

**MORRIS COUNTY
SCHOOL OF TECHNOLOGY**

**Morris County School of Technology
(a component unit of the County of Morris)
Denville, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

**Comprehensive Annual
Financial Report**

of the

**Morris County School of Technology
Board of Education**
(a component unit of the County of Morris)
Denville, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

**Morris County School of Technology
Business Office**

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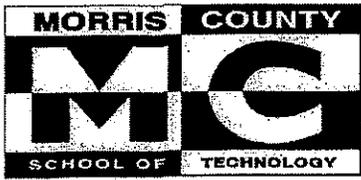
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INTRODUCTORY SECTION



September 20, 2011

Honorable President and
Members of the Board of Education
Morris County School of Technology
400 East Main Street
Denville, NJ 07834

Dear Board Members:

The comprehensive annual financial report of the Morris County School of Technology 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 respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 Independent Auditor's Report, management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*, and the New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations, findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Morris County School of Technology is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No.14 and subsequent statements. The Morris County School of Technology Board of Education and its school constitute the District's reporting entity.

The District offers programs for high school students, including nine Full Time Career Academies, and fourteen Share Time (half day) programs, which include programs for special needs students. Seven of the nine Academy programs are offered at the Morris County School of Technology campus. Two satellite Academies are offered; one each at Butler High School in Butler, NJ and Morris Hills High School in Rockaway, NJ. Students from both public and non-public schools attend our programs. Thirty-two (32) high schools from fifty-three (53) communities send students shared-time (half time) and full-time to the county vocational school. Three (3) full time post secondary programs are offered during the day, twilight and evenings.

The Honorable President and
Members of the Board of Education
Morris County School of Technology
September 20, 2011

In addition to the secondary programs and full time post secondary courses, the District offers over 111 part time Adult Evening classes and an Adult High School. Enrollment averages around 2,180 students per semester.

The District completed the 2010-11 school year with a full time equivalent enrollment of 939 students. Our school district has experienced an increase in secondary enrollment. During the 2010-11 school year, this equated to a 27.81% increase. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	939.3	27.81%
2009-2010	734.9	2.75%
2008-2009	715.2	2.91%
2007-2008	695.0	2.07%
2006-2007	680.9	28.23%
2005-2006	531.0	7.38%
2004-2005	494.5	17.88%
2003-2004	419.5	3.89%
2002-2003	403.8	16.84%
2001-2002	345.6	-3.52%

2. MAJOR INITIATIVES:

The major initiatives undertaken in the School District included but were not limited to:

- a. Reduction of one administrative, one security, one media specialist, support staff and 3 instructional positions through reorganization, attrition or reduction to part-time status.
- b. Reduction in the number of stipend positions.
- c. Late buses were reduced from five to three days/week.
- d. All programmatic and support budgets were reduced by 7%.
- e. Elimination of the purchase of UMDNJ and NJIT credits on behalf of students.
- f. Reduction in landscaping services.
- g. Increased all vocational program tuitions by 2%.

3. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control system 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.

The Honorable President and
Members of the Board of Education
Morris County School of Technology
September 20, 2011

As a recipient of federal and state financial assistance, the District is also 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 system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state financial award 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 Board of Education. Annual appropriated budgets are adopted for general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2011.

5. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic 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 Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
7. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, excess liability, automotive liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.
8. **OTHER INFORMATION: INDEPENDENT AUDIT** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia & Company LLP, CPAs, was selected by the Board. 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 Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and the State OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' report on the basic financial statements and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

The Honorable President and
Members of the Board of Education
Morris County School of Technology
September 20, 2011

9. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Morris County School of Technology Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the county and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office Staff.

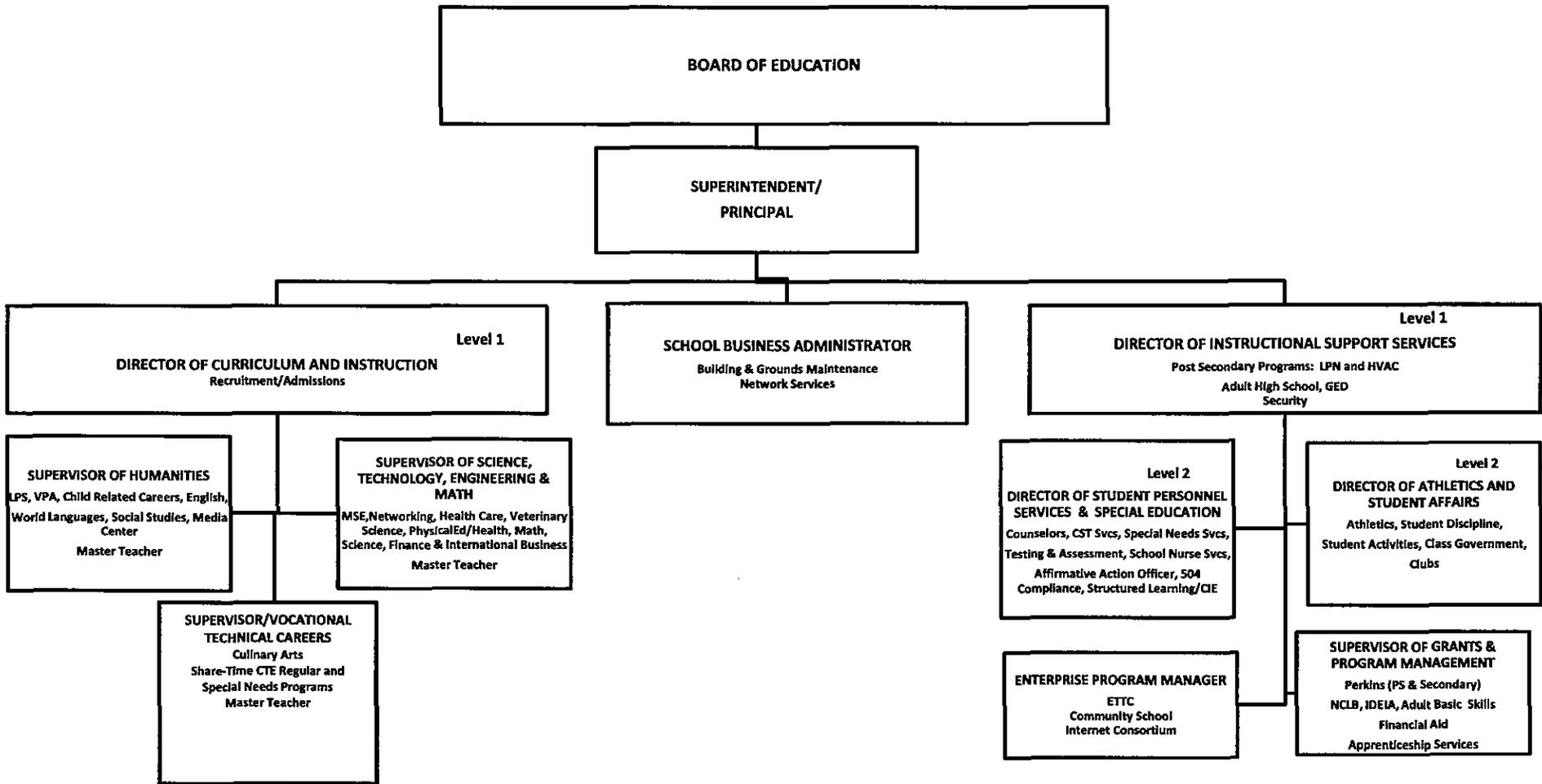
Respectfully submitted,



Scott Moffitt
Superintendent



Susan Young
Business Administrator/Board Secretary



Board Approved Revision: November 1, 2010

**MORRIS COUNTY SCHOOL OF TECHNOLOGY
ROSTER OF OFFICIALS
JUNE 30, 2011**

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Barbara Dawson	President	2011
Honorable Reginald Stanton	Vice President	2014
Lawrence J. Colasurdo	Member	2012
John P. Hyland	Member	2013
Dr. Kathleen Serafino	Member (County Superintendent)	N/A

Other Officers

Scott Moffitt	Superintendent of Schools
Susan Young	Board Secretary/Business Administrator
Patricia MacKenzie	Treasurer of School Monies
John M. Mills, III	Board Attorney

**MORRIS COUNTY SCHOOL OF TECHNOLOGY
Consultants and Advisors**

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856

Attorney

Mills & Mills
One Western Avenue
Morristown, NJ 07960

Official Depositories

Provident Bank
41 Broadway
Denville, NJ 07834

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Morris County School of Technology
 County of Morris, 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 Morris County School of Technology, a component unit of the County of Morris, as of and for the fiscal year ended June 30, 2011 which collectively comprise the School District's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Morris County School of Technology, a component unit of the County of Morris, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, 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 our report dated September 20, 2011 on our consideration of the Board of Education of the Morris County School of Technology'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 Honorable President and Members
of the Board of Education
Morris County School of Technology
Page 2

The Management's Discussion and Analysis section and Budgetary Comparison Information on schedules C-1 through C-3 are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Morris County School of Technology's financial statements. The accompanying introductory section, other supplementary information such as the combining and individual fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*; and New Jersey OMB's Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements. The supplementary combining and individual fund financial statements, supplementary schedules and schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the 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 section 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.

September 20, 2011
Mount Arlington, New Jersey


NISIVOCCIA LLP


Francis L. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management Discussion and Analysis (Unaudited)

This section of Morris County School of Technology's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial position declined on a district-wide basis but improved on a fund basis during the year.
- Overall revenue was \$19.04 million.
- Actual revenue exceeded projections primarily due to an increase in enrollment.

Overview of the Financial Statements

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

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

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District's Financial Report

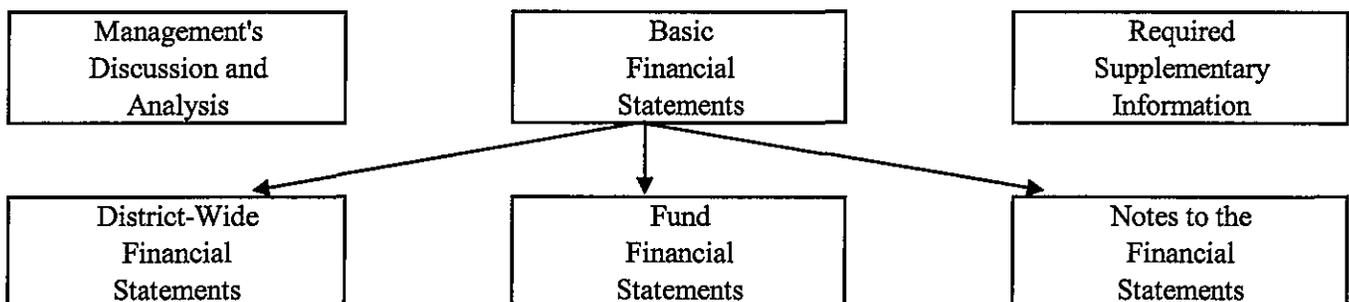


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses including: ETTC, Cisco Academy, Food Service, Food Function, Internet Consortium, Cosmetology and Adult Education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenue, expenses, and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Assets. The District's combined net assets decreased by \$358,311. Net assets from governmental activities decreased by \$301,805 and net assets from business-type activities decreased by \$56,506. Net assets invested in capital assets decreased by \$462,023, restricted net assets decreased by \$103,510, and unrestricted net assets increased by \$207,222.

Figure A-3

Condensed Statement of Net Assets

	Government Activities		Business-Type Activities		Total School District		Total
	2009/10	2010/2011	2009/10	2010/2011	2009/10	2010/2011	Percentage Change
Current and							
Other Assets	\$ 1,763,070	\$ 2,038,330	\$ 321,286	\$ 292,538	\$ 2,084,356	\$ 2,330,868	11.83%
Capital Assets	17,726,665	17,268,964	38,426	34,104	17,765,091	17,303,068	-2.60%
Total Assets	<u>19,489,735</u>	<u>19,307,294</u>	<u>359,712</u>	<u>326,642</u>	<u>19,849,447</u>	<u>19,633,936</u>	-1.09%
Other Liabilities	253,817	396,219	57,596	79,746	311,413	475,965	52.84%
Long-Term							
Liabilities	364,895	341,857		1,286	364,895	343,143	-5.96%
Total Liabilities	<u>618,712</u>	<u>738,076</u>	<u>57,596</u>	<u>81,032</u>	<u>676,308</u>	<u>819,108</u>	21.11%
Net Assets:							
Invested in Capital							
Assets, Net of							
Related Debt	17,726,665	17,268,964	38,426	34,104	17,765,091	17,303,068	-2.60%
Restricted	1,014,488	910,978			1,014,488	910,978	-10.20%
Unrestricted	129,870	389,276	263,690	211,506	393,560	600,782	52.65%
Total Net Assets	<u>\$18,871,023</u>	<u>\$18,569,218</u>	<u>\$ 302,116</u>	<u>\$ 245,610</u>	<u>\$19,173,139</u>	<u>\$18,814,828</u>	<u>-1.87%</u>

Changes in Net Assets. The District's combined net assets were \$18,814,828 on June 30, 2011, \$358,311 or 1.87% less than they were the year before (see Figure A-3). Net Assets Invested in Capital Assets decreased due to current year depreciation expense of \$567,837 offset by current year capital assets additions of \$105,814. Restricted net assets decreased primarily due to a budgeted withdrawal from Capital Reserve of \$246,200 offset by a board approved deposit of \$350,000 into the Capital Reserve; an increase in year-end encumbrances of \$106,998; and a decrease in excess surplus of \$314,822. The increase in unrestricted net assets was due primarily to a net decrease in compensated absences of approximately \$23,000; excess local revenue of approximately \$438,000 due to increase in student enrollment; unexpended General Fund budget balances (net of year end encumbrances) of approximately \$209,000; offset by board approved deposit of \$350,000 into the Capital Reserve and a decrease of \$100,000 in fund balance designated for subsequent year's expenditures.

Figure A-4

Changes in Net Assets from Operating Results

	Governmental Activities 2009/10	Governmental Activities 2010/11	Business- Type Activities 2009/10	Business- Type Activities 2010/11	Total School District 2009/10	Total School District 2010/11	Percentage Change
Revenue:							
Program Revenue:							
Charges for Services			\$ 521,007	\$ 872,288	\$ 521,007	\$ 872,288	67.42%
Operating Grants and Contributions	\$ 2,903,398	\$ 2,997,416	25,795	25,551	2,929,193	3,022,967	3.20%
General Revenue:							
County Tax Levy	6,351,286	6,351,286			6,351,286	6,351,286	0.00%
State and Federal Aid not Restricted	655,008	388,508			655,008	388,508	-40.69%
Tuition Charges	6,937,181	8,232,968			6,937,181	8,232,968	18.68%
Other	594,838	126,802	33,257	44,984	628,095	171,786	-72.65%
Total Revenue	17,441,711	18,096,980	580,059	942,823	18,021,770	19,039,803	5.65%
Expenses:							
Instruction	9,172,211	9,054,417			9,172,211	9,054,417	-1.28%
Pupil and Instruction Services	1,830,658	2,373,119			1,830,658	2,373,119	29.63%
Administrative and Business	2,575,759	2,780,806			2,575,759	2,780,806	7.96%
Maintenance and Operations	1,621,683	2,069,839			1,621,683	2,069,839	27.64%
Pupil Transportation	7,104	108,470			7,104	108,470	1426.89%
Special Schools	2,909,832	1,203,924			2,909,832	1,203,924	-58.63%
Capital Outlay		78,585				78,585	100.00%
Other	743,418	729,625	706,502	999,329	1,449,920	1,728,954	19.24%
Total Expenses	18,860,665	18,398,785	706,502	999,329	19,567,167	19,398,114	-0.86%
Increase/(Decrease) in Net Assets	\$ (1,418,954)	\$ (301,805)	\$ (126,443)	\$ (56,506)	\$ (1,545,397)	\$ (358,311)	76.81%

Revenue Sources. The District's total revenue for the 2010/11 school year was \$19,039,803. (See Figure A-4). The County tax levy of \$6,351,286 accounted for a substantial portion of the District's revenue, or 33.36 percent, along with 43.24% from tuition. (See Figure A-5). Another 17.92 percent came from state and federal aid for specific programs and state formula aid with the remainder from miscellaneous sources and charges for services.

