

**SCHOOL DISTRICT OF
WARREN COUNTY VOCATIONAL-TECHNICAL**

**Warren County Vocational-Technical School District
(a component unit of the County of Warren)
Washington, New Jersey**

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

**Comprehensive Annual
Financial Report**

of the

**Warren County Vocational-Technical School District
Board of Education**

(a component unit of the County of Warren)

Washington, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

**Warren County Vocational-Technical School District
Business Office**

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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INTRODUCTORY SECTION

WARREN COUNTY TECHNICAL SCHOOL DISTRICT

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November 7, 2011

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

Dear Board Members:

The comprehensive annual financial report of the Warren County Vocational-Technical School District (the "District") for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations 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 Auditors' Report, the 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 States, Local Governments, and Nonprofit Organizations*, and New Jersey's 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 auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Warren County Vocational-Technical School District is a component unit of the County of Warren within the criteria adopted by the Government Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Warren County Vocational-Technical School District and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. In addition, adult students may enroll in full time post-secondary programs. These include HVAC, Cosmetology, and LPN training. Programs are available for both regular and special education students. The District completed the 2010-11 school year with an enrollment of 469 students in grades 9 through 12. The following table details the changes in student enrollment in grades 9 through 12 over the last seventeen years.

The Honorable President and Members of
the Board of Education
Warren County Vocational-Technical School District
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1) REPORTING ENTITY AND ITS SERVICES (Cont'd.):

Average Daily Enrollment - Grades 9-12 Only

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>Attendance Rate</u>
1993-1994	329.4	304.6	92.5%
1994-1995	392.3	272.3	93.1%
1995-1996	375.4	346.9	92.4%
1996-1997	381.7	349.8	91.6%
1997-1998	377.1	346.1	91.8%
1998-1999	383.4	353.2	92.1%
1999-2000	411.8	374.3	90.9%
2000-2001	401.7	367.2	91.4%
2001-2002	483.0	455.2	94.2%
2002-2003	336.8	314.6	93.4%
2003-2004	353.8	332.0	93.8%
2004-2005	404.5	382.9	94.7%
2005-2006	409.0	380.0	92.9%
2006-2007	417.0	395.4	94.8%
2007-2008	446.0	400.0	89.7%
2008-2009	429.2	407.6	94.9%
2009-2010	441.2	415.2	94.1%
2010-2011	454.7	429.7	94.5%

2) MAJOR INITIATIVES: WCTS has attempted to restructure career programming and bring it in line with the 21st century educational goals. That being said, it was essential to promote post-secondary training and higher education at the college level. The following narrative is a snapshot of what we have accomplished this year. Going forward we intend to build upon the initiatives implemented to date.

Warren Tech is a career academy high school whose mission is to provide students with an exceptional education with career specialization. Students who attend Warren Tech have made a decision to pursue a specific career path at a young age and are eager to acquire all the knowledge that they can. They realize that by selecting Warren Tech, a school of choice, they begin to focus their studies by sharpening both academic and vocational skills. Statistically, WCTS students have gained an advantage if they choose to enter the workplace, attend college, or secure post-secondary training/apprenticeships.

Under the Department of Education initiative, CTE programs should follow a career cluster design. Warren Tech has enhanced individual career programs by encouraging integration of similar themes of study. The Child Development program and Health Science program continue to be very attractive to incoming freshmen. Both of these programs now have articulation agreements with WCCC and address the need for trained certificated childcare and health care professionals in Warren County. As this program evolves, the community will benefit from a day care facility and clinic which will be incorporated into the training regimen. UMDNJ has also entered into an articulation agreement with our program allowing students to earn college credits.

The Honorable President and Members of
 the Board of Education
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2.) MAJOR INITIATIVES (Cont'd): In order to better prepare our Engineering Academy students for entry into the workforce, a collaborative agreement with NJIT has been added to the existing curriculum. This will enhance the current hands-on component as students acquire additional certificates such as ADDA. Also, in this atmosphere students can experience a research atmosphere necessary to support those students applying to college. This will require a substantial investment in supplies and equipment to be provided through Perkins funding.

Our hope is to continue to improve all academies incorporating "College and Career Readiness". We have found that teachers are very observant when it comes to which programs are of great interest to incoming students...this spurs them on to make their career program as attractive.

CAREER ACADEMY OPTIONS

CONSTRUCTION TRADES ACADEMY

The overall goal of the program is to create a solid foundation of knowledge in Carpentry and Construction Trades to include ancillary programs of study. These additional courses will support an individual's career aspirations at Tech. Electrical Applications will introduce Building Trades students to AC/DC current, wiring, and theory to support both residential and commercial construction. Computer Assisted Drafting will give students the basics of creating and interpreting blueprint design. Students learn welding and construction techniques essential to becoming a carpenter apprentice. The carpentry curriculum will include all basic framing concepts that will culminate with a student construction project. Students are still able to select a career major that will be enhanced with a different ancillary program each year. Example: Carpentry is a major field of study...all Carpentry students will take one year of Electrical Applications, CAD, Welding, and, most importantly, Business Management.

- Carpentry
- Electrical Applications
- Computer Assisted Drafting
- Welding
- *Business Management

* Indicates a required semester of study for graduation in the above career majors

ENGINEERING ACADEMY

The Engineering academy will focus on providing career major Engineering students with a background in Building Trades. In addition, all students in Automotive Technology, Engineering, and Electronics will receive a year of instruction in CAD. It is essential that the pairing of Engineering and Automotive Technology utilize and integrate CAD. A benefit of this scheduling will be the addition of a one-period Auto Tech class for students who have not selected Auto Tech as a career major. They can now experience basic auto repair for common problems with cars and trucks that they may encounter later on in life. Welding instruction, which will be brought to the students again through ancillary coursework, will support the framework for all future construction initiatives.

The Honorable President and Members of
 the Board of Education
 Warren County Vocational-Technical School District
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ENGINEERING ACADEMY (Cont'd)

The Business Management portion of their experience at Tech will focus on introductory business procedures as well as basic accounting that could lead to entrepreneurship.

- Automotive Technology
- Engineering Design & C.A.D.
- Electronics Technology
- *Electrical Applications
- *Welding
- *Business Management

* Indicates a required semester of study for graduation in the above career majors

ARTS ACADEMY

The integration of art into all career specific programs will satisfy the graduation requirement. The individual career academies listed below already include an art component. In the very near future we anticipate students having the opportunity to explore each others' disciplines. To identify a common creative bond between them will allow students to experience many different aspects of creativity. The mainstay of this initiative will discover a commonality between a student's major career area, such as Graphics and Cosmetology, Hospitality, TV, or Theater Arts. The integration of advanced fine art classes will permit students to develop specific skill sets necessary in their related fields. These ancillary programs of the Fine Arts and Business Management will, without a doubt, enhance the individual's career potential. Their future aspirations and employability will culminate as a well-versed polished graduate.

- Theater Arts
- Cosmetology
- Hospitality and Tourism
- TV / Communications
- Graphic Arts
- Fine Art
- *Business Management

*Indicates a required semester of study for graduation in the above career majors

HEALTH SCIENCE & SAFETY ACADEMY

The Health Science / Law & Public Safety Academy is within itself a plethora of community service opportunities waiting to happen. WCTS will soon come to be known as a "Full-Service Community School". With the addition of the Health Occupations component, we will be in full compliance regarding CIP codes. The Health Careers program will compliment the new Child Development program in assessing child nutrition, health and well-being. Tech is looking to have students utilize specific skill sets to aid the community in many ways. The supplemental training for Law & Public Safety and Child Development sophomores will definitely enhance their employability. Law Enforcement officers from various departments are assisting students as they complete their proficiency training. From clinic work to daycare for college students, tech students will be thorough and efficient through proper ancillary training utilizing certified RN, BSN and MSN instructors. In addition, students will be given business management coursework to aid in the proper development and maintenance of a facility.

The Honorable President and Members of
 the Board of Education
 Warren County Vocational-Technical School District
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HEALTH SCIENCE & SAFETY ACADEMY (Cont'd)

Health Occupations
 Child Development
 Law & Public Safety
 *Business Management

*Indicates a required semester of study for graduation in the above career majors

The Warren County Adult Basic Skills Program continues to provide educational programs that enhance adult education and literacy in Warren County. We are focusing on increasing the numbers of adults served, exploring alternatives to acquiring a high school diploma, and reviewing the need to identify appropriate standards for adult high school programs on an on-going basis.

Throughout 2010-2011, at various sites throughout our county, we offered programs designed to elevate workplace literacy, family literacy, English literacy, and adult education that have once again led to increased accessibility, increased enrollment, expanded diversity, improved equity, increased professional development, and enhanced student achievement. Through our successful partnerships, the Warren County Adult Basic Skills Program was once again able to ensure that members of at-risk populations are prepared to succeed as responsible, productive citizens in a global society. This has made a significant impact through our extensive work with the Phillipsburg, New Jersey area, Warren County's only "Abbott district".

While accomplishing our mission, the Warren County Adult Basic Skills Program provided a core program of instruction of adult basic skills to a record number of clients during the 2010-2011 school year.

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 are 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.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system 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 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 County Board of School Estimate, which consists of three Warren County freeholders and two Warren County Vocational-Technical School Board members. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

The Honorable President and Members of
 the Board of Education
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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 /or assignments at June 30, 2011.

5) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the 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.

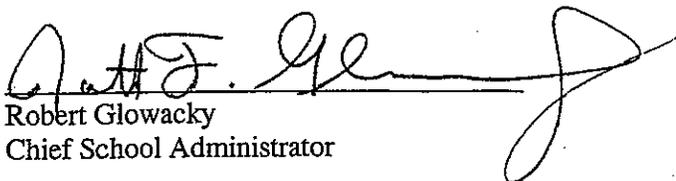
7) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation and fidelity bonds. Willis Group of New Jersey, Inc oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

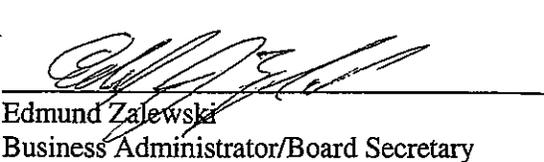
The Board is a member of the New Jersey School Boards' Association Insurance Group (the "Fund"). The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members.

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 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 New Jersey's 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 specific required supplementary information are 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.

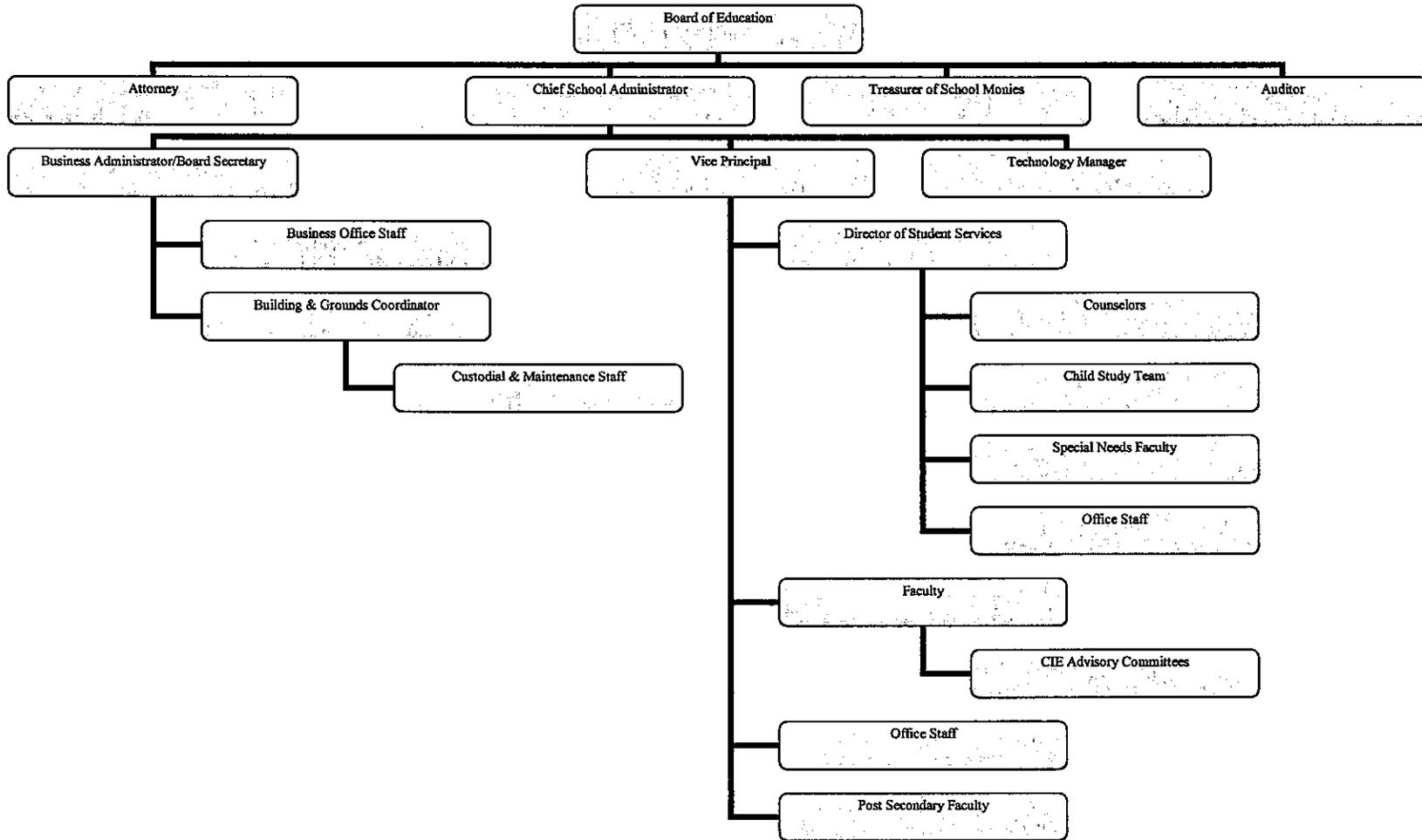
9) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Warren County Vocational-Technical School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development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

Respectfully submitted,


 Robert Glowacky
 Chief School Administrator


 Edmund Zalewski
 Business Administrator/Board Secretary

Warren County Technical School



**WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2011**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
David Shotwell, President	2011
Ellen Johnson, Vice President	2013
Frank Dragotta	2014
Michael Pierone	2014
Gus Rutledge	2012

<u>Other Officers</u>	<u>Title</u>
Robert Glowacky	Chief School Administrator
Edmund Zalewski	Board Secretary/School Business Administrator
Paula Hatch	Treasurer of School Monies

**WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
Consultants and Advisors**

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Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Warren County Vocational-Technical School District
 County of Warren, 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 Warren County Vocational-Technical School District, a component unit of the County of Warren, 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 Warren County Vocational-Technical School District, a component unit of the County of Warren, 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 November 7, 2011 on our consideration of the Board of Education of the Warren County Vocational-Technical School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

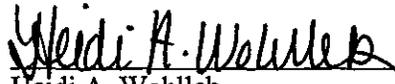
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The Management Discussion and Analysis section and Budgetary Comparison Information on Exhibits C-1 through C-3 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Warren County Vocational-Technical School District's basic 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 basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical 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.

