

Board of Education
OF
ATLANTIC COUNTY
VOCATIONAL
SCHOOL DISTRICT

Atlantic County Vocational School District Board of Education
Mays Landing, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Comprehensive Annual Financial Report

of the

Atlantic County Vocational School District
Board of Education
Mays Landing, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

Atlantic County Vocational School District
Board of Education
Finance Department

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Introductory Section

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

5080 Atlantic Avenue, Mays Landing, New Jersey 08330

Website: www.acitech.org

Philip J. Guenther, Ed. D.
Superintendent
609-625-2249, ext. 1401
Fax: 609-625-2876

Lisa Mooney, CPA
Business Administrator
625-625-2249, ext. 1410
Fax: 609-625-0707

November 15, 2012

Honorable President and
Members of the Board of Education
Atlantic County Vocational School District
Mays Landing, New Jersey

Dear Board Members and Constituents
of the Atlantic County Vocational School District:

The comprehensive annual financial report of the Atlantic County Vocational School District (District) for the fiscal year ended June 30, 2012, 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 (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 financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials. The financial section includes the basic financial statements, required supplemental information and other supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the State Treasury Circular Letter 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The District is an independent reporting entity within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Atlantic County Vocational School Board of Education, a component unit of the County of Atlantic, constitutes the District's reporting entity.

The District provides full-time and shared-time vocational training to high school students attending nine high schools in Atlantic County, including special education students.

Additionally, post secondary students are served in both day and evening classes, on a tuition basis.

ECONOMIC CONDITION AND OUTLOOK: The economic forecast for the Atlantic County Institute of Technology appears positive due to the growth of the full time Academy Programs. The district had its largest freshman class enroll for the 2012-2013 school year. The new facility, which includes a gymnasium, new classrooms, weight room, dance studio and a state of the art Performing Arts Center is substantially complete. The NexGen project is slated to commence again in 2013 which is expected to bring new employment opportunities to Atlantic County. The third wave of development at the Outlet Shops at the Walk is nearing completion which is projected to bring jobs and optimism to the Atlantic City area. Many additional jobs were created with the opening of the Revel Casino in May 2012.

MAJOR INITIATIVES: The Atlantic County Vocational School District provides the most comprehensive technical education facilities in Atlantic County. The Atlantic County Institute of Technology (ACIT) is the school of choice for a diverse student body. Formerly an exclusively shared-time career technical school, ACIT now provides full-time four year programs. The conversion of ACIT has taken place over the last decade with the introduction of the academy programs in 2000 that continue to provide both a challenging academic and career- technical curriculum including summer internships and clinical experiences as modeled by the National Academy Foundation. There are now six career academies and ten career major programs from which to choose. Through these programs, students have the opportunity to earn technical certification in addition to their high school diploma. The traditional shared-time career and technical programs are in the process of being phased out; however, shared-time students who started at ACIT in these programs over the past two years will be able to complete and receive their technical certificates. In addition to these secondary education programs, ACIT provides post secondary education for the adult learner with a full-time Practical Nursing Program and an Adult Evening School with approximately 1000 adult students enrolled in both full and part-time technical programs.

A new era in career-technical education in Atlantic County began in June 2012, with a ribbon cutting ceremony at ACIT marking the completion of a three year, \$40 million addition and renovation project that included over 85,000 square feet of new construction and major renovations to over 125,000 square feet of the existing facility to provide the educational spaces to accommodate over 1200 full time high school students.

ACIT has been completely transformed into a state-of-the-art comprehensive technical high school with a new school entrance lobby and main office, library media center, gymnasium, fitness center, general purpose classrooms, science and technology labs, art and music classrooms, and a TV/Video production studio. Included in this new construction area are a Performing Arts Center, and a restaurant that will be operated by our culinary students. A multipurpose athletic field has been constructed to support physical education and interscholastic athletics.

This project also included extensive alterations and upgrades to existing facilities. The entire kitchen and cafeteria have been expanded and completely redesigned and renovated with new equipment to improve culinary instruction as well as food production and serving capacity. Energy saving improvements were completed with the installation of new mechanical systems for the entire facility and energy efficient lighting, insulated siding, and windows. A new technology infrastructure was installed to support the operational and educational needs of the district. Wireless internet is now available throughout the entire facility and each classroom is equipped with Smart Board technology.