Figure A-5

Sources of Revenue for Fiscal Year 2011

	Amount	Percentage
Sources of Income:		
State Formula Aid	\$ 388,508	2.04%
County Tax Levy	6,351,286	33.36%
Federal and State Categorical Grants	3,022,967	15.88%
Charges for Services	872,288	4.58%
Tuition Charges	8,232,968	43.24%
Other	171,786	0.90%
	\$ 19,039,803	100.00%

The total cost of all programs and services was \$19,398,114. The District's expenses are predominantly related to instructing, caring for students (pupil services) and special schools (65.12 percent). (See Figure A-6). The District's administrative and business activities accounted for 14.34 percent of total costs.

Figure A-6

Expenses for Fiscal Year 2011

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 9,054,417	46.68%
Pupil and Instruction Services	2,373,119	12.23%
Administrative and Business	2,780,806	14.34%
Maintenance and Operations	2,069,839	10.67%
Pupil Transportation	108,470	0.56%
Special Schools	1,203,924	6.21%
Other	1,728,954	8.91%
	<u>\$ 19,398,114</u>	<u>100.00%</u>

Governmental Activities

Although the net asset position of the governmental activities continued to decline there were several positive developments which occurred. The most significant variances among the expenditure categories were a function of reclassifying the district's adult education program from a Fund 13 Special School to an Enterprise fund. On a comparative basis approximately \$0.4 million in 2009-2010 other revenue related to that program and therefore the 2010-2011 other revenue declined. On the expenditure side approximately \$0.5 million of special schools expenditures were reclassified to the Enterprise fund. The remaining \$1.2 million of administrative and overhead expenditures were redistributed back to their original Fund 10 expenditure categories thereby increasing some categories comparatively. Overall however the district was able to better its 2009-2010 performance while absorbing a \$0.2 million state aid reduction and the re-distributed expenditures. This was accomplished through increased enrollment, a 2% increase in tuition rates and an overall increase of \$1.3 million in tuition revenue addition to the elimination of several instructional and support positions. Similarly various expenditures were curtailed such as a 40% reduction in late buses and a 7% reduction in program and support budgets. In general the district was able to replenish its capital reserve account by \$350,000 and increase its undesignated surplus by approximately \$0.1 million despite the significant challenges it faced. Therefore the restricted and unrestricted net assets of the district actually increased slightly from year to year. The overall reduction in net assets is primarily a function of capital asset depreciation net of capital asset additions.

Figure A-7 presents the cost of eight major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, pupil transportation, special schools, capital outlay and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-7

	Net Cost of Governmental Activities			
	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
	2009/10	2010/11	2009/10	2010/11
Instruction	\$ 9,172,211	\$ 9,054,417	\$ 7,669,447	\$ 7,704,558
Pupil and Instruction Services	1,830,658	2,373,119	1,404,430	1,699,657
Administrative and Business	2,575,759	2,780,806	2,427,562	2,653,437
Maintenance and Operations	1,621,683	2,069,839	1,621,683	2,069,839
Pupil Transportation	7,104	108,470	7,104	108,470
Special Schools	2,909,832	1,203,924	2,083,623	357,198
Capital Outlay		78,585		78,585
Other	743,418	729,625	463,126	435,761
	<u>\$ 18,860,665</u>	<u>\$ 18,398,785</u>	<u>\$ 15,676,975</u>	<u>\$ 15,107,505</u>

The cost of all governmental activities this year was \$18.40 million.

- The federal and state governments subsidized certain programs with grants and contributions (\$3.0 million).
- A portion of governmental activities was financed with \$0.39 million in state aid based on the CEIFA formula.
- Approximately 33% of the District's costs (\$6.35 million) were financed with the County tax levy.
- The remainder of the funding came from tuition, and miscellaneous revenue (\$8.40 million).

Business-Type Activities

Net assets from the District's business-type activity decreased overall by \$56,506. (Refer to Figure A-4). Factors contributing to these results included:

- A planned reduction of the district membership for the internet consortium with a corresponding systematic distribution of outstanding surplus via a reduction in current year membership fees.
- A planned reduction in the ETTC outstanding surplus via an investment in program facilities and equipment.

Financial Analysis of the District's Funds

Despite a decrease in overall net assets of \$358,311 the district improved its performance from the prior year despite a further reduction in state aid. This was accomplished by increasing enrollment, tuition and class sizes while eliminating non-critical instructional and support positions. Those opportunities for increased revenue growth and cost containment will be capped by the capacity of the physical plant and desired class sizes.

These factors are likely to continue through the 2011-12 year. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are primarily related to changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Debt Administration

Figure A-8

	Capital Assets (Net of Depreciation)						Total Percentage Change
	Government Activities		Business-Type Activities		Total School District		
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	
Sites and Site Improvements	\$ 318,787	\$ 317,972			\$ 318,787	\$ 317,972	-0.26%
Buildings and Building Improvements	16,860,509	16,425,563			16,860,509	16,425,563	-2.58%
Machinery and Equipment	547,369	525,429	\$ 38,426	\$ 34,104	585,795	559,533	-4.48%
Total	\$ 17,726,665	\$ 17,268,964	\$ 38,426	\$ 34,104	\$ 17,765,091	\$ 17,303,068	-2.60%

Long-term Debt

At year-end, the District had \$343,143 of other liabilities – a decrease of \$21,752 from last year – as shown in Figure A-9. The County of Morris is responsible for the issuance and repayment of long-term debt in the form of bonds and notes.

Figure A-9

Outstanding Long-Term Debt

	Total School District		Total Percentage Change
	2009/10	2010/11	
Other Long-Term Liabilities	\$ 364,895	\$ 343,143	-5.96%

Factors Bearing on the District's Future

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

- \$163,048 of additional state aid for 2011-2012 awarded after the adoption of the budget.
- An increase in undesignated surplus from 3.5% at June 2010 to 5.2% at June 2011.
- Uncertain county funding of necessary capital needs.
- A \$350,000 replenishment of capital reserve funds.
- Secondary enrollment figures nearing the capacity of the physical plant.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 400 East Main Street, Denville, New Jersey 07834.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MORRIS COUNTY SCHOOL OF TECHNOLOGY
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents		\$ 277,249	\$ 277,249
Interfund Receivable	\$ 11,568		11,568
Receivables from State Government	32,372	80	32,452
Receivables from Federal Government	256,477	1,291	257,768
Receivables from Other Governments	987,224	6,014	993,238
Other Receivables	31,217	4,609	35,826
Inventories		3,295	3,295
Restricted Assets:			
Capital Reserve Account - Cash	719,472		719,472
Capital Assets, Net:			
Sites (Land)	308,600		308,600
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	16,960,364	34,104	16,994,468
Total Assets	<u>19,307,294</u>	<u>326,642</u>	<u>19,633,936</u>
LIABILITIES			
Accounts Payable	376,716	56,698	433,414
Payable to Federal Government	4,236		4,236
Deferred Revenue	15,267	23,048	38,315
Non-Current Liability:			
Due Beyond One Year	341,857	1,286	343,143
Total Liabilities	<u>738,076</u>	<u>81,032</u>	<u>819,108</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	17,268,964	34,104	17,303,068
Restricted for:			
Capital Projects	719,472		719,472
Other Purposes	191,506		191,506
Unrestricted	389,276	211,506	600,782
Total Net Assets	<u>\$ 18,569,218</u>	<u>\$ 245,610</u>	<u>\$ 18,814,828</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY SCHOOL OF TECHNOLOGY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 4,802,430		\$ 311,650	\$ (4,490,780)		\$ (4,490,780)
Special	409,248		551,362	142,114		142,114
Vocational Education	3,585,918		486,847	(3,099,071)		(3,099,071)
Other Instruction	256,821			(256,821)		(256,821)
Support Services:						
Student and Instruction Related Services	2,373,119		673,462	(1,699,657)		(1,699,657)
General Administrative Services	583,387		25,277	(558,110)		(558,110)
School Administrative Services	1,309,806		80,426	(1,229,380)		(1,229,380)
Central Services	671,784		21,666	(650,118)		(650,118)
Administrative Information Technology	215,829			(215,829)		(215,829)
Plant Operations and Maintenance	2,069,839			(2,069,839)		(2,069,839)
Pupil Transportation	108,470			(108,470)		(108,470)
Special Schools	1,203,924		846,726	(357,198)		(357,198)
Capital Outlay	78,585			(78,585)		(78,585)
Unallocated Depreciation	435,761			(435,761)		(435,761)
Total Governmental Activities	18,104,921		2,997,416	(15,107,505)		(15,107,505)
Business-Type Activities:						
Supermarket Account	16,780	\$ 18,674			\$ 1,894	1,894
Internet Consortium	195,358	158,780			(36,578)	(36,578)
Adult Education	511,567	518,295			6,728	6,728
Educational Technology Training Center	101,451	39,193			(62,258)	(62,258)
Cosmetology	757	1,478			721	721
Food Service	169,807	115,198	25,551		(29,058)	(29,058)
Food Function	3,609	20,670			17,061	17,061
Total Business-Type Activities	999,329	872,288	25,551		(101,490)	(101,490)
Total Primary Government	\$ 19,104,250	\$ 872,288	\$ 3,022,967	(15,107,505)	(101,490)	(15,208,995)

MORRIS COUNTY SCHOOL OF TECHNOLOGY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
General Revenues:						
Taxes:						
	County Tax Levy			\$ 6,351,286		\$ 6,351,286
	Federal and State Aid not Restricted			388,508		388,508
	Tuition			8,232,968		8,232,968
	Interest Earnings			2,461		2,461
	Miscellaneous Income			124,341		124,341
	Transfers			(47,664)	\$ 47,664	
	Debt Service Contribution to the County of Morris			(246,200)		(246,200)
	Cancellation of Prior Year's Accounts Payable				2,745	2,745
	Cancellation of Prior Year's Intergovernmental Accounts Receivable				(5,425)	(5,425)
	Total General Revenues			<u>14,805,700</u>	<u>44,984</u>	<u>14,850,684</u>
	Change in Net Assets			<u>(301,805)</u>	<u>(56,506)</u>	<u>(358,311)</u>
	Net Assets - Beginning			<u>18,871,023</u>	<u>302,116</u>	<u>19,173,139</u>
	Net Assets - Ending			<u>\$ 18,569,218</u>	<u>\$ 245,610</u>	<u>\$ 18,814,828</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Interfund Receivables:				
Special Revenue Fund	\$ 190,385			\$ 190,385
Fiduciary Fund - Payroll Agency Fund	824			824
Fiduciary Fund - Flex Spending Trust Fund	10,744			10,744
Receivables From State Government	24,529	\$ 7,843		32,372
Receivables From Federal Government		256,477		256,477
Receivables From Other Governments	987,224			987,224
Other Accounts Receivables	31,217			31,217
Restricted Cash and Cash Equivalents	719,472			719,472
Total Assets	\$ 1,964,395	\$ 264,320	\$ -0-	\$ 2,228,715
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable:				
General Fund		\$ 190,385		\$ 190,385
Accounts Payable	\$ 319,393	57,323		376,716
Payable to Federal Government		4,236		4,236
Deferred Revenue	2,891	12,376		15,267
Total Liabilities	322,284	264,320	-	586,604
Fund Balances:				
Restricted:				
Capital Reserve Account	719,472			719,472
Assigned:				
Other Purposes	191,506			191,506
Unassigned	731,133			731,133
Total Fund Balances	1,642,111	-	-	1,642,111
Total Liabilities and Fund Balances	\$ 1,964,395	\$ 264,320	\$ -0-	-

Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds. The Cost of the Assets is \$25,059,155 and the Accumulated Depreciation is \$7,790,191.	17,268,964
Long-Term Liabilities, Including Compensated Absences, are not due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	<u>(341,857)</u>
Net Assets of Governmental Activities	<u>\$ 18,569,218</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
STATEMENT OF REVENUE, 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 Governmental Funds
REVENUES:				
Local Sources:				
County Tax Levy	\$ 6,351,286			\$ 6,351,286
Tuition from LEA's	7,915,480			7,915,480
Other Tuition	317,488			317,488
Interest Earned on Capital Reserve Funds	514			514
Unrestricted Miscellaneous Revenue	126,288			126,288
Total - Local Sources	14,711,056			14,711,056
State Sources	1,821,982	\$ 13,445		1,835,427
Federal Sources		1,550,497		1,550,497
Total Revenues	16,533,038	1,563,942		18,096,980
EXPENDITURES:				
Current:				
Instruction:				
Regular Instruction	3,971,799	21,434		3,993,233
Special Education Instruction	258,217	43,733		301,950
Vocational Education Instruction	2,538,713	176,714		2,715,427
School-Sponsored/Other Instruction	238,683			238,683
Support Services and Undistributed Costs:				
Student and Other Instruction Related Services	1,467,612	446,422		1,914,034
General Administration Services	483,439			483,439
School Administration Services	931,067			931,067
Central Services	504,745			504,745
Administrative Information Technology	144,417			144,417
Plant Operations and Maintenance	1,717,503			1,717,503
Student Transportation Services	108,470			108,470
Allocated Benefits	2,278,270			2,278,270
Unallocated Benefits	964,464			964,464
Capital Outlay	121,090	59,270		180,360
Special Schools	377,827	816,369		1,194,196
Total Expenditures	16,106,316	1,563,942		17,670,258
Excess of Revenue Over Expenditures	426,722			426,722
Other Financing Sources/(Uses):				
Transfer to Food Service Fund	(47,664)			(47,664)
Capital Reserve - Transfer to Capital Projects Fund	(246,200)		\$ 246,200	
Debt Service Contribution to the County of Morris			(246,200)	(246,200)
Total Other Financing Sources/(Uses)	(293,864)			(293,864)
Net Change in Fund Balances	132,858			132,858
Fund Balance - July 1	1,509,253			1,509,253
Fund Balance - June 30	\$ 1,642,111	\$ -0-	\$ -0-	\$ 1,642,111

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY SCHOOL OF TECHNOLOGY
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 Change in Fund Balances - Governmental Funds (from B-2) \$ 132,858

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

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation in the period.

Depreciation Expense	\$ (559,476)	
Capital Outlays	101,775	
		(457,701)

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

23,038

Change in Net Assets of Governmental Activities

\$ (301,805)

MORRIS COUNTY SCHOOL OF TECHNOLOGY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 277,249
Intergovernmental Accounts Receivable:	
State	80
Federal	1,291
Other	6,014
Other Accounts Receivable	4,609
Inventories	3,295
	292,538
Total Current Assets	292,538
Non-Current Assets:	
Capital Assets	142,619
Less: Accumulated Depreciation	(108,515)
	34,104
Total Non-Current Assets	34,104
Total Assets	326,642
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	56,698
Deferred Revenue	23,048
	79,746
Total Current Liabilities	79,746
Non-Current Liabilities:	
Compensated Absences Payable	1,286
	1,286
Total Non-Current Liabilities	1,286
Total Liabilities	81,032
<u>NET ASSETS:</u>	
Investment in Capital Assets Net of Related Debt	34,104
Unrestricted	211,506
	245,610
Total Net Assets	\$ 245,610

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN
INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY SCHOOL OF TECHNOLOGY
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>
Operating Revenue:	
Daily Sales - Reimbursable Programs	\$ 58,008
Daily Sales - Non-Reimbursable Programs	52,270
Charges for Services:	
Program Fees	736,420
Special Events	20,670
Miscellaneous Revenue	4,920
	872,288
Total Operating Revenue	872,288
Operating Expenses:	
Cost of Sales	41,658
Salaries	438,493
Employee Benefits	72,666
Purchased Professional and Technical Services	65,219
Other Purchased Services	242,951
Travel	179
Supplies and Materials	94,770
Miscellaneous Expense	35,032
Depreciation Expense	8,361
	999,329
Total Operating Expenses	999,329
Operating Loss	(127,041)
Non-Operating Income:	
State Sources:	
State School Lunch Program	1,116
Federal Sources:	
National School Lunch Program	18,794
Food Distribution Program	5,641
	25,551
Total Non-Operating Income	25,551
Change in Net Assets Before Other Items and Transfers	(101,490)

