1,768,571	\$ 43,571
Other Tuition	210,000		210,000	343,480	133,480
Interest Earned on Capital Reserve Funds	1,500		1,500	1,295	(205)
Interest Income				1,486	1,486
Miscellaneous	2,000		2,000	24,489	22,489
Total	<u>3,386,674</u>	<u>\$ -</u>	<u>3,386,674</u>	<u>3,587,495</u>	<u>200,821</u>
State Sources:					
Categorical Special Education Aid	129,627		129,627	129,627	
Equalization Aid	276,963		276,963	276,963	
Categorical Security Aid	18,255		18,255	18,255	
Adjustment Aid	381,961		381,961	381,961	
On-Behalf TPAF Payments				124,921	124,921
Reimbursed TPAF Social Security Contribution				116,573	116,573
Total	<u>806,806</u>	<u>-</u>	<u>806,806</u>	<u>1,048,300</u>	<u>241,494</u>
TOTAL REVENUES	<u>\$ 4,193,480</u>	<u>\$ -</u>	<u>\$ 4,193,480</u>	<u>\$ 4,635,795</u>	<u>\$ 442,315</u>
EXPENDITURES					
Current:					
Regular Vocational Program Instruction:					
Salaries of Teachers	\$ 1,123,286	\$ (34,071)	\$ 1,089,215	\$ 1,061,486	\$ 27,729
Other Salaries for Instruction	85,767	3,600	89,367	89,019	348
Purchased Professional Educational Services	9,200	2,695	11,895	5,122	6,773
Purchased Technical Services	57,800	(325)	57,475	54,383	3,092
Other Purchased Services	48,834	(1,881)	46,953	21,746	25,207
General Supplies	149,908	8,232	158,140	127,462	30,678
Textbooks	29,837	6,818	36,655	18,564	18,091
Other Objects	20,541	348	20,889	7,387	13,502
Total	<u>1,525,173</u>	<u>(14,584)</u>	<u>1,510,589</u>	<u>1,385,169</u>	<u>125,420</u>
Special Vocational Program Instruction:					
Salaries of Teachers	35,205		35,205	35,205	
General Supplies	2,808		2,808		2,808
Textbooks	1,253		1,253		1,253
Other Objects	150		150		150
Total	<u>39,416</u>	<u>-</u>	<u>39,416</u>	<u>35,205</u>	<u>4,211</u>
School Sponsored Co-Curricular Activities:					
Salaries	22,228	(2,647)	19,581	17,581	2,000
Purchased Services	2,300	4,692	6,992	6,992	
Total	<u>24,528</u>	<u>2,045</u>	<u>26,573</u>	<u>24,573</u>	<u>2,000</u>
Total Instruction	<u>\$ 1,589,117</u>	<u>\$ (12,539)</u>	<u>\$ 1,576,578</u>	<u>\$ 1,444,947</u>	<u>\$ 131,631</u>
Undistributed Expenditures-					
Attendance and Social Work:					
Salaries	\$ 58,379	\$ 10,090	\$ 68,469	\$ 68,454	\$ 15
Purchased Professional and Technical Services	5,000		5,000	2,093	2,907
Other Purchased Services	950		950	437	513
Supplies and Materials	1,400		1,400		1,400
Other Objects	8,500	(2,045)	6,455	510	5,945
Total	<u>74,229</u>	<u>8,045</u>	<u>82,274</u>	<u>71,494</u>	<u>10,780</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Health Services:					
Salaries	\$ 38,061	\$ (38,061)			
Purchased Professional and Technical Services	2,000	29,200	\$ 31,200	\$ 29,700	\$ 1,500
Other Purchased Services	610	250	860	428	432
Supplies and Materials	2,000	2,091	4,091	3,843	248
Other Objects	500	(480)	20		20
Total	43,171	(7,000)	36,171	33,971	2,200
Guidance:					
Salaries for Other Professional Staf	29,511	10,150	39,661	39,648	13
Purchased Professional-Educational Service	1,445	(300)	1,145	275	870
Other Purchased Services	464	305	769	347	422
Supplies and Material:	2,211	(325)	1,886	1,346	540
Other Objects	600	20	620	618	2
Total	34,231	9,850	44,081	42,234	1,847
Educational Media Service/School Library:					
Purchased Professional and Technical Services	60,300		60,300	55,462	4,838
Total	60,300	-	60,300	55,462	4,838
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	84,872		84,872	70,909	13,963
Salaries-Secretarial & Clerical Assistance	21,771	(4,844)	16,927	16,533	394
Other Purchased Professional and Technical Services	4,000		4,000		4,000
Other Purchased Services	6,300	1,000	7,300	582	6,718
Supplies and Materials	3,500		3,500		3,500
Other Objects	1,000		1,000	70	930
Total	121,443	(3,844)	117,599	88,094	29,505
Instructional Staff Training Services:					
Supplies and Materials	2,000		2,000		2,000
Total	2,000	-	2,000	-	2,000
Support Services General Administration:					
Salaries	232,851		232,851	228,195	4,656
Legal Services	5,000	2,590	7,590	7,590	
Audit Fees	17,500	17,500	35,000	17,500	17,500
Other Purchased Professional Services	5,000	(1,125)	3,875	2,063	1,812
Purchased Technical Services	2,000		2,000	383	1,617
Communications and Telephone	9,000	(5,725)	3,275	636	2,639
Board of Education Other Purchased Services	10,939	(7,458)	3,481	3,108	373
Miscellaneous Purchased Services	17,232	11,549	28,781	23,758	5,023
General Supplies	20,000	(6,563)	13,437	7,234	6,203
Board of Education In-House Training/Meeting Supplies	1,000		1,000		1,000
Judgement Against District		65,360	65,360		65,360
Miscellaneous Expenditures	11,100	4,623	15,723	15,673	50
Board of Education Membership Dues & Fees	500		500	497	3
Total	332,122	80,751	412,873	306,637	106,236
Support Services School Administration:					
Salaries of Principals and Assistant Principals	115,002		115,002	114,167	835
Salaries of Secretarial and Clerical Assistants	5,219	16,016	21,235	18,721	2,514
Other Salaries	16,093	(13,500)	2,593	2,000	593
Purchased Professional Technical Services	10,000	(6,556)	3,444	978	2,466
Other Purchased Services	11,500	1,500	13,000	7,262	5,738
Supplies and Materials	4,500	5,793	10,293	7,640	2,653
Other Objects	2,500	(435)	2,065	1,649	416
Total	164,814	2,818	167,632	152,417	15,215
Required Maintenance for School Facilities:					
Salaries	25,000		25,000	18,054	6,946
Cleaning, Repair and Maintenance Services	28,020	600	28,620	25,256	3,364
Other Objects		150	150	150	
Total	53,020	750	53,770	43,460	10,310