November 7, 2011
Mount Arlington, New Jersey

NISIVOCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Management Discussion and Analysis
(Unaudited)**

This section of Warren County Vocational-Technical School District’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 status improved on a District wide basis.
- Overall revenue was \$9.47 million.

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

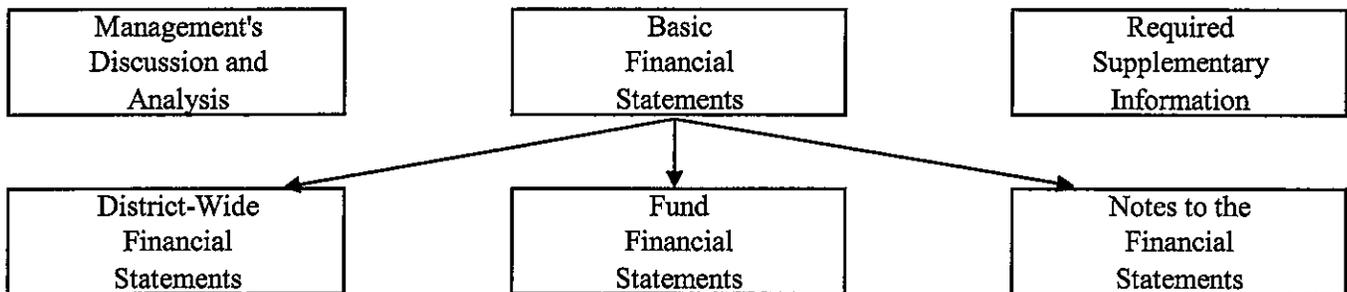


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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: food services, internet access and restaurant	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. County taxes and state formula aid and grants 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 food service, internet access and restaurant 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 funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. 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 increased by \$324,587. Net assets from governmental activities increased by \$319,689 and net assets from business-type activities increased by \$4,898. Net assets invested in capital assets increased by \$641,116 due primarily to capital acquisitions of \$1,120,632 offset by current year depreciation expense of \$475,279 and disposals, net or related accumulated depreciation, of \$4,237. Restricted net assets decreased by \$392,354 primarily due to a net decrease in the capital reserve of \$57,185 and decreases in excess surplus and encumbrances of \$317,211 and \$17,958, respectively. Unrestricted net assets increased by \$75,825 primarily due to a decrease in compensated absences of \$12,111 and unexpended General Fund budget appropriations net of funds assigned for encumbrances and funds transferred to the capital reserve by board resolution, offset by a deficit in local sources revenue primarily for tuition and miscellaneous revenue and funds appropriated in the General Fund Budget for the current fiscal year.

Figure A-3

Condensed Statement of Net Assets

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	
Current and							
Other Assets	\$ 2,442,989	\$ 2,249,827	\$ 148,704	\$ 150,826	\$ 2,591,693	\$ 2,400,653	-7.37%
Capital Assets	9,158,631	9,800,914	9,023	7,856	9,167,654	9,808,770	6.99%
Total Assets	<u>11,601,620</u>	<u>12,050,741</u>	<u>157,727</u>	<u>158,682</u>	<u>11,759,347</u>	<u>12,209,423</u>	3.83%
Other Liabilities	145,804	263,125	15,294	11,351	161,098	274,476	70.38%
Other Long-Term							
Debt	130,578	142,689			130,578	142,689	9.27%
Total Liabilities	<u>276,382</u>	<u>405,814</u>	<u>15,294</u>	<u>11,351</u>	<u>291,676</u>	<u>417,165</u>	43.02%
Net Assets:							
Invested in Capital							
Assets, Net of							
Related Debt	9,158,631	9,800,914	9,023	7,856	9,167,654	9,808,770	6.99%
Restricted	2,129,043	1,736,689			2,129,043	1,736,689	-18.43%
Unrestricted	<u>37,564</u>	<u>107,324</u>	<u>133,410</u>	<u>139,475</u>	<u>170,974</u>	<u>246,799</u>	44.35%
Total Net Assets	<u>\$ 11,325,238</u>	<u>\$ 11,644,927</u>	<u>\$ 142,433</u>	<u>\$ 147,331</u>	<u>\$ 11,467,671</u>	<u>\$ 11,792,258</u>	2.83%

Changes in Net Assets. The District's combined net assets were \$11,792,258 on June 30, 2011 (See Figure A-3). The change in net assets is primarily due to unexpended General Fund budget appropriations of \$688,169, which is net of funds assigned for encumbrances, offset by a deficit local sources revenue primarily for tuition and miscellaneous revenue of \$104,598 and budgeted withdrawal from Capital Reserve of \$380,000.

Figure A-4

Changes in Net Assets from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	
Revenue:							
Program Revenue:							
Charges for Services	\$ 407,633	\$ 403,151	\$ 186,006	\$ 131,426	\$ 593,639	\$ 534,577	-9.95%
Operating Grants and Contributions	1,337,220	1,140,390	46,493	62,176	1,383,713	1,202,566	-13.09%
General Revenue:							
Property Taxes	3,995,172	3,995,172			3,995,172	3,995,172	0.00%
Tuition from Other LEAs	1,179,067	1,130,881			1,179,067	1,130,881	-4.09%
Federal and State Aid	2,281,554	2,532,518			2,281,554	2,532,518	11.00%
Other	108,655	73,548	697	179	109,352	73,727	-32.58%
Total Revenue	9,309,301	9,275,660	233,196	193,781	9,542,497	9,469,441	-0.77%
Expenses:							
Instruction	4,012,917	4,304,311			4,012,917	4,304,311	7.26%
Pupil and Instruction Services	844,747	674,590			844,747	674,590	-20.14%
Administrative and Business	1,384,947	1,310,052			1,384,947	1,310,052	-5.41%
Maintenance and Operations	976,706	1,002,682			976,706	1,002,682	2.66%
Transportation	507,188	573,661			507,188	573,661	13.11%
Special Schools	592,594	689,544			592,594	689,544	16.36%
Capital Outlay	78,231	36,220			78,231	36,220	-53.70%
Other	274,012	364,911	221,288	188,883	495,300	553,794	11.81%
Total Expenses	8,671,342	8,955,971	221,288	188,883	8,892,630	9,144,854	2.84%
Increase/(Decrease) in Net Assets	\$ 637,959	\$ 319,689	\$ 11,908	\$ 4,898	\$ 649,867	\$ 324,587	-50.05%

Revenue Sources. The District's total revenue for the 2010/11 school year was \$9,469,441. (See Figure A-5). Property taxes accounted for a substantial portion of the District's revenue, with the County tax levy accounting for \$3,995,172 of the total, or 42.19 percent. Another 39.44 percent came from state and federal aid for specific programs and state formula aid with the remainder from other sources and charges for services and tuition.

Figure A-5

Sources of Revenue for Fiscal Year 2011

	Amount	Percentage
Sources of Income:		
Grants and Contributions	\$ 1,202,566	12.70%
County Tax Levy	3,995,172	42.19%
Unrestricted Federal and State Aid	2,532,518	26.74%
Tuition	1,130,881	11.94%
Charges for Services	534,577	5.65%
Other	73,727	0.78%
	\$ 9,469,441	100.00%

The total cost of all programs and services was \$9,144,854. The District's expenses are predominantly related to instructing, caring for (pupil services), transporting and special schools (68.26 percent). (See Figure A-6). The District's administrative and business activities accounted for 14.32 percent of total costs. The most significant contributor to the cost of maintenance and operations was higher fuel costs. It is important to note that depreciation is included in other expenses for the year; expenses therefore include \$475,279 in depreciation.

Figure A-6
Expenses for Fiscal Year 2011

Expense Category:	Amount	Percentage
Instruction	\$ 4,304,311	47.07%
Pupil and Instruction Services	674,590	7.38%
Administrative and Business	1,310,052	14.32%
Maintenance and Operations	1,002,682	10.96%
Transportation	573,661	6.27%
Special Schools	689,544	7.54%
Capital Outlay	36,220	0.40%
Other	553,794	6.06%
	<u>\$ 9,144,854</u>	<u>100.00%</u>

Governmental Activities

Careful management of expenses remains essential for the District to sustain its financial health. Among the significant cost savings realized during the year through the judicious use of budgeted funds were:

- Continued updating of the original HVAC system to high efficiency gas based system.
- Reduction in electrical usage by installing occupancy sensors throughout the building.
- Increased oversight of purchases to eliminate non-essential items.
- Utilization of co-op programs for supplies and utilities has resulted in a cost savings for the district.
- Outsourcing of Child Study Team services.

It is crucial that the District examine its expenditures carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-7 presents the cost of the major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, 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		Net Cost of Services	
	2009/10	2010/11	2009/10	2010/11
Instruction	\$ 4,012,917	\$ 4,304,311	\$ 3,336,557	\$ 3,549,524
Pupil and Instruction Services	844,747	674,590	591,028	572,645
Administrative and Business	1,384,947	1,310,052	1,336,600	1,257,579
Maintenance and Operations	976,706	1,002,682	976,706	1,002,682
Transportation	507,188	573,661	367,382	551,350
Special Schools	592,594	689,544	(34,027)	77,519
Capital Outlay	78,231	36,220	78,231	36,220
Other	274,012	364,911	274,012	364,911
	<u>\$ 8,671,342</u>	<u>\$ 8,955,971</u>	<u>\$ 6,926,489</u>	<u>\$ 7,412,430</u>

The cost of all governmental activities this year was \$8.96 million.

- The federal and state governments subsidized certain programs with grants and contributions (\$1.14 million).
- A portion of governmental activities was financed with \$2.53 million in state aid based on the CEIFA formula and federal aid.
- Approximately 42% of the District’s costs (\$4.0 million) were financed with the County Tax Levy.
- The remainder of the funding came from tuition, miscellaneous revenue, and charges for services (\$1.61 million).

Business-Type Activities

Net assets from the District’s business-type activities increased by \$4,898. (Refer to Figure A-4). Factors contributing to these results included:

- There was a decrease in net assets of \$3,898 in the Internet Access Fund due to a deficit of revenue over expenditures. Revenues declined over the prior year by approximately \$31,000, expenses decreased by approximately \$26,000 over the prior year.
- The increase in net assets in the Food Service Fund of \$6,959 is due primarily to an increase in reimbursable meals claimed by the District.
- Additionally, the Restaurant Fund had an increase in net assets of \$1,837 due to an excess of revenue over expenditures.

Financial Analysis of the District’s Funds

Difficult economic times have had a direct impact upon the District’s revenue sources. The flat funding along with increased benefit and utility costs has resulted in a strained budget that has required changes in how the District develops its budget. The District’s enrollment is also increasing. The District is continuing to improve its facilities and looking for creative use of under-utilized space.

The district must continue to practice sound fiscal management since these factors are expected to continue for the foreseeable future.

Budgetary Highlights

- The business office continues to look for areas to reduce costs and increase revenue to offset the implications of the recurring flat funding.
- The District has increased the number of post secondary students that it can accept by adding January sessions.
- The District has reduced energy costs by implementation of new HVAC systems and lighting controls.

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	\$ 174,251	\$ 174,251			\$ 174,251	174,251	0.00%
Site Improvements	209,124	194,298			209,124	194,298	-7.09%
Buildings and Building Improvements	7,736,690	8,465,388			7,736,690	8,465,388	9.42%
Machinery and Equipment	1,038,566	966,977	\$ 9,023	\$ 7,856	1,047,589	974,833	-6.95%
	<u>\$ 9,158,631</u>	<u>\$ 9,800,914</u>	<u>\$ 9,023</u>	<u>\$ 7,856</u>	<u>\$ 9,167,654</u>	<u>\$ 9,808,770</u>	6.99%

Long-term Debt

At year-end, the District had \$142,689 of long term liabilities – an increase of \$12,111 due to net accruals in compensated absences from the prior year – as shown in Figure A-9. The County of Warren 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	
Compensated Absences Payable	\$ 130,578	\$ 142,689	9.27%
	<u>\$ 130,578</u>	<u>\$ 142,689</u>	<u>9.27%</u>

Factors Bearing on the District's Future Revenue/Expense Changes

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

- New state regulations continue to have a huge impact on District spending and budgeting.
- Collaboration with the County College will increase rental income along with additional support for equipment.
- More aggressive collection activity for outstanding balances will result in increased cash flow.
- Uncertainty of future grant amounts may impact the amount of aid that the District receives.
- Implementation of the tiered health care system will impact the amount the District pays for benefits.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers 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, 1500 Route 57, Washington, New Jersey 07882.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 634,518	\$ 82,343	\$ 716,861
Internal Balances	(59,115)	59,115	
Interfund Receivables	11,212		11,212
Receivables From State Government	13,615	134	13,749
Receivables From Federal Government	89,478	3,973	93,451
Receivables from Other Governments	101,590		101,590
Other Receivables	111,504		111,504
Inventories		5,261	5,261
Restricted Assets:			
Capital Reserve Account - Cash	462,898		462,898
Capital Reserve Account - Investments	488,607		488,607
Maintenance Reserve Account - Cash	395,520		395,520
Capital Assets, Net			
Sites (Land)	174,251		174,251
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	9,626,663	7,856	9,634,519
Total Assets	<u>12,050,741</u>	<u>158,682</u>	<u>12,209,423</u>
LIABILITIES			
Accounts Payable	189,589	10,097	199,686
Payable to State Government	3,913		3,913
Payable to Federal Government	23,391		23,391
Deferred Revenue	46,232	1,254	47,486
Noncurrent Liabilities:			
Within One Year	646		646
Due Beyond One Year	142,043		142,043
Total Liabilities	<u>405,814</u>	<u>11,351</u>	<u>417,165</u>
NET ASSETS			
Invested in Capital Assets	9,800,914	7,856	9,808,770
Restricted for:			
Capital Projects	951,505		951,505
Other Purposes	785,184		785,184
Unrestricted	107,324	139,475	246,799
Total Net Assets	<u>\$ 11,644,927</u>	<u>\$ 147,331</u>	<u>\$ 11,792,258</u>