With our new and improved facility, we look forward to providing students who attend ACIT with an exceptional academic and technical education as well as the opportunity to participate in athletics, music, and performing arts. These activities along with our existing co-curricular clubs and service organizations will continue to encourage student involvement, enhance school spirit, and provide an atmosphere for excellence.

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

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

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

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates. 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.

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 reservations of fund balance at June 30, 2012.

ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

DEBT ADMINISTRATION: In accordance with the statutes governing Type I School Districts, the bonded debt is assumed by the County of Atlantic, New Jersey, and provision for amortization of principal and interest on the outstanding debt is included in the county budget.

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1(E), 1 and 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories

protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. New Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 1(E)-1, Notes to the Financial Statements.

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

OTHER INFORMATION:

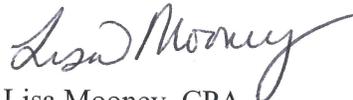
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Ford, Scott & Associates, LLC. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, the related OMB Circular A-133, and State Treasury Circular Letter 04-04 OMB. The auditor’s report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s report related specifically to the single audit is included in the single audit section of this report.

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

Respectfully submitted,

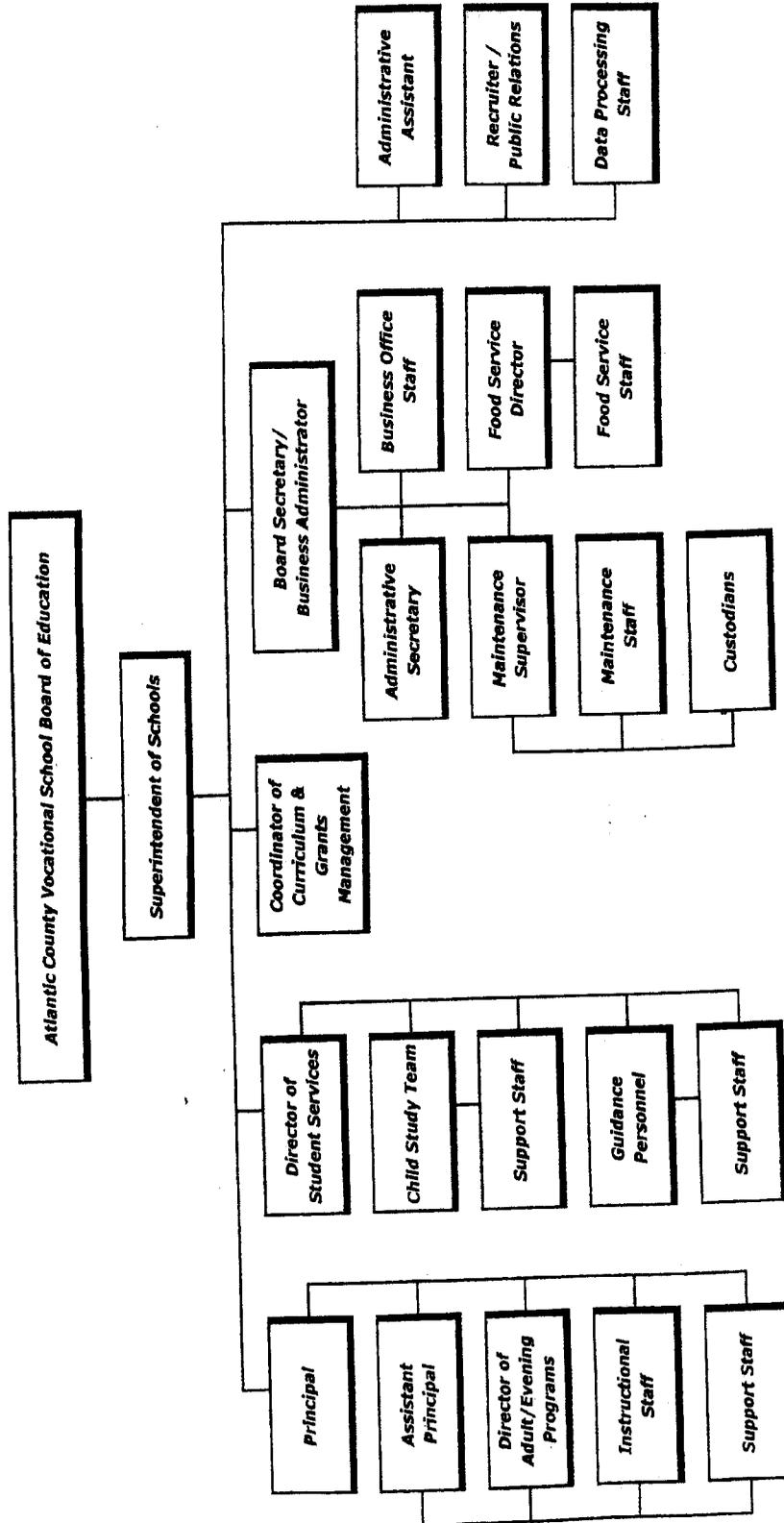


Philip J. Guenther, Ed. D.
Superintendent



Lisa Mooney, CPA
Board Secretary/Business Administrator

Atlantic County Vocational School District Organizational Chart



ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT

MAYS LANDING, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Philip S. Munafo, President	2014
Augustus C. Harmon, Vice President	2013
Marilyn Gallagher	2013
Dr. Norman Hirschfeld	2015
Ellen Hyatt	2014
Joseph F. Zondlo	2015
Thomas Dowd	Ex-officio
Ann "Sally" Williams	Ex-officio

Other Officials

Philip J. Guenther, Ed. D., Superintendent

Lisa Mooney, CPA, Board Secretary/Business Administrator

Anne M. Hyatt, Treasurer

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
Consultants and Advisors**

Architect of Record

Wayne Neville
430 Commerce Lane, Suite C
West Berlin, NJ 08091

Attorneys

Keith Davis, Esq.
Perskie, Nehmad, Perillo
4030 Ocean Heights Avenue
Egg Harbor Township, NJ 08234

John Hegarty
Jasinski Firm
8025 Black Horse Pike, Suite 470
West Atlantic City, NJ 08232

Audit Firm

Ford, Scott & Associates, LLC
Certified Public Accountants
1535 Haven Avenue
PO Box 538
Ocean City, NJ 08226