MORRIS COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>
Other Items and Transfers:	
Operating Transfer In - General Fund	\$ 47,664
Cancellation of Prior Year's Accounts Payable	2,745
Cancellation of Prior Year's Accounts Receivable	<u>(5,425)</u>
Other Items and Transfers	<u>44,984</u>
Change in Net Assets	(56,506)
Net Assets - Beginning of Year	<u>302,116</u>
Net Assets - End of Year	<u><u>\$ 245,610</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN
INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY SCHOOL OF TECHNOLOGY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 884,704
Payments to/for Employees	(511,159)
Payments to Suppliers	<u>(469,184)</u>
Net Cash Used for Operating Activities	<u>(95,639)</u>
Cash Flows Used for Capital and Related Financing Activities:	
Purchases of Capital Assets	<u>(4,039)</u>
Net Cash Used for Capital and Related Financing Activities:	<u>(4,039)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Operating Transfers	47,664
State Sources	1,134
Federal Sources	<u>18,787</u>
Net Cash Provided by Noncapital Financing Activities	<u>67,585</u>
Net Decrease in Cash and Cash Equivalents	(32,093)
Cash and Cash Equivalents, July 1	<u>309,342</u>
Cash and Cash Equivalents, June 30	<u>\$ 277,249</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (127,041)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	8,361
Food Distribution Program	5,641
Changes in Assets and Liabilities:	
(Increase) in Other Intergovernmental Accounts Receivable	(6,014)
(Increase) in Other Accounts Receivable	(1,833)
Increase in Accounts Payable	4,247
Increase in Deferred Revenue	20,648
Increase in Compensated Absences Payable	1,286
(Increase) in Inventory	<u>(934)</u>
Net Cash Used for Operating Activities	<u>\$ (95,639)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities Through the Food Distribution Program Valued at \$6,025 and Utilized Commodities Valued at \$5,640.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2011

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flex Spending Trust</u>	<u>Private Purpose Scholarships Trust</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 262,801	\$ 1,267	\$ 12,991	\$ 94,195
Total Assets	262,801	1,267	12,991	94,195
<u>LIABILITIES:</u>				
Interfund Payable - General Fund	824		10,744	
Payroll Deductions and Withholdings	24,785			
Accrued Salaries and Wages	173,951			
Due to Student Groups	63,241			
Total Liabilities	262,801		10,744	
<u>NET ASSETS:</u>				
Held in Trust for Unemployment Claims		1,267		
Held in Trust for Flex Spending Claims			2,247	
Reserved for Scholarships				94,195
Total Net Assets	\$ -0-	\$ 1,267	\$ 2,247	\$ 94,195

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY SCHOOL OF TECHNOLOGY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Flex Spending Trust</u>	<u>Private Purpose Scholarships Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 13,947	\$ 27,409	
Board Contributions	40,682		
Total Contributions	<u>54,629</u>	<u>27,409</u>	
Investment Earnings:			
Interest	6		\$ 383
Total Additions	<u>54,635</u>	<u>27,409</u>	<u>383</u>
DEDUCTIONS:			
Unemployment Benefit Claims	57,424		
Flex Spending Claims		25,565	
Scholarships Awarded			1,500
Bank Service Charges			26
Total Deductions	<u>57,424</u>	<u>25,565</u>	<u>1,526</u>
Change in Net Assets	(2,789)	1,844	(1,143)
Net Assets - Beginning of the Year	<u>4,056</u>	<u>403</u>	<u>95,338</u>
Net Assets - End of the Year	<u>\$ 1,267</u>	<u>\$ 2,247</u>	<u>\$ 94,195</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of officials who are appointed by the Morris County Board of Chosen Freeholders and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Accordingly, the Morris County School of Technology is a component unit of the County of Morris under the provisions of Governmental Accounting Standards Board's Codification Section 2100. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include a vocational school located in Denville and special academies located in the Morris Hills Regional and Borough of Butler school districts. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net assets and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported 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 NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from bond ordinances that are specifically authorized by the Board of School Estimate, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: Because Vocational School capital projects are authorized by the County Board of Chosen Freeholders under a bond ordinance and the subsequent debt is funded directly from the County budget, the Debt Service Fund does not apply to the Morris County School of Technology.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

B. Basis of Presentation: (Cont'd)

Enterprise Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's Enterprise Funds. The District operates several Enterprise Funds. The District's Enterprise Funds are comprised of the Supermarket Program, Internet Consortium, ETTC (Educational Technology Training Center), Adult Education, Cosmetology, Food Service and Food Function Funds. None of the District's individual Enterprise Funds is a major fund. These Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students or to the public on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, the Payroll Agency Fund, the Private Purpose Scholarships Trust Fund, the Flex Spending Trust Fund and the Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of County bond ordinances and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net assets may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

Reports for the District's Enterprise Funds are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the County Board of School Estimate, which consists of three Morris County freeholders and two Morris County Vocational School Board members. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

Bond Ordinance proceeds in the Capital Projects Fund are recognized on the budgetary basis in the year that the respective ordinance is authorized; while on a GAAP basis revenue is recognized based on actual expenditures.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 16,444,382	\$ 1,533,295
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(92,482)
Cancellation of Prior Year Encumbrances		(14,293)
Prior Year Encumbrances		137,422
Prior Year State Aid Payments Recognized for GAAP Statements	158,330	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(69,674)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 16,533,038	\$ 1,563,942

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,106,316	\$ 1,533,295
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.		
Current Year Encumbrances		(92,482)
Cancellation of Prior Year Encumbrances		(14,293)
Prior Year Encumbrances		137,422
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 16,106,316</u>	<u>\$ 1,563,942</u>

E. Cash and Cash Equivalents and Investments

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

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having market value of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing source/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

F. Interfund Transactions: (Cont'd)

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, 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 expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

K. Capital Assets: (Cont'd)

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net assets, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond issuance costs as expenditures in 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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Accrued Salaries and Wages

Beginning in fiscal year 2011, certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2011, the amount earned by these employees but not disbursed was \$173,951.

N. Compensated Absences

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

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

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

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

O. Deferred Revenue

Deferred revenue in the special revenue fund and enterprise fund represent cash which has been received but not yet earned.

P. Fund Balance Appropriated

General Fund: Of the \$1,642,111 General Fund fund balance at June 30, 2011, \$191,506 is assigned for encumbrances; \$719,472 is restricted in the capital reserve account; and \$731,133 is unassigned, which is \$69,674 less than the budgetary unassigned fund balance.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted 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 restrict 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 year's budget. The District did not have excess surplus at June 30, 2011.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last state aid payments, and not the fund balance reported on the fund statement which excludes the last state aid payments.

Q. Deficit Net Assets

The Food Service Enterprise Fund has a deficit in unrestricted net assets of \$10,501 due to an operating loss of \$54,609 during the fiscal year ended June 30, 2011. The District will resolve this deficit with General Fund contributions during fiscal year ended June 30, 2012.

R. Net Assets:

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

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments:

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the current fiscal year. The objective of this standard is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions (as detailed in Note 1B). This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources for year-end encumbrances at June 30, 2011.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2011.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end. Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales or program fees, as applicable, for the various Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

V. Management Estimates:

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures* requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following pages.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

	<u>Cash and Cash Equivalents</u>	<u>Capital Reserve Account</u>	<u>Total</u>
Checking and Savings Accounts	\$ 366,700	\$ 719,472	\$ 1,086,172
	<u>\$ 366,700</u>	<u>\$ 719,472</u>	<u>\$ 1,086,172</u>

During the period ended June 30, 2011, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2011 was \$1,086,172 and the bank balance was \$1,534,225. The cash and cash equivalents balance at June 30, 2011 of \$1,086,172 differs from the total of \$1,367,975 on the Governmental Funds Balance Sheet and Proprietary Funds and Fiduciary Fund Statements of Net Assets at June 30, 2011 by \$281,803. This difference is the result of cash deficit in the Special Revenue Fund of \$190,385 due to outstanding federal grants receivables and cash deficit of \$91,418 in the General Fund due to the board approved transfer of funds to Capital Reserve and Restricted Cash and Cash Equivalents. This cash deficit of \$281,803 is included as accounts payable on the Balance Sheet.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on October 16, 2000 in the amount of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, the district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amount or both. A district may also appropriate additional amounts with the express approval of the Board of School Estimate authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2010	\$ 615,158
Add:	
Interest Earnings	514
Transfer from Unassigned Fund Balance as per Board Resolution - June 14, 2011	350,000
Less:	
Budgeted Withdrawal	<u>(246,200)</u>
Ending Balance, June 30, 2011	<u>\$ 719,472</u>

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects exceeds the balance in the capital reserve account at June 30, 2011.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2011 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 308,600			\$ 308,600
Total Capital Assets Not Being Depreciated	<u>308,600</u>			<u>308,600</u>
Capital Assets Being Depreciated:				
Site Improvements	1,110,900			1,110,900
Buildings and Building Improvements	21,747,323			21,747,323
Machinery and Equipment	1,798,957	\$ 101,775	\$ (8,400)	1,892,332
Total Capital Assets Being Depreciated	<u>24,657,180</u>	<u>101,775</u>	<u>(8,400)</u>	<u>24,750,555</u>
Governmental Activities Capital Assets	<u>24,965,780</u>	<u>101,775</u>	<u>(8,400)</u>	<u>25,059,155</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,100,713)	(815)		(1,101,528)
Buildings and Building Improvements	(4,886,814)	(434,946)		(5,321,760)
Machinery and Equipment	(1,251,588)	(123,715)	8,400	(1,366,903)
	<u>(7,239,115)</u>	<u>(559,476)</u>	<u>8,400</u>	<u>(7,790,191)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 17,726,665</u>	<u>\$ (457,701)</u>	<u>\$ -0-</u>	<u>\$ 17,268,964</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 138,580	\$ 4,039		\$ 142,619
Less Accumulated Depreciation	<u>(100,154)</u>	<u>(8,361)</u>		<u>(108,515)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 38,426</u>	<u>\$ (4,322)</u>	<u>\$ -0-</u>	<u>\$ 34,104</u>

The District has no active construction projects as of June 30, 2011.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 536
Regular Vocational Education	73,634
Special Vocational Education	5,326
Other Instruction	5,403
General Administration	1,006
School Administration	940
Administrative Information Technology	23,470
Plant Operations and Maintenance	7,637
Special Schools	5,763
Unallocated	435,761
	<u>\$ 559,476</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2011, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2010</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2011</u>
Compensated Absences Payable	<u>\$ 364,895</u>	<u>\$ 58,218</u>	<u>\$ 79,970</u>	<u>\$ 343,143</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the County of Morris Board of Chosen Freeholders by adopting a bond ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County of Morris Board of Chosen Freeholders are general obligation bonds of the County of Morris and therefore are not recorded as debt of the Morris County School of Technology.

B. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term liability balance of compensated absences of \$341,857. The General Fund will be used to liquidate compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, \$1,286 is recorded for compensated absences in the Enterprise Funds.

NOTE 7. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey. These systems are sponsored and administered by the State of New Jersey. The TPAF 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 noncontribution employers. The PERS is also considered a cost-sharing, multiple-employer plan.

Employees who are members of TPAF or PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. 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.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Employee contributions are based on percentages of 5.50% for TPAF and 5.50% for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF.

District Contributions to PERS amounted to \$232,710, \$195,576 and \$170,449 for the fiscal years ended June 30, 2011, 2010 and 2009, respectively.

During the fiscal years ended June 30, 2011, 2010 and 2009 the State of New Jersey contributed \$-0-, \$-0- and \$-0-, respectively, to the TPAF for normal pension benefits on-behalf of the District

NOTE 8. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for 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 Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one-half of 1% of the active State payroll each year.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, TPAF 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 Chapter 126 benefits for 14,050 eligible retired members.

The State's on-behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$461,588, \$353,035 and \$210,439 for 2011, 2010 and 2009, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 9. 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. The District obtains their health benefit coverage through the State of New Jersey Health Benefits Plan.

Property, Liability and Health Benefits

The Morris County School of Technology is a member of the Morris County Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage for its members. The Morris County School of Technology is also a member of the Morris-Essex Insurance Group (the "Group"). This public entity risk management pool provides workers' compensation coverage for its members.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund and the Group are risk-sharing public entity risk pools that are an insured and self-administered group of school boards or other governmental entities established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund/Group are elected.

As a member of these Fund/Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of either Fund/Group were to be exhausted, members would become responsible for their respective shares of the respective Fund's liabilities. The Fund/Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2011 audit report for the Pool is not available as of the date of this report. Selected, summarized financial information for the Pools are as follow:

	<u>Morris County Insurance Fund Dec. 31, 2010</u>	<u>Morris-Essex Insurance Group June 30, 2010</u>
Total Assets	\$ 8,523,256	\$ 6,704,867
Net Assets	\$ 546,415	\$ 2,481,257
Total Revenue	\$ 3,788,464	\$ 2,839,218
Total Expenses	\$ 2,984,510	\$ 2,151,940
Change in Net Assets	\$ 803,954	\$ 687,278
Net Assets Distribution to Participating Members	\$ -0-	\$ 607,096

Financial statements for the Pools are available at the various Executive Directors' Offices:

Morris County Insurance Fund

Wachovia Insurance
P.O. Box 927
Wayne, NJ 07470

Morris-Essex Insurance Group

Burton Agency
44 Bergen Street
P.O. Box 270
Westwood, NJ 07675

New Jersey Unemployment Compensation Insurance

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

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)New Jersey Unemployment Compensation Insurance (Cont'd)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 40,682	\$ 6	\$ 13,947	\$ 57,424	\$ 1,267
2009-2010	-0-	-0-	15,302	43,525	4,056
2008-2009	-0-	20	13,793	14,811	32,279

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 201,953	
Special Revenue Fund		\$ 190,385
Fiduciary Fund - Flex Spending Trust		10,744
Fiduciary Fund - Payroll Agency		824
	<u>\$ 201,953</u>	<u>\$ 201,953</u>

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund. The deficit is due to the timing between expenditure and reimbursement from the State. The interfund between the General Fund and the Flex Spending Trust Fund is \$10,744 the General Fund advanced the Flex Spending Trust Fund to open a bank account in the prior years. The interfund between the General Fund and the Payroll Agency Fund is \$824 of the 1.5% health cost withholding due to General Fund at year end. The General Fund transferred \$47,664 to the Food Service to partially fund an operating deficit in the Food Service Fund.

NOTE 12. DEFERRED COMPENSATION

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

- Met Life Investors
- Sun Life Financial (Merrill Lynch)
- Lincoln National
- AXA Equitable
- AIG - Valic

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO BASIC THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Continued)

NOTE 13. TAX CALENDAR

Property taxes are levied by the County as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the County who then disburses those funds to the School District on a predetermined mutually agreed-upon schedule.

NOTE 14. ACCOUNTS PAYABLE

Payables as of June 30, 2011 were:

	<u>Governmental Activities</u>			<u>Business-Type</u>
	<u>General</u>	<u>Special</u>	<u>Total</u>	<u>Activities</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Governmental</u>	<u>Enterprise</u>
		<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Salaries	\$ 22,883		\$ 22,883	
Due to State of New Jersey	1,793	\$ 45,915	47,708	
Vendors	294,717	11,408	306,125	\$ 56,698
	<u>\$ 319,393</u>	<u>\$ 57,323</u>	<u>\$ 376,716</u>	<u>\$ 56,698</u>

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The District is periodically involved in pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO BASIC THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 15. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2011, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 191,506	\$ 92,482	\$ -0-	\$ 283,988

On the District's Governmental Funds Balance Sheet as of June 30, 2011, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$92,482 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in deferred revenue.