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Custodial Services:					
Salaries	\$ 87,596	\$ 8,000	\$ 95,596	\$ 82,620	\$ 12,976
Cleaning, Repair and Maintenance Services	62,460	31,112	93,572	76,209	17,363
Rental of Land and Bldg Other Than Lease Purch	250,734	(29,000)	221,734	216,137	5,597
Other Purchased Property Services	5,500	761	6,261	4,225	2,036
Insurance	13,716		13,716	8,017	5,699
General Supplies	24,000	24	24,024	13,328	10,696
Energy (Electricity)	109,000	(16,159)	92,841	76,416	16,425
Energy (Natural Gas)	109,000	15,928	124,928	114,512	10,416
Energy (Oil)	6,000		6,000	3,399	2,601
Total	668,006	10,666	678,672	594,863	83,809
Security:					
Salaries	8,000	(8,000)			
Total	8,000	(8,000)	-	-	-
Student Transportation Services:					
Salaries for Pupil Transportation (Other Than Between Home and School)	8,000		8,000	5,870	2,130
Cleaning, Repair and Maintenance	6,000	(95)	5,905	837	5,068
Contracted Services (Other Than Between Home and School)-Vendors	10,000	455	10,455	9,627	828
Supplies and Materials	5,000		5,000	1,062	3,938
Other Objects	1,000		1,000	108	892
Total	30,000	360	30,360	17,504	12,856
Central Services:					
Salaries	136,014	5,774	141,788	126,107	15,681
Purchased Professional Services	12,000	1,525	13,525	13,088	437
Purchased Technical Services	500		500		500
Miscellaneous Purchased Services	2,700		2,700	1,247	1,453
Supplies and Materials	3,500	(110)	3,390	2,659	731
Miscellaneous Expenditures	1,500	110	1,610	1,235	375
Total	156,214	7,299	163,513	144,336	19,177
Allocated Employee Benefits:					
Vocational Programs:					
Social Security Contributions	11,429	11,870	23,299	19,973	3,326
Other Retirement Contributions-PERS	3,500		3,500	3,500	
Unemployment Compensation	24,824	20,000	44,824	24,824	20,000
Workmen's Compensation	14,394	(44)	14,350	12,591	1,759
Health Benefits	327,184	(33,000)	294,184	294,107	77
Tuition Reimbursement	26,000	(15,225)	10,775	6,913	3,862
Other Employee Benefits	3,223	22,485	25,708	25,512	196
Total	410,554	6,086	416,640	387,420	29,220
Attendance and Social Work Services:					
Social Security Contributions	1,996	150	2,146	2,120	26
Other Retirement Contributions-PERS	2,479		2,479	2,479	
Workmen's Compensation	1,159		1,159	967	192
Health Benefits	36,000	(19,175)	16,825	16,615	210
Total	41,634	(19,025)	22,609	22,181	428
Health Services:					
Workmen's Compensation	699		699		699
Health Benefits	21,000	(17,500)	3,500	3,187	313
Total	21,699	(17,500)	4,199	3,187	1,012

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Allocated Employee Benefits: (cont'd)					
Improvement of Instructional Services:					
Social Security Contributions	\$ 1,665		\$ 1,665	\$ 1,265	\$ 400
Other Retirement Contributions-PERS	2,068		2,068	2,068	
Workmen's Compensation	1,231		1,231	1,027	204
Health Benefits	26,915	\$ (2,500)	24,415	23,851	564
Tuition Reimbursement	3,000		3,000	1,731	1,269
Total	<u>34,879</u>	<u>(2,500)</u>	<u>32,379</u>	<u>29,942</u>	<u>2,437</u>
Guidance:					
Workmen's Compensation	534		534	446	88
Health Benefits	9,837	(8,500)	1,337	1,307	30
Total	<u>10,371</u>	<u>(8,500)</u>	<u>1,871</u>	<u>1,753</u>	<u>118</u>
Support Services-General Administration:					
Social Security Contributions	7,519		7,519	7,228	291
Other Retirement Contributions-PERS	7,500		7,500	7,500	
Workmen's Compensation	2,560		2,560	2,136	424
Health Benefits	39,818	(7,950)	31,868	30,494	1,374
Tuition Reimbursement	6,000		6,000	2,845	3,155
Other Employee Benefits	1,150		1,150		1,150
Total	<u>64,547</u>	<u>(7,950)</u>	<u>56,597</u>	<u>50,203</u>	<u>6,394</u>
Support Services-School Administration:					
Social Security Contributions	1,585	40	1,625	1,625	
Other Retirement Contributions-PERS	1,778		1,778	1,778	
Workmen's Compensation	1,335		1,335	1,114	221
Health Benefits	29,270		29,270	21,616	7,654
Tuition Reimbursement	4,000	(2,500)	1,500		1,500
Total	<u>37,968</u>	<u>(2,460)</u>	<u>35,508</u>	<u>26,133</u>	<u>9,375</u>
Support Services-Central Services:					
Social Security Contributions	5,977	5,000	10,977	9,647	1,330
Other Retirement Contributions-PERS	4,300	3,970	8,270	5,672	2,598
Workmen's Compensation	1,588		1,588	1,325	263
Health Benefits	31,317	(20,575)	10,742	3,888	6,854
Other Employee Benefits	34,924		34,924	34,924	
Total	<u>78,106</u>	<u>(11,605)</u>	<u>66,501</u>	<u>55,456</u>	<u>11,045</u>
Custodial Services:					
Social Security Contributions	10,480		10,480	7,702	2,778
Other Retirement Contributions-PERS	10,356		10,356	10,356	
Workmen's Compensation	5,000		5,000	4,171	829
Health Benefits	21,553		21,553	19,291	2,262
Total	<u>47,389</u>	<u>-</u>	<u>47,389</u>	<u>41,520</u>	<u>5,869</u>
Transportation Services:					
Social Security Contributions	918		918	449	469
Other Retirement Contributions-PERS	1,140		1,140	1,140	
Workmen's Compensation	160		160	133	27
Total	<u>2,218</u>	<u>-</u>	<u>2,218</u>	<u>1,722</u>	<u>496</u>
Total Allocated Benefits	<u>749,365</u>	<u>(63,454)</u>	<u>685,911</u>	<u>619,517</u>	<u>66,394</u>
On-Behalf TPAF Pension Contributions				124,921	(124,921)
Reimbursement TPAF Soc Sec Contributions				116,573	(116,573)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,494</u>	<u>(241,494)</u>
Total Undistributed Expenditures	<u>\$ 2,496,915</u>	<u>\$ 38,241</u>	<u>\$ 2,535,156</u>	<u>\$ 2,411,483</u>	<u>\$ 123,673</u>
TOTAL CURRENT	<u>\$ 4,086,032</u>	<u>\$ 25,702</u>	<u>\$ 4,111,734</u>	<u>\$ 3,856,430</u>	<u>\$ 255,304</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment:					
Vocational Programs-Regular		\$ 9,535	\$ 9,535	\$ 9,135	\$ 400
School Administration		38,324	38,324		38,324
Total	\$ -	47,859	47,859	9,135	38,724
Facilities Acquisition & Construction Services:					
Other Objects	47,529		47,529	47,529	
Total	47,529	-	47,529	47,529	-
TOTAL CAPITAL OUTLAY	\$ 47,529	\$ 47,859	\$ 95,388	\$ 56,664	\$ 38,724
SPECIAL SCHOOLS					
Vocational Evening Instruction:					
Salaries of Teachers	\$ 180,000	\$ (13,000)	\$ 167,000	\$ 153,539	\$ 13,461
Purchased Professional and Technical Services	3,500		3,500	1,181	2,319
Other Purchased Services	500		500	185	315
General Supplies	34,995	1,402	36,397	13,235	23,162
Textbooks	4,000	(1,755)	2,245		2,245
Total	222,995	(13,353)	209,642	168,140	41,502
Vocational Evening-Support Services:					
Salaries	52,141	51,292	103,433	86,577	16,856
Employee Benefits	108,170	(31,452)	76,718	61,262	15,456
Purchased Professional and Technical Services	1,000	(425)	575	251	324
Other Purchased Services	50,900	(4,410)	46,490	46,298	192
Supplies and Materials	13,000	(4,500)	8,500	5,523	2,977
Other Objects	1,500	3,500	5,000	2,585	2,415
Total	226,711	14,005	240,716	202,496	38,220
TOTAL SPECIAL SCHOOLS	\$ 449,706	\$ 652	\$ 450,358	\$ 370,636	\$ 79,722
TOTAL EXPENDITURES	\$ 4,583,267	\$ 74,213	\$ 4,657,480	\$ 4,283,730	\$ 373,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (389,787)	\$ (74,213)	\$ (464,000)	\$ 352,065	\$ 816,065
Fund Balances, July 1	1,587,570	-	1,587,570	1,587,570	-
Fund Balances, June 30	\$ 1,197,783	\$ (74,213)	\$ 1,123,570	\$ 1,939,635	\$ 816,065