Official Depository

Ocean City Home Bank
5401 Harding Highway
Mays Landing, NJ 08330

Insurance Agents

C.J. Adams Co. Insurance, Inc.
332 Tilton Road
Northfield, NJ 08225

New Jersey School Boards Assn. Insurance Group
450 Veteran's Drive
Burlington, NJ 08016

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Financial Section

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Atlantic County Vocational School District
County of Atlantic, 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 Atlantic County Vocational School District in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Atlantic County Vocation 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 in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, of the Atlantic County Vocational Board of Education, in the County of Atlantic, State of New Jersey, as of June 30, 2012 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2012 on our consideration of the Atlantic County Vocational School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management Discussion and Analysis and Budgetary Comparison Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal and state awards is 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 Non-Profit Organizations*, and New Jersey Office of Management and Budget Circular 04-04 and is also not a required part of the basic financial statements. The introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The combining statements and major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the

United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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Leon P. Costello, CPA
Licensed Public School Accountant
No. CS00767

Ford Scott & Associates
Ford Scott & Associates, LLC

November 15, 2012

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Required Supplementary Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Atlantic County Vocational School District's ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net assets of the District increased \$11,212,212 after adjusting the governmental funds fund balance for depreciation expense, capital outlays, and compensated absences.
- The State of New Jersey reimbursed the District \$357,216 during the fiscal year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed \$396,972 for TPAF Pension Contributions on-behalf of the district. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 6% of the total general fund expenditures. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2012 the District had excess surplus in the amount of \$3,163,934, of which \$1,440,347 has been appropriated and included as anticipated revenue for the year ending June 30, 2013.
- During the fiscal year ended June 30, 2012, the District's revenues were \$1,069,276 more than total expenditures. During the prior fiscal year, revenue exceeded expenditures by \$600,036.
- In the District's business-type activities, net assets increased \$13,949 as a result of an increase in participation and careful spending on food costs during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements, required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.