BUDGETARY COMPARISON SCHEDULES

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
County Tax Levy	\$ 6,351,286		\$ 6,351,286	\$ 6,351,286	
Tuition from LEA's	7,482,286		7,482,286	7,915,480	\$ 433,194
Other Tuition	341,132		341,132	317,488	(23,644)
Interest Earned on Capital Reserve	23,000		23,000	514	(22,486)
Unrestricted Miscellaneous Revenues	75,000		75,000	126,288	51,288
Total - Local Sources	<u>14,272,704</u>		<u>14,272,704</u>	<u>14,711,056</u>	<u>438,352</u>
State Sources:					
Categorical Special Education Aid	439,079		439,079	439,079	
Equalization Aid	95,103		95,103	95,103	
Categorical Security Aid	60,820		60,820	60,820	
Adjustment Aid	173,860		173,860	173,860	
TPAF Non-Contributory Insurance (Non-Budgeted)				20,755	20,755
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				440,833	440,833
TPAF Reimbursed Social Security (Non-Budgeted)				502,876	502,876
Total State Sources	<u>768,862</u>		<u>768,862</u>	<u>1,733,326</u>	<u>964,464</u>
Total Revenues	<u>15,041,566</u>		<u>15,041,566</u>	<u>16,444,382</u>	<u>1,402,816</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Grade 9-12 - Instruction:					
Salaries of Teachers	\$ 2,073,446	\$ (21,020)	\$ 2,052,426	\$ 2,045,318	\$ 7,108
Purchased Professional-Educational Services	1,618,050	244,235	1,862,285	1,793,289	68,996
Other Purchased Services	10,553	1,567	12,120	9,934	2,186
General Supplies	79,948	(29,449)	50,499	47,561	2,938
Textbooks	55,608	17,788	73,396	72,973	423
Other Objects	18,700	(18,199)	501	249	252
Total Grade 9-12 - Instruction	3,856,305	194,922	4,051,227	3,969,324	81,903
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	(5,000)	5,000	2,475	2,525
Total Home Instruction	10,000	(5,000)	5,000	2,475	2,525
Total Regular Programs - Instruction	3,866,305	189,922	4,056,227	3,971,799	84,428
Special Education Instruction - Resource Room/Resource Center:					
Salaries of Teachers	238,777	18,940	257,717	257,717	
Other Purchased Services		200.00	200	100	100
General Supplies	1,100	(700)	400	400	
Textbooks	1,140		1,140		1,140
Total Resource Room/Resource Center	241,017	18,440	259,457	258,217	1,240
Regular Vocational Programs:					
Salaries of Teachers	1,920,903	415	1,921,318	1,921,140	178
Purchased Professional-Educational Services	34,725	(1,564)	33,161	30,779	2,382
Purchased Technical Services	14,069	(7,452)	6,617	3,496	3,121
Other Purchased Services	30,106	(11,833)	18,273	13,519	4,754
General Supplies	201,678	(9,390)	192,288	184,249	8,039

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Vocational Programs (Cont'd):					
Textbooks	\$ 23,677	\$ (10,023)	\$ 13,654	13,653	\$ 1
Other Objects	15,903	(6,573)	9,330	\$ 6,708	2,622
Total Regular Vocational Programs	2,241,061	(46,420)	2,194,641	2,173,544	21,097
Special Vocational Programs:					
Salaries of Teachers	295,636	41,664	337,300	337,300	
Purchased Technical Services	2,000	(2,000)			
Other Purchased Services	500	4,295	4,795	4,778	17
General Supplies	29,201	(6,275)	22,926	22,633	293
Textbooks	960	(628)	332	332	
Other Objects	2,000	(248)	1,752	126	1,626
Special Vocational Programs	330,297	36,808	367,105	365,169	1,936
School-Sponsored Co-curricular Activities:					
Salaries	69,000	8,971	77,971	77,971	
Purchased Services	41,129	(30,500)	10,629	6,235	4,394
Supplies and Materials	8,625	(7,515)	1,110	845	265
Other Objects	23,189	2,972	26,161	22,542	3,619
Total School-Sponsored Co-curricular Activities	141,943	(26,072)	115,871	107,593	8,278
School-Sponsored Athletics:					
Salaries	91,628	(4,496)	87,132	87,132	
Purchased Services	35,236	537	35,773	28,404	7,369
Supplies and Materials	11,436	(3,473)	7,963	7,891	72
Other Objects	8,090	(100)	7,990	7,663	327
Total School-Sponsored Co curricular Activities	146,390	(7,532)	138,858	131,090	7,768
Total Instruction	6,967,013	165,146	7,132,159	7,007,412	124,747

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Attendance and Social Work Services:					
Salaries	\$ 50,754		\$ 50,754	\$ 50,754	
Supplies and Materials		\$ 964	964	938	\$ 26
Total Undist. Expend. - Attendance and Social Work Services	<u>50,754</u>	<u>964</u>	<u>51,718</u>	<u>51,692</u>	<u>26</u>
Undist. Expend. - Health Services:					
Salaries	73,974	5,580	79,554	78,142	1,412
Purchased Professional and Technical Services	3,265	3,995	7,260	7,260	
Other Purchased Services		2,000	2,000	174	1,826
Supplies and Materials	3,240	(575)	2,665	2,019	646
Other Objects	1,000	20	1,020	1,020	
Total Undist. Expend. - Health Services	<u>81,479</u>	<u>11,020</u>	<u>92,499</u>	<u>87,595</u>	<u>4,904</u>
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	487,471	(38,568)	448,903	448,903	
Salaries of Secretarial and Clerical Assistants	86,858	69,326	156,184	156,184	
Purchased Professional - Educational Services	250		250		250
Other Purchased Services	22,479	(973)	21,506	19,011	2,495
Supplies and Materials	5,025	7,677	12,702	12,056	646
Other Objects	7,225	(4,996)	2,229	1,198	1,031
Total Undist. Expend. - Guidance	<u>609,308</u>	<u>32,466</u>	<u>641,774</u>	<u>637,352</u>	<u>4,422</u>
Undist. Expend. - Child Study Teams:					
Salaries of Other Professional Staff	245,582	(7,622)	237,960	237,960	
Purchased Professional - Educational Services	500		500		500
Other Purchased Services	250	(75)	175		175
Supplies and Materials	300	2,378	2,678	2,170	508
Other Objects	500	(375)	125	30	95
Total Undist. Expend. - Child Study Teams	<u>247,132</u>	<u>(5,694)</u>	<u>241,438</u>	<u>240,160</u>	<u>1,278</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	\$ 306,063	\$ 45,968	\$ 352,031	\$ 352,031	
Salaries of Secretarial and Clerical Assistants		68,471	68,471	68,471	
Total Undist. Expend. - Improvement of Instruction Services	306,063	114,439	420,502	420,502	
Undist. Expend. - Educational Media Services/School Library:					
Salaries		7,365	7,365	7,365	
Other Purchased Services	5,857	(2,867)	2,990	2,990	
Supplies and Materials	2,843	17,113	19,956	19,956	
Total Undist. Expend. - Educational Media Services/School Library	8,700	21,611	30,311	30,311	
Undist. Expend. - Support Services - General Administration:					
Salaries	287,955	(199)	287,756	287,599	\$ 157
Legal Services	46,000	(21,527)	24,473	22,116	2,357
Audit Fees	38,000	200	38,200	38,200	
Other Purchased Professional Services	40,000	(35,293)	4,707	3,540	1,167
Communications/Telephone	70,156	2,461	72,617	69,390	3,227
Other Purchased Services	18,500	21,230	39,730	32,548	7,182
General Supplies	17,360	5,592	22,952	14,569	8,383
Miscellaneous Expenditures	31,890	(8,806)	23,084	15,477	7,607
Total Undist. Expend. - Support Services - General Administration	549,861	(36,342)	513,519	483,439	30,080
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	627,875	(64,618)	563,257	563,257	
Salaries of Secretarial and Clerical Assistants	325,374	(75,817)	249,557	251,091	(1,534)
Other Salaries	74,012	(72,329)	1,683	1,683	
Purchased Professional and Technical Services	4,000	(650)	3,350	1,518	1,832
Other Purchased Services	71,468	8,374	79,842	73,719	6,123

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Support Services - School Administration (Cont'd):					
Supplies and Materials	\$ 27,190	\$ 4,853	\$ 32,043	\$ 30,095	\$ 1,948
Other Objects	15,400	(670)	14,730	9,704	5,026
Total Undist. Expend. - Support Services - School Administration	1,145,319	(200,857)	944,462	931,067	13,395
Undistributed Expenditures - Central Services:					
Salaries	426,278	(6,946)	419,332	419,332	
Purchased Professional Services	64,000		64,000	54,880	9,120
Miscellaneous Purchased Services	30,500	(19,510)	10,990	9,388	1,602
Supplies and Materials	30,005	(17,451)	12,554	12,554	
Miscellaneous Expenditures	15,465	(1)	15,464	8,591	6,873
Total Undistributed Expenditures - Central Services	566,248	(43,908)	522,340	504,745	17,595
Undistributed Expenditures - Administrative Information Technology:					
Salaries	163,732	(25,383)	138,349	138,349	
Purchased Professional Services	2,110		2,110	1,533	577
Supplies and Materials	18,737	(10,378)	8,359	4,535	3,824
Total Undistributed Expenditures - Admin. Info. Technology	184,579	(35,761)	148,818	144,417	4,401
Required Maintenance for School Facilities:					
Salaries	243,413	2,300	245,713	245,680	33
Cleaning, Repair and Maintenance Services	67,338	16,096	83,434	73,992	9,442
General Supplies	13,600	2,000	15,600	9,993	5,607
Other Objects	500		500	125	375
Total Required Maintenance for School Facilities	324,851	20,396	345,247	329,790	15,457
Undist. Expend. - Custodial Services:					
Salaries	459,624	(30,166)	429,458	429,298	160

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Custodial Services: (Cont'd)					
Purchased Professional and Technical Services	\$ 40,209	\$ (10,595)	\$ 29,614	\$ 24,114	\$ 5,500
Cleaning, Repair and Maintenance Services	47,756	8,521	56,277	48,995	7,282
Other Purchased Property Services	6,500	5,224	11,724	11,663	61
Insurance	20,000	50,798	70,798	70,798	
Miscellaneous Purchased Services	228	1,791	2,019	1,858	161
General Supplies	57,494	18,351	75,845	48,602	27,243
Energy (Natural Gas)	200,000	46,170	246,170	246,170	
Energy (Electricity)	420,000	494	420,494	420,494	
Other Objects	6,000	(4,679)	1,321	852	469
Total Undist. Expend. - Custodial Services	1,257,811	85,909	1,343,720	1,302,844	40,876
Undist. Expend. - Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	30,375	(22,050)	8,325	7,995	330
Total Undist. Expend. - Care and Upkeep of Grounds	30,375	(22,050)	8,325	7,995	330
Undist. Expend. -Security:					
Salaries	82,368	(5,494)	76,874	76,874	(0)
Total Undist. Expend. - Security	82,368	(5,494)	76,874	76,874	(0)
Undistributed Expenditures - Student Transportation Services					
Salaries for Pupil Transportation:					
Other than Between Home and School	6,000	(3,035)	2,965	2,965	
Contracted Services:					
Other than Between Home and School - Vendors	160,000		160,000	100,483	59,517
Other Purchased Professional & Technical Services		275	275	275	
Cleaning, Repair, & Maintenance Services		1,000	1,000		1,000
Miscellaneous Purchased Services - Transportation		18,435	18,435	4,747	13,688
Total Undistributed Expenditures - Student Transportation Services	166,000	16,675	182,675	108,470	74,205

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction - Allocated Benefits:					
Social Security Contributions	\$ 1,965	\$ (79)	\$ 1,886	\$ 1,802	\$ 84
Unemployment Compensation	14,500		14,500	11,609	2,891
Workmen's Compensation	18,536		18,536	18,496	40
Health Benefits	375,422	65,516	440,938	440,938	
Tuition Reimbursement	35,400	(23,385)	12,015	12,015	
Other Employee Benefits	35,892	(5,677)	30,215	29,319	896
Total Regular Programs - Allocated Benefits	<u>481,715</u>	<u>36,375</u>	<u>518,090</u>	<u>514,179</u>	<u>3,911</u>
Special Programs - Instruction - Allocated Benefits:					
Social Security Contributions		1,313	1,313	1,313	
Workmen's Compensation	1,500	(40)	1,460	1,460	
Health Benefits	55,959	(1,169)	54,790	54,790	
Tuition Reimbursement		1,200	1,200	1,200	
Other Employee Benefits	4,682	638	5,320	5,320	
Total Special Programs - Instruction - Allocated Benefits	<u>62,141</u>	<u>1,942</u>	<u>64,083</u>	<u>64,083</u>	
Vocational Programs - Allocated Benefits:					
Social Security Contributions	20,000	1,735	21,735	21,735	
Other Retirement Contributions - PERS	42,525	(38,734)	3,791	3,791	
Unemployment Compensation	16,500	(50)	16,450	12,373	4,077
Workmen's Compensation	26,136		26,136	25,976	160
Health Benefits	446,506	(53,037)	393,469	393,469	
Tuition Reimbursement	17,311	(7,756)	9,555	6,111	3,444
Other Employee Benefits	39,012	(1,913)	37,099	37,003	96
Total Vocational Programs - Allocated Benefits	<u>607,990</u>	<u>(99,755)</u>	<u>508,235</u>	<u>500,458</u>	<u>7,777</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Other Instructional Programs - Allocated Benefits:					
Social Security Contributions	\$ 12,800		\$ 12,800	\$ 11,715	\$ 1,085
Workmen's Compensation	1,100		1,100	1,020	80
Total Other Instructional Programs - Allocated Benefits	<u>13,900</u>		<u>13,900</u>	<u>12,735</u>	<u>1,165</u>
Attendance and Social Work - Allocated Benefits:					
Social Security Contributions	3,883		3,883	3,883	
Other Retirement Contributions - PERS	2,025	\$ 3,473	5,498	5,498	
Workmen's Compensation	750		750	710	40
Health Benefits	22,567	(8,633)	13,934	13,642	292
Other Employee Benefits	1,561	(143)	1,418	1,417	1
Total Attendance and Social Work - Allocated Benefits	<u>30,786</u>	<u>(5,303)</u>	<u>25,483</u>	<u>25,150</u>	<u>333</u>
Health Services - Allocated Benefits:					
Social Security Contributions	563	(410)	153	153	
Other Retirement Contributions - PERS	6,075	(6,075)			
Workmen's Compensation	2,200		2,200	2,160	40
Health Benefits	17,144	(3,313)	13,831	13,831	
Tuition Reimbursement	7,200		7,200	7,200	
Other Employee Benefits	1,561	(24)	1,537	1,537	
Total Health Services - Allocated Benefits	<u>34,743</u>	<u>(9,822)</u>	<u>24,921</u>	<u>24,881</u>	<u>40</u>
Undist. Expend. - Guidance - Allocated Benefits :					
Social Security Contributions	913	6,447	7,360	6,653	707
Other Retirement Contributions		17,056	17,056	17,056	
Workmen's Compensation	5,266	40	5,306	5,186	120
Health Benefits	96,672	(217)	96,455	96,360	95

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Guidance - Allocated Benefits : (Cont'd)					
Tuition Reimbursement	\$ 1,200		\$ 1,200	\$ 1,200	
Other Employee Benefits	7,803	\$ 378	8,181	8,039	\$ 142
Total Undist. Expend. - Guidance - Allocated Benefits	111,854	23,704	135,558	134,494	1,064
Undist. Expend. - Child Study Team - Allocated Benefits:					
Social Security Contributions	150	36	186	58	128
Workmen's Compensation	1,758	(36)	1,722	1,718	4
Health Benefits	28,366	2,613	30,979	30,979	
Tuition Reimbursement		1,800	1,800	1,800	
Other Employee Benefits	3,121	(284)	2,837	2,837	
Total Undist. Expend. - Child Study Team - Allocated Benefits	33,395	4,129	37,524	37,392	132
Undist. Expend. - Improvement of Instruction Services - Allocated Benefits:					
Other Retirement Contributions		8,730	8,730	8,730	
Health Benefits		53,295	53,295	53,295	
Other Employee Benefits		7,093	7,093	7,093	
Total Undist. Expend. - Instructional Staff Training Services - Allocated Benefits		69,118	69,118	69,118	
Undist. Expend. - Support Services - General Administration - Allocated Benefits:					
Social Security Contributions	8,710		8,710	8,614	96
Other Retirement Contribution - PERS	8,100	4,342	12,442	12,442	
Workmen's Compensation	3,621		3,621	3,541	80
Health Benefits	47,004	(6,163)	40,841	40,841	