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

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT
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	\$ 2,208,005		\$ 233,015	\$ (1,974,990)		\$ (1,974,990)
Vocational Education Instruction	1,901,753		507,891	(1,393,862)		(1,393,862)
School Sponsored/Other Instruction	194,553		13,881	(180,672)		(180,672)
Support Services:						
Student & Instruction Related Services	674,590		101,945	(572,645)		(572,645)
General Administrative Services	412,945		15,476	(397,469)		(397,469)
School Administrative Services	392,116		26,007	(366,109)		(366,109)
Central Services	290,643		10,990	(279,653)		(279,653)
Administrative Information Technology	214,348			(214,348)		(214,348)
Plant Operations and Maintenance	1,002,682			(1,002,682)		(1,002,682)
Pupil Transportation	573,661		22,311	(551,350)		(551,350)
Special Schools	689,544	\$ 403,151	208,874	(77,519)		(77,519)
Capital Outlay	36,220			(36,220)		(36,220)
Unallocated Depreciation	364,911			(364,911)		(364,911)
Total Governmental Activities	8,955,971	403,151	1,140,390	(7,412,430)		(7,412,430)
Business-Type Activities:						
Internet Access	16,044	11,975			\$ (4,069)	(4,069)
Restaurant	15,331	17,168			1,837	1,837
Food Service	157,508	102,283	62,176		6,951	6,951
Total Business-Type Activities	188,883	131,426	62,176		4,719	4,719
Total Primary Government	\$ 9,144,854	\$ 534,577	\$ 1,202,566	(7,412,430)	4,719	(7,407,711)

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
				\$ 3,995,172		\$ 3,995,172
				1,130,881		1,130,881
				2,532,518		2,532,518
				11,257	\$ 179	11,436
				62,291		62,291
				<u>7,732,119</u>	<u>179</u>	<u>7,732,298</u>
				319,689	4,898	324,587
				<u>11,325,238</u>	<u>142,433</u>	<u>11,467,671</u>
				<u>\$ 11,644,927</u>	<u>\$ 147,331</u>	<u>\$ 11,792,258</u>

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

FUND FINANCIAL STATEMENTS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 634,518		\$ 634,518
Interfund Receivable	51,086		51,086
Receivables From State Government	11,660	\$ 1,955	13,615
Receivables From Federal Government		89,478	89,478
Receivables From Other Governments	101,590		101,590
Other Receivables	111,504		111,504
Restricted Cash and Cash Equivalents	858,418		858,418
Restricted Investments	488,607		488,607
Total Assets	\$ 2,257,383	\$ 91,433	\$ 2,348,816
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund Payable	\$ 59,115	\$ 39,874	\$ 98,989
Accounts Payable	172,893	16,696	189,589
Payable to State Government		3,913	3,913
Payable to Federal Government		23,391	23,391
Deferred Revenue	38,673	7,559	46,232
Total Liabilities	270,681	91,433	362,114
Fund Balances:			
Restricted:			
Capital Reserve	951,505		951,505
Maintenance Reserve	395,520		395,520
Assigned:			
Other Purposes	389,664		389,664
Unassigned	250,013		250,013
Total Fund Balances	1,986,702		1,986,702
Total Liabilities and Fund Balances	\$ 2,257,383	\$ 91,433	

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 \$14,269,240
and the Accumulated Depreciation is \$4,468,326.

9,800,914

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

(142,689)

Net Assets of Governmental Activities

\$ 11,644,927

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES:			
Local Sources:			
County Tax Levy	\$ 3,995,172		\$ 3,995,172
Tuition from LEA's	1,130,881		1,130,881
Other Tuition	403,151		403,151
GED Testing Center Fees	8,750		8,750
Interest Earned on Capital Reserve Funds	5,090		5,090
Unrestricted Miscellaneous Revenues	59,708	\$ 3,700	63,408
Total - Local Sources	5,602,752	3,700	5,606,452
State Sources	3,257,406	12,694	3,270,100
Federal Sources		399,108	399,108
Total Revenues	8,860,158	415,502	9,275,660
EXPENDITURES:			
Current:			
Instruction:			
Regular Instruction	1,542,833	56,559	1,599,392
Vocational Education Instruction	1,247,431	108,790	1,356,221
School-Sponsored/Other Instruction	147,551		147,551
Support Services and Undistributed Costs:			
Student and Other Instruction Related Services	440,622	64,184	504,806
General Administration Services	358,485		358,485
School Administration Services	287,058		287,058
Central Services	225,911		225,911
Administrative Information Technology	205,623		205,623
Plant Operations and Maintenance	912,418		912,418
Student Transportation	573,642		573,642
Unallocated Benefits	1,711,950		1,711,950
Capital Outlay	1,131,912	918	1,132,830
Special Schools	385,205	185,051	570,256
Total Expenditures	9,170,641	415,502	9,586,143
Deficit of Revenue Under Expenditures	(310,483)		(310,483)
Fund Balance - July 1	2,297,185		2,297,185
Fund Balance - June 30	\$ 1,986,702	\$ -0-	\$ 1,986,702

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, 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) \$ (310,483)

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 exceeded depreciation and deletion of capital assets, net of accumulated depreciation in the period.

Depreciation Expense	\$ (474,112)	
Deletion of Capital Assets, net of Accumulated Depreciation	(4,237)	
Capital Outlays	<u>1,120,632</u>	642,283

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 (+).

(12,111)

Change in Net Assets of Governmental Activities

\$ 319,689

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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	\$ 82,343
Interfund Receivable - General Fund	59,115
Intergovernmental Accounts Receivable:	
State	134
Federal	3,973
Inventories	<u>5,261</u>
Total Current Assets	<u>150,826</u>
Non-Current Assets:	
Capital Assets	31,604
Less: Accumulated Depreciation	<u>(23,748)</u>
Total Non-Current Assets	<u>7,856</u>
Total Assets	<u>158,682</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	10,097
Deferred Revenue	<u>1,254</u>
Total Liabilities	<u>11,351</u>
<u>NET ASSETS:</u>	
Invested in Capital Assets	7,856
Unrestricted	<u>139,475</u>
Total Net Assets	<u><u>\$ 147,331</u></u>

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

WARREN COUNTY VOCATIONAL-TECHNICAL 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>
Operating Revenue:	
Daily Sales - Reimbursable Programs	\$ 61,350
Daily Sales - Non-Reimbursable Programs	40,933
Program Fees	29,143
	131,426
Total Operating Revenue	131,426
Operating Expenses:	
Cost of Sales	103,643
Salaries and Employee Benefits	57,092
Purchased Technical Services	15,312
Other Purchased Services	8,686
Supplies and Materials	1,501
Miscellaneous Expenditures	1,482
Depreciation Expense	1,167
	188,883
Total Operating Expenses	188,883
Operating Loss	(57,457)
Non-Operating Income:	
Local Sources:	
Interest Income	179
State Sources:	
State School Lunch Program	1,673
Federal Sources:	
National School Lunch Program	42,557
National School Breakfast Program	7,905
Food Distribution	10,041
	62,355
Total Non-Operating Income	62,355
Change in Net Assets	4,898
Net Assets - Beginning of Year	142,433
Net Assets - End of Year	\$ 147,331

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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	\$ 136,777
Payments to/for Employees	(57,092)
Payments to Suppliers	(126,473)
	(46,788)
Net Cash Used for Operating Activities	(46,788)
Cash Flows from Noncapital Financing Activities:	
State Sources - Turnover from General Fund	3,655
Federal Sources - Turnover from General Fund	47,345
	51,000
Net Cash Provided by Noncapital Financing Activities	51,000
Cash Flows from Financing Activities:	
Interest Income	179
	179
Net Cash Provided by Financing Activities	179
Net Increase in Cash and Cash Equivalents	4,391
Cash and Cash Equivalents, July 1	77,952
Cash and Cash Equivalents, June 30	\$ 82,343
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (57,457)
Adjustments to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	1,167
Food Distribution Program	10,041
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	5,351
(Decrease) in Accounts Payable	(4,584)
Increase in Deferred Revenue	641
(Increase) in Inventory	(1,947)
	(46,788)
Net Cash Used for Operating Activities	\$ (46,788)

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 \$10,682 and utilized Commodities Valued at \$10,041.

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2010

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 130,900	\$ 51	
Interfund Receivable - Student Activities			\$ 2,680
Total Assets	<u>130,900</u>	<u>51</u>	<u>2,680</u>
<u>LIABILITIES:</u>			
Interfund Payable:			
General Fund	11,212		
Scholarship Trust	2,680		
Payroll Deductions and Withholdings	41,203		
Due to Student Groups	75,805		
Total Liabilities	<u>130,900</u>		
<u>NET ASSETS:</u>			
Held in Trust for Unemployment Claims		51	
Reserved for Scholarships			2,680
Total Net Assets	<u>\$ -0-</u>	<u>\$ 51</u>	<u>\$ 2,680</u>

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 7,639	
Budget Appropriation	81,096	
Total Contributions	<u>88,735</u>	
Investment Earnings:		
Interest	66	
Net Investment Earnings	<u>66</u>	
Total Additions	<u>88,801</u>	
DEDUCTIONS:		
Unemployment Benefit Claims	88,751	
Total Deductions	<u>88,751</u>	
Change in Net Assets	50	
Net Assets - Beginning of the Year	<u>1</u>	<u>\$ 2,680</u>
Net Assets - End of the Year	<u>\$ 51</u>	<u>\$ 2,680</u>

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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 Warren County Vocational-Technical School District (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 Warren 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.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Accordingly, the Warren County Vocational-Technical School District is a component unit of the County of Warren 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. 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 other than the County of Warren.

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.

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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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:

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 County 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 Warren County Vocational-Technical School District.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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)

Additionally, the District reports the following fund types:

Enterprise Funds: 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 Internet Access, the Restaurant and the Food Service Funds. 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. None of the District's individual Enterprise Funds is a major fund.

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 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 general long-term debt 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 Food Service Fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 1, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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 Warren County freeholders and two Warren County Vocational-Technical 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 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 state aid payments for the current and prior years. 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.

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	\$ 8,813,638	\$ 402,780
Differences - Budget to GAAP:		
Grant Accounting Budgetary basis differs from GAAP in that the Budgetary basis recognizes Encumbrances as Expenditures and Revenue whereas the GAAP basis does not.		
Current Year Encumbrances		(24,974)
Cancellation of Prior Year Encumbrances		(833)
Prior Year Encumbrances		38,529
Prior Year State Aid Payments Recognized for GAAP Statements	319,553	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(273,033)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 8,860,158	\$ 415,502

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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:

Uses/Outflows of Resources:

Actual Amounts (Budgetary Basis) "Total Outflows" from the

Budgetary Comparison Schedule	\$ 9,170,641	\$ 402,780
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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		(24,974)
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Cancellation of Prior Year Encumbrances		(833)
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Prior Year Encumbrances		38,529
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Total Expenditures as Reported on the Statement of Revenue,		
-------------------------------------------------------------	--	--

Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 9,170,641	\$ 415,502
-----------------------------------------------------------------	--------------	------------

E. Cash and Cash Equivalents:

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 a 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 sources/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.

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, which are presented as internal balances.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

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

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 funds, 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 were reviewed for impairment.

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:

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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)

	<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

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year, therefore, there are no accrued salaries and wages as of June 30, 2011.

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 various contracts/agreements. 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 contracts/agreements.

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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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 represents cash which has been received but not yet earned.

P. Fund Balance Appropriated

General Fund: Of the \$1,986,702, General Fund fund balance at June 30, 2011, \$389,664 is assigned for year end encumbrances; \$395,520 is restricted in the maintenance reserve account; \$951,505 is restricted in the capital reserve account; and \$250,013 is unassigned which is \$273,033 less than the calculated maximum unassigned fund balance, on a GAAP Basis, due to the final two state aid payments which are not recognized until the fiscal year ending June 30, 2011.

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 had no 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 two state aid payments in the subsequent fiscal year, the school district cannot recognize these 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 two state aid payments, and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. 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.

R. 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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Continued)

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

R. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

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 and a maintenance 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 no committed resources 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.

S. 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. 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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective 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.

U. 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.

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

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 page.