- The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area.
- *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

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

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**Major Features of Atlantic County Vocational School District's
Government-wide and Fund Financial Statements
(Figure A-1)**

	Government wide Statements	Fund 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 food service and student activities	Activities the District operates similar to private businesses; food service and student operated cafe	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short- term and long- term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.

Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.
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Government-wide Statements

The government-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 government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-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 health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the County’s property tax base and the condition of the District’s facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District’s basic services are included here, such as instruction, vocational education, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District’s food service and student operated cafe funds are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s most significant *funds* – not the District as a whole. Funds are accounting devices that the

District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District’s basic services are included in governmental funds, which 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 government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District’s *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees’ unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District’s governmental activities net assets increased between fiscal years 2012 and 2011 as a result of an increase in tuition revenue. The expanded high school opened to students for the 2012 fiscal year which significantly increased the number of students attending the academy programs. Also, the State of New Jersey continues to defer the final two state aid payments to the subsequent fiscal year which has an effect on the revenue realized by the District. The business-type activities net assets increased due to an increase in the revenue from lunches sold. This can be attributed to the increase in students attending the Institute of Technology.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 4,308,398	2,827,786	193,752	180,563
Capital assets	48,057,457	38,156,011	2,174	1,376
Total assets	52,365,855	40,983,797	195,926	181,939
Long-term liabilities	586,471	622,207		
Other liabilities	439,447	233,864	37	
Total liabilities	1,025,918	856,071	37	-
Net assets				
Invested in capital assets	48,057,457	38,156,011	2,174	1,376
Restricted	3,588,036	2,256,793		
Unrestricted	(305,556)	(285,079)	193,715	180,563
Total net assets	\$ 51,339,937	40,127,725	195,889	181,939

During the 2012 fiscal year, work continued on the high school expansion even though the building is now utilized by the students. The costs associated with this project are included in Construction in Progress.

As required by New Jersey Statutes, the unrestricted net assets, on the budgetary basis of accounting, of the District are not permitted to exceed 6% of total general fund expenditures, after reductions for On-behalf TPAF pension and social security and assets acquired under capital leases. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2012, the District had excess surplus in the amount of \$3,163,934.

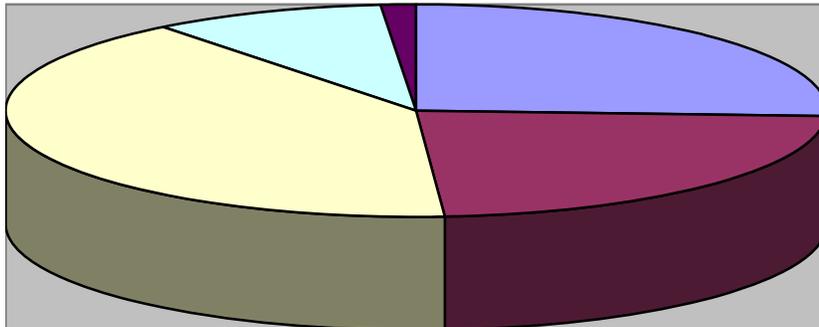
Changes in net assets. The total revenue of the District increased \$2,055,525 due to an increase in tuition related to the continued expansion of the academies, additional state and local grants and an increase in the county appropriation. Also, the State of New Jersey continues to defer the final two state aid payments to the subsequent fiscal year which affects the revenue realized by the District in the current fiscal year.

Approximately 23% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors such as growth in the Atlantic County region. The County of Atlantic levies property taxes on properties located in the county. This tax is collected by the various municipalities and remitted to the County on a quarterly basis. A portion of this tax levy is appropriated in the County's annual budget and remitted to the District on a monthly basis. The District expenses are primarily related to instruction, administration, and plant operations.