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Support Services - General Administration -					
Allocated Benefits: (Cont'd)					
Other Employee Benefits	\$ 4,682	\$ 401	\$ 5,083	\$ 5,083	
Total Undist. Expend. - Support Services - General Administration -					
Allocated Benefits	<u>72,117</u>	<u>(1,420)</u>	<u>70,697</u>	<u>70,521</u>	<u>\$ 176</u>
Undist. Expend. - Support Serv. - School Administration - Allocated					
Benefits:					
Social Security Contributions	42,083	(7,878)	34,205	34,082	123
Other Retirement Contribution - PERS	64,800	(42,182)	22,618	22,618	
Unemployment Compensation	12,000		12,000	12,000	
Workmen's Compensation	12,152	(40)	12,112	11,992	120
Health Benefits	336,751	(146,773)	189,978	180,570	9,408
Tuition Reimbursement	6,000	(4,025)	1,975	1,800	175
Other Employee Benefits	24,968	(8,677)	16,291	12,591	3,700
Total Undist. Expend. - Support Serv. - School Administration -					
Allocated Benefits	<u>498,754</u>	<u>(209,575)</u>	<u>289,179</u>	<u>275,653</u>	<u>13,526</u>
Undist. Expend. - Support Serv. - Central Services - Allocated					
Benefits:					
Social Security Contributions	21,523	(265)	21,258	21,095	163
Other Retirement Contribution - PERS	12,150	18,672	30,822	30,822	
Unemployment Compensation	2,000		2,000	2,000	
Workmen's Compensation	7,000		7,000	6,960	40
Health Benefits	95,818	(12,383)	83,435	82,356	1,079
Other Employee Benefits	9,363	(279)	9,084	7,921	1,163
Total Undist. Expend. - Support Serv. - Central Services -					
Allocated Benefits	<u>147,854</u>	<u>5,745</u>	<u>153,599</u>	<u>151,154</u>	<u>2,445</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Support Serv. - Admin. Info. Tech. - Allocated					
Benefits:					
Social Security Contributions	\$ 12,550		\$ 12,550	\$ 12,042	\$ 508
Other Retirement Contribution - PERS	4,050	\$ 14,042	18,092	18,092	
Unemployment Compensation	500		500	500	
Workmen's Compensation	2,000		2,000	1,960	40
Health Benefits	17,144	(3,215)	13,929	13,929	
Other Employee Benefits	1,561	(142)	1,419	1,419	
Total Undist. Expend. - Support Serv. - Admin. Info. Tech. - Allocated Benefits	37,805	10,685	48,490	47,942	548
Undist. Expend. - Operation & Maintenance of Plant - Allocated					
Benefits:					
Social Security Contributions	56,635	3,051	59,686	59,092	594
Other Retirement Contribution - PERS	60,750	19,797	80,547	80,547	
Unemployment Compensation	4,500		4,500	2,200	2,300
Workmen's Compensation	12,077		12,077	11,957	120
Health Benefits	188,814	(2,307)	186,507	182,056	4,451
Other Employee Benefits	15,605	(838)	14,767	14,658	109
Total Undist. Expend. - Other Operation & Maintenance of Plant - Allocated Benefits	338,381	19,703	358,084	350,510	7,574
Student Transportation Services - Allocated Benefits:					
Social Security Contributions	500	(479)	21		21
Total Student Transportation Services	500	(479)	21		21

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				\$ 20,755	\$ (20,755)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				440,833	(440,833)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				502,876	(502,876)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>964,464</u>	<u>(964,464)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>\$ 2,471,935</u>	<u>\$ (154,953)</u>	<u>\$ 2,316,982</u>	<u>3,242,734</u>	<u>(925,752)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>5,610,848</u>	<u>(46,626)</u>	<u>5,564,222</u>	<u>5,357,253</u>	<u>206,969</u>
TOTAL GENERAL CURRENT EXPENSE	<u>15,049,796</u>	<u>(36,433)</u>	<u>15,013,363</u>	<u>15,607,399</u>	<u>(594,036)</u>
CAPITAL OUTLAY:					
Equipment:					
Vocational Programs:					
Regular Programs		11,348	11,348		11,348
Undistributed Expenditures:					
Other Support Services Students - Regular		5,566	5,566	5,566	
Administrative Information Technology	5,000		5,000		5,000
Other Operations & Maintenance of Plant		3,469	3,469	3,219	250
School Buses - Regular		40,201	40,201	40,201	
Special Schools (All Programs)		8,257	8,257		8,257
Total Equipment	<u>5,000</u>	<u>68,841</u>	<u>73,841</u>	<u>48,986</u>	<u>24,855</u>
Facilities Acquisition and Construction Services:					
Other Objects	72,104		72,104	72,104	
Total Facilities Acquisition and Construction Services	<u>72,104</u>		<u>72,104</u>	<u>72,104</u>	
TOTAL CAPITAL OUTLAY	<u>77,104</u>	<u>68,841</u>	<u>145,945</u>	<u>121,090</u>	<u>24,855</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
SPECIAL SCHOOLS					
Post-Secondary - Instruction:					
Salaries of Teachers	\$ 280,630	\$ (81,493)	\$ 199,137	\$ 199,137	
Purchased Professional and Technical Services	7,700	(3,003)	4,697	4,489	\$ 208
Other Purchased Services	3,914	(1,713)	2,201	2,029	172
General Supplies	28,817	(5,451)	23,366	21,439	1,927
Textbooks	8,000	18,980	26,980	26,980	
Other Objects		930	930	574	356
Total Post-Secondary - Instruction	<u>329,061</u>	<u>(71,750)</u>	<u>257,311</u>	<u>254,648</u>	<u>2,663</u>
Post-Secondary - Support Services:					
Salaries	15,512	(430)	15,082	15,082	
Personal Services - Employee Benefits	67,760	(22,759)	45,001	45,001	
Other Purchased Services		1,030	1,030	325	705
Total Post-Secondary - Support Services	<u>83,272</u>	<u>(22,159)</u>	<u>61,113</u>	<u>60,408</u>	<u>705</u>
Accredited Evening/Adult H.S./Post Graduate - Instruction:					
Salaries of Teachers	25,000	(2,269)	22,731	22,731	
General Supplies	1,500	(1,089)	411	411	
Total Accredited Evening/Adult H.S./Post Graduate - Instruction	<u>26,500</u>	<u>(3,358)</u>	<u>23,142</u>	<u>23,142</u>	
Accredited Evening/Adult H.S./Post Graduate - Support Services:					
Salaries	7,757	24,098	31,855	31,855	
Personal Services - Employee Benefits	3,004	(1,903)	1,101	1,061	40
Accredited Evening/Adult H.S./Post Graduate - Support Services	<u>10,761</u>	<u>22,195</u>	<u>32,956</u>	<u>32,916</u>	<u>40</u>
Vocational Evening - Local - Instruction:					
Purchased Professional and Technical Services	400		400		400
General Supplies	546		546	485	61

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
SPECIAL SCHOOLS					
Vocational Evening - Local - Instruction: (Cont'd)					
Textbooks	\$ 659		\$ 659		\$ 659
Total Vocational Evening - Local - Instruction	<u>1,605</u>		<u>1,605</u>	<u>\$ 485</u>	<u>1,120</u>
Vocational Evening - Local - Support Services:					
Purchased Professional and Technical Services	2,190		2,190	2,182	8
Other Purchased Services	2,053		2,053	1,569	484
Supplies and Materials	594		594	520	74
Other Objects	<u>2,064</u>		<u>2,064</u>	<u>1,957</u>	<u>107</u>
Total Vocational Evening - Local - Support Services	<u>6,901</u>		<u>6,901</u>	<u>6,228</u>	<u>673</u>
Total Vocational Evening-Local	<u>8,506</u>		<u>8,506</u>	<u>6,713</u>	<u>1,793</u>
TOTAL SPECIAL SCHOOLS	<u>458,100</u>	<u>\$ (75,072)</u>	<u>383,028</u>	<u>377,827</u>	<u>5,201</u>
TOTAL EXPENDITURES	<u>15,585,000</u>	<u>(42,664)</u>	<u>15,542,336</u>	<u>16,106,316</u>	<u>(563,980)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(543,434)</u>	<u>42,664</u>	<u>(500,770)</u>	<u>338,066</u>	<u>838,836</u>
Other Financing Sources/(Uses):					
Transfer to Food Service Fund	(5,000)	(42,664)	(47,664)	(47,664)	
Capital Reserve - Transfer to Capital Projects Fund	(246,200)		(246,200)	(246,200)	
Total Other Financing Sources/(Uses)	<u>(251,200)</u>	<u>(42,664)</u>	<u>(293,864)</u>	<u>(293,864)</u>	
Excess/(Deficit) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing (Uses)	<u>(794,634)</u>		<u>(794,634)</u>	<u>44,202</u>	<u>838,836</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Fund Balance, July 1	\$ 1,667,583		\$ 1,667,583	\$ 1,667,583	
Fund Balance, June 30	\$ 872,949	\$ -0-	\$ 872,949	\$ 1,711,785	\$ 838,836
 <u>Recapitulation:</u>					
<u>Restricted:</u>					
Capital Reserve				\$ 719,472	
<u>Assigned:</u>					
Year End Encumbrances				191,506	
Unassigned				<u>800,807</u>	
				1,711,785	
 <u>Reconciliation to Governmental Funds Statement (GAAP):</u>					
Last State Aid Payment not Recognized on GAAP Basis				<u>(69,674)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,642,111</u>	

MORRIS COUNTY SCHOOL OF TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 20,000	\$ (182)	\$ 19,818	\$ 13,445	\$ (6,373)
Federal Sources	1,048,000	608,501	1,656,501	1,519,850	(136,651)
Total Revenues	<u>1,068,000</u>	<u>608,319</u>	<u>1,676,319</u>	<u>1,533,295</u>	<u>(143,024)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	267,000	39,610	306,610	246,856	59,754
Purchased Professional and Technical Services		25,901	25,901	25,713	188
General Supplies	267,000	11,020	278,020	273,126	4,894
Other Objects		11,688	11,688	11,446	242
Total Instruction	<u>534,000</u>	<u>88,219</u>	<u>622,219</u>	<u>557,141</u>	<u>65,078</u>
Support Services:					
Salaries of Supervisors of Instruction	53,400	155,524	208,924	151,353	57,571
Salaries of Other Professional Staff	160,200	(21,750)	138,450	133,159	5,291
Salaries of Secretarial and Clerical Assistants	26,700	(21,518)	5,182	5,182	
Personal Services - Employee Benefits	106,800	31,264	138,064	133,965	4,099
Purchased Professional-Technical Services	53,400	35,458	88,858	84,906	3,952
Tuition		100,225	100,225	100,225	
Other Purchased Services		302,717	302,717	297,482	5,235
Supplies and Materials		11,627	11,627	10,537	1,090
Other Objects		182	182	75	107
Total Support Services	<u>400,500</u>	<u>593,729</u>	<u>994,229</u>	<u>916,884</u>	<u>77,345</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	133,500	(80,208)	53,292	53,200	92
Non-Instructional Equipment		6,579	6,579	6,070	509
Total Facilities Acquisition and Construction Services	<u>133,500</u>	<u>(73,629)</u>	<u>59,871</u>	<u>59,270</u>	<u>601</u>
Total Expenditures	<u>\$ 1,068,000</u>	<u>\$ 608,319</u>	<u>\$ 1,676,319</u>	<u>\$ 1,533,295</u>	<u>\$ 143,024</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 16,444,382	\$ 1,533,295
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(92,482)
Cancellation of Prior Year Encumbrances		(14,293)
Prior Year Encumbrances		137,422
Prior Year State Aid Payment not Recognized for Budgetary Purposes, Recognized for GAAP Statements	158,330	
Current Year State Aid Payment Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(69,674)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 \$ 16,533,038	 \$ 1,563,942
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,106,316	\$ 1,533,295
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.:		
Current Year Encumbrances		(92,482)
Cancellation of Prior Year Encumbrances		(14,293)
Prior Year Encumbrances		137,422
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 16,106,316	 \$ 1,563,942

MORRIS COUNTY SCHOOL OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the County School Board of Estimate, which consists of three Morris County Freeholders and two Morris County Vocational School District board members. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last state aid payments for the current year. Since the State is recording the last state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

MORRIS COUNTY SCHOOL OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Pell Grant	Consolidated Adult Basic Skills/Integrated English Literacy Civics Education	I.D.E.A. Part B, Basic		Carl D. Perkins Act Secondary	Carl D. Perkins Act Post Secondary
			FY 2011	Carryover		
REVENUES:						
State Sources						
Federal Sources	\$ 100,225	\$ 705,780	\$ 161,254	\$ 1,571	\$ 385,957	\$ 83,454
Total Revenues	100,225	705,780	161,254	1,571	385,957	83,454
EXPENDITURES:						
Instruction:						
Salaries of Teachers		207,580				
Purchased Professional and Technical Services					19,467	5,253
General Supplies		35,813			148,214	64,563
Other Objects					11,446	
Total Instruction		243,393			179,127	69,816
Support Services:						
Salaries of Supervisors of Instruction		12,762	105,471		13,362	4,171
Salaries of Other Professional Staff		87,447			45,712	
Salaries of Secretarial and Clerical Assistants		5,182				
Personal Services - Employee Benefits		78,441	43,312	363	8,219	180
Purchased Professional - Technical Services			12,471		64,935	6,900
Tuition	100,225					
Other Purchased Services		278,555		1,208	17,719	
Supplies and Materials						
Other Objects						
Total Support Services	100,225	462,387	161,254	1,571	149,947	11,251
Total Facilities Acquisition and Construction Services						
Instructional Equipment					50,813	2,387
Non-Instructional Equipment					6,070	
Total Facilities Acquisition and Construction Services					56,883	2,387
Total Expenditures	\$ 100,225	\$ 705,780	\$ 161,254	\$ 1,571	\$ 385,957	\$ 83,454

MORRIS COUNTY SCHOOL OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Apprenticeship Coordinator	No Child Left Behind			Title I Carryover
		Title I	Title IIA	Title IV	
REVENUES:					
State Sources	\$ 13,445				
Federal Sources		\$ 20,094	\$ 1,159	\$ 993	\$ 229
Total Revenues	13,445	20,094	1,159	993	229
EXPENDITURES:					
Instruction:					
Salaries of Teachers		15,708			88
Purchased Professional and Technical Services				993	
General Supplies		985			
Other Objects					
Total Instruction		16,693		993	88
Support Services:					
Salaries of Supervisors of Instruction	13,445	2,142			
Salaries of Other Professional Staff					
Salaries of Secretarial and Clerical Assistants					
Personal Services - Employee Benefits		1,184			141
Purchased Professional - Technical Services			600		
Tuition					
Other Purchased Services					
Supplies and Materials			559		
Other Objects		75			
Total Support Services	13,445	3,401	1,159		141
Total Facilities Acquisition and Construction Services					
Instructional Equipment					
Non-Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 13,445	\$ 20,094	\$ 1,159	\$ 993	\$ 229

MORRIS COUNTY SCHOOL OF TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ARRA		Totals 2011
	Title I	I.D.E.A. Part B, Basic	
REVENUES:			
State Sources			\$ 13,445
Federal Sources	\$ 4,653	\$ 54,481	1,519,850
Total Revenues	<u>4,653</u>	<u>54,481</u>	<u>1,533,295</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers		23,480	246,856
Purchased Professional and Technical Services			25,713
General Supplies	4,653	18,898	273,126
Other Objects			11,446
Total Instruction	<u>4,653</u>	<u>42,378</u>	<u>557,141</u>
Support Services:			
Salaries of Supervisors of Instruction			151,353
Salaries of Other Professional Staff			133,159
Salaries of Secretarial and Clerical Assistants			5,182
Personal Services - Employee Benefits		2,125	133,965
Purchased Professional - Technical Services			84,906
Tuition			100,225
Other Purchased Services			297,482
Supplies and Materials		9,978	10,537
Other Objects			75
Total Support Services		<u>12,103</u>	<u>916,884</u>
Total Facilities Acquisition and Construction Services			
Instructional Equipment			53,200
Non-Instructional Equipment			6,070
Total Facilities Acquisition and Construction Services			<u>59,270</u>
Total Expenditures	<u>\$ 4,653</u>	<u>\$ 54,481</u>	<u>\$ 1,533,295</u>

CAPITAL PROJECTS FUND

MORRIS COUNTY SCHOOL OF TECHNOLOGY
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Other Financing Sources/(Uses):	
Operating Transfers In:	
General Fund - Capital Reserve	\$ 246,200
Debt Service Contribution to the County of Morris	(246,200)
	<hr/>
Total Other Financing Sources/(Uses)	-0-
	<hr/>
Excess/(Deficiency) of Revenues and Other Financing Sources	
Over/(Under) Expenditures and Other Financing (Uses)	-0-
	<hr/>
Fund Balance - Beginning of Year	-0-
	<hr/>
Fund Balance - End of Year	\$ -0-
	<hr/> <hr/>