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances		\$ (74,213)	\$ (74,213)	\$ (74,213)	
Increase in Capital Reserve	\$ 1,500		1,500	1,295	\$ (205)
Budgeted Fund Balance	<u>(391,287)</u>		<u>(391,287)</u>	<u>424,983</u>	<u>816,270</u>
TOTAL	<u>\$ (389,787)</u>	<u>\$ (74,213)</u>	<u>\$ (464,000)</u>	<u>\$ 352,065</u>	<u>\$ 816,065</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:					
Capital Reserve				\$ 647,275	
Maintenance Reserve				100	
Excess Surplus:					
Prior Year-Designated for 2011-2012 Budget				225,192	
Current Year-Designated for 2012-2013 Budget				<u>437,685</u>	
					\$ 1,310,252
Committed Fund Balance:					
Year-end Encumbrances					204,288
Assigned Fund Balance-Designated for Subsequent Year's Expenditures					
					175,095
Unassigned Fund Balance					
					<u>250,000</u>
					1,939,635
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis					<u>(75,925)</u>
Fund Balance Per Governmental Funds (GAAP)					
					<u>\$ 1,863,710</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS REPORT)

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
EDUCATION JOBS FUND PROGRAM-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS REPORT)

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 1,000	\$ 1,500	\$ 2,500	\$ 2,360	\$ (140)
State Sources	276,403	(69,432)	206,971	57,996	(148,975)
Federal Sources	106,892	152,092	258,984	257,964	(1,020)
TOTAL REVENUES	\$ 384,295	\$ 84,160	\$ 468,455	\$ 318,320	\$ (150,135)
EXPENDITURES					
Instruction:					
Salaries	\$ 57,140		\$ 57,140	\$ 13,630	\$ 43,510
Purchased Professional and Technical Services	2,000		2,000	2,000	
Other Purchased Services	2,500		2,500	2,500	
General Supplies	63,472	\$ 12,812	76,284	71,565	4,719
Totals	125,112	12,812	137,924	89,695	48,229
Support Services:					
Salaries-Supervisor of Instruction	6,000	5	6,005		6,005
Salaries-Program Director	53,000	(5)	52,995	18,825	34,170
Salaries/Other Professional Staff	81,201	20,501	101,702	89,673	12,029
Personal Services Employee Benefits	11,972	4,663	16,635	9,973	6,662
Purchased Professional Educational Services	8,990	38,131	47,121	47,121	
Other Purchased Professional Services	20,124		20,124	20,124	
Transportation	10,800		10,800	980	9,820
Travel	13,056	4,210	17,266	11,000	6,266
Other Purchased Services	9,955	909	10,864	6,855	4,009
Supplies and Materials	32,440	2,934	35,374	12,429	22,945
Other Objects	2,000		2,000	2,000	
Total	249,538	71,348	320,886	218,980	101,906
Capital Outlay:					
Instructional Equipment	9,645		9,645	9,645	
TOTAL EXPENDITURES	\$ 384,295	\$ 84,160	\$ 468,455	\$ 318,320	\$ 150,135

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 4,635,795	\$ 318,320
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances Prior Year		35,327
Outstanding Encumbrances Current Year		(30,019)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	104,087	
State Aid Receivable Current Year	(75,925)	
Total Revenues (GAAP Basis)	\$ 4,663,957	\$ 323,628
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 4,283,730	\$ 318,320
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding Encumbrances Prior Year		35,327
Outstanding Encumbrances Current Year		(30,019)
Total Expenditures (GAAP Basis)	\$ 4,283,730	\$ 323,628

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINED SCHEDULE OF REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Four Year Green Program	Tech Prep	Apprenticeship Program	Shared Time Vocational	Perkins Post Secondary	Perkins Secondary	Youth Transitions to Work	NCLB IIA	Local Grants	Totals
REVENUES										
Local Sources									\$ 2,360	\$ 2,360
State Sources	\$ 769		\$ 11,894	\$ 15,600	\$ 83,454		\$ 29,733			141,450
Federal Sources		\$ 68,638				\$ 103,372		\$ 2,500		174,510
TOTAL REVENUES	\$ 769	\$ 68,638	\$ 11,894	\$ 15,600	\$ 83,454	\$ 103,372	\$ 29,733	\$ 2,500	\$ 2,360	\$ 318,320
EXPENDITURES										
Instruction:										
Salaries						\$ 3,800	\$ 9,830			\$ 13,630
Purchased Professional and Technical Services					\$ 2,000					2,000
Other Purchased Services								\$ 2,500		2,500
General Supplies		\$ 11,068			35,898	23,470	1,129			71,565
Totals	\$ -	\$ 11,068	\$ -	\$ -	\$ 37,898	\$ 27,270	\$ 10,959	\$ 2,500	\$ -	\$ 89,695
Support Services:										
Salaries Program Director			8,995				9,830			18,825
Salaries/Other Professional Staff	769	14,828			14,176	58,925	975			89,673
Personal Services Employee Benefits		4,611	688			3,095	1,579			9,973
Purchased Professional Educational Services		38,131				8,990				47,121
Other Purchased Professional Services					20,124					20,124
Transportation							980			980
Travel			261	9,509	611	411	208			11,000
Other Purchased Services				2,450	1,000	2,255	1,150			6,855
Supplies and Materials			1,950	1,641		2,426	4,052		2,360	12,429
Other Objects				2,000						2,000
Total	769	57,570	11,894	15,600	35,911	76,102	18,774	-	2,360	218,980
Capital Outlay:										
Instructional Equipment					9,645					9,645
Total	-	-	-	-	9,645	-	-	-	-	9,645
TOTAL EXPENDITURES	\$ 769	\$ 68,638	\$ 11,894	\$ 15,600	\$ 83,454	\$ 103,372	\$ 29,733	\$ 2,500	\$ 2,360	\$ 318,320

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues and Other Financing Sources:	
Local Sources:	
Interest Income	\$ 22
County of Hunterdon-Return of Unexpended Balance	<u>(14,719)</u>
Total Revenues	<u>(14,697)</u>
Expenditures and Other Financing Uses:	
Food Service Equipment	14,162
Transfer to County of Hunterdon-Interest Income	<u>100</u>
Total Expenditures and Other Financing Uses:	<u>14,262</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,959)
Fund Balance-Beginning	<u>28,959</u>
Fund Balance-Ending	<u>\$ -</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SCC Grant:				
Culinary Wing & Vocational Building	\$ 3,768,702		\$ 3,768,702	\$ 3,768,752
Building Trades Building	615,246		615,246	615,286
Local Sources:				
County of Hunterdon	6,536,226	\$ (14,719)	6,521,507	6,576,058
Total Revenues	10,920,174	(14,719)	10,905,455	10,960,096
Expenditures and Other Financing Uses:				
Culinary Wing & Vocational Building	9,289,705	14,162	9,303,867	9,421,880
Building Trades Building	1,601,588		1,601,588	1,538,216
Total Expenditures	10,891,293	14,162	10,905,455	10,960,096
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 28,881	\$ (28,881)	\$ -	\$ -