Analysis of Major Revenue Categories on an Entity Wide Basis

	2012		2011	
	Amount	Percentage	Amount	Percentage
County Appropriation	\$ 3,920,820	25.98%	3,882,000	29.77%
Unrestricted State aid	3,504,953	23.22%	3,822,622	29.32%
Charges for Services	6,162,637	40.83%	3,595,520	27.58%
Operating Grants and Contributions	1,373,005	9.10%	626,561	4.81%
Other	132,474	0.88%	1,111,661	8.53%
Totals	\$ 15,093,889	100.00%	13,038,364	100.00%

2012 Revenue



Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2012 and 2011 fiscal years.

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program revenue						
Charges for services			177,566	124,662	177,566	124,662
Tuition	6,162,637	3,595,520			6,162,637	3,595,520
General revenues						
Property taxes	3,920,820	3,882,000			3,920,820	3,882,000
State aid entitlements	1,373,005	3,240,601			1,373,005	3,240,601
Federal grants	582,692	582,020	259,186	140,087	841,878	722,107
State grants and entitlements	2,922,261	626,561	30,891	2,359	2,953,152	628,920
Other	214,607	1,111,662	1,885	1,780	216,492	1,113,442
Total revenues	<u>15,176,022</u>	<u>13,038,364</u>	<u>469,528</u>	<u>268,888</u>	<u>15,645,550</u>	<u>13,307,252</u>
Expenses						
Instruction:						
Regular	4,351,474	3,430,737			4,351,474	3,430,737
Other special instruction	179,263	291,624			179,263	291,624
Vocational	1,373,524	1,210,601			1,373,524	1,210,601
Other instruction	276,365	261,795			276,365	261,795
Support services:						
Student & instruction related	1,269,454	1,135,526			1,269,454	1,135,526
District administration services	437,510	402,616			437,510	402,616
General & business admin	1,251,827	1,277,501			1,251,827	1,277,501
Plant operations & maintenance	3,219,032	2,606,185			3,219,032	2,606,185
Pupil transportation	326,939	108,903			326,939	108,903
Special schools	1,421,358	1,156,001			1,421,358	1,156,001
Unallocated depreciation	-	556,839			-	556,839
Business-type activities			455,579	315,890	455,579	315,890
Total expenses	<u>14,106,746</u>	<u>12,438,328</u>	<u>455,579</u>	<u>315,890</u>	<u>14,562,325</u>	<u>12,754,218</u>
Excess/(Deficiency) before Transfers	1,069,276	600,036	13,949	(47,002)	1,083,225	553,034
Special Items	10,142,936	20,153,704			10,142,936	20,153,704
Transfers	-	(120,954)	-	120,954	-	-
Increase in net assets	<u>\$ 11,212,212</u>	<u>20,632,786</u>	<u>13,949</u>	<u>73,952</u>	<u>11,226,161</u>	<u>20,706,738</u>

Business-type Activities

Revenues of the District's business-type activities increased approximately 75% when compared to the previous fiscal year while expenditures increased 44% over the past fiscal year. Factors contributing to these results included:

- During the 2012 fiscal year the District saw significant increases in the number of meals served due to the increased enrollment. The District was successful at keeping costs stable.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$3,868,951 which is \$1,275,029 higher than the beginning of the year. The increase is due to an increase in revenue, in particular tuition charged to the various school districts and individuals, and an overall decrease in expenditures, mainly in the capital projects fund. Also, the State of New Jersey continues to defer the final state aid payment to the subsequent fiscal year which has an affect on the revenue recognized by the District.

General Fund Budgetary Highlights

As further explained in the Footnotes to the Financial Statements, 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, as a Type I School District, are approved by the Board of School Estimates. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceed the budget by \$417,016. This is a result of other tuition coming in above the amount anticipated. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$1,292,611. The most significant variances occurred in the area of Energy (heat and electricity) due to the costs not increasing as anticipated, as well as a mild winter, and health benefits. Audit exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the District had invested \$48.1 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net increase (including additions and deductions) of \$9,901,446, or 25.90%, over last year.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 78,120	78,120			78,120	78,120
Construction in Progress	40,491,796	30,311,288			40,491,796	30,311,288
Land Improvements	553,006	587,524			553,006	587,524
Buildings and Improvements	6,400,677	6,797,693			6,400,677	6,797,693
Machinery and Equipment	533,858	381,386	2,174	1,376	536,032	382,762
Total	\$ 48,057,457	38,156,011	2,174	1,376	48,059,631	38,157,387

Additional information on the District's capital assets can be found in Note 4 of the Notes to Financial Statements.