PROPRIETARY FUNDS

MORRIS COUNTY SCHOOL OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

	Supermarket Account	Internet Consortium	Adult Education	ETTC	Cisco Academy	Cosmetology	Food Service	Food Function	Totals
ASSETS:									
Current Assets:									
Cash and Cash Equivalents	\$ 9,301	\$ 51,759	\$ 31,091	\$ 122,205	\$ 15,104	\$ 1,156		\$ 46,633	\$ 277,249
Intergovernmental Accounts Receivable:									
State							\$ 80		80
Federal							1,291		1,291
Other		6,014							6,014
Other Accounts Receivable			684					3,925	4,609
Inventories							3,295		3,295
Total Current Assets	9,301	57,773	31,775	122,205	15,104	1,156	4,666	50,558	292,538
Non-Current Assets:									
Capital Assets		76,146	4,039	2,834			59,600		142,619
Less: Accumulated Depreciation		(71,883)	(808)	(2,834)			(32,990)		(108,515)
Total Non-Current Assets		4,263	3,231				26,610		34,104
Total Assets	9,301	62,036	35,006	122,205	15,104	1,156	31,276	50,558	326,642
LIABILITIES:									
Current Liabilities:									
Accounts Payable		37,587	5,129				13,982		56,698
Deferred Revenue			21,863				1,185		23,048
Total Current Liabilities		37,587	26,992				15,167		79,746
Non-Current Liabilities:									
Compensated Absences Payable			1,286						1,286
Total Non-Current Liabilities			1,286						1,286
Total Liabilities		37,587	28,278				15,167		81,032
NET ASSETS:									
Investment in Capital Assets Net of Related Debt Unrestricted/(Deficit)	9,301	4,263 20,186	6,728	122,205	15,104	1,156	26,610 (10,501)	50,558	34,104 211,506
Total Net Assets	\$ 9,301	\$ 24,449	\$ 6,728	\$ 122,205	\$ 15,104	\$ 1,156	\$ 16,109	\$ 50,558	\$ 245,610

MORRIS COUNTY SCHOOL OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Supermarket Account	Internet Consortium	Adult Education	ETTC	Cisco Academy	Cosmetology	Food Service	Food Function	Totals
Operating Revenue:									
Daily Sales:									
Reimbursable Programs							\$ 58,008		\$ 58,008
Non-Reimbursable Programs							52,270		52,270
Charges for Services:									
Program Fees	\$ 18,674	\$ 158,780	\$ 518,295	\$ 39,193		\$ 1,478			736,420
Special Events								\$ 20,670	20,670
Miscellaneous Revenue							4,920		4,920
Total Operating Revenue	18,674	158,780	518,295	39,193		1,478	115,198	20,670	872,288
Operating Expenses:									
Cost of Sales							41,658		41,658
Salaries		20,000	294,839	54,892			68,762		438,493
Employee Benefits			51,129	3,750			17,787		72,666
Purchased Professional and Technical Services			28,977	13,286			22,956		65,219
Other Purchased Services		171,465	63,204	1,620			6,662		242,951
Travel				179					179
Supplies and Materials	16,780		65,399			660	8,322	3,609	94,770
Miscellaneous Expense			7,211	27,724		97			35,032
Depreciation Expense		3,893	808				3,660		8,361
Total Operating Expenses	16,780	195,358	511,567	101,451		757	169,807	3,609	999,329
Operating Income/(Loss)	1,894	(36,578)	6,728	(62,258)		721	(54,609)	17,061	(127,041)

MORRIS COUNTY SCHOOL OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Supermarket Account</u>	<u>Internet Consortium</u>	<u>Adult Education</u>	<u>ETTC</u>	<u>Cisco Academy</u>	<u>Cosmetology</u>	<u>Food Service</u>	<u>Food Function</u>	<u>Totals</u>
Non-Operating Revenue:									
State Sources:									
State School Lunch Program							\$ 1,116		\$ 1,116
Federal Sources:									
National School Lunch Program							18,794		18,794
Food Distribution Program							5,641		5,641
Total Non-Operating Income							<u>25,551</u>		<u>25,551</u>
Change in Net Assets Before Other Items and Transfers	<u>\$ 1,894</u>	<u>\$ (36,578)</u>	<u>\$ 6,728</u>	<u>\$ (62,258)</u>		<u>\$ 721</u>	<u>(29,058)</u>	<u>\$ 17,061</u>	<u>(101,490)</u>
Other Items and Transfers:									
Operating Transfer In - General Fund							47,664		47,664
Cancellation of Prior Year's Accounts Payable		2,745							2,745
Cancellation of Prior Year's Accounts Receivable				(1,925)	\$ (3,500)				(5,425)
Total Other Items and Transfers		<u>2,745</u>		<u>(1,925)</u>	<u>(3,500)</u>		<u>47,664</u>		<u>44,984</u>
Change in Net Assets	1,894	(33,833)	6,728	(64,183)	(3,500)	721	18,606	17,061	(56,506)
Net Assets - Beginning of Year	<u>7,407</u>	<u>58,282</u>		<u>186,388</u>	<u>18,604</u>	<u>435</u>	<u>(2,497)</u>	<u>33,497</u>	<u>302,116</u>
Net Assets - End of Year	<u>\$ 9,301</u>	<u>\$ 24,449</u>	<u>\$ 6,728</u>	<u>\$ 122,205</u>	<u>\$ 15,104</u>	<u>\$ 1,156</u>	<u>\$ 16,109</u>	<u>\$ 50,558</u>	<u>\$ 245,610</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Supermarket Account</u>	<u>Internet Consortium</u>	<u>Adult Education</u>	<u>ETTC</u>	<u>Cisco Academy</u>	<u>Cosmetology</u>	<u>Food Service</u>	<u>Food Function</u>	<u>Totals</u>
Cash Flows from Operating Activities:									
Receipts from Customers	\$ 18,674	\$ 152,766	\$ 539,474	\$ 38,718		\$ 1,478	\$ 115,198	\$ 18,396	\$ 884,704
Payments to/for Employees		(20,000)	(345,968)	(58,642)			(86,549)		(511,159)
Payments to Suppliers	(16,780)	(149,107)	(158,376)	(42,916)		(757)	(96,234)	(5,014)	(469,184)
Net Cash Provided by/(Used for) Operating Activities	1,894	(16,341)	35,130	(62,840)		721	(67,585)	13,382	(95,639)
Cash Flows from Capital and Related Financing Activities:									
Purchase of Capital Assets			(4,039)						(4,039)
Net Cash Used for Capital and Related Financing Activities			(4,039)						(4,039)
Cash Flows from Noncapital Financing Activities:									
Cash Received from Operating Transfers							47,664		47,664
State Sources							1,134		1,134
Federal Sources							18,787		18,787
Net Cash Provided by Noncapital and Financing Activities							67,585		67,585
Net Increase/(Decrease) in Cash and Cash Equivalents	1,894	(16,341)	31,091	(62,840)		721		13,382	(32,093)
Cash and Cash Equivalents, July 1	7,407	68,100		185,045	\$ 15,104	435		33,251	309,342
Cash and Cash Equivalents, June 30	\$ 9,301	\$ 51,759	\$ 31,091	\$ 122,205	\$ 15,104	\$ 1,156	\$ -0-	\$ 46,633	\$ 277,249

MORRIS COUNTY SCHOOL OF TECHNOLOGY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Supermarket Account</u>	<u>Internet Consortium</u>	<u>Adult Education</u>	<u>ETTC</u>	<u>Cisco Academy</u>	<u>Cosmetology</u>	<u>Food Service</u>	<u>Food Function</u>	<u>Totals</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:									
Operating Income/(Loss)	\$ 1,894	\$ (36,578)	\$ 6,728	\$ (62,258)	\$ -0-	\$ 721	\$ (54,609)	\$ 17,061	\$ (127,041)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:									
Depreciation		3,893	808				3,660		8,361
Food Distribution Program							5,641		5,641
Changes in Assets and Liabilities:									
(Increase) in Other Intergovernmental Accounts Receivable		(6,014)							(6,014)
(Increase)/Decrease in Other Accounts Receivable			(684)	1,125				(2,274)	(1,833)
Increase/(Decrease) in Accounts Payable		22,358	5,129	(107)			(21,728)	(1,405)	4,247
Increase/(Decrease) in Deferred Revenue			21,863	(1,600)			385		20,648
Increase in Compensated Absences Payable			1,286						1,286
(Increase) in Inventory							(934)		(934)
Net Cash Provided by/(Used for) Operating Activities	\$ 1,894	\$ (16,341)	\$ 35,130	\$ (62,840)	\$ -0-	\$ 721	\$ (67,585)	\$ 13,382	\$ (95,639)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities Through the Food Distribution Program Valued at \$6,025 and Utilized Commodities Valued at \$5,640.

FIDUCIARY FUNDS

MORRIS COUNTY SCHOOL OF TECHNOLOGY
FIDUCIARY FUND
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Agency</u>		<u>Total Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flex Spending Trust</u>	<u>Private Purpose Scholarships Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>				
<u>ASSETS:</u>						
Cash and Cash Equivalents	\$ 63,241	\$ 199,560	\$ 262,801	\$ 1,267	\$ 12,991	\$ 94,195
Total Assets	<u>63,241</u>	<u>199,560</u>	<u>262,801</u>	<u>1,267</u>	<u>12,991</u>	<u>94,195</u>
<u>LIABILITIES:</u>						
Interfund Payable:						
General Fund		824	824		10,744	
Payroll Deductions and Withholdings		24,785	24,785			
Accrued Salaries and Wages		173,951	173,951			
Due to Student Groups	63,241		63,241			
Total Liabilities	<u>63,241</u>	<u>199,560</u>	<u>262,801</u>		<u>10,744</u>	
<u>NET ASSETS:</u>						
Held in Trust for Unemployment Claims				1,267		
Held in Trust for Flex Spending Claims					2,247	
Reserved for Scholarships						94,195
Total Net Assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,267</u>	<u>\$ 2,247</u>	<u>\$ 94,195</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Unemployment Compensation Trust	Flex Spending Trust	Private Purpose Scholarships Trust
	<u>Trust</u>	<u>Trust</u>	<u>Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 13,947	\$ 27,409	
Board Contributions	40,682		
Investment Earnings:			
Interest	6		\$ 383
Total Additions	<u>54,635</u>	<u>27,409</u>	<u>383</u>
DEDUCTIONS:			
Unemployment Benefit Claims	57,424		
Flex Spending Claims		25,565	
Scholarships Awarded			1,500
Bank Service Charges			26
Total Deductions	<u>57,424</u>	<u>25,565</u>	<u>1,526</u>
Change in Net Assets	(2,789)	1,844	(1,143)
Net Assets - Beginning of the Year	<u>4,056</u>	<u>403</u>	<u>95,338</u>
Net Assets - End of the Year	<u>\$ 1,267</u>	<u>\$ 2,247</u>	<u>\$ 94,195</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 50,966	\$ 132,360	\$ 120,085	\$ 63,241
Total Assets	<u>\$ 50,966</u>	<u>\$ 132,360</u>	<u>\$ 120,085</u>	<u>\$ 63,241</u>
<u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 50,966	\$ 132,360	\$ 120,085	\$ 63,241
Total Liabilities	<u>\$ 50,966</u>	<u>\$ 132,360</u>	<u>\$ 120,085</u>	<u>\$ 63,241</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 163,391	\$ 10,763,899	\$ 10,727,730	\$ 199,560
Total Assets	<u>\$ 163,391</u>	<u>\$ 10,763,899</u>	<u>\$ 10,727,730</u>	<u>\$ 199,560</u>
 <u>LIABILITIES:</u>				
Interfund Payable:				
General Fund		\$ 18,902	\$ 18,078	\$ 824
Payroll Deductions and Withholdings	\$ 16,496	10,571,905	10,563,616	24,785
Accrued Salaries and Wages	<u>146,895</u>	<u>173,092</u>	<u>146,036</u>	<u>173,951</u>
Total Liabilities	<u>\$ 163,391</u>	<u>\$ 10,763,899</u>	<u>\$ 10,727,730</u>	<u>\$ 199,560</u>

LONG-TERM DEBT
(NOT APPLICABLE)

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information</p> <p>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,						
	2005	2006	2007	2008	2009	2010	2011
Governmental Activities							
Invested in Capital Assets, Net of Related Debt	\$ 14,972,740	\$ 16,099,510	\$ 18,012,369	\$ 18,453,593	\$ 18,114,525	\$ 17,726,665	\$ 17,268,964
Restricted	3,511,631	2,713,606	3,163,900	2,440,427	1,277,463	1,014,488	910,978
Unrestricted	513,300	714,776	435,986	356,475	897,989	129,870	389,276
Total Governmental Activities Net Assets	\$ 18,997,671	\$ 19,527,892	\$ 21,612,255	\$ 21,250,495	\$ 20,289,977	\$ 18,871,023	\$ 18,569,218
Business-type Activities							
Invested in Capital Assets, Net of Related Debt	\$ 65,303	\$ 71,191	\$ 72,670	\$ 62,785	\$ 46,852	\$ 38,426	\$ 34,104
Unrestricted	462,774	460,183	461,089	467,862	381,707	263,690	211,506
Total Business-type Activities Net Assets	\$ 528,077	\$ 531,374	\$ 533,759	\$ 530,647	\$ 428,559	\$ 302,116	\$ 245,610
District-wide							
Invested in Capital Assets, Net of Related Debt	\$ 15,038,043	\$ 16,170,701	\$ 18,085,039	\$ 18,516,378	\$ 18,161,377	\$ 17,765,091	\$ 17,303,068
Restricted	3,511,631	2,713,606	3,163,900	2,440,427	1,277,463	1,014,488	910,978
Unrestricted	976,074	1,174,959	897,075	824,337	1,279,696	393,560	600,782
Total District Net Assets	\$ 19,525,748	\$ 20,059,266	\$ 22,146,014	\$ 21,781,142	\$ 20,718,536	\$ 19,173,139	\$ 18,814,828

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

MORRIS COUNTY SCHOOL OF TECHNOLOGY
CHANGES IN NET ASSETS, LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Expenses:							
Governmental Activities:							
Instruction							
Regular	\$ 2,320,519	\$ 2,632,723	\$ 3,099,798	\$ 3,995,248	\$ 4,114,766	\$ 4,574,965	\$ 4,802,430
Special Education	128,108	122,306	118,660	223,776	277,639	379,783	409,248
Vocational Education	3,743,634	3,622,026	3,791,358	3,880,587	3,536,180	3,777,258	3,585,918
Other Special Instruction	23,622	261,243	300,944	441,039	445,002	440,205	256,821
Support Services:							
Student and Instruction Related Services	1,340,757	1,431,145	1,536,519	1,372,369	1,370,525	1,830,658	2,373,119
General Administrative Services	413,789	486,909	498,678	536,066	415,245	392,675	583,387
School Administrative Services	1,442,746	1,497,101	1,607,104	1,751,725	1,562,126	1,490,547	1,309,806
Central Services	335,956	428,787	485,476	504,734	522,604	528,839	671,784
Administrative Information Technology	87,375	112,750	121,779	146,381	155,508	163,698	215,829
Plant Operations and Maintenance	1,029,130	1,429,290	1,315,105	1,538,568	1,513,626	1,621,683	2,069,839
Pupil Transportation					239	7,104	108,470
Special Schools	2,513,246	2,562,024	2,446,559	3,014,889	3,242,842	2,909,832	1,203,924
Capital Outlay	418,546	365,564	41,413	2,962	49,839		78,585
Unallocated Depreciation	132,061	155,710	414,861	407,758	407,757	463,126	435,761
Total Governmental Activities Expenses	13,929,489	15,107,578	15,778,254	17,816,102	17,613,898	18,580,373	18,104,921
Business-Type Activities:							
Enterprise Funds	349,000	352,965	353,618	389,188	468,985	706,502	999,329
Total Business-Type Activities Expense	349,000	352,965	353,618	389,188	468,985	706,502	999,329
Total District Expenses	14,278,489	15,460,543	16,131,872	18,205,290	18,082,883	19,286,875	19,104,250
Program Revenues:							
Governmental Activities:							
Operating Grants and Contributions	2,901,195	2,896,719	3,360,077	3,765,529	2,935,855	2,903,398	2,997,416
Capital Grants and Contributions	117,444	137,990					
Total Governmental Activities Program Revenues	3,018,639	3,034,709	3,360,077	3,765,529	2,935,855	2,903,398	2,997,416