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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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: (Cont'd)

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

Investments:

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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)

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

	<u>Cash and Cash Equivalents</u>	<u>Capital Reserve Account</u>	<u>Maintenance Reserve Account</u>	<u>Total</u>
Checking and Savings Accounts	\$ 847,812	\$ 462,898	\$ 395,520	\$ 1,706,230
Investments - Certificates of Deposit		488,607		488,607
	<u>\$ 847,812</u>	<u>\$ 951,505</u>	<u>\$ 395,520</u>	<u>\$ 2,194,837</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 and investments at June 30, 2011, was \$2,194,837 and the bank balance was \$2,239,978.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on October 10, 2000 in the amount of \$500 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, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2010	\$ 1,008,690
Add:	
Interest Earnings	5,090
Deposit: Board Resolution - June 23, 2011	317,725
Less:	
Budgeted Withdrawal from Capital Reserve	<u>(380,000)</u>
Ending Balance, June 30, 2011	<u>\$ 951,505</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. The withdrawal from the capital reserve was for use in a DOE approved facilities project, consistent with the District's LRFP.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$1,000 was established by the Warren County Vocational-Technical School District on June 25, 2008. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2010	<u>\$ 395,520</u>
Ending Balance, June 30, 2011	<u><u>\$ 395,520</u></u>

NOTE 6. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 174,251			\$ 174,251
Total Capital Assets Not Being Depreciated	<u>174,251</u>			<u>174,251</u>
Capital Assets Being Depreciated:				
Site Improvements	399,234	\$ 6,150		405,384
Buildings and Building Improvements	10,864,551	1,057,874		11,922,425
Machinery and Equipment	1,916,217	56,608	\$ (205,645)	1,767,180
Total Capital Assets Being Depreciated	<u>13,180,002</u>	<u>1,120,632</u>	<u>(205,645)</u>	<u>14,094,989</u>
Governmental Activities Capital Assets	<u>13,354,253</u>	<u>1,120,632</u>	<u>(205,645)</u>	<u>14,269,240</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Deletions	Ending Balance
Less Accumulated Depreciation for:				
Site Improvements	\$ (190,110)	\$ (20,976)		\$ (211,086)
Buildings and Building Improvements	(3,127,861)	(329,176)		(3,457,037)
Machinery and Equipment	(877,651)	(123,960)	\$ 201,408	(800,203)
	<u>(4,195,622)</u>	<u>(474,112)</u>	<u>201,408</u>	<u>(4,468,326)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,158,631</u>	<u>\$ 646,520</u>	<u>\$ (4,237)</u>	<u>\$ 9,800,914</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 31,604			\$ 31,604
Less Accumulated Depreciation	(22,581)	\$ (1,167)		(23,748)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,023</u>	<u>\$ (1,167)</u>	<u>\$ -0-</u>	<u>\$ 7,856</u>

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

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 12,092
School Sponsored/Other Instruction	1,705
Vocational Education Instruction	67,044
Operations and Maintenance	12,435
Central Services	458
Student and Instruction Related Services	15,074
Special Schools	393
Unallocated	364,911
	<u>\$ 474,112</u>

NOTE 7. LONG-TERM LIABILITIES

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

	Balance 6/30/2010	Accrued	Retired	Balance 6/30/2011
Compensated Absences Payable	\$ 130,578	\$ 13,200	\$ 1,089	\$ 142,689
	<u>\$ 130,578</u>	<u>\$ 13,200</u>	<u>\$ 1,089</u>	<u>\$ 142,689</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 7. LONG-TERM LIABILITIES

A. Bonds Payable:

Bonds are authorized in accordance with State law by the County of Warren 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 Warren Board of Chosen Freeholders are general obligation bonds of the County of Warren and therefore are not recorded as debt of the Warren County Vocational-Technical School District.

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 \$646 and is separated from the long-term portion of compensated absences of \$142,043.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, no liability existed for compensated absences in the Enterprise Funds.

The General Fund will be used to liquidate compensated absences payable.

NOTE 8. 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. 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 or after age according to the relevant tier category for the 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.

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 \$68,542, \$51,995 and \$46,951 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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 9. 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.

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

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$214,715, \$178,703 and \$188,159 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 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their health benefit coverage through the State of NJ Health Benefits Plan.

Property and Liability Insurance

The District is a member of the New Jersey School Boards' Association Insurance Group (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage, and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards 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 are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund 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 relates to the total assessment of the membership body. As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies.

The audit report for the year ending June 30, 2011 was not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2010 is as follows:

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)Property and Liability Insurance (Cont'd)

	<u>New Jersey School Boards' Association Insurance Group</u>
Total Assets	\$ 241,084,120
Net Assets	<u>\$ 57,984,070</u>
Total Revenue	<u>\$ 85,691,374</u>
Total Expenses	<u>\$ 76,772,944</u>
Change in Net Assets	<u>\$ 8,918,430</u>
Net Assets Distribution to Participating Members	<u>\$ -0-</u>

Financial statements for the Fund are available at the Fund's Executive Director's office:

New Jersey School Board's Association Insurance Group
450 Veterans Drive
Burlington, NJ 08016
(609) 386-6060

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.

<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	\$ 81,096	\$ 66	\$ 7,639	\$ 88,751	\$ 51
2009-2010	11,588	13	6,005	21,709	1
2008-2009	17,015	54	6,602	29,616	4,104

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 51,086	\$ 59,115
Special Revenue Fund		39,874
Enterprise Fund - Food Service Fund	59,115	
Fiduciary Fund - Student Activities		2,680
Fiduciary Fund - Private Purpose Scholarships Trust	2,680	
Fiduciary Fund - Payroll Agency Fund		11,212
	<u>\$ 112,881</u>	<u>\$ 112,881</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES (Cont'd)

The interfund receivable in the General Fund with the Special Revenue Fund is the amount of the cash deficit in the Special Revenue Fund due to a timing lag in reimbursement of federal grant funds from the state. The interfund receivable in the Food Service Fund is comprised of prior and current year federal and state lunch reimbursements deposited in the General Fund which were not remitted to the Food Service Fund by June 30, 2011. The interfund payable in the Payroll Agency Fund is the second quarter 2011 employees' share of health benefits cost reimbursements due to the General Fund. The interfund receivable in the Scholarships Trust is scholarships collected in the Student Activities account on behalf of the Scholarships Trust.

NOTE 12. 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 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

Lincoln Investment Planning
Vanguard
Fidelity Investments

Transamerica is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 14. ACCOUNTS PAYABLE

Payables as of June 30, 2011 were:

	Governmental Activities			Business-Type Activities
General Fund	Special Revenue Fund	Total Governmental Funds	Enterprise Funds	
Due to State of New Jersey	\$ 16,696	\$ 16,696		
Vendors	\$ 172,893	\$ 172,893	\$ 10,097	
	\$ 172,893	\$ 16,696	\$ 189,589	\$ 10,097

NOTE 15. 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 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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 15. TAX CALENDAR (Cont'd)

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 District on a predetermined mutually agreed-upon schedule.

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

The District participates in federal and state assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The 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 claims and pending lawsuits including personnel matters. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2011, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
\$ 389,664	\$ 24,974	\$ 414,638

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 \$24,974 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized and are reflected as either a reduction in grants receivables or an increase in deferred revenue.

BUDGETARY COMPARISON SCHEDULES

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
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>
REVENUE:					
Local Sources:					
County Tax Levy	\$ 3,995,172		\$ 3,995,172	\$ 3,995,172	
Tuition from LEA's	1,127,328		1,127,328	1,130,881	\$ 3,553
Other Tuition	513,850		513,850	403,151	(110,699)
GED Testing Center Fees	8,000		8,000	8,750	750
Interest Earned on Capital Reserve Funds				5,090	5,090
Unrestricted Miscellaneous Revenues	63,000		63,000	59,708	(3,292)
Total - Local Sources	<u>5,707,350</u>		<u>5,707,350</u>	<u>5,602,752</u>	<u>(104,598)</u>
State Sources:					
Categorical Special Education Aid	84,742		84,742	248,774	164,032
Equalization Aid	2,672,943		2,672,943	2,508,911	(164,032)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				10,109	10,109
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				214,715	214,715
TPAF Social Security (Reimbursed - Non-Budgeted)				228,377	228,377
Total State Sources	<u>2,757,685</u>		<u>2,757,685</u>	<u>3,210,886</u>	<u>453,201</u>
Total Revenue	<u>8,465,035</u>		<u>8,465,035</u>	<u>8,813,638</u>	<u>348,603</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
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:					
Grades 9-12 - Salaries of Teachers	\$ 1,330,023	\$ 21,952	\$ 1,351,975	\$ 1,351,975	
Other Purchased Services	20,638	18,125	38,763	38,763	
General Supplies	152,755	(27,875)	124,880	122,884	\$ 1,996
Textbooks	30,000	(1,883)	28,117	28,117	
Regular Programs - Home Instruction:					
Salaries of Teachers	3,000	(912)	2,088	88	2,000
Purchased Professional-Educational Services	1,000	6	1,006	1,006	
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>1,537,416</u>	<u>9,413</u>	<u>1,546,829</u>	<u>1,542,833</u>	<u>3,996</u>
Regular Vocational Programs:					
Salaries of Teachers	930,630	(61,132)	869,498	867,666	1,832
Other Salaries for Instruction	16,686	(6,749)	9,937	9,937	
Other Purchased Services	22,888	(4,923)	17,965	13,951	4,014
General Supplies	206,149	(50,511)	155,638	119,393	36,245
Textbooks	32,607		32,607	22,569	10,038
Total Regular Vocational Programs	<u>1,208,960</u>	<u>(123,315)</u>	<u>1,085,645</u>	<u>1,033,516</u>	<u>52,129</u>
Special Vocational Programs:					
Salaries of Teachers	260,937	4,968	265,905	212,274	53,631
Other Purchased Services	350		350	196	154
General Supplies	1,000		1,000	47	953
Textbooks	2,000		2,000	1,398	602
Special Vocational Programs	<u>264,287</u>	<u>4,968</u>	<u>269,255</u>	<u>213,915</u>	<u>55,340</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
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:					
School-Sponsored Cocurricular Activities:					
Salaries	\$ 44,627	\$ 1,539	\$ 46,166	\$ 36,101	\$ 10,065
Purchased Services	15,843		15,843	11,887	3,956
Supplies and Materials	29,550		29,550	18,758	10,792
Total School-Sponsored Cocurricular Activities	<u>90,020</u>	<u>1,539</u>	<u>91,559</u>	<u>66,746</u>	<u>24,813</u>
School-Sponsored Athletics:					
Salaries	60,453	6,550	67,003	64,940	2,063
Purchased Services	12,000		12,000	8,754	3,246
Supplies and Materials	11,628		11,628	7,111	4,517
Total School-Sponsored Athletics	<u>84,081</u>	<u>6,550</u>	<u>90,631</u>	<u>80,805</u>	<u>9,826</u>
TOTAL INSTRUCTION	<u>3,184,764</u>	<u>(100,845)</u>	<u>3,083,919</u>	<u>2,937,815</u>	<u>146,104</u>
Undist. Expend. - Health Services:					
Salaries	64,310	(1,248)	63,062	63,061	1
Purchased Professional and Technical Services	4,000	1,967	5,967	3,037	2,930
Supplies and Materials	10,064	(8,236)	1,828	1,708	120
Total Undist. Expend. - Health Services	<u>78,374</u>	<u>(7,517)</u>	<u>70,857</u>	<u>67,806</u>	<u>3,051</u>
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	113,492	982	114,474	114,474	
Salaries of Secretarial and Clerical Assistants	26,300	1,366	27,666	27,666	
Other Purchased Services	1,080	(506)	574	394	180
Supplies and Materials	500	795	1,295	1,173	122
Total Undist. Expend. - Guidance	<u>141,372</u>	<u>2,637</u>	<u>144,009</u>	<u>143,707</u>	<u>302</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
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. - Child Study Teams:					
Salaries of Other Professional Staff	\$ 85,000	\$ (766)	\$ 84,234	\$ 84,234	
Salaries of Secretarial and Clerical Assistants	36,577		36,577	35,820	\$ 757
Other Purchased Professional and Technical Services	85,000	19,000	104,000	100,023	3,977
Other Purchased Services	2,812	(400)	2,412	1,148	1,264
Supplies and Materials	2,070	(896)	1,174	1,174	
Other Objects	150	145	295	295	
Total Undist. Expend. - Child Study Teams	<u>211,609</u>	<u>17,083</u>	<u>228,692</u>	<u>222,694</u>	<u>5,998</u>
Undist. Expend. - Improvement of Instructional Services:					
Other Salaries	10,000	(5,375)	4,625	4,625	
Total Undist. Expend-Impr. Of Instruct. Services	<u>10,000</u>	<u>(5,375)</u>	<u>4,625</u>	<u>4,625</u>	
Undist. Expend. - Instructional Staff Training Services:					
Purchased Professional - Educational Services	1,855	660	2,515	1,790	725
Total Undist. Expend. - Instructional Staff Training Services	<u>1,855</u>	<u>660</u>	<u>2,515</u>	<u>1,790</u>	<u>725</u>
Undist. Expend. - Support Services - General Administration:					
Salaries	118,288		118,288	112,655	5,633
Legal Services	118,103	(5,033)	113,070	80,241	32,829
Audit Fees	43,000		43,000	32,606	10,394
Purchased Technical Services	7,000		7,000		7,000
Communications/Telephone	56,184	(6,179)	50,005	34,122	15,883
BOE Other Purchased Services	3,000	(1,500)	1,500	57	1,443
Other Purchased Services	73,792	2,347	76,139	70,479	5,660
General Supplies	11,570	(1,853)	9,717	8,570	1,147