Additional Project Information

Project Number-Culinary Wing & Vocational Bldg	2308-050-03-1198
Project Number-Building Trades Bldg	2308-050-03-1197
State Aid Approved	\$ 4,384,038
Bonds Authorized	\$ 6,600,000
Original Authorized Cost	\$ 10,960,096
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 10,960,096
Percentage Complete	99.50%

PROPRIETARY FUND

DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the district's board is that the costs of providing goods or services be financed through user charges

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
ENTERPRISE FUND
JUNE 30, 2011

	<u>Customized Training Program</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 421,377
Accounts Receivable	1,699
Total Assets	<u>423,076</u>
 LIABILITIES	
Current Liabilities:	
Accounts Payable	<u>207</u>
Total Liabilities	<u>207</u>
 NET ASSETS	
Unrestricted	<u>422,869</u>
TOTAL NET ASSETS	<u><u>\$ 422,869</u></u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Customized Training Program
Operating Revenues:	
Charges for Services:	
Program Fees	\$ 247,770
Total Operating Revenues	247,770
Operating Expenses:	
Salaries	185,128
Employee Benefits	16,521
Purchased Professional and Technical Services	43,993
Supplies and Materials	19,826
Other Objects	378
Total Operating Expenses	265,846
Operating Income (Loss)	(18,076)
Net Assets, Beginning	440,945
Net Assets, Ending	\$ 422,869

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF FUND CASH FLOWS
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Customized Training Program</u>
Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ (18,076)
Adjustments to Reconcile Operating Income (Loss) to Cash	
Provided (Used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	(1,699)
Increase (Decrease) in Accounts Payable	<u>180</u>
Net Cash Provided by (Used For) Operating Activities	<u>(19,595)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(19,595)
Cash and Cash Equivalents, July 1, 2010	<u>440,972</u>
Cash and Cash Equivalents, June 30, 2011	<u><u>\$ 421,377</u></u>

FIDUCIARY FUND

DETAIL STATEMENTS

Fiduciary Fund are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY FUND NET ASSETS
 JUNE 30, 2011

	Unemployment Compensation Fund	Awards Trust Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS					
Cash & Cash Equivalents	\$ 14,733	\$ 24,715	\$ 167,486	\$ 14,936	\$ 221,870
Total Assets	14,733	24,715	167,486	14,936	221,870
LIABILITIES					
Accounts Payable	8,782				8,782
Payroll Deductions & Withholdings				14,936	14,936
Due to Student Groups			167,486		167,486
Total Liabilities	8,782	-	167,486	14,936	191,204
NET ASSETS					
Held in Trust for Unemployment Claims & Other Purposes	5,951	24,715			30,666
TOTAL NET ASSETS	\$ 5,951	\$ 24,715	\$ -	\$ -	\$ 30,666

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Fund	Awards Trust Fund	Total
ADDITIONS			
Contributions:			
Employee Withholdings	\$ 5,105		\$ 5,105
Other		\$ 5,287	5,287
Operating Transfer In	29,749		29,749
Investment Earnings-Interest		23	23
Total Additions	<u>34,854</u>	<u>5,310</u>	<u>40,164</u>
DEDUCTIONS			
Awards Paid		1,823	1,823
Unemployment Claims	53,803		53,803
Total Deductions	<u>53,803</u>	<u>1,823</u>	<u>55,626</u>
Change in Net Assets	(18,949)	3,487	(15,462)
Net Assets, Beginning of the Year	<u>24,900</u>	<u>21,228</u>	<u>46,128</u>
Net Assets, End of the Year	<u>\$ 5,951</u>	<u>\$ 24,715</u>	<u>\$ 30,666</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
ASSETS				
Cash & Cash Equivalents	\$ 127,233	\$ 159,228	\$ 118,975	\$ 167,486
TOTAL ASSETS	<u>\$ 127,233</u>	<u>\$ 159,228</u>	<u>\$ 118,975</u>	<u>\$ 167,486</u>
LIABILITIES				
Hunterdon Central Campus	\$ 33,143	\$ 61,334	\$ 43,422	\$ 51,055
Bartle's Corner Campus	65,819	67,546	53,787	79,578
Culinary Arts	28,271	30,348	21,766	36,853
TOTAL LIABILITIES	<u>\$ 127,233</u>	<u>\$ 159,228</u>	<u>\$ 118,975</u>	<u>\$ 167,486</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
ASSETS				
Cash & Cash Equivalents	\$ 15,085	\$ 4,767,621	\$ 4,767,770	\$ 14,936
TOTAL ASSETS	<u>\$ 15,085</u>	<u>\$ 4,767,621</u>	<u>\$ 4,767,770</u>	<u>\$ 14,936</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 15,085	\$ 2,958,612	\$ 2,958,761	\$ 14,936
Net Payroll		<u>1,809,009</u>	<u>1,809,009</u>	
TOTAL LIABILITIES	<u>\$ 15,085</u>	<u>\$ 4,767,621</u>	<u>\$ 4,767,770</u>	<u>\$ 14,936</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

(NOT APPLICABLE TO THIS REPORT)

STATISTICAL SECTION

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
FINANCIAL TRENDS	
These Schedules Contain Trend Information to Help the Reader Understand how the District's Financial Performance and Well Being have Changed Over Time.	J-1 to J-5
REVENUE CAPACITY	
This Schedule Contains Trend Information to Help the Reader Assess the District's most Significant Local Revenue Sources, the Property Tax.	J-6
DEMOGRAPHIC AND ECONOMIC INFORMATION	
This Schedule Offers Demographic and Economic Indicators to Help the Reader Understand the Environment Within Which the District's Financial Activities Take Place.	J-7
OPERATING INFORMATION	
These Schedules Contain Service and Infrastructure Data to Help the Reader Understand how the Information in the District's Financial Report Relates to the Services the District Provides and the Activities it Performs.	J-8 to J-10

Sources: Unless Otherwise noted, the Information in these Schedules is Derived from the Comprehensive Annual Financial Reports (CAFR) for the Relevant Year. The District Implemented GASB Statement 34 in the Fiscal Year Ending June 30, 2003; Schedules Presenting District-Wide Information Include Information Beginning in That Year.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
GOVERNMENT ACTIVITIES									
Invested in Capital Assets, Net of Related Debt	\$ 263,047	\$ 968,269	\$ 5,546,596	\$ 9,766,483	\$ 11,910,784	\$ 11,789,666	\$ 11,575,589	\$ 11,364,335	\$ 11,064,040
Restricted	346,670	201,012	205,069	212,785	256,907	561,260	672,875	675,039	647,375
Unrestricted	121,345	1,455,153	1,036,078	1,034,149	1,237,659	893,493	682,463	515,299	936,188
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	\$ 731,062	\$ 2,624,434	\$ 6,787,743	\$ 11,013,417	\$ 13,405,350	\$ 13,244,419	\$ 12,930,927	\$ 12,554,673	\$ 12,647,603
BUSINESS-TYPE ACTIVITIES									
Unrestricted	\$ 114,580	\$ 131,972	\$ 151,650	\$ 259,868	\$ 333,752	\$ 419,139	\$ 482,313	\$ 440,945	\$ 422,869
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 114,580	\$ 131,972	\$ 151,650	\$ 259,868	\$ 333,752	\$ 419,139	\$ 482,313	\$ 440,945	\$ 422,869
DISTRICT-WIDE									
Invested in Capital Assets, Net of Related Debt	\$ 263,047	\$ 968,269	\$ 5,546,596	\$ 9,766,483	\$ 11,910,784	\$ 11,789,666	\$ 11,575,589	\$ 11,364,335	\$ 11,064,040
Restricted	346,670	201,012	205,069	212,785	256,907	561,260	672,875	675,039	647,375
Unrestricted	235,925	1,587,125	1,187,728	1,294,017	1,571,411	1,312,632	1,164,776	956,244	1,359,057
TOTAL DISTRICT-WIDE	\$ 845,642	\$ 2,756,406	\$ 6,939,393	\$ 11,273,285	\$ 13,739,102	\$ 13,663,558	\$ 13,413,240	\$ 12,995,618	\$ 13,070,472