MORRIS COUNTY SCHOOL OF TECHNOLOGY
CHANGES IN NET ASSETS, LAST SEVEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

UNAUDITED

(Continued)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Program Revenues: (Cont'd)							
Business-Type Activities:							
Charges for Services:							
Enterprise Funds	\$ 348,857	\$ 338,229	\$ 348,393	\$ 342,643	\$ 326,277	\$ 521,007	\$ 872,288
Operating Grants and Contributions	4,200	5,252	8,381	13,248	20,998	25,795	25,551
Total Business-Type Activities Program Revenues	<u>353,057</u>	<u>343,481</u>	<u>356,774</u>	<u>355,891</u>	<u>347,275</u>	<u>546,802</u>	<u>897,839</u>
 Total District Program Revenues	<u>3,371,696</u>	<u>3,378,190</u>	<u>3,716,851</u>	<u>4,121,420</u>	<u>3,283,130</u>	<u>3,450,200</u>	<u>3,895,255</u>
 Net (Expense)/Revenue:							
Governmental Activities	(10,910,850)	(12,072,869)	(12,418,177)	(14,050,573)	(14,678,043)	(15,676,975)	(15,107,505)
Business-Type Activities	<u>4,057</u>	<u>(9,484)</u>	<u>3,156</u>	<u>(33,297)</u>	<u>(121,710)</u>	<u>(159,700)</u>	<u>(101,490)</u>
 Total District-Wide Net Expense	<u>(10,906,793)</u>	<u>(12,082,353)</u>	<u>(12,415,021)</u>	<u>(14,083,870)</u>	<u>(14,799,753)</u>	<u>(15,836,675)</u>	<u>(15,208,995)</u>
 General Revenues and Other Changes in Net Assets:							
Governmental Activities:							
County Tax Levy	5,763,747	5,848,095	6,086,061	6,351,286	6,351,286	6,351,286	\$ 6,351,286
Federal and State Aid not Restricted	246,729	334,534	290,966	335,005	1,032,956	655,008	388,508
Tuition	3,765,382	4,206,892	4,941,747	5,580,316	5,992,857	6,937,181	8,232,968
Interest Earnings	24,271	35,582	37,362	32,524	22,000	2,435	2,461
Transfers	(22,304)	(16,577)	(4,649)	(36,646)	(19,152)	(34,092)	(47,664)
Residual Equity Transfer		4,947	7,067				
County Bond Ordinance Proceeds	722,111	995,123	2,462,325	773,626	(8,307)		
Debt Service Contribution to County of Morris					(246,200)	(246,200)	(246,200)
Miscellaneous Income	534,815	653,853	713,530	652,702	592,085	592,403	124,341
Total Governmental Activities	<u>11,034,751</u>	<u>12,062,449</u>	<u>14,534,409</u>	<u>13,688,813</u>	<u>13,717,525</u>	<u>14,258,021</u>	<u>14,805,700</u>
 Business-Type Activities:							
Transfers	22,304	16,577	4,649	36,646	19,152	34,092	47,664
Residual Equity Transfer		(4,947)	(7,067)				
Contributed Capital	59,600						
Miscellaneous Income	53	1,151					

MORRIS COUNTY SCHOOL OF TECHNOLOGY
CHANGES IN NET ASSETS, LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets:							
Business-Type Activities:							
Cancellation of Prior Year's Accounts Receivable/Payable				\$ 166	\$ 470	\$ (835)	\$ (2,680)
Deletion of Capital Assets, Net of Accumulated Depreciation				(6,627)			
Total Business-Type Activities	<u>\$ 81,957</u>	<u>\$ 12,781</u>	<u>\$ (2,418)</u>	<u>30,185</u>	<u>19,622</u>	<u>33,257</u>	<u>44,984</u>
Total District-Wide	<u>11,116,708</u>	<u>12,075,230</u>	<u>14,531,991</u>	<u>13,718,998</u>	<u>13,737,147</u>	<u>14,291,278</u>	<u>14,850,684</u>
Change in Net Assets:							
Governmental Activities	123,901	(10,420)	2,116,232	(361,760)	(960,518)	(1,418,954)	(301,805)
Business-Type Activities	<u>86,014</u>	<u>3,297</u>	<u>738</u>	<u>(3,112)</u>	<u>(102,088)</u>	<u>(126,443)</u>	<u>(56,506)</u>
Total District	<u>\$ 209,915</u>	<u>\$ (7,123)</u>	<u>\$ 2,116,970</u>	<u>\$ (364,872)</u>	<u>\$ (1,062,606)</u>	<u>\$ (1,545,397)</u>	<u>\$ (358,311)</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

MORRIS COUNTY SCHOOL OF TECHNOLOGY
FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,						
	2005	2006	2007	2008	2009	2010	2011
General Fund							
Reserved/Restricted	\$ 3,248,271	\$ 2,450,066	\$ 3,163,900	\$ 2,440,427	\$ 1,277,463	\$ 1,014,488	\$ 719,472
Assigned							191,506
Unreserved/Unassigned	821,619	1,016,210	748,773	697,007	1,204,247	494,765	731,133
Total General Fund	<u>\$ 4,069,890</u>	<u>\$ 3,466,276</u>	<u>\$ 3,912,673</u>	<u>\$ 3,137,434</u>	<u>\$ 2,481,710</u>	<u>\$ 1,509,253</u>	<u>\$ 1,642,111</u>
All Other Governmental Funds							
Reserved/Restricted		\$ 2,933,314	\$ 774,559				
Unreserved, Reported In:							
Capital Projects Fund/(Deficit)	\$ 263,360	(2,669,774)	(774,559)				
Total All Other Governmental Funds	<u>\$ 263,360</u>	<u>\$ 263,540</u>	<u>\$ -0-</u>				
Total All Governmental Funds							
Reserved/Restricted	\$ 3,248,271	\$ 5,383,380	\$ 3,938,459	\$ 2,440,427	\$ 1,277,463	\$ 1,014,488	\$ 719,472
Assigned							191,506
Unreserved/Unassigned/(Deficit)	1,084,979	(1,653,564)	(25,786)	697,007	1,204,247	494,765	731,133
Total All Other Governmental Funds	<u>\$ 4,333,250</u>	<u>\$ 3,729,816</u>	<u>\$ 3,912,673</u>	<u>\$ 3,137,434</u>	<u>\$ 2,481,710</u>	<u>\$ 1,509,253</u>	<u>\$ 1,642,111</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

MORRIS COUNTY SCHOOL OF TECHNOLOGY
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Revenues:							
County Tax Levy	\$ 5,763,747	\$ 5,848,095	\$ 6,086,061	\$ 6,351,286	\$ 6,351,286	\$ 6,351,286	\$ 6,351,286
Tuition from LEA's	3,553,351	3,939,749	4,670,005	5,248,766	5,697,043	6,607,163	7,915,480
Other Tuition	212,031	267,143	271,742	331,550	295,814	330,018	317,488
Interest Earned on Capital Reserve Funds	24,271	35,582	37,362	32,524	7,980	650	514
Unrestricted Miscellaneous Revenue	536,828	653,853	713,530	652,702	606,105	594,188	126,288
State Sources	1,959,250	2,189,307	2,482,995	2,706,358	2,366,682	1,993,269	1,835,427
Federal Sources	1,304,105	1,179,936	1,168,048	1,394,176	1,602,129	1,565,137	1,550,497
Total Revenue	13,353,583	14,113,665	15,429,743	16,717,362	16,927,039	17,441,711	18,096,980
Expenditures:							
Instruction:							
Regular Instruction	2,222,686	2,366,720	2,714,656	3,378,653	3,615,355	3,933,461	3,993,233
Special Education Instruction	70,228	96,306	79,111	164,887	227,084	303,079	301,950
Vocational Education Instruction	2,845,006	2,905,978	2,917,813	2,895,232	2,866,273	2,858,581	2,715,427
School-Sponsored/Other Instruction	22,648	256,469	295,040	381,734	428,209	420,870	238,683
Support Services:							
Student and Instruction Related Services	1,244,104	1,272,164	1,265,103	1,218,697	1,140,551	1,538,262	1,914,034
General Administrative Services	380,068	440,195	446,223	460,798	357,542	332,430	483,439
School Administrative Services	1,127,523	1,164,084	1,224,840	1,325,925	1,256,705	1,064,143	931,067
Central Services	242,969	353,139	384,243	370,721	417,662	398,580	504,745
Administrative Information Technology	71,161	95,971	95,607	97,334	107,313	102,974	144,417
Plant Operations and Maintenance	925,866	1,265,869	1,162,251	1,314,221	1,307,840	1,351,665	1,717,503
Pupil Transportation					239	7,104	108,470
Allocated Benefits	920,066	1,170,598	1,346,263	1,658,630	1,319,648	1,829,784	2,278,270
Unallocated Benefits	496,102	608,189	954,695	1,125,669	867,620	978,141	964,464
Special Schools	2,443,485	2,467,933	2,350,101	2,879,265	3,162,328	2,831,627	1,194,196
Capital Outlay	7,295,927	1,236,977	2,475,683	957,815	234,735	183,175	180,360
Total Expenditures	20,307,839	15,700,592	17,711,629	18,229,581	17,309,104	18,133,876	17,670,258
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	<u>(6,954,256)</u>	<u>(1,586,927)</u>	<u>(2,281,886)</u>	<u>(1,512,219)</u>	<u>(382,065)</u>	<u>(692,165)</u>	<u>426,722</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses):							
County Bond Ordinance Proceeds	\$ 722,111	\$ 995,123	\$ 2,462,325	\$ 773,626	\$ (8,307)		
Transfers	(22,304)	(11,630)	2,418	(36,646)	(19,152)	\$ (34,092)	(47,664)
Debt Service Contribution to County of Morris					(246,200)	(246,200)	(246,200)
Total Other Financing Sources (Uses)	<u>699,807</u>	<u>983,493</u>	<u>2,464,743</u>	<u>736,980</u>	<u>(273,659)</u>	<u>(280,292)</u>	<u>(293,864)</u>
Net Change in Fund Balances	<u>\$ (6,254,449)</u>	<u>\$ (603,434)</u>	<u>\$ 182,857</u>	<u>\$ (775,239)</u>	<u>\$ (655,724)</u>	<u>\$ (972,457)</u>	<u>\$ 132,858</u>
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A Not Applicable

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

MORRIS COUNTY SCHOOL OF TECHNOLOGY
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Textbook Sales	Program Fees	Miscellaneous	Total
2002	\$ 2,797,619	\$ 12,318	\$ 50,777	\$ 453,006	\$ 778	\$ 3,314,498
2003	2,726,756	15,660	67,031	454,222	46,924	3,310,593
2004	2,897,230	15,340	53,673	370,494	154,518	3,491,255
2005	3,765,382	42,150	50,902	392,052	73,982	4,324,468
2006	4,206,892	156,432	62,196	361,393	109,414	4,896,327
2007	4,941,747	174,486	166	440,528	135,712	5,692,639
2008	5,580,316	131,231		438,648	115,347	6,265,542
2009	5,992,857	22,000		453,116	138,969	6,606,942
2010	6,937,181	2,435		438,161	154,242	7,532,019
2011	8,232,968	2,461		971	123,370	8,359,770

Source: District records

MORRIS COUNTY SCHOOL OF TECHNOLOGY
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST SEVEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2004	\$ 1,199,689,645	\$ 41,550,709,640	\$ 383,798,101	\$ 13,242,383	\$ 10,450,199,511	\$ 2,607,272,701	\$ 1,540,536,100	\$ 57,745,448,081	\$ 5,658,024,729	\$ 157,639,243	\$ 57,903,087,324	N/A	\$ 71,724,336,057
2005	1,229,486,204	45,689,330,230	452,337,200	13,817,146	10,455,808,911	2,564,928,201	1,621,924,900	62,027,632,792	5,923,634,379	150,182,136	62,177,814,928	N/A	79,054,301,765
2006	1,384,463,250	53,666,398,302	561,415,000	13,255,508	11,013,366,111	2,574,295,500	1,771,297,600	70,984,491,271	6,664,569,079	137,976,024	71,122,467,295	N/A	88,856,872,329
2007	1,334,469,750	54,814,294,479	574,707,200	13,183,558	10,831,009,211	2,557,634,300	1,819,573,000	71,944,871,498	6,829,609,200	133,403,935	72,078,275,433	N/A	98,075,628,273
2008	1,373,940,350	58,547,857,080	709,356,800	13,465,748	11,350,378,461	2,711,381,200	1,994,223,900	76,700,603,539	7,001,701,800	142,959,362	76,843,562,901	N/A	102,596,960,196
2009	1,310,313,450	60,378,573,088	714,322,900	13,238,748	11,613,287,447	2,841,125,700	2,080,489,400	78,951,350,733	7,413,133,700	147,168,209	79,098,518,942	N/A	103,669,450,016
2010	1,218,511,450	58,195,366,425	652,147,200	12,013,308	11,275,927,757	2,690,796,500	2,071,807,000	76,116,569,640	7,395,815,300	148,405,358	76,264,974,998	N/A	102,332,070,127

N/A - Not Applicable

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

* Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Morris County Board of Taxation

Exhibit J-8

MORRIS COUNTY SCHOOL OF TECHNOLOGY
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2010		
	Taxable Assessed Value	Rank	% of Total County Net Valuation Taxable
Point View Campus LLC	\$ 327,873,800	1	0.41%
Novartis Corporation	321,530,700	2	0.41%
MC NEIL-PPC Inc	172,500,000	3	0.22%
Rockaway Center Associates	145,000,000	4	0.18%
KBS II 300-600 Campus Drive, LLC	108,017,200	5	0.14%
Oakwood Garden Associates, LLC	99,500,000	6	0.13%
Segal Realty Associates	78,700,000	7	0.10%
KBS II 100-200 Campus Drive, LLC	73,000,900	8	0.09%
Pfizer	72,000,000	9	0.09%
Wells REIT	69,600,000	10	0.09%
Total	<u>\$ 1,467,722,600</u>		<u>1.68%</u>

Taxpayer	2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
INFORMATION IS NOT AVAILABLE			

MORRIS COUNTY SCHOOL OF TECHNOLOGY
COUNTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 4,628,205	\$ 4,242,521	91.67%	\$ 385,684
2003	5,010,551	5,010,551	100.00%	-0-
2004	5,872,159	5,872,159	100.00%	-0-
2005	5,763,747	5,763,747	100.00%	-0-
2006	5,848,095	5,848,095	100.00%	-0-
2007	6,086,061	5,566,940	91.47%	519,121
2008	6,351,286	5,811,860	91.51%	539,426
2009	6,351,286	6,351,286	100.00%	-0-
2010	6,351,286	6,351,286	100.00%	-0-
2011	6,351,286	6,351,286	100.00%	-0-

^a School taxes are collected by the County Treasurer. Under New Jersey State Statute, a county is required to remit to the school district the entire property county tax balance, in the amount voted upon or certified prior to the end of the school year.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Total Morris County Personal Income	Morris County Per Capital Personal Income ^b	Unemployment Rate ^c
2002	476,453	\$ 26,936,270,355	\$ 56,535	4.20%
2003	479,532	27,341,955,576	57,018	4.20%
2004	482,155	29,460,152,655	61,101	3.40%
2005	483,198	30,584,983,806	63,297	2.80%
2006	484,887	33,148,814,868	68,364	3.30%
2007	485,592	34,622,709,600	71,300	3.00%
2008	486,946	34,829,786,542	71,527	4.00%
2009	488,518	33,341,842,018	68,251	7.20%
2010	488,518 **	33,341,842,018	68,251 *	7.30%
2011	488,518 **	33,341,842,018	68,251 *	N/A

* - Latest Morris County per capita personal income available (2009) was used for calculation purposes.