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
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: (Cont'd)					
Judgments Against the School District	\$ 10,000	\$ (10,000)			
Miscellaneous Expenditures	4,985	9,876	\$ 14,861	\$ 14,861	
BOE Membership Dues and Fees	7,000	(1,854)	5,146	4,894	\$ 252
Total Undist. Expend. - Support Services - General Administration	<u>452,922</u>	<u>(14,196)</u>	<u>438,726</u>	<u>358,485</u>	<u>80,241</u>
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	198,772		198,772	189,307	9,465
Salaries of Secretarial and Clerical Assistants	64,175		64,175	62,834	1,341
Purchased Professional and Technical Services	2,000	(225)	1,775	1,775	
Other Purchased Services	26,392	(360)	26,032	19,059	6,973
Supplies and Materials	10,249	1,722	11,971	11,812	159
Other Objects	2,800	(529)	2,271	2,271	
Total Undist. Expend. - Support Services - School Administration	<u>304,388</u>	<u>608</u>	<u>304,996</u>	<u>287,058</u>	<u>17,938</u>
Undist. Expend. - Central Services:					
Salaries	180,784	(766)	180,018	172,256	7,762
Purchased Technical Services	10,000	(2,748)	7,252	7,252	
Miscellaneous Purchased Services	29,559	12,048	41,607	39,940	1,667
Supplies and Materials	8,426	(3,252)	5,174	5,076	98
Miscellaneous Expenditures	1,500		1,500	1,387	113
Total Undist. Expend. - Central Services	<u>230,269</u>	<u>5,282</u>	<u>235,551</u>	<u>225,911</u>	<u>9,640</u>
Undist. Expend. - Administration Information Technology:					
Salaries	91,703	(15,481)	76,222	56,476	19,746
Purchased Technical Services	29,499	24,798	54,297	51,383	2,914
Supplies and Materials	102,097	(4,532)	97,565	97,565	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
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. - Administration Information Technology: (Cont'd)					
Other Objects	\$ 1,000	\$ (801)	\$ 199	\$ 199	
Total Undist. Expend. - Administration Information Technology	<u>224,299</u>	<u>3,984</u>	<u>228,283</u>	<u>205,623</u>	<u>\$ 22,660</u>
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	155,255	(5,532)	149,723	149,723	
Cleaning, Repair and Maintenance Services	183,023	19,156	202,179	194,168	8,011
General Supplies	20,834	1,559	22,393	18,882	3,511
Total Undist. Expend. - Required Maintenance for School Facilities	<u>359,112</u>	<u>15,183</u>	<u>374,295</u>	<u>362,773</u>	<u>11,522</u>
Undist. Expend. - Custodial Services:					
Salaries	171,314	(4,922)	166,392	131,429	34,963
Cleaning, Repair and Maintenance Services	11,680	700	12,380	10,700	1,680
Other Purchased Property Services	28,474	2,501	30,975	26,870	4,105
General Supplies	40,000	(2,500)	37,500	17,871	19,629
Energy (Electricity)	438,663		438,663	336,323	102,340
Energy (Natural Gas)	46,060	(2)	46,058	26,452	19,606
Total Undist. Expend. - Custodial Services	<u>736,191</u>	<u>(4,223)</u>	<u>731,968</u>	<u>549,645</u>	<u>182,323</u>
Undist. Expend. - Student Transportation Services:					
Sal. for Pupil Trans. (Bet. Home and Sch) - Reg.		500	500	60	440
Contracted Svcs. - (Between Home and School) - Vendors	548,510	18,040	566,550	566,550	
Contracted Svcs. (Other than Between Home & School) - Vendors	24,495	(500)	23,995	7,032	16,963
Total Undist. Expend. - Student Transportation Services	<u>573,005</u>	<u>18,040</u>	<u>591,045</u>	<u>573,642</u>	<u>17,403</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
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:					
Unallocated Benefits:					
Social Security Contributions	\$ 90,000	\$ 18,359	\$ 108,359	\$ 100,378	\$ 7,981
Other Retirement Contributions - PERS	30,000	38,542	68,542	68,542	
Unemployment Compensation	90,000	(8,904)	81,096	81,096	
Workmen's Compensation	52,000	12,729	64,729	64,729	
Health Benefits	1,131,375	(86,502)	1,044,873	890,290	154,583
Tuition Reimbursement	41,454	(15,550)	25,904	25,904	
Other Employee Benefits		27,810	27,810	27,810	
Total Unallocated Benefits	<u>1,434,829</u>	<u>(13,516)</u>	<u>1,421,313</u>	<u>1,258,749</u>	<u>162,564</u>
On-Behalf Contributions:					
TPAF Non-Contributory Insurance (non-budgeted)				10,109	(10,109)
On-Behalf TPAF Post Retirement Contributions (non-budgeted)				214,715	(214,715)
Reimbursed TPAF Social Security Contributions (non-budgeted)				228,377	(228,377)
Total On-Behalf Contributions				<u>453,201</u>	<u>(453,201)</u>
Total Personal Services - Employee Benefits	<u>1,434,829</u>	<u>(13,516)</u>	<u>1,421,313</u>	<u>1,711,950</u>	<u>(290,637)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>4,758,225</u>	<u>18,650</u>	<u>4,776,875</u>	<u>4,715,709</u>	<u>61,166</u>
TOTAL GENERAL CURRENT EXPENSE	<u>7,942,989</u>	<u>(82,195)</u>	<u>7,860,794</u>	<u>7,653,524</u>	<u>207,270</u>
Capital Outlay:					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	18,000	(4,429)	13,571	13,009	562
Vocational Programs - Regular Programs	32,000		32,000	32,000	
Total Equipment	<u>50,000</u>	<u>(4,429)</u>	<u>45,571</u>	<u>45,009</u>	<u>562</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
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:					
Capital Outlay: (Cont'd)					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 33,000	\$ 35,898	\$ 68,898	\$ 36,908	\$ 31,990
Construction Services	1,221,256	39,930	1,261,186	1,001,924	259,262
Supplies & Materials	10,000	(10,000)			
Other Objects	27,274	20,797	48,071	48,071	
Total Facilities Acquisition and Construction Services	<u>1,291,530</u>	<u>86,625</u>	<u>1,378,155</u>	<u>1,086,903</u>	<u>291,252</u>
TOTAL CAPITAL OUTLAY	<u>1,341,530</u>	<u>82,196</u>	<u>1,423,726</u>	<u>1,131,912</u>	<u>291,814</u>
Special Schools:					
Post-Secondary - Instruction:					
Salaries of Teachers	335,980		335,980	266,004	69,976
Other Purchased Services	45,024	(8,032)	36,992	6,956	30,036
General Supplies	59,160	6,711	65,871	41,926	23,945
Total Post - Secondary - Instruction	<u>440,164</u>	<u>(1,321)</u>	<u>438,843</u>	<u>314,886</u>	<u>123,957</u>
Post-Secondary - Support Services:					
Salaries	38,520	(9,329)	29,191	28,776	415
Personal Services - Employee Benefits	24,070	(400)	23,670	22,527	1,143
Supplies and Materials		5,182	5,182	5,158	24
Total Post-Secondary - Support Services	<u>62,590</u>	<u>(4,547)</u>	<u>58,043</u>	<u>56,461</u>	<u>1,582</u>
Vocational Evening - Local - Instruction:					
Salaries of Teachers		4,212	4,212	4,212	
Total Vocational Evening - Local - Instruction		<u>4,212</u>	<u>4,212</u>	<u>4,212</u>	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
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:					
GED Testing Centers:					
Salaries	\$ 5,000		\$ 5,000	\$ 4,991	\$ 9
Supplies and Materials	3,000	\$ 1,655	4,655	4,655	
Total GED Testing Centers	<u>8,000</u>	<u>1,655</u>	<u>9,655</u>	<u>9,646</u>	<u>9</u>
 TOTAL SPECIAL SCHOOLS	 <u>510,754</u>	 <u>(1)</u>	 <u>510,753</u>	 <u>385,205</u>	 <u>125,548</u>
 TOTAL EXPENDITURES	 <u>9,795,273</u>		 <u>9,795,273</u>	 <u>9,170,641</u>	 <u>624,632</u>
 Excess/(Deficit) of Revenues Over/(Under) Expenditures	 (1,330,238)		 (1,330,238)	 (357,003)	 973,235
 Fund Balance, July 1	 <u>2,616,738</u>		 <u>2,616,738</u>	 <u>2,616,738</u>	
 Fund Balance, June 30	 <u>\$ 1,286,500</u>	 <u>\$ -0-</u>	 <u>\$ 1,286,500</u>	 <u>\$ 2,259,735</u>	 <u>\$ 973,235</u>
 Recapitulation:					
Restricted:					
Capital Reserve				\$ 951,505	
Maintenance Reserve				395,520	
Assigned:					
Year End Encumbrances				389,664	
Unassigned Fund Balance				<u>523,046</u>	
				2,259,735	
 Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(273,033)</u>	
 Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,986,702</u>	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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:					
Local Sources		\$ 4,223	\$ 4,223	\$ 2,800	\$ 1,423
State Sources	\$ 12,376	28,571	40,947	12,628	28,319
Federal Sources	319,448	228,013	547,461	387,352	160,109
Total Revenues	331,824	260,807	592,631	402,780	189,851
EXPENDITURES:					
Instruction:					
Salaries of Teachers	197,354	70,949	268,303	191,456	76,847
Purchased Professional and Technical Services	7,950	9,832	17,782	5,158	12,624
Other Purchased Services	5,218	9,932	15,150	841	14,309
General Supplies	40,238	96,262	136,500	105,351	31,149
Total Instruction	250,760	186,975	437,735	302,806	134,929
Support Services:					
Salaries of Other Professional Staff	40,667	(15,295)	25,372	17,272	8,100
Personal Services - Employee Benefits	32,830	13,203	46,033	28,063	17,970
Purchased Professional Technical Services		60,694	60,694	53,256	7,438
Other Purchased Services	259	590	849	500	349
Supplies and Materials	7,308	14,640	21,948	883	21,065
Total Support Services	81,064	73,832	154,896	99,974	54,922
Total Expenditures	\$ 331,824	\$ 260,807	\$ 592,631	\$ 402,780	\$ 189,851

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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	\$ 8,813,638	\$ 402,780
Difference - Budget to GAAP:		
Grant Accounting Budgetary basis differs from GAAP in that the Budgetary basis recognizes Encumbrances as Expenditures and Revenue whereas the GAAP basis does not:		
Current Year Encumbrances		(24,974)
Cancellation of Prior Year Encumbrances		(833)
Prior Year Encumbrances		38,529
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	319,553	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(273,033)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 8,860,158	\$ 415,502
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 9,170,641	\$ 402,780
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		(24,974)
Cancellation of Prior Year Encumbrances		(833)
Prior Year Encumbrances		38,529
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 9,170,641	\$ 415,502

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON 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 Warren County Freeholders and two Warren 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 and prior years. Since the State is recording the last two state aid payments in the 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

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Rural Education Achievement Program	Adult Basic Education	<u>I.D.E.A. Part B, Basic</u>		ARRA I.D.E.A. Part B, Basic
			<u>FY 2011</u>	<u>Carryover</u>	
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 41,636	\$ 102,926	\$ 56,043	\$ 30,391	\$ 10,024
Total Revenue	<u>41,636</u>	<u>102,926</u>	<u>56,043</u>	<u>30,391</u>	<u>10,024</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers		87,987		30,000	
Purchased Professional and Technical Services					
Other Purchased Services					
General Supplies	41,636		5,892	160	10,024
Total Instruction	<u>41,636</u>	<u>87,987</u>	<u>5,892</u>	<u>30,160</u>	<u>10,024</u>
Support Services:					
Salaries of Program Directors					
Salaries of Other Professional Staff		4,100			
Salaries of Secretarial and Clerical Staff					
Personal Services - Employee Benefits		10,338			
Purchased Professional Technical Services			50,000		
Purchased Professional - Educational Services					
Supplies and Materials		501	151	231	
Total Support Services		<u>14,939</u>	<u>50,151</u>	<u>231</u>	
Total Expenditures	<u>\$ 41,636</u>	<u>\$ 102,926</u>	<u>\$ 56,043</u>	<u>\$ 30,391</u>	<u>\$ 10,024</u>

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	NJSBAIG Safety Grant	ARRA Title I	<u>No Child Left Behind</u>	
			<u>Title IIA</u>	<u>Title IIA FY 2010</u>
REVENUE:				
Local Sources	\$ 2,800			
State Sources				
Federal Sources				
		<u>\$ 10,879</u>	<u>\$ 3,256</u>	<u>\$ 2,665</u>
Total Revenue	<u>2,800</u>	<u>10,879</u>	<u>3,256</u>	<u>2,665</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services				
Other Purchased Services				
General Supplies	2,800	10,879		2,665
Total Instruction	<u>2,800</u>	<u>10,879</u>		<u>2,665</u>
Support Services:				
Salaries of Other Professional Staff				
Personal Services - Employee Benefits				
Purchased Professional Technical Services			3,256	
Other Purchased Services				
Supplies and Materials				
Total Support Services			<u>3,256</u>	
Total Expenditures	<u>\$ 2,800</u>	<u>\$ 10,879</u>	<u>\$ 3,256</u>	<u>\$ 2,665</u>

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Apprenticeship Coordinator</u>	<u>Youth Transition To Work</u>	<u>Carl D. Perkins</u>		<u>Totals</u>
			<u>Secondary</u>	<u>Post Secondary</u>	
REVENUE:					
Local Sources					\$ 2,800
State Sources	\$ 10,181	\$ 2,447			12,628
Federal Sources			\$ 46,078	\$ 83,454	387,352
Total Revenue	<u>10,181</u>	<u>2,447</u>	<u>46,078</u>	<u>83,454</u>	<u>402,780</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	7,000		23,040	43,429	191,456
Purchased Professional and Technical Services			2,658	2,500	5,158
Other Purchased Services	841				841
General Supplies	2,340	2,447	13,434	13,074	105,351
Total Instruction	<u>10,181</u>	<u>2,447</u>	<u>39,132</u>	<u>59,003</u>	<u>302,806</u>
Support Services:					
Salaries of Other Professional Staff			2,172	11,000	17,272
Personal Services - Employee Benefits			4,774	12,951	28,063
Purchased Professional Technical Services					53,256
Other Purchased Services				500	500
Supplies and Materials					883
Total Support Services			<u>6,946</u>	<u>24,451</u>	<u>99,974</u>
Total Expenditures	<u>\$ 10,181</u>	<u>\$ 2,447</u>	<u>\$ 46,078</u>	<u>\$ 83,454</u>	<u>\$ 402,780</u>

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	<u>Food Service</u>	<u>Internet Access</u>	<u>Restaurant</u>	<u>Totals</u>
<u>ASSETS:</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 13,056	\$ 57,357	\$ 11,930	\$ 82,343
Interfund Receivable - General Fund	59,115			59,115
Intergovernmental Accounts Receivable:				
State	134			134
Federal	3,973			3,973
Inventories	3,411		1,850	5,261
Total Current Assets	<u>79,689</u>	<u>57,357</u>	<u>13,780</u>	<u>150,826</u>
Non-Current Assets:				
Capital Assets	9,441	22,163		31,604
Less: Accumulated Depreciation	<u>(2,316)</u>	<u>(21,432)</u>		<u>(23,748)</u>
Total Non-Current Assets	<u>7,125</u>	<u>731</u>		<u>7,856</u>
Total Assets	<u>86,814</u>	<u>58,088</u>	<u>13,780</u>	<u>158,682</u>
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	10,097			10,097
Deferred Revenue	1,254			1,254
Total Liabilities	<u>11,351</u>			<u>11,351</u>
<u>NET ASSETS:</u>				
Investment in Capital Assets	7,125	731		7,856
Unrestricted	<u>68,338</u>	<u>57,357</u>	<u>13,780</u>	<u>139,475</u>
Total Net Assets	<u>\$ 75,463</u>	<u>\$ 58,088</u>	<u>\$ 13,780</u>	<u>\$ 147,331</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Food Service</u>	<u>Internet Access</u>	<u>Restaurant</u>	<u>Totals</u>
Operating Revenue:				
Daily Sales - Reimbursable Programs	\$ 61,350			\$ 61,350
Daily Sales - Non-Reimbursable Programs	40,933			40,933
Program Fees		\$ 11,975	\$ 17,168	29,143
Total Operating Revenue	102,283	11,975	17,168	131,426
Operating Expenses:				
Cost of Sales	88,312		15,331	103,643
Salaries and Employee Benefits	57,092			57,092
Purchased Technical Services		15,312		15,312
Other Purchased Services	8,686			8,686
Supplies and Materials	1,501			1,501
Miscellaneous Expenditures	1,482			1,482
Depreciation Expense	435	732		1,167
Total Operating Expenses	157,508	16,044	15,331	188,883
Operating Income/(Loss)	(55,225)	(4,069)	1,837	(57,457)
Non-Operating Income:				
Local Sources:				
Interest Earnings	8	171		179
State Sources:				
State School Lunch Program	1,673			1,673
Federal Sources:				
National School Lunch Program	42,557			42,557
National School Breakfast Program	7,905			7,905
Food Distribution	10,041			10,041
Total Non-Operating Income	62,184	171		62,355
Change in Net Assets	6,959	(3,898)	1,837	4,898
Net Assets - Beginning of Year	68,504	61,986	11,943	142,433
Net Assets - End of Year	\$ 75,463	\$ 58,088	\$ 13,780	\$ 147,331