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30.								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES									
Governmental Activities:									
Instruction:									
Regular	\$ 78,304	\$ 66,282							
Vocational Education	2,021,601	2,004,880	\$ 2,098,880	\$ 2,056,319	\$ 2,416,327	\$ 2,225,999	\$ 2,251,446	\$ 2,218,999	\$ 2,221,863
Other Instruction	21,760	28,317	21,405	24,213	37,523	36,138	51,363	23,223	25,204
Support Services:									
Student & Instruction Related Services	10,998	176,790	526,284	556,338	463,269	642,065	809,308	828,593	656,797
General & Business Administrative Services	597,362	563,958	510,821	521,219	542,377	588,508	653,357	607,792	587,085
School Administration	440,553	482,375	134,111	132,685	155,777	284,535	185,964	199,553	210,065
Plant Operations & Maintenance	661,338	916,289	884,432	893,101	700,407	788,016	720,901	753,658	681,217
Pupil Transportation	20,703	23,765	22,272	25,097	23,649	24,772	29,424	24,533	24,497
Interest and Other Debt Charges									47,529
Special Schools	410,712	410,286	534,145	461,432	658,567	495,097	513,559	460,587	425,601
Total Governmental Activities Expenses	<u>4,263,331</u>	<u>4,672,942</u>	<u>4,732,350</u>	<u>4,670,404</u>	<u>4,997,896</u>	<u>5,085,130</u>	<u>5,215,322</u>	<u>5,116,938</u>	<u>4,879,858</u>
Business-Type Activities:									
Customized Training	360,914	376,870	376,940	347,371	232,076	236,055	253,086	48,608	265,846
Child Care	174,677	193,873	217,366	200,976					
Total Business-Type Activities	<u>535,591</u>	<u>570,743</u>	<u>594,306</u>	<u>548,347</u>	<u>232,076</u>	<u>236,055</u>	<u>253,086</u>	<u>48,608</u>	<u>265,846</u>
TOTAL DISTRICT EXPENSES	<u>\$ 4,798,922</u>	<u>\$ 5,243,685</u>	<u>\$ 5,326,656</u>	<u>\$ 5,218,751</u>	<u>\$ 5,229,972</u>	<u>\$ 5,321,185</u>	<u>\$ 5,468,408</u>	<u>\$ 5,165,546</u>	<u>\$ 5,145,704</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
PROGRAM REVENUES									
Governmental Activities:									
Charges for Services	\$ 1,428,622	\$ 1,670,337	\$ 1,720,577	\$ 1,652,403	\$ 1,791,494	\$ 1,707,986	\$ 1,649,513	\$ 1,817,082	\$ 2,112,051
Operating Grants & Contributions	356,435	207,178	245,858	216,660	359,475	283,552	506,749	494,030	323,628
Total Governmental Activities Program Revenues	<u>1,785,057</u>	<u>1,877,515</u>	<u>1,966,435</u>	<u>1,869,063</u>	<u>2,150,969</u>	<u>1,991,538</u>	<u>2,156,262</u>	<u>2,311,112</u>	<u>2,435,679</u>
Business-Type Activities:									
Charges for Services:									
Customized Training	403,901	412,234	420,634	424,664	305,475	321,442	316,260	7,240	247,770
Child Care	178,455	175,169	191,790	188,035					
Total Business-Type Activities Program Revenues	<u>582,356</u>	<u>587,403</u>	<u>612,424</u>	<u>612,699</u>	<u>305,475</u>	<u>321,442</u>	<u>316,260</u>	<u>7,240</u>	<u>247,770</u>
TOTAL DISTRICT-PROGRAM REVENUES	<u>\$ 2,367,413</u>	<u>\$ 2,464,918</u>	<u>\$ 2,578,859</u>	<u>\$ 2,481,762</u>	<u>\$ 2,456,444</u>	<u>\$ 2,312,980</u>	<u>\$ 2,472,522</u>	<u>\$ 2,318,352</u>	<u>\$ 2,683,449</u>
NET (EXPENSE) REVENUES									
Governmental Activities	\$ (2,478,274)	\$ (2,795,427)	\$ (2,765,915)	\$ (2,801,341)	\$ (2,846,927)	\$ (3,093,592)	\$ (3,059,060)	\$ (2,805,826)	\$ (2,444,179)
Business-Type Activities	46,765	16,660	18,118	64,352	73,399	85,387	63,174	(41,368)	(18,076)
TOTAL DISTRICT-WIDE NET EXPENSES	<u>\$ (2,431,509)</u>	<u>\$ (2,778,767)</u>	<u>\$ (2,747,797)</u>	<u>\$ (2,736,989)</u>	<u>\$ (2,773,528)</u>	<u>\$ (3,008,205)</u>	<u>\$ (2,995,886)</u>	<u>\$ (2,847,194)</u>	<u>\$ (2,462,255)</u>
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS									
Governmental Activities:									
County Taxes Levied for General Purposes	\$ 1,443,299	\$ 3,503,670	\$ 1,177,252	\$ 1,500,000	\$ 1,349,206	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174
Unrestricted Grants & Contributions	1,044,901	1,136,756	1,164,226	1,225,367	1,361,649	1,396,206	1,245,821	950,744	1,076,462
County of Hunterdon Contribution-Financing of Capital Projects			4,519,423	2,016,803					(14,819)
Capital Grant-Unallocated		28,009	21,920	1,999,690	2,362,338				
Investment Earnings	6,505	19,747	41,915	81,924	135,935	78,553	20,417	6,954	2,803
Miscellaneous Income	16,685	617	4,488	2,281	29,668	9,728	31,156	23,700	24,489
Gain (Loss) Sale of Capital Assets				13,901					
Forgiveness of Debt				(42,018)					
Operating Transfers					64				
Total Governmental Activities	<u>2,511,390</u>	<u>4,688,799</u>	<u>6,929,224</u>	<u>6,797,948</u>	<u>5,238,860</u>	<u>2,932,661</u>	<u>2,745,568</u>	<u>2,429,572</u>	<u>2,537,109</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 CHANGES IN NET ASSETS
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (Continued)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS (Cont'd)									
Business-Type Activities:									
Investment Earnings	\$ 320	\$ 732	\$ 1,560	\$ 1,848	\$ 549				
Miscellaneous Income	125								
Forgiveness of Debt				42,018					
Operating Transfers					(64)				
Total Business-Type Activities	445	732	1,560	43,866	485	\$ -	\$ -	\$ -	\$ -
TOTAL DISTRICT-WIDE	<u>\$ 2,511,835</u>	<u>\$ 4,689,531</u>	<u>\$ 6,930,784</u>	<u>\$ 6,841,814</u>	<u>\$ 5,239,345</u>	<u>\$ 2,932,661</u>	<u>\$ 2,745,568</u>	<u>\$ 2,429,572</u>	<u>\$ 2,537,109</u>
CHANGE IN NET ASSETS									
Governmental Activities	\$ 33,116	\$ 1,893,372	\$ 4,163,309	\$ 3,996,607	\$ 2,391,933	\$ (160,931)	\$ (313,492)	\$ (376,254)	\$ 92,930
Business-Type Activities	47,210	17,392	19,678	108,218	73,884	85,387	63,174	(41,368)	(18,076)
TOTAL DISTRICT	<u>\$ 80,326</u>	<u>\$ 1,910,764</u>	<u>\$ 4,182,987</u>	<u>\$ 4,104,825</u>	<u>\$ 2,465,817</u>	<u>\$ (75,544)</u>	<u>\$ (250,318)</u>	<u>\$ (417,622)</u>	<u>\$ 74,854</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST NINE FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:									
Reserved	\$ 564,992	\$ 849,169	\$ 964,468	\$ 1,392,538	\$ 1,353,067	\$ 1,318,847	\$ 1,316,226	\$ 1,170,772	\$ 1,514,540
Unreserved	228,858	1,151,045	670,378	298,329	499,118	444,848	351,863	312,711	349,170
Total General Fund	<u>\$ 793,850</u>	<u>\$ 2,000,214</u>	<u>\$ 1,634,846</u>	<u>\$ 1,690,867</u>	<u>\$ 1,852,185</u>	<u>\$ 1,763,695</u>	<u>\$ 1,668,089</u>	<u>\$ 1,483,483</u>	<u>\$ 1,863,710</u>
All Other Governmental Funds:									
Unreserved, Reported In:									
Special Revenue Fund	\$ (510)		\$ 21,931	\$ 31	\$ 32,921	\$ 28,178	\$ 29,061	\$ 28,959	
Capital Projects Fund									
Total All Other Governmental Funds	<u>\$ (510)</u>	<u>\$ -</u>	<u>\$ 21,931</u>	<u>\$ 31</u>	<u>\$ 32,921</u>	<u>\$ 28,178</u>	<u>\$ 29,061</u>	<u>\$ 28,959</u>	<u>\$ -</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
County Tax Levy	\$ 1,352,299	\$ 1,443,299	\$ 3,503,670	\$ 1,177,252	\$ 1,500,000	\$ 1,349,206	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174
Tuition Charges	1,272,695	1,428,622	1,670,337	1,720,577	1,652,403	1,791,494	1,707,986	1,649,513	1,817,082	2,112,051
Interest Earnings	8,512	6,505	19,747	41,915	81,924	135,935	78,553	20,417	6,954	2,803
Miscellaneous	12,836	18,935	809	6,987	16,804	35,527	15,728	46,156	29,700	29,349
State Sources	1,096,548	1,159,313	1,157,106	1,190,482	1,249,644	1,383,689	1,447,192	1,286,592	1,003,063	1,198,220
Federal Sources	287,888	239,773	214,645	217,103	192,178	331,640	226,566	465,978	435,711	197,010
Total Revenues	4,030,778	4,296,447	6,566,314	4,354,316	4,692,953	5,027,491	4,924,199	4,916,830	4,740,684	4,987,607
Expenditures:										
Instruction:										
Regular Instruction	42,077	43,621	46,276							
Vocational Education	1,242,964	1,324,810	1,417,633	1,461,882	1,390,213	1,469,699	1,365,014	1,344,510	1,371,507	1,420,374
Other Instruction	19,286	20,860	28,107	20,326	22,927	34,886	32,636	44,064	20,963	24,573
Support Services:										
Student & Instruction Related Services	338	1,428	48,781	271,248	317,169	208,810	309,144	369,656	358,572	291,255
General Administration	259,147	405,523	321,392	285,458	285,751	266,235	290,320	348,459	302,552	306,637
School Administration Services	322,332	342,684	412,506	106,787	104,158	112,318	198,591	136,062	149,449	152,417
Central Services / Business	91,687	104,800	124,570	105,194	123,199	135,631	150,292	144,255	154,283	144,336
Plant Operations & Maintenance	597,924	652,819	902,932	877,138	875,987	672,265	755,309	686,789	712,615	638,323
Pupil Transportation	12,329	13,980	17,360	15,387	18,507	20,035	22,203	23,926	18,977	17,504
Employee Benefits	423,847	475,783	559,096	535,427	497,518	619,025	607,083	534,013	607,212	619,517
On-Behalf TPAF Pension & Soc Sec Contributions	131,328	153,856	176,091	174,947	234,649	370,931	377,254	267,295	251,384	241,494
Special Schools-Vocational Evening	298,229	308,068	322,841	461,884	411,096	584,714	427,359	451,658	409,053	370,636
Capital Outlay	19,133	68,225	747,178	158,137	88,657	20,582	189,887	143,866	74,795	9,135
Capital Projects				4,519,423	4,046,816	2,321,015	8,788	10,251		14,162
Interest and Other Charges										47,529
Special Revenue Funds	429,267	356,945	234,677	245,858	216,660	359,475	283,552	506,749	494,030	323,628
Total Expenditures	3,889,888	4,273,402	5,359,440	9,239,096	8,633,307	7,195,621	5,017,432	5,011,553	4,925,392	4,621,520
Excess (Deficiency) of Revenues Over (Under) Expenditures	140,890	23,045	1,206,874	(4,884,780)	(3,940,354)	(2,168,130)	(93,233)	(94,723)	(184,708)	366,087
Other Financing Sources (Uses):										
State Sources-Capital Projects				21,920	1,999,690	2,362,338				
County of Hunterdon-Financing of Capital Projects				4,519,423	2,016,803					(14,819)
Forgiveness of Debt-Child Care					(42,018)					
Total Other Financing Sources (Uses)	-	-	-	4,541,343	3,974,475	2,362,338	-	-	-	(14,819)
Net Change in Fund Balances	\$ 140,890	\$ 23,045	\$ 1,206,874	\$ (343,437)	\$ 34,121	\$ 194,208	\$ (93,233)	\$ (94,723)	\$ (184,708)	\$ 351,268
Total non-capital expenditures	\$ 3,870,755	\$ 4,205,177	\$ 4,612,262	\$ 4,561,536	\$ 4,497,834	\$ 4,854,024	\$ 4,818,757	\$ 4,857,436	\$ 4,850,597	\$ 4,550,694