** - Latest population data available (2009) was used for calculation purposes.

N/A - Information not available

Source:

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

^b Personal income has been estimated based upon the 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

MORRIS COUNTY SCHOOL OF TECHNOLOGY
PRINCIPAL EMPLOYERS, COUNTY OF MORRIS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Employer</u>	<u>2010</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
Novartis Corporation	4,990	1	N/A
Atlantic Health Systems	4,933	2	N/A
U.S. Army Armament Research and Development	4,442	3	N/A
United Parcel Service	2,332	4	N/A
County of Morris	1,959	5	N/A
Automatic Data Processing, Inc.	1,924	6	N/A
AT&T Corporation	1,550	7	N/A
Saint Clare's	1,531	8	N/A
BASF Corporation	1,400	9	N/A
Avis Budget Group, Inc.	1,378	10	N/A
	<u>26,439</u>		

<u>Employer</u>	<u>2001</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>

INFORMATION IS NOT AVAILABLE

N/A - Total amount of employment is not available in order to do the percentage calculation

Source: County of Morris

MORRIS COUNTY SCHOOL OF TECHNOLOGY
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction:							
Regular	9.0	17.0	18.0	28.0	32.5	34.5	32.0
Special Education	2.0	3.0	3.0	5.0	5.0	5.0	5.0
Vocational	23.0	23.0	28.0	24.0	24.0	24.0	23.0
Other Instruction	7.0	5.0	6.0	5.0	5.0	5.0	4.5
Adult/Continuing Education Programs	58.0	61.0	74.0	73.5	79.0	68.0	70.0
Support Services:							
Student & Instruction Related Services	8.0	9.0	12.0	12.0	12.0	12.0	10.0
School Administrative Services	19.0	23.0	21.0	23.0	23.0	22.0	22.0
General Administrative Services	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Central Services	5.0	5.0	6.0	6.0	6.0	6.0	7.0
Administrative Information Technology	1.0	1.0	1.0	1.5	1.5	1.5	1.5
Plant Operations and Maintenance	13.0	15.0	17.0	17.0	16.0	15.0	14.0
Total	149.0	166.0	189.0	198.0	207.0	196.0	192.0

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: District Personnel Records

MORRIS COUNTY SCHOOL OF TECHNOLOGY
OPERATING STATISTICS
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio School of Technology</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2005	494.5	\$ 10,568,427	\$ 21,371.95	3.26%	46	1:10.80	494.5	465.1	17.88%	94.05%
2006	531.0	11,995,682	22,590.74	5.70%	52	1:10.20	531.0	502.7	7.38%	94.67%
2007	680.9	12,885,845	18,924.72	-16.23%	55	1:12.04	680.9	642.9	28.23%	94.42%
2008	695.0	14,392,501	20,708.63	9.43%	64	1:11.00	695.0	649.6	2.07%	93.47%
2009	715.2	13,912,041	19,451.96	-6.07%	73	1:09.80	715.2	688.1	2.91%	96.21%
2010	734.9	15,119,074	20,572.97	5.76%	73	1:10.06	734.9	710.7	2.75%	96.71%
2011	939.3	16,295,702	17,348.77	-15.67%	65	1:14.56	939.3	893.2	27.81%	95.09%

Note: Enrollment based on annual October district count.

- ^a Operating expenditures equal total expenditures less debt service, capital outlay and special schools. Operating expenditures reflected above do not include special schools expenditures for comparison purposes.
- ^b Teaching staff includes only full-time equivalents of certificated staff.
- ^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Sources: School District records

MORRIS COUNTY SCHOOL OF TECHNOLOGY
SCHOOL BUILDING INFORMATION
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>District Buildings</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
School of Technology (1969)							
Square Feet	122,443	153,011	165,011	165,011	165,011	165,011	165,011
Capacity (students)	614	774	934	934	934	934	934
Enrollment	494.5	531.0	594.0	635.0	715.2	734.9	939.3

Number of Schools at June 30, 2011
 School of Technology = 1
 Off-site Academies = 2

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Facilities Office

MORRIS COUNTY SCHOOL OF TECHNOLOGY
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities
Account # 11-000-261-xxx

Facility	Fiscal Year Ended June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Morris County Vocational School	\$ 329,790	\$ 274,042	\$ 250,993	\$ 252,112	\$ 270,902	\$ 328,860	\$ 177,194	\$ 219,751	\$ 150,804	\$ 164,664
Total School Facilities	<u>\$ 329,790</u>	<u>\$ 274,042</u>	<u>\$ 250,993</u>	<u>\$ 252,112</u>	<u>\$ 270,902</u>	<u>\$ 328,860</u>	<u>\$ 177,194</u>	<u>\$ 219,751</u>	<u>\$ 150,804</u>	<u>\$ 164,664</u>

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

Source: School District records

MORRIS COUNTY SCHOOL OF TECHNOLOGY
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

	Coverage
<u>Morris County Insurance Fund:</u>	
Property Policy - Policy Loss Limit:	\$ 250,000,000
Blanket Building, Contents Business/Interruption	
Sub-Limits:	
Earthquake (Annual Aggregate)	25,000,000
Flood (Annual Aggregate)	15,000,000
Debris Removal	250,000
Pollutants Cleanup and Removal	100,000
Boiler and Machinery Policy	100,000,000
Inland Marine Floater:	
Various Limits and Coverages	
Valuable Papers	1,000,000
Electronic Data Processing Equipment	2,525,000
Fine Arts Folder	1,500,000
Equipment Floater	6,723,104
Liability:	
SIR	500,000
Automobile	10,000,000
General	10,000,000
Employee Benefit	10,000,000
Law Enforcement	10,000,000
Public Official	10,000,000
School Leaders Errors & Omissions	3,000,000
Crime:	
Public Employee Dishonesty	1,000,000
Public Officials' Bonds - Hartford Fire Insurance Company	
Treasurer of School Monies	250,000
School Business Administrator/Board Secretary	250,000
Assistant to the Business Administrator/Board Secretary	50,000
Environmental Coverage Policy - American Safety Casualty	
Claims Made: Site Specific	
Each Occurrence	1,000,000
Each Aggregate Limit	3,000,000
STR	15,000
<u>Morris Essex Insurance Fund:</u>	
Workers Compensation:	
Per Occurrence	Statutory Benefits as required by the State of New Jersey
Policy Limit	1,000,000
Aggregate	1,000,000

Source: Morris County - Risk Management Department

SINGLE AUDIT



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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*

The Honorable President and Members
 of the Board of Education
 Morris County School of Technology
 County of Morris, New Jersey

We have audited the 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 Morris County School of Technology, in the County of Morris (the "Board"), a component unit of the County of Morris, as of, and for the fiscal year ended, June 30, 2011 which collectively comprise the District's basic financial statements and have issued our report thereon dated September 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey (the "Department"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Morris County School of Technology
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. However, we noted certain matters that we have reported to the Board in a separate report, the *Auditors' Management Report on Administrative Findings – Financial, Compliance, and Performance*, dated September 20, 2011.

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

September 20, 2011
Mount Arlington, New Jersey


NISIVOCIA LLP


Francis L. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant



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Independent Auditors' Report on Compliance with Requirements that could have a Direct
 And Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB
 Circular A-133 and State OMB Circular NJOMB 04-04

The Honorable President and Members
 of the Board of Education
 Morris County School of Technology
 County of Morris, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Morris County School of Technology in the County of Morris (the "Board"), a component unit of the County of Morris, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. The Board's major federal and state programs are identified in the summary of auditors' 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's management. Our responsibility is to express an opinion on the Board'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; audit requirements prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey (the "Department"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*; and Federal Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards, Federal OMB Circular A-133, and State OMB Circular NJOMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board'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's compliance with those requirements.

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

The Honorable President and Members
of the Board of Education
Morris County School of Technology
Page 2

Internal Control Over Compliance

The management of the Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *New Jersey State Aid/Grant Compliance Supplement*, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

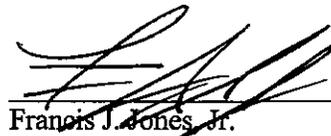
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with the New Jersey State Department of Education, and other state and federal agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

September 20, 2011
Mount Arlington, New Jersey


NISIVOCIA LLP



Francois J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant

MORRIS COUNTY SCHOOL OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010			Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrance Payable	Repayment of Prior Years' Balances	Balance at June 30, 2011		
					Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor
U.S. Department of Education:														
Student Financial Aid Cluster:														
Federal Pell Grant	84.063	P063P064434	9/1/10-8/31/11	\$ 100,225				\$ 100,225	\$ (100,225)					
Total Student Financial Aid Cluster								100,225	(100,225)					
Passed-through State Department of Education:														
Special Revenue Fund:														
No Child Left Behind:														
Title I	84.010A	NCLB336511	9/1/10-8/31/11	58,227				30,968	(20,094)				\$ 10,874	
Title I	84.010A	NCLB336510	9/1/09-8/31/10	63,373	\$ (8,849)			9,078	(229)					
Title I	84.010A	NCLB336509	9/1/08-8/31/09	47,333	(4,172)			4,172						
ARRA - Title I	84.389	NCLB536011	7/1/09-8/31/11	8,653				4,653	(4,653)					
Subtotal Title I					(13,021)			48,871	(24,976)				10,874	
Title IIA	84.367A	NCLB336511	9/1/10-8/31/11	2,632					(1,159)			\$ (1,159)		
Title IIA	84.367A	NCLB336510	9/1/09-8/31/10	5,013			\$ 23							\$ 23
Subtotal Title IIA							23		(1,159)			(1,159)		23
Title IID	84.318X	NCLB336511	9/1/10-8/31/11	483				195						195
Subtotal Title IID								195						195
Title IV	84.186A	NCLB336511	9/1/10-8/31/11	1,341				1,307	(993)					314
Title IV	84.186A	NCLB336510	9/1/09-8/31/10	2,733	(1,392)			1,392						
Subtotal Title IV					(1,392)			2,699	(993)					314
Special Education Cluster:														
I.D.E.A. Part B, Basic	84.027	IDEA336511	9/1/10-8/31/11	169,659				124,864	(161,254)				(36,390)	
I.D.E.A. Part B, Basic	84.027	IDEA336510	9/1/09-8/31/10	160,741	(52,342)			53,876	(1,571)	\$ 37				
I.D.E.A. Part B, Basic	84.027	IDEA336509	9/1/08-8/31/09	156,942	(18,634)			18,634						
ARRA - I.D.E.A. Part B, Basic	84.391	ARRA536011	7/1/09-8/31/11	135,459	(8,919)			41,010	(54,481)	9,730			(12,660)	
Total Special Education Cluster					(79,895)			238,384	(217,306)	9,767			(49,050)	
Carl D. Perkins Secondary	84.048	PERK336511	7/1/10-6/30/11	385,957				228,407	(385,957)				(157,550)	
Carl D. Perkins Secondary	84.048	PERK336510	7/1/09-6/30/10	310,049	(44,089)			43,714		375				
Carl D. Perkins Secondary	84.048	PERK336509	7/1/08-6/30/09	323,856			1,100				\$ (1,100)			
Carl D. Perkins Post Secondary	84.048	PERK336511	7/1/10-6/30/11	83,454				50,686	(83,454)				(32,768)	
Carl D. Perkins Post Secondary	84.048	PERK336510	7/1/09-6/30/10	83,454	(12,886)			12,856		30				
Carl D. Perkins Post Secondary	84.048	PERK336509	7/1/08-6/30/09	83,454			1,555				(1,555)			
Subtotal Carl D. Perkins					(56,975)		2,655	335,663	(469,411)	405	(2,655)		(190,318)	

MORRIS COUNTY SCHOOL OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010			Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrance Payable	Repayment of Prior Years' Balances	Balance at June 30, 2011		
					Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor
U.S. Department of Education:														
Passed thru State Department of Labor and Workforce Development:														
Consolidated Adult Basic Skills and and Integrated English Literacy and Civics Education	84.002	ABS-14-07-31	7/1/10-6/30/11	\$ 745,317			\$ 598,341	\$ (705,780)				\$ (107,439)		
Consolidated Adult Basic Skills and and Integrated English Literacy and Civics Education	84.002	ABS-14-07-31	7/1/09-6/30/10	921,524	\$ (135,096)		135,188		\$ 4,121					\$ 4,213
Consolidated Adult Basic Skills and and Integrated English Literacy and Civics Education	84.002	ABS-14-07-31	7/1/08-6/30/09	921,524	(391)		391							
					(135,487)		733,920	(705,780)	4,121			(107,439)		4,213
Total U.S. Department of Education					(286,770)	\$ 2,678	1,459,957	(1,519,850)	14,293	\$ (2,655)		(347,966)	\$ 11,383	4,236
U.S. Department of Agriculture:														
Passed-through State Department of Education:														
Child Nutrition Cluster:														
Food Distribution Program	10.555	N/A	7/1/10-6/30/11	6,025			6,025	(4,840)						1,185
Food Distribution Program	10.555	N/A	7/1/09-6/30/10	6,853		\$ 801		(801)						
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	18,794			17,503	(18,794)				(1,291)		
National School Lunch Program	10.555	N/A	7/1/09-6/30/10	17,637	(1,284)		1,284							
Total Child Nutrition Cluster					(1,284)	801	24,812	(24,435)				(1,291)	1,185	
Total Federal Awards					\$ (288,054)	\$ 801	\$ 1,484,769	\$ (1,544,285)	\$ 14,293	\$ (2,655)		\$ (349,257)	\$ 12,568	\$ 4,236

N/A - Not Available/Applicable

MORRIS COUNTY SCHOOL OF TECHNOLOGY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2011		Cumulative Total Expenditures
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Budgetary Accounts Receivable	
NJ Department of Education:											
General Fund State Aid:											
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	\$ 95,103			\$ 86,485	\$ (95,103)			\$ (8,618)	\$ 95,103
Special Education Categorical Aid	11-495-034-5120-089	7/1/10-6/30/11	439,079			399,290	(439,079)			(39,789)	439,079
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	60,820			55,308	(60,820)			(5,512)	60,820
Adjustment Aid	11-495-034-5120-085	7/1/10-6/30/11	173,860			158,105	(173,860)			(15,755)	173,860
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	502,876			478,347	(502,876)		\$ (24,529)	(24,529)	502,876
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	335,439	\$ (53,133)		53,133					335,439
Special Education Categorical Aid	10-495-034-5120-089	7/1/09-6/30/10	411,138	(65,124)		65,124					411,138
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	57,980	(9,184)		9,184					57,980
Adjustment Aid	10-495-034-5120-085	7/1/09-6/30/10	165,994	(26,293)		26,293					165,994
Adult and Postsecondary Education Grants	10-495-034-5120-077	7/1/09-6/30/10	29,015	(4,596)		4,596					29,015
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	7/1/09-6/30/10	521,402	(25,782)		25,782					521,402
Total General Fund State Aid				(184,112)		1,361,647	(1,271,738)			(24,529)	2,792,706
Special Revenue Fund State Aid:											
Character Education Aid	05-495-034-5120-053	7/1/04-6/30/05	4,000		\$ 4,000			\$ (4,000)			
Enterprise Fund:											
State School Lunch Program	10-100-010-3350-023	7/1/10-6/30/11	1,116			1,036	(1,116)			(80)	1,116
State School Lunch Program	09-100-010-3350-023	7/1/09-6/30/10	1,343	(98)		98				(80)	1,343
Total Enterprise Fund State Aid				(98)		1,134	(1,116)			(80)	2,459
NJ Department of Labor and Workforce Development:											
Special Revenue Fund:											
Apprenticeship Coordinator	N/A	7/1/10-6/30/11	14,813			5,602	(13,445)			(7,843)	13,445
Apprenticeship Coordinator	N/A	7/1/09-6/30/10	28,027	(9,563)		9,563				(7,843)	28,027
Total NJ Department of Labor and Workforce Development				(9,563)		15,165	(13,445)			(7,843)	41,472
Total State Awards				\$ (193,773)	\$ 4,000	\$ 1,377,946	\$ (1,286,299)	\$ (4,000)	\$ (32,452)	\$ (102,126)	\$ 2,836,637

N/A - Not Available

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Morris County School of Technology under programs of the federal and state governments for the fiscal year ended June 30, 2011. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net assets or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$88,656 for the General Fund and \$30,647 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. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Post Retirement Contribution revenue of \$440,833 or the \$20,755 of TPAF Non-Contributory Insurance. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,821,982	\$ 1,821,982
Special Revenue Fund	\$ 1,550,497	13,445	1,563,942
Enterprise Funds (Food Service Fund)	24,435	1,116	25,551
Total Federal and State Awards	<u>\$ 1,574,932</u>	<u>\$ 1,836,543</u>	<u>\$ 3,411,475</u>

MORRIS COUNTY SCHOOL OF TECHNOLOGY
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED 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

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2011. Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Summary of Auditors' Results:

- An unqualified report was issued on the District's financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the District.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District's major federal or state programs.
- An unqualified report was issued on the District's compliance for major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported under Federal OMB Circular A-133 *Audits of States, Local Governments, and Nonprofit Organizations* and State OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District's major federal and state programs for the current fiscal year consisted of the following awards:

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	9/1/10-8/31/11	\$ 169,659	\$ 161,254
I.D.E.A. Part B, Basic	84.027	9/1/09-8/31/10	160,741	1,571
ARRA - I.D.E.A. Part B, Basic	84.391	7/1/09-8/31/11	135,459	54,481
Carl D. Perkins Secondary	84.048	7/1/10-6/30/11	385,957	385,957
Carl D. Perkins Post Secondary	84.048	7/1/10-6/30/11	83,454	83,454
<u>State:</u>				
<u>General Fund State Aid:</u>				
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	502,876	502,876

- The District qualified as a "low-risk" auditee under the provisions of section 530 of the Circular.
- The threshold for determining Type A and B federal and state programs was \$300,000.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the Circular.

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular or NJOMB 04-04.

MORRIS COUNTY SCHOOL OF TECHNOLOGY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Status of Prior Year Findings:

There were no prior year audit findings.