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Food Service</u>	<u>Internet Access</u>	<u>Restaurant</u>	<u>Totals</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 102,283	\$ 17,756	\$ 16,738	\$ 136,777
Payments to/for Employees	(57,092)			(57,092)
Payments to Suppliers	(94,030)	(17,112)	(15,331)	(126,473)
Net Cash Provided by/(Used for) Operating Activities	(48,839)	644	1,407	(46,788)
Cash Flows from Noncapital Financing Activities:				
State Sources - Turnover from General Fund	3,655			3,655
Federal Sources - Turnover from General Fund	47,345			47,345
Net Cash Provided by Noncapital Financing Activities	51,000			51,000
Cash Flows from Financing Activities:				
Interest Income	8	171		179
Net Cash Provided by Financing Activities	8	171		179
Net Increase in Cash and Cash Equivalents	2,169	815	1,407	4,391
Cash and Cash Equivalents, July 1	10,887	56,542	10,523	77,952
Cash and Cash Equivalents, June 30	<u>\$ 13,056</u>	<u>\$ 57,357</u>	<u>\$ 11,930</u>	<u>\$ 82,343</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Operating Income/(Loss)	\$ (55,225)	\$ (4,069)	\$ 1,837	\$ (57,457)
Adjustment to Reconcile Operating Income/(Loss) to				
Cash Provided by/(Used for) Operating Activities:				
Depreciation	435	732		1,167
Food Distribution Program	10,041			10,041
Changes in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable		5,781	(430)	5,351
(Decrease) in Accounts Payable	(2,784)	(1,800)		(4,584)
Increase in Deferred Revenue	641			641
(Increase) in Inventory	(1,947)			(1,947)
Net Cash Provided by/(Used for) Operating Activities	\$ (48,839)	\$ 644	\$ 1,407	\$ (46,788)

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 \$10,682 and Utilized Commodities Valued at \$10,041.

FIDUCIARY FUNDS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL
FIDUCIARY FUND
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Agency</u>		<u>Total Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 78,485	\$ 52,415	\$ 130,900	\$ 51	
Interfund Receivable - Student Activities					\$ 2,680
Total Assets	<u>78,485</u>	<u>52,415</u>	<u>130,900</u>	<u>51</u>	<u>2,680</u>
<u>LIABILITIES:</u>					
Interfund Payable:					
General Fund		11,212	11,212		
Scholarship Trust	2,680		2,680		
Payroll Deductions and Withholdings		41,203	41,203		
Due to Student Groups	75,805		75,805		
Total Liabilities	<u>78,485</u>	<u>52,415</u>	<u>130,900</u>		
<u>NET ASSETS:</u>					
Held in Trust for Unemployment Claims				51	
Reserved for Scholarships					2,680
Total Net Assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 51</u>	<u>\$ 2,680</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 7,639	
Budget Appropriation	81,096	
Total Contributions	<u>88,735</u>	
Investment Earnings:		
Interest	66	
Net Investment Earnings	<u>66</u>	
Total Additions	<u>88,801</u>	
DEDUCTIONS:		
Unemployment Claims	88,751	
Total Deductions	<u>88,751</u>	
Change in Net Assets	50	
Net Assets - Beginning of the Year	<u>1</u>	\$ 2,680
Net Assets - End of the Year	<u>\$ 51</u>	<u>\$ 2,680</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL
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	\$ 57,293	\$ 126,183	\$ 104,991	\$ 78,485
Total Assets	<u>\$ 57,293</u>	<u>\$ 126,183</u>	<u>\$ 104,991</u>	<u>\$ 78,485</u>
<u>LIABILITIES:</u>				
Accounts Payable	\$ 7,444		\$ 7,444	
Due to Student Groups	47,169	\$ 126,183	97,547	\$ 75,805
Interfund Payable - Scholarship Trust	<u>2,680</u>			<u>2,680</u>
Total Liabilities	<u>\$ 57,293</u>	<u>\$ 126,183</u>	<u>\$ 104,991</u>	<u>\$ 78,485</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL
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	\$ 42,279	\$ 4,714,754	\$ 4,704,618	\$ 52,415
Total Assets	<u>\$ 42,279</u>	<u>\$ 4,714,754</u>	<u>\$ 4,704,618</u>	<u>\$ 52,415</u>
 <u>LIABILITIES:</u>				
Interfund Payable:				
General Fund		\$ 11,212		\$ 11,212
Payroll Deductions and Withholdings	\$ 42,279	4,703,542	\$ 4,704,618	41,203
Total Liabilities	<u>\$ 42,279</u>	<u>\$ 4,714,754</u>	<u>\$ 4,704,618</u>	<u>\$ 52,415</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 County 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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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	\$ 7,970,597	\$ 8,012,243	\$ 8,126,810	\$ 8,339,461	\$ 8,796,181	\$ 9,158,631	\$ 9,800,914
Restricted	392,080	315,413	1,116,818	1,445,239	1,862,085	2,129,043	1,736,689
Unrestricted/(Deficit)	(125,938)	51,468	96,216	430,462	29,013	37,564	107,324
Total Governmental Activities Net Assets	\$ 8,236,739	\$ 8,379,124	\$ 9,339,844	\$ 10,215,162	\$ 10,687,279	\$ 11,325,238	\$ 11,644,927
Business-Type Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 38,581	\$ 35,171	\$ 10,312	\$ 14,919	\$ 11,076	\$ 9,023	\$ 7,856
Unrestricted	109,916	116,289	115,513	123,531	119,449	133,410	139,475
Total Business-Type Activities Net Assets	\$ 148,497	\$ 151,460	\$ 125,825	\$ 138,450	\$ 130,525	\$ 142,433	\$ 147,331
District-Wide:							
Invested in Capital Assets, Net of Related Debt	\$ 8,009,178	\$ 8,047,414	\$ 8,137,122	\$ 8,354,380	\$ 8,807,257	\$ 9,167,654	\$ 9,808,770
Restricted	392,080	315,413	1,116,818	1,445,239	1,862,085	2,129,043	1,736,689
Unrestricted/(Deficit)	(16,022)	167,757	211,729	553,993	148,462	170,974	246,799
Total District Net Assets	\$ 8,385,236	\$ 8,530,584	\$ 9,465,669	\$ 10,353,612	\$ 10,817,804	\$ 11,467,671	\$ 11,792,258

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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	\$ 1,580,686	\$ 1,579,776	\$ 1,993,460	\$ 2,019,338	\$ 1,984,721	\$ 1,890,846	\$ 2,208,005
Vocational Education	1,805,552	1,661,347	1,752,686	1,802,771	2,141,211	1,951,536	1,901,753
School-Sponsored/Other Instruction	117,429	125,665	171,563	182,697	195,432	170,535	194,553
Support Services:							
Student and Instruction Related Services	985,914	819,278	695,149	736,861	662,970	844,747	674,590
General Administrative Services	656,640	422,684	447,119	447,426	431,330	452,410	412,945
School Administrative Services	574,334	475,263	620,439	505,711	423,542	377,972	392,116
Central Services	255,922	271,020	325,803	306,977	271,835	279,613	290,643
Administrative Information Technology			149,450	133,198	176,786	274,952	214,348
Plant Operations and Maintenance	823,584	783,050	933,869	1,062,702	1,123,228	976,706	1,002,682
Pupil Transportation	443,794	445,829	444,511	481,634	529,736	507,188	573,661
Special Schools	870,603	802,799	445,072	409,323	476,551	592,594	689,544
Capital Outlay		8,177	70,303	190,326	48,854	78,231	36,220
Unallocated Depreciation	1,206,321	205,558	205,489	218,839	239,602	274,012	364,911
Total Governmental Activities Expenses	<u>9,320,779</u>	<u>7,600,446</u>	<u>8,254,913</u>	<u>8,497,803</u>	<u>8,705,798</u>	<u>8,671,342</u>	<u>8,955,971</u>
Business-Type Activities:							
Internet Access	127,968	117,683	91,204	97,604	107,737	42,091	16,044
Adaptive Gym		723	1,456				
Educational Technology Training Center	124,369	86,697	36,522				
Restaurant		29,159	34,161	25,419	11,633	12,857	15,331
Food Service	128,071	141,234	146,806	167,610	169,046	166,340	157,508
Total Business-Type Activities Expense	<u>380,408</u>	<u>375,496</u>	<u>310,149</u>	<u>290,633</u>	<u>288,416</u>	<u>221,288</u>	<u>188,883</u>
Total District Expenses	<u>9,701,187</u>	<u>7,975,942</u>	<u>8,565,062</u>	<u>8,788,436</u>	<u>8,994,214</u>	<u>8,892,630</u>	<u>9,144,854</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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:							
Governmental Activities:							
Charges for Services:							
Vocational Education Instruction	\$ 31,995	\$ 20,912					
Pupil Transportation	39,736	11,963					
Special Schools	85,061	60,657	\$ 129,614	\$ 156,501	\$ 177,439	\$ 407,633	\$ 403,151
Operating Grants and Contributions	1,611,491	1,661,657	2,255,672	2,172,469	1,327,296	1,337,220	1,140,390
Capital Grants and Contributions	32,465	165,963					
Total Governmental Activities Program Revenues	1,800,748	1,921,152	2,385,286	2,328,970	1,504,735	1,744,853	1,543,541
Business-Type Activities:							
Charges for Services:							
Internet Access	134,350	115,646	132,292	101,248	84,690	43,132	11,975
Adaptive Gym	920	375	110				
Educational Technology Training Center	157,446	74,433	41,418				
Restaurant		41,444	24,986	24,489	18,282	15,971	17,168
Food Service	87,579	111,502	132,185	143,239	138,074	126,903	102,283
Operating Grants and Contributions	28,720	31,614	30,287	32,059	39,200	46,493	62,176
Total Business-Type Activities Program Revenues	409,015	375,014	361,278	301,035	280,246	232,499	193,602
Total District Program Revenues	2,209,763	2,296,166	2,746,564	2,630,005	1,784,981	1,977,352	1,737,143
Net (Expense)/Revenue:							
Governmental Activities	(7,520,031)	(5,679,294)	(5,869,627)	(6,168,833)	(7,201,063)	(6,926,489)	(7,412,430)
Business-Type Activities	28,607	(482)	51,129	10,402	(8,170)	11,211	4,719
Total District-Wide Net Expense	(7,491,424)	(5,679,776)	(5,818,498)	(6,158,431)	(7,209,233)	(6,915,278)	(7,407,711)
General Revenues and Other Changes in Net Assets:							
Governmental Activities:							
County Taxes Levied for General Purposes, Net	3,819,254	3,872,866	4,012,290	3,978,054	3,995,172	3,995,172	3,995,172
Tuition from Other LEA's			1,045,075	1,059,573	1,154,075	1,179,067	1,130,881
Federal and State Aid not Restricted	1,776,508	1,780,036	1,394,544	1,461,847	2,420,175	2,281,554	2,532,518
Investment Earnings	22,688	667	886	631	29,976	21,783	11,257