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.
 Central Service account classifications was added beginning with year end June 30, 2005.
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Tuition	\$ 1,272,695	\$ 1,428,622	\$ 1,670,337	\$ 1,720,577	\$ 1,652,403	\$ 1,791,494	\$ 1,707,986	\$ 1,649,513	\$ 1,817,082	\$ 2,112,051
Interest Income	8,512	6,505	19,747	41,904	73,501	116,040	74,508	20,237	6,876	2,781
Prior Year Refunds	6,056	5,187	614	249		2,946	712	18,189	1,941	23,980
Prior Year Refunds-E Rate							4,339	3,070	4,465	
Miscellaneous	1,016	488	1,923	90	28	85				
Insurance-Return of Surplus									1,394	
Energy Audit									11,170	
Sale of Surplus Equipment					14,318		2,000	3,500		
Sale of Scrap Metal								1,944		
Fund 20 Adjustment								1,092	281	193
Accounts Payable Cancelled				244	2,253	23,961	2,036	3,361	4,449	91
Payroll Agency Excess		11,010	500							
Old Outstanding Checks Cancelled	3,264			4,870		2,740	157			
Close Out Old Payroll Account							484			
Use of Facilities										225
Prior Year Differences			(2,420)	(965)						
Annual Totals	<u>\$ 1,291,543</u>	<u>\$ 1,451,812</u>	<u>\$ 1,690,701</u>	<u>\$ 1,766,969</u>	<u>\$ 1,742,503</u>	<u>\$ 1,937,266</u>	<u>\$ 1,792,222</u>	<u>\$ 1,700,906</u>	<u>\$ 1,847,658</u>	<u>\$ 2,139,321</u>