Long-term Debt

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the County and provision for amortization of principal and interest on the outstanding debt is included in the County budget. Additional information on the District's long-term debt can be found in Note 6 of the Notes to Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District budget for the 2013 fiscal year includes very little expansion for equipment acquisitions.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 5080 Atlantic Avenue, Mays Landing, New Jersey 08330.

DISTRICT - WIDE FINANCIAL STATEMENTS

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Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,845,882	178,038	4,023,920
Receivables, net	462,541	12,854	475,395
Inventories		2,860	2,860
Due to payroll agency	(25)		(25)
Capital assets not being depreciated			
Land	78,120		78,120
Construction in Progress	40,491,796		40,491,796
Capital assets, net of accumulated depreciation	7,487,541	2,174	7,489,715
Total Assets	<u>52,365,855</u>	<u>195,926</u>	<u>52,561,781</u>
LIABILITIES			
Accounts payable	240,728	37	240,765
Deferred revenue	198,719		198,719
Noncurrent liabilities:			
Due beyond one year	586,471		586,471
Total liabilities	<u>1,025,918</u>	<u>37</u>	<u>1,025,955</u>
NET ASSETS			
Invested in capital assets, net of related debt	48,057,457	2,174	48,059,631
Restricted for:			
Other purposes	3,588,036		3,588,036
Unrestricted	(305,556)	193,715	(111,841)
Total net assets	<u>\$ 51,339,937</u>	<u>195,889</u>	<u>51,535,826</u>

Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Indirect Expenses Allocation	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	\$ 3,339,398	1,012,076		685,438	(3,666,036)		(3,666,036)
Other special instruction	126,221	53,042		10,804	(168,459)		(168,459)
Vocational	995,292	378,232	5,644,715	77,039	4,348,230		4,348,230
Other instruction	163,870	112,495		22,914	(253,451)		(253,451)
Support services:							
Student & instruction related services	1,001,429	268,025		194,110	(1,075,344)		(1,075,344)
School administrative services	319,512	117,998		24,034	(413,476)		(413,476)
General and business administrative services	903,927	347,900		70,861	(1,180,966)		(1,180,966)
Plant operations and maintenance	2,296,611	922,421		187,881	(3,031,151)		(3,031,151)
Pupil transportation	237,793	89,146		18,157	(308,782)		(308,782)
Unallocated benefits	3,168,532	(3,168,532)					
Special schools	1,019,909	401,449	517,922	81,767	(821,669)		(821,669)
Unallocated depreciation	534,252	(534,252)					
Total governmental activities	14,106,746	-	6,162,637	1,373,005	(6,571,104)		(6,571,104)
Business-type activities:							
Food Service	443,253		164,651	290,077		11,475	11,475
L'Academie Café	12,326		12,915			589	589
Total business-type activities	455,579		177,566	290,077		12,064	12,064
Total primary government	\$ 14,562,325		6,340,203	1,663,082	(6,571,104)	12,064	(6,559,040)
General revenues:							
Taxes:							
County Appropriation							
Federal and State aid not restricted					3,920,820		3,920,820
Other restricted miscellaneous revenue					3,504,953		3,504,953
Miscellaneous Income					82,133		82,133
Special items -					132,474		132,474
Cancellation of prior year purchase orders					(12,943)		(12,943)
Adjustment to prior year depreciation					1,885		1,885
Bond proceeds					10,155,879		10,155,879
Total general revenues, special items, extraordinary items and transfers					17,783,316	1,885	17,785,201
Change in Net Assets					11,212,212	13,949	11,226,161
Net Assets—beginning					40,127,725	181,940	40,309,665
Net Assets—ending					\$ 51,339,937	195,889	51,535,826

FUND FINANCIAL STATEMENTS

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**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)**

**Balance Sheet
Governmental Funds
June 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 3,799,102	-	46,780	3,845,882
Due from other funds	110