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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:							
Governmental Activities (Cont'd):							
Miscellaneous Income	\$ 49,494	\$ 109,001	\$ 214,808	\$ 463,066	\$ 73,347	\$ 86,872	\$ 62,291
Residual Equity Transfer:							
Center for Career Planning and Development		80,000					
Educational Technology Training Center			37,744				
Adaptive Gym					435		
County Capital Improvement Ordinance			125,000				
Transfers	(29,367)	(20,891)					
Cancellation of Prior Year Accounts Payable				80,980			
Total Governmental Activities	<u>5,638,577</u>	<u>5,821,679</u>	<u>6,830,347</u>	<u>7,044,151</u>	<u>7,673,180</u>	<u>7,564,448</u>	<u>7,732,119</u>
Business-Type Activities:							
Investment Earnings	2,198	2,417	2,954	2,223	2,839	697	179
Transfers	3,857	1,028					
Residual Equity Transfer - Educational Technology							
Training Center			(37,744)		(435)		
Cancellation of Prior Year Accounts Receivable			(52,538)		(2,159)		
Cancellation of Prior Year Accounts Payable			10,564				
Total Business-Type Activities	<u>6,055</u>	<u>3,445</u>	<u>(76,764)</u>	<u>2,223</u>	<u>245</u>	<u>697</u>	<u>179</u>
Total District-Wide	<u>5,644,632</u>	<u>5,825,124</u>	<u>6,753,583</u>	<u>7,046,374</u>	<u>7,673,425</u>	<u>7,565,145</u>	<u>7,732,298</u>
Change in Net Assets:							
Governmental Activities	(1,881,454)	142,385	960,720	875,318	472,117	637,959	319,689
Business-Type Activities	<u>34,662</u>	<u>2,963</u>	<u>(25,635)</u>	<u>12,625</u>	<u>(7,925)</u>	<u>11,908</u>	<u>4,898</u>
Total District	<u>\$ (1,846,792)</u>	<u>\$ 145,348</u>	<u>\$ 935,085</u>	<u>\$ 887,943</u>	<u>\$ 464,192</u>	<u>\$ 649,867</u>	<u>\$ 324,587</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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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	\$ 388,670	\$ 312,003	\$ 1,113,408	\$ 1,446,260	\$ 1,862,085	\$ 2,129,043	\$ 1,347,025
Assigned							389,664
Unreserved	212,557	273,143	301,301	611,517	200,323	168,142	
Unassigned							250,013
Total General Fund	<u>\$ 601,227</u>	<u>\$ 585,146</u>	<u>\$ 1,414,709</u>	<u>\$ 2,057,777</u>	<u>\$ 2,062,408</u>	<u>\$ 2,297,185</u>	<u>\$ 1,986,702</u>
All Other Governmental Funds:							
Unreserved, Reported In:							
Special Revenue Fund/(Deficit)	\$ (1,021)	\$ (1,021)	\$ (1,021)	\$ (1,021)			
Capital Projects Fund	4,431	4,431	4,431				
Total All Other Governmental Funds	<u>\$ 3,410</u>	<u>\$ 3,410</u>	<u>\$ 3,410</u>	<u>\$ (1,021)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total All Governmental Funds:							
Reserved/Restricted	\$ 388,670	\$ 312,003	\$ 1,113,408	\$ 1,446,260	\$ 1,862,085	\$ 2,129,043	\$ 1,347,025
Assigned							389,664
Unreserved/Unassigned	215,967	276,553	304,711	610,496	200,323	168,142	250,013
Total All Governmental Funds	<u>\$ 604,637</u>	<u>\$ 588,556</u>	<u>\$ 1,418,119</u>	<u>\$ 2,056,756</u>	<u>\$ 2,062,408</u>	<u>\$ 2,297,185</u>	<u>\$ 1,986,702</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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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	\$ 3,819,254	\$ 3,872,866	\$ 4,012,290	\$ 3,978,054	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172
Tuition from LEA's			1,045,075	1,059,573	1,154,075	1,179,067	1,130,881
Other Tuition	85,061	60,657	129,614	156,501	177,439	407,633	403,151
Non-Resident Fees	31,995	20,912					
Transportation Fees from Other LEA's	39,736	11,963					
GED Testing Center Fees						9,100	8,750
Interest Earned on Capital Reserve Funds	1,528	569	756	538	4,979	3,285	5,090
Restricted Miscellaneous Revenue				52,856	32,636		
Unrestricted Miscellaneous Revenue	70,654	109,099	214,938	410,603	66,685	100,170	63,408
State Sources	2,832,034	2,914,776	3,137,000	3,236,400	3,328,474	2,624,762	3,270,100
Federal Sources	588,430	692,880	513,216	397,616	418,020	990,112	399,108
Total Revenue	7,468,692	7,683,722	9,052,889	9,292,141	9,177,480	9,309,301	9,275,660
Expenditures:							
Instruction:							
Regular Instruction	1,072,629	1,165,427	1,410,497	1,434,996	1,482,242	1,407,087	1,599,392
Vocational Education Instruction	1,190,722	1,216,087	1,136,149	1,218,458	1,572,291	1,454,671	1,356,221
School-Sponsored/Other Instruction	90,256	88,654	115,675	132,010	156,898	132,898	147,551
Support Services:							
Student and Instruction Related Services	845,985	646,200	530,448	536,498	530,932	675,798	504,806
General Administrative Services	517,996	422,948	427,245	407,592	386,340	407,486	358,485
School Administrative Services	418,296	359,693	422,632	361,687	320,056	287,612	287,058
Central Services	206,719	196,255	227,349	243,734	214,429	228,333	225,911
Administrative Information Technology			129,488	108,264	152,470	281,226	205,623
Plant Operations and Maintenance	717,223	667,839	835,944	968,305	1,030,366	975,333	912,418
Pupil Transportation	443,794	445,829	444,511	481,634	529,736	507,188	573,642
Unallocated Benefits	1,262,033	1,522,451	1,849,178	1,796,258	1,547,670	1,527,717	1,711,950
Special Schools	728,232	701,243	366,826	329,694	411,015	686,584	570,256
Capital Outlay	170,102	326,286	473,118	715,354	837,818	502,591	1,132,830
Total Expenditures	7,663,987	7,758,912	8,369,060	8,734,484	9,172,263	9,074,524	9,586,143
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	(195,295)	(75,190)	683,829	557,657	5,217	234,777	(310,483)

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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):							
Transfers In	\$ 16,786	\$ 98	\$ 242,247				
Equity Transfer:							
Center for Career Planning and Development		80,000					
Educational Technology Training Center			20,734				
Adaptive Gym					\$ 435		
Cancellation of Special Revenue Fund Grant Receivable		(19,863)					
Cancellation of Prior Year Accounts Payable				\$ 80,980			
County Capital Improvement Ordinance			125,000				
Transfers Out	(46,153)	(1,126)	(242,247)				
Total Other Financing Sources/(Uses)	<u>(29,367)</u>	<u>59,109</u>	<u>145,734</u>	<u>80,980</u>	<u>435</u>		
Net Change in Fund Balances	<u>\$ (224,662)</u>	<u>\$ (16,081)</u>	<u>\$ 829,563</u>	<u>\$ 638,637</u>	<u>\$ 5,652</u>	<u>\$ 234,777</u>	<u>\$ (310,483)</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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Tuition from LEA's</u>	<u>Non Resident Fees</u>	<u>Transportation Fees</u>	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Career Center Reimbursement</u>	<u>Adult Education Tuition</u>	<u>Refunds of Prior Year Expenditures</u>	<u>GED Testing Center Fees</u>	<u>Total</u>
2002		\$ 52,522	\$ 106,878	\$ 24,108	\$ 7,952	\$ 30,266	\$ 56,655			\$ 278,381
2003		43,446	102,947	14,789	21,850	23,566	73,194	\$ 18,907		298,699
2004		32,563	73,160	10,338	105,251	12,000	91,484			324,796
2005		31,995	39,736	21,087	51,022		85,061			228,901
2006		20,912	11,963	27,297	82,273		60,657			203,102
2007	\$ 1,045,075			50,084	110,732		129,614	54,748		1,390,253
2008	1,059,573			75,535	335,213		156,501	52,856		1,679,678
2009	1,154,075			29,976	40,711		177,439	32,636		1,434,837
2010	1,179,067			21,783	77,772		407,633		\$ 9,100	1,695,355
2011	1,130,881			11,257	53,541		403,151		8,750	1,607,580

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY, COUNTY OF WARREN
LAST SEVEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2004	\$ 207,230,690	\$ 6,016,228,382	\$ 467,130,000	\$ 40,152,530	\$ 891,030,023	\$ 651,062,110	\$ 173,632,300	\$ 8,446,466,035	\$ 36,602,382	\$ 8,483,068,417	\$ 847,878,951	N/A	\$ 9,199,142,917
2005	198,332,890	6,420,991,477	488,899,000	39,276,620	919,463,503	664,085,450	173,404,000	8,904,452,940	32,631,543	8,937,084,483	872,977,611	N/A	10,332,405,733
2006	253,936,027	6,871,265,889	509,228,050	38,329,719	965,061,249	624,897,950	179,114,600	9,441,833,484	28,331,232	9,470,164,716	930,856,098	N/A	11,733,999,903
2007	278,142,627	7,534,209,311	590,326,550	38,050,682	1,040,506,204	621,086,750	177,534,200	10,279,856,324	28,455,816	10,308,312,140	1,046,965,438	N/A	13,059,781,320
2008	270,791,087	7,619,896,271	600,590,000	37,064,433	1,050,424,784	620,088,900	175,541,000	10,374,396,475	28,271,444	10,402,667,919	1,060,788,164	N/A	13,822,543,191
2009	256,865,167	7,654,844,051	615,471,500	38,747,232	1,060,704,897	550,840,850	176,048,900	10,353,522,597	27,217,257	10,380,739,854	1,097,260,750	N/A	13,368,469,742
2010	251,516,967	8,168,300,057	618,799,900	38,129,997	1,251,803,552	644,499,200	223,769,200	11,196,818,873	32,138,774	11,228,957,647	1,255,927,713	N/A	13,469,104,644

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

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: Warren County Tax Assessor

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS, COUNTY OF WARREN
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Taxpayer</u>	2010		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total County Net Assessed Value</u>
Merrill Creek Reservoir	\$ 229,325,800	1	2.57%
Food Manufacturers, Inc.	63,236,700	2	0.71%
Mansfield Plaza	45,104,800	3	0.50%
DSM Nutritional Products, Inc.	43,000,000	4	0.48%
Crown American Financing	39,860,400	5	0.45%
Phillipsburg Associates, LP	32,494,300	6	0.36%
National Realty Devel. Company	31,984,300	7	0.36%
Hackettstown Interstate, LLC	29,237,000	8	0.33%
Crown American / Preit Svcs.	26,245,400	9	0.29%
Green Eagle Properties	26,000,000	10	0.27%
Total	<u>\$ 566,488,700</u>		<u>6.32%</u>

<u>Taxpayer</u>	2001		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
INFORMATION IS NOT AVAILABLE			

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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	\$ 3,066,836	\$ 3,066,836	100.00%	\$ -0-
2003	3,400,000	3,400,000	100.00%	-0-
2004	3,612,748	3,612,748	100.00%	-0-
2005	3,819,254	3,819,254	100.00%	-0-
2006	3,872,866	3,872,866	100.00%	-0-
2007	4,012,290	4,012,290	100.00%	-0-
2008	3,978,054	3,978,054	100.00%	-0-
2009	3,995,172	3,995,172	100.00%	-0-
2010	3,995,172	3,995,172	100.00%	-0-
2011	3,995,172	3,995,172	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 vocational school district the entire County tax balance, in the amount voted upon or certified prior to the end of the school year.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Population^a</u>	<u>Warren County Per Capita Personal Income^b</u>	<u>Total County Personal Income^c</u>	<u>Unemployment Rate^d</u>
2002	106,871	\$ 33,845	\$ 3,617,048,995	5.30%
2003	108,232	34,515	3,735,627,480	5.70%
2004	108,607	35,578	3,864,019,846	3.80%
2005	109,000	36,882	4,020,138,000	3.80%
2006	109,625	39,448	4,324,487,000	4.10%
2007	109,492	41,928	4,590,780,576	3.70%
2008	109,897	42,974	4,722,713,678	5.00%
2009	109,638	42,631	4,673,977,578	8.80%
2010	109,638 **	42,631 *	4,673,977,578	9.10%
2011	109,638 **	42,631 *	4,673,977,578	N/A

* - Latest Warren 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 unavailable.

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

^b Per Capita Personal Income provided by the NJ Dept of Labor and Workforce Development

^c Total County personal income estimated based upon population times County per capita personal income

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS, COUNTY OF WARREN
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2010		
	Employees	Rank (Optional)	Percentage of Total Employment
Sports & Nutrition Division - Mars	1,000 - 4,999	1	N/A
Mars North America	1,000 - 4,999	2	N/A
Warren Hospital	1,000 - 4,999	3	N/A
Warren County Ostomy Association	1,000 - 4,999	4	N/A
Flowserve Corp	500 - 999	5	N/A
Hackettstown Regional Medical	500 - 999	6	N/A
DSM Nutritional Products	500 - 999	7	N/A
Atlantic States Cast Iron Pipe	250 - 499	8	N/A
Shop Rite Supermarket	250 - 499	9	N/A
National Guard	250 - 499	10	N/A
	N/A		0.00%

Employer	2001		
	Employees	Rank (Optional)	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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	16.8	19.3	21.0	19.2	22.0	25.0	29.0
Vocational	20.5	18.5	19.0	14.8	15.0	17.0	22.0
Adult/Continuing Education Programs	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Support Services:							
Student and Instruction Related Services	8.0	7.5	8.5	9.0	9.0	7.0	7.0
School Administrative Services	3.2	2.0	2.0	2.0	2.0	2.0	2.0
General Administrative Services	5.5	5.0	5.5	6.0	6.0	6.0	6.0
Central Services	2.8	2.8	3.0	3.0	3.0	4.0	4.0
Plant Operations and Maintenance	8.0	8.0	8.0	8.0	8.0	8.0	7.0
Special Schools	2.2	3.4	4.0	4.0	1.0	1.0	1.0
Total	<u>70.0</u>	<u>69.5</u>	<u>74.0</u>	<u>69.0</u>	<u>69.0</u>	<u>73.0</u>	<u>81.0</u>

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/ Teacher Ratio High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	404.5	\$ 6,765,653	\$ 16,726	-6.05%	57	1:7	404.5	382.9	14.33%	94.66%
2006	409.0	6,731,383	16,458	-1.60%	36	1:12	409.0	380.0	1.11%	92.91%
2007	417.0	7,529,116	18,055	9.70%	46	1:9.7	417.0	395.4	1.96%	94.82%
2008	446.0	7,689,436	17,241	-4.51%	48	1:9.3	446.0	400.0	6.95%	89.69%
2009	449.0	7,923,430	17,647	2.35%	49	1:9.1	429.2	407.6	-3.77%	94.97%
2010	456.0	7,885,349	17,292	-2.01%	47	1:10.9	441.2	415.2	2.80%	94.11%
2011	469.0	7,883,057	16,808	-2.80%	47	1:10	454.7	429.7	3.06%	94.50%

Note: Enrollment based on annual October district count.

^a Operating expenditures equal total expenditures less debt service, capital outlay and special schools.

^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).

^d Cost per pupil represents operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST SEVEN FISCAL YEARS
UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>District Buildings</u>							
High School							
Square Feet	151,926	151,926	151,926	151,926	151,926	151,926	151,926
Capacity (students)	484	484	484	484	484	484	484
Enrollment	405	409	417	446	449	456	469
Board Office							
Square Feet	5,046	5,046	5,046	5,046	5,046	5,046	5,046
Number of Schools at June 30, 2011							
High School = 1							

Note: Enrollment is based on the annual October district count.