Source: District Records

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 COUNTY OF HUNTERDON
 LAST TEN FISCAL YEARS

ASSESSMENT YEAR	NET ASSESSED VALUES	ESTIMATED FULL CASH VALUATIONS	PERCENTAGE OF NET ASSESSED TO ESTIMATED FULL CASH VALUATIONS
2002	\$ 13,293,592,190	\$ 15,519,709,072	85.66%
2003	15,037,748,905	17,483,932,031	86.01%
2004	15,981,609,220	18,586,831,045	85.98%
2005	17,298,026,128	20,975,934,572	82.47%
2006	18,480,246,735	23,201,714,812	79.65%
2007	21,326,236,051	25,463,161,653	83.75%
2008	21,503,544,053	25,037,350,092	85.89%
2009	21,247,162,048	24,133,730,532	88.04%
2010	20,942,758,664	23,830,261,322	87.88%
2011	20,609,364,312	22,905,127,300	89.98%

Source: Abstract of Ratables, County Board of Taxation

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 COUNTY OF HUNTERDON
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2002	126,205	\$ 7,207,567,550	\$ 57,110	3.6%
2003	127,339	7,470,469,774	58,666	3.9%
2004	128,170	7,679,561,890	59,917	3.2%
2005	128,734	7,671,516,528	59,592	3.0%
2006	129,354	8,320,825,404	64,326	3.3%
2007	129,655	8,836,506,870	68,154	2.9%
2008	129,806	8,924,292,306	68,751	3.8%
2009	130,034	8,496,941,696	65,344	6.8%
2010	130,034	N/A	N/A	7.0%
2011	N/A	N/A	N/A	N/A

Sources:

- (a) Population Information Provided by the NJ Dept of Labor and Workforce Development
- (b) Personal Income has Been Estimated Based Upon the County Population and Per Capita Personal Income Presented
- (c) Per Capita Personal Income by County Estimated Based Upon the 2000 Census Published by the US Bureau of Economic Analysis.
- (d) Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	24.4	22.6	24.4	22.8	21.1	22.8	20.0	23.0	24.0	21.0
Support Services:										
Student & Inst Related Services	0.5		1.0	1.0	4.3	3.8	4.1	5.2	5.0	2.9
General Administration	2.0	2.0	2.0	2.0	1.8	2.8	1.9	2.0	2.2	2.3
School Administration Services	4.5	5.5	7.6	6.0	1.1	1.1	2.2	1.2	3.0	1.5
Central Services / Business			0.6		1.8	1.8	2.2	2.2	2.7	2.1
Other Support Staff	3.7	4.1	2.3	5.3	1.9	3.1	2.0	2.4	2.5	2.1
Plant Operations & Maintenance	0.5	1.0		1.3	1.0	1.2	1.2	1.4	2.4	2.5
Pupil Transportation			0.4	0.4	0.2	0.2	0.2	0.2	0.1	0.1
Total	<u>35.6</u>	<u>35.2</u>	<u>38.3</u>	<u>38.8</u>	<u>33.2</u>	<u>36.8</u>	<u>33.8</u>	<u>37.6</u>	<u>41.9</u>	<u>34.5</u>

Sources: District Personnel Records

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Full Time Teaching Staff</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) (b)</u>	<u>Average Daily Attendance (ADA) (b)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2002	496.7	\$ 3,572,526	\$ 7,193	-6.21%	22.0	1 to 22.58	496.7	467.3	3.98%	94.08%
2003	511.2	3,897,109	7,623	5.99%	17.0	1 to 30.07	511.2	481.4	2.92%	94.17%
2004	482.1	4,289,421	8,897	16.71%	20.0	1 to 24.11	482.1	452.7	-5.69%	93.90%
2005	505.3	4,099,652	8,113	-8.81%	19.0	1 to 26.59	505.3	473.7	4.81%	93.75%
2006	490.5	4,086,738	8,332	2.69%	19.0	1 to 25.82	490.5	475.1	-2.93%	96.86%
2007	487.7	4,269,310	8,754	5.07%	21.0	1 to 23.23	487.7	458.9	-0.57%	94.09%
2008	373.0	4,391,398	11,773	34.49%	17.0	1 to 21.95	373.0	350.9	-23.52%	94.08%
2009	507.1	4,405,776	8,688	-26.20%	20.0	1 to 25.36	507.1	473.0	35.95%	93.28%
2010	545.5	4,441,544	8,142	-6.28%	24.0	1 to 21.53	545.5	516.7	7.57%	94.72%
2011	503.8	4180058	8,297	1.90%	21.0	1 to 23.99	503.8	476.5	-7.64%	94.58%

Source: District Records

(a) Operating Expenditures Equal Total Expenditures Less Vocational Evening School, Capital Expenditures and Debt Service.

(b) Average Daily Enrollment and Average Daily Attendance are Obtained from the School Register Summary (SRS).

<u>SCHOOL BUILDING INFORMATION</u>	<u>YEAR</u>	<u>SQUARE FEET</u>
Hunterdon Central Building	2006	22,612
Culinary Arts Building	2007	7,021
Building Trades Building	2007	10,927

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
(UNAUDITED)

	<u>Coverage</u>
School Package Policy-School Alliance Insurance Fund:	
Property Coverage (Group Policy Maximum)	\$ 250,000,000
General Liability	5,000,000
Excess Liability	5,000,000
Workers Compensation	5,000,000
Premise Pollution Liability	1,000,000
Crime & Fidelity	500,000
Student Accident-Monumental Life Insurance Co	1,000,000
Public Employees' Faithful Performance-Selective Insurance:	
Treasurer of School Monies Bond	175,000
Business Administrator's Bond	142,000
School Leaders Professional Liability-School Alliance Insurance Fund	5,000,000
Beautician Liability-Arch Insurance Company:	
Each Incident	1,000,000
Aggregate	1,000,000
Health Care Facility Liability-Princeton Insurance Co.:	
Each Incident	1,000,000
Aggregate	3,000,000

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITORS' 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

November 18, 2011

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

We have audited the financial statements of the Board of Education of the Hunterdon County Vocational School District in the County of Hunterdon as of and for the year ended June 30, 2011, and have issued our report thereon dated November 18, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the management of the Board of Education and 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.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

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

November 18, 2011

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

Compliance

We have audited the compliance of the Board of Education of the Hunterdon County Vocational School District in the County of Hunterdon, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and New Jersey OMB's Circular 04-04 that are applicable to its major federal and state programs for the year ended June 30, 2011. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;" and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education's compliance with those requirements.