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

Source: School District Facilities Office

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>High</u> <u>School</u>	<u>Board</u> <u>Office</u>	<u>Total</u>
2002	\$ 197,000	\$ 8,755	\$ 205,755
2003	178,152	9,376	187,528
2004	184,276	9,699	193,975
2005	238,311	11,643	249,954
2006	182,678	9,615	192,293
2007	180,983	9,525	190,508
2008	273,907		273,907
2009	357,512		357,512
2010	393,619		393,619
2011	362,773		362,773

* 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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - New Jersey School Boards' Association Insurance Group		
Property Section:		
Blanket Building and Contents	\$ 27,925,917	\$ 5,000
Flood Coverage	10,000,000	10,000
Liability Section:		
Comprehensive General Liability	11,000,000	
Automobile Liability	11,000,000	
Employee Benefit Liability	11,000,000	1,000
Workers' Compensation:		
Statutory Benefits	As Required by the State of New Jersey	
School Leaders Professional Liability/Employment Practices Liability		
Per Claim/Aggregate Per Member	11,000,000	5,000
Per Occurrence	11,000,000	5,000
Employers' Liability:		
Per Occurrence/Aggregate	2,000,000	
Crime:		
Employee Dishonesty	250,000	1,000
Forgery or Alteration	100,000	500
Money and Securities:		
Inside	100,000	500
Outside	100,000	500
Public Official Bond - Selective Insurance:		
Treasurer of School Monies	200,000	
Board Secretary/Business Administrator	200,000	

Source: District's Insurance Agent

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
 Warren County Vocational-Technical School District
 County of Warren, New Jersey

We have audited the financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Warren County Vocational-Technical School, in the County of Warren (the "Board"), a component unit of the County of Warren, 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 November 7, 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 opinion on the financial statements, but not for the purpose of expressing an 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
Warren County Vocational-Technical School District
Page 2

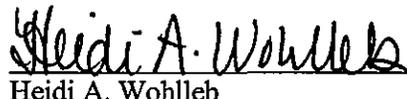
Compliance and Other Matters

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*. However, we noted certain matters that we have reported to the Board in a separate report, the *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance*, dated November 7, 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.

November 7, 2011
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
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 New Jersey's OMB Circular NJOMB 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Warren County Vocational-Technical School in the County of Warren (the "Board"), a component unit of the County of Warren, 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 state programs for the fiscal year ended June 30, 2011. The Board's major 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 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 New Jersey's 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 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 state programs for the fiscal year ended June 30, 2011.

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 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.

The Honorable President and Members
of the Board of Education
Warren County Vocational-Technical School District
Page 2

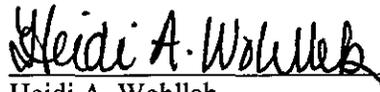
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

November 7, 2011
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNR 30, 2011.

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010			Carryover/ (Walkover)	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 Agriculture															
Passed-through State Department of Education:															
Child Nutrition Cluster:															
Food Distribution Program	10.555	N/A	7/1/10-6/30/11	\$ 10,682				\$ 10,682	\$ (9,428)				\$ 1,254		
Food Distribution Program	10.555	N/A	7/1/09-6/30/10	5,987		\$ 613			(613)						
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	42,557				39,352	(42,557)				\$ (3,205)		
National School Lunch Program	10.555	N/A	7/1/09-6/30/10	33,492	\$ (3,062)			3,062							
School Breakfast Program	10.553	N/A	7/1/10-6/30/11	7,905				7,137	(7,905)				(768)		
School Breakfast Program	10.553	N/A	7/1/09-6/30/10	4,159	(433)			433							
Total Child Nutrition Cluster					(3,495)	613		60,666	(60,503)				(3,973)	1,254	
Total U.S. Department of Agriculture					(3,495)	613		60,666	(60,503)				(3,973)	1,254	
U.S. Department of Education															
Special Revenue Fund:															
Rural Education Achievement Program	84.358A	S358A107754	7/1/10-9/30/11	44,687				21,823	(41,636)				(19,813)		
Total Rural Education Achievement Program								21,823	(41,636)				(19,813)		
Passed-through State Department of Education:															
IASA Consolidated:															
Title IV	84.186	IASA546000C	9/1/99-8/31/00	1,075			\$ 291							\$ 291	
No Child Left Behind:															
Title I	84.010A	NCLB546011C	9/1/10-8/31/11	32,549											
Title I	84.010A	NCLB546010C	9/1/09-8/31/10	32,450	(5,101)			3,600					(1,501)		
Title I	84.010A	NCLB546009C	9/1/08-8/31/09	23,890			644							644	
ARRA - Title I	84.389	NCLB546010	7/1/09-8/31/11	10,879				8,159	(10,879)				(2,720)		
Total Title I					(5,101)		644	11,759	(10,879)				(4,221)	644	
Title IIA	84.367A	NCLB546011C	9/1/10-8/31/11	10,694				3,256	(3,256)						
Title IIA	84.367A	NCLB546010C	9/1/09-8/31/10	11,928	(263)			263	(2,665)				(2,665)		
Title IIA	84.367A	NCLB546009C	9/1/08-8/31/09	18,379			3,980							3,980	
Total Title IIA					(263)		3,980	3,519	(5,921)				(2,665)	3,980	
Title IID	84.318X	NCLB546011C	9/1/10-8/31/11	331											
Title IID	84.318X	NCLB546009C	9/1/08-8/31/09	373	\$ (91)								(91)		
Total Title IID					(91)								(91)		
Title IV	84.186A	NCLB546011C	9/1/10-8/31/11	247				\$ 1						1	
Title IV	84.186A	NCLB546010C	9/1/09-8/31/10	1,028	(756)			(1)	757						
Total Title IV					(756)			757						1	
Title V	84.298A	NCLB546009C	9/1/08-8/31/09	471			56							56	
Total Title V							56							56	
Carl D. Perkins Secondary	84.048	PERK546011	7/1/10-6/30/11	46,860				44,487	(46,078)				(1,591)		
Carl D. Perkins Secondary	84.048	PERK546010	7/1/09-6/30/10	50,376	(7,164)			7,164			\$ 2			2	
Carl D. Perkins Secondary	84.048	PERK546009	7/1/08-6/30/09	83,701			640							640	
Carl D. Perkins Secondary	84.048	PERK546008	7/1/07-6/30/08	39,874			176							176	
Carl D. Perkins Post Secondary	84.048	PERK546011	7/1/10-6/30/11	83,454				83,454	(83,454)						
Carl D. Perkins Post Secondary	84.048	PKPSS546010	7/1/09-6/30/10	84,160	(18,785)			18,785							
Carl D. Perkins Post Secondary	84.048	PKPSS546009	7/1/08-6/30/09	83,454			2,450							2,450	
Carl D. Perkins Post Secondary	84.048	PKPSS546008	7/1/07-6/30/08	83,454			8,019							8,019	
Total Carl D. Perkins					(25,949)		11,285	153,890	(129,532)		2		(1,591)	11,287	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass Through Grantor/ Program/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	Carryover/ (Walkover)					Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor								
U.S. Department of Education																							
Passed-through State Department of Education:																							
Tech Prep Associate Degree	84.243	10-100-034-5060-054	9/1/09-8/31/10	\$ 95,670		\$ 9,922			\$ 8,676			\$ (18,081)			\$ 517								
Total Tech Prep Associate Degree						9,922		8,676			(18,081)			517									
Special Education Cluster:																							
I.D.E.A. Part B, Basic	84.027	IDEA546011	9/1/10-8/31/11	106,041				56,544	\$ (56,043)					\$ 501									
I.D.E.A. Part B, Basic	84.027	IDEA546010	9/1/09-8/31/10	102,842	\$ (53,379)			67,247	(30,391)	\$ 743		\$ (15,780)											
ARRA - I.D.E.A. Part B, Basic	84.391	ARRA546010	7/1/09-8/31/11	99,443	(43,097)			24,500	(10,024)	88		(28,533)											
Total Special Education Cluster					(96,476)			148,291	(96,458)	831		(44,313)		501									
Passed Through State Department of Labor and Workforce Development:																							
Adult Basic Skills Education	84.002	ABS-14-11-37	7/1/10-6/30/11	116,200				70,573	(102,926)			(32,353)											
Adult Basic Skills Education	84.002	ABS-14-10-37	7/1/09-6/30/10	116,200	(61,651)			58,816				(2,835)											
Adult Basic Skills Education	84.002	ABS-14-09-37	7/1/08-6/30/09	116,200			\$ 320							320									
Adult Basic Skills Education	84.002	ABS-14-06-37	7/1/05-6/30/06	150,000			1,069							1,069									
Adult Basic Skills Education	84.002	N/A	7/1/04-6/30/05	107,800			5,222							5,222									
					(61,651)		6,611	129,389	(102,926)			(35,188)		6,611									
Total U.S. Department of Education					(190,287)	9,922	22,867	478,104	(387,352)	833	(18,081)	(107,882)	502	23,386									
U.S. Department of Labor:																							
(Passed Through Morris County Private Industry Council):																							
Job Training Partnership Act: Summer Youth Employment and Training Program																							
	17,250	6030-OOW-IIB	7/6/99-7/30/99	29,381			5							5									
Total U.S. Department of Labor							5							5									
Total Federal Awards					\$ (193,782)	\$ 10,535	\$ 22,872	\$ -0-	\$ 538,770	\$ (447,855)	\$ 833	\$ (18,081)	\$ (111,855)	\$ 1,756	\$ 23,391								

N/A - Not Available/Applicable

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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			Budgetary Expenditures	Balance at June 30, 2011			MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received		GAAP Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Education:												
General Fund State Aid:												
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	\$ 2,508,911			\$ 2,260,509	\$ (2,508,911)				\$ (248,402)	\$ 2,508,911
Special Education Categorical Aid	11-495-034-5120-089	7/1/10-6/30/11	248,774			224,143	(248,774)				(24,631)	248,774
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	7/1/10-6/30/11	228,377			216,717	(228,377)	\$ (11,660)			(11,660)	228,377
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	1,779,345	\$ (267,461)		267,461						1,779,345
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	145,018	(22,311)		22,311						145,018
Special Education Categorical Aid	10-495-034-5120-089	7/1/09-6/30/10	252,328	(25,233)		25,233						252,328
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	29,563	(4,548)		4,548						29,563
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	7/1/09-6/30/10	239,797	(11,798)		11,798						239,797
Total General Fund State Aid				(331,351)		3,032,720	(2,986,062)	(11,660)			(284,693)	5,461,676
State School Lunch Program	11-100-010-3350-023	7/1/10-6/30/11	1,673			1,539	(1,673)	(134)			(134)	1,673
State School Lunch Program	10-100-010-3350-023	7/1/09-6/30/10	2,165	(196)		196						2,165
State School Breakfast Program	10-100-010-3350-021	7/1/09-6/30/10	356	(40)		40						356
Total Enterprise Fund				(236)		1,775	(1,673)	(134)			(134)	4,194
Special Revenue Fund State Aid:												
Extraordinary Student Incentive:												
Cosmetology	N/A	7/1/07-6/30/08	20,000		\$ 148					\$ 148		19,846
Total Special Revenue Fund Aid from Department of Education					148					148		19,846
Total NJ Department of Education				(331,587)	148	3,034,495	(2,987,735)	\$ (11,794)		148	\$ (284,827)	5,485,716
NJ Department of Labor and Workforce Development:												
Apprenticeship Coordinator	N/A	7/1/10-6/30/11	11,140			10,247	(10,181)			66		10,181
Apprenticeship Coordinator	N/A	7/1/09-6/30/10	14,271		1,158					1,158		13,113
Apprenticeship Coordinator	N/A	7/1/08-6/30/09	13,458		2,490					2,490		10,968
Apprenticeship Coordinator	N/A	7/1/07-6/30/08	20,479	(42)		42						20,479
Passed-through Hunterdon County Vocational School District:												
Youth Transition to Work	N/A	11/1/10-9/30/11	28,649				(2,447)	(1,511)			(2,447)	2,447
Total Department of Labor and Workforce Development - Special Revenue Fund				(42)	3,648	10,289	(12,628)	(1,511)		3,714	(2,447)	57,188

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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			Budgetary Expenditures	Balance at June 30, 2011			MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received		GAAP Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Health and Senior Services:												
REBEL School Based Tobacco Prevention Initiative	N/A	7/1/09-6/30/10	\$ 1,200	\$ (350)				\$ (350)			\$ (350)	\$ 1,200
REBEL School Based Tobacco Prevention Initiative	N/A	7/1/08-6/30/09	1,000	(94)				(94)			(94)	1,000
REBEL School Based Tobacco Prevention Initiative	N/A	7/1/06-6/30/07	3,000		\$ 51					\$ 51		2,949
Total NJ Department of Health and Senior Services - Special Revenue Fund				(444)	51			(444)		51	(444)	5,149
Total Special Revenue Fund				(486)	3,847	\$ 10,289	\$ (12,628)	(1,955)	\$ -0-	3,913	(2,891)	82,183
Total State Awards				\$ (332,073)	\$ 3,847	\$ 3,044,784	\$ (3,000,363)	\$ (13,749)	\$ -0-	\$ 3,913	\$ (287,718)	\$ 5,548,053

N/A - Not Available/Applicable

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES 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, Warren County Vocational-Technical School 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 and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last 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 those payments are 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 \$46,520 for the General Fund and \$12,722 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 Special Revenue Fund. Additionally, the schedule of expenditures of state awards does not include the TPAF Non-Contributory Insurance and Post Retirement Contributions revenue of \$10,109 and \$214,715 respectively. Awards and 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		\$ 3,257,406	\$ 3,257,406
Special Revenue Fund	\$ 399,108	12,694	411,802
Enterprise Fund - Food Service Fund	60,503	1,673	62,176
Total Federal and State Awards	<u>\$ 459,611</u>	<u>\$ 3,271,773</u>	<u>\$ 3,731,384</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES 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

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
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 state programs.
- An unqualified report was issued on the District's compliance for major 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 New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2011 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the federal Circular.
- The District's major state programs for the current fiscal year consisted of the following awards:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	\$ 2,508,911	\$ 2,508,911
Special Education Categorical Aid	11-495-034-5120-089	7/1/10-6/30/11	248,774	248,774

- The District qualified as a "low-risk" auditee for state programs under the provisions of section 530 of the federal 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:

- Not applicable as federal expenditures were below the single audit threshold.

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 and New Jersey's OMB Circular NJOMB 04-04.

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

Findings and Questioned Costs for Federal Awards:

- Not applicable as federal expenditures were below the single audit threshold.

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 and New Jersey's OMB Circular NJOMB 04-04.

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

Status of Prior Year Findings:

The District had no prior year audit findings.