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

Internal Control Over Compliance

The management of the Board of Education 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's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine our audit procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

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

This report is intended for the information of the Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2010		Cash Received	Budgetary Expenditure	Adjustment	Repay of Prior Year Balance	Balance June 30, 2011		
					(Acct Rec) Def Revenue	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
JS Department of Education Passed Through State Department of Education:													
General Revenue Fund:													
Education Jobs Fund	84.410A	ARRA 230811	\$ 34,495	8/10/10-9/30/2012									
Total General Revenue Fund					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund:													
NCLB Title II PartA	84.367A	NCLB 230810	4,037	9/01/2009-8/31/2010	(3,037)		3,037						
NCLB Title II PartA	84.367A	NCLB 230811	3,507	9/01/2010-8/31/2011				2,500			(3,507)	1,007	
NCLB Title IV	84.186A	NCLB 230810	263	9/01/2009-8/31/2010	(263)		263						
Carl D Perkins:													
Secondary	84.048A	PERK-230811	85,870	7/01/2010-6/30/2011			36,731	85,870			(49,139)		
Secondary-Reserve	84.048A	PERK-230811	17,515	7/01/2010-6/30/2011			8,850	17,502			(8,665)	13	
Secondary	84.048A	PERK-230810	88,375	7/01/2009-6/30/2010	(38,394)		38,394						
Career Academy	84.243A	10000 56	100,000	9/01/2009-6/30/2010	1,103		9,348			10,451			
Learn & Serve America- School Based Program	94.004	07-CJ10 D02	39,000	10/01/2007-9/30/2008	414							414	
Learn & Serve America- School Based Program	94.004	08-CJ11 D02	25,000	10/01/2008-9/30/2009	(4,534)		6,250					1,716	
Vocational Education-Tech Prep Ed	84.243A	10000 7	240,000	9/1/2009-8/31/2010	45,475		36,592	68,638		13,429			
Total Special Revenue Fund					764	-	139,465	174,510	-	23,880	(61,311)	3,150	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ 764	\$ -	\$ 139,465	\$ 174,510	\$ -	\$ 23,880	\$ (61,311)	\$ 3,150	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULE OF FINANCIAL ASSISTANCE

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance	Cash Received	Budgetary Expenditure	Repay Balances/ Adjustment	Balance June 30, 2011			MEMO	
				6/30/2010 (Acct Rec) Def Revenue				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
General Fund:												
Security Aid	11-495-034	\$ 18,255	7/01/2010-6/30/2011		\$ 16,537	\$ 18,255		\$ (1,718)			\$ (1,718)	\$ 18,255
Security Aid	10-495-034	11,094	7/01/2009-6/30/2010	\$ (1,812)	1,812							
Special Education Aid	11-495-034	129,627	7/01/2010-6/30/2011		117,429	129,627		(12,198)			(12,198)	129,627
Special Education Aid	10-495-034	79,307	7/01/2009-6/30/2010	(12,957)	12,957							
Adjustment Aid	11-495-034	381,961	7/01/2010-6/30/2011		346,016	381,961		(35,945)			(35,945)	381,961
Adjustment Aid	10-495-034	354,780	7/01/2009-6/30/2010	(57,964)	57,964							
Equalization Aid	11-495-034	276,963	7/01/2010-6/30/2011		250,899	276,963		(26,064)			(26,064)	276,963
Equalization Aid	10-495-034	191,906	7/01/2009-6/30/2010	(31,354)	31,354							
Reimbursed TPAF Social Security Contribution	11-495-034	116,573	7/01/2010-6/30/2011		116,573	116,573						116,573
Reimbursed TPAF Social Security Contribution	10-495-034	130,516	7/01/2009-6/30/2010	(6,232)	6,232							
On-Behalf TPAF Non-contributory Insurance	11-495-034	5,617	7/01/2010-6/30/2011		5,617	5,617						5,617
On-Behalf TPAF Pension Contribution-Post Retirement Medical	11-495-034	119,304	7/01/2010-6/30/2011		119,304	119,304						119,304
Total General Fund				(110,319)	1,082,694	1,048,300	\$ -	(75,925)	\$ -	\$ -	(75,925)	1,048,300

SEE ACCOMPANYING NOTES TO SCHEDULE OF FINANCIAL ASSISTANCE

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2010 (Acct Rec) Def Revenue	Cash Received	Budgetary Expenditure	Repay Balances/ Adjustment	Balance June 30, 2011			MEMO	
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
Special Revenue Fund:												
Apprenticeship Coordinator	04-000-26	\$ 15,766	7/01/2003-6/30/2004	\$ 706						\$ 706		\$ 15,060
Apprenticeship Coordinator	01-10-0110	16,986	7/01/2009-6/30/2010	(4,863)	\$ 4,863							
Apprenticeship Coordinator	01-11-0110	11,949	7/01/2010-6/30/2011		7,231	\$ 11,894		\$ (4,718)	55			11,894
Teacher Quality Mentoring	08-495-034	2,484	7/01/2007-6/30/2008	1,521					1,521			963
Teacher Quality Mentoring	5120-052	180	7/01/2004-6/30/2005	180					180			
Perkins Postsecondary	11-100-034	83,454	7/01/2010-6/30/2011		32,711	83,454		(50,743)			\$ (50,743)	83,454
Perkins Postsecondary	10-100-034	83,454	7/01/2009-6/30/2010	(61,481)	61,481							70,202
Shared-Time Vocational School Initiative Cooperative Agreement	08-100-034	30,000	7/01/2007-6/30/2008	62					62			29,938
Shared-Time Vocational School Initiative Cooperative Agreement	09-100-034	20,000	7/01/2008-6/30/2009	4,682			\$ (4,682)					14,318
Shared-Time Vocational School Initiative Cooperative Agreement	10-100-034	20,000	7/01/2009-6/30/2010	3,403	865	4,268						19,865
Shared-Time Vocational School Initiative Cooperative Agreement	11-100-034	15,000	7/01/2010-6/30/2011		14,250	11,332		(750)	3,668		(750)	11,332
Four Year Green Program of Study	11-AG85-G06	6,000	2/01/11-1/1/2012			769		(6,000)	5,231		(6,000)	769
Math in CTE Program	-	6,000	8/01/2008-6/30/2009	(2,028)				(6,000)	3,972		(6,000)	2,028
Youth Transitions to Work Partnership Program (Dept of Labor and Workforce Development)	WDP 05-11-007	160,000	11/01/10-9/30/2011		6,828	29,733		(153,172)	130,267		(153,172)	130,267
NJ Character Education	06-495-034	4,000	7/01/2005-6/30/2006	1,222			(40)		1,182			2,818
Total Special Revenue Fund	5120-053			(56,596)	128,229	141,450	(4,722)	(221,383)	146,844	\$ -	(216,665)	392,908
TOTAL STATE FINANCIAL ASSISTANCE				\$ (166,915)	\$ 1,210,923	\$ 1,189,750	\$ (4,722)	\$ (297,308)	\$ 146,844	\$ -	\$ (292,590)	\$ 1,441,208

SEE ACCOMPANYING NOTES TO SCHEDULE OF FINANCIAL ASSISTANCE

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

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 (C) and (D) to the Board's financial statements.

NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison schedules 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 PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$28,162 for the general fund and \$5,308 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,076,462	\$ 1,076,462
Special Revenue Fund	\$ 121,758	197,010	318,768
	<u>\$ 121,758</u>	<u>\$ 1,273,472</u>	<u>\$ 1,395,230</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2011. TPAF Social Security Contribution 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.

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

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

Dollar Threshold used to Distinguish Between
Type A and Type B Programs:

\$300,000

Auditee qualified as a low-risk auditee

X Yes No

State Awards

Dollar Threshold used to Distinguish Between
Type A and Type B Programs:

\$300,000

Auditee Qualified as low-risk auditee

X Yes No

Type of Auditor's Report Issued on Compliance
for Major Programs:

Unqualified

Internal Control Over Major Programs:

1. Material weakness(es) identified?

 Yes X No

2. Reportable conditions identified
that are not considered to be material
weaknesses?

 Yes X No

Any Audit Findings Disclosed That are Required
to be Reported in Accordance with NJ OMB
Circular Letter 04-04?

 Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
11-495-034-5120-078	\$ 276,963	Equalization Aid
11-495-034-5120-085	381,961	Adjustment Aid

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

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2011.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2011.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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There were no prior year findings or questioned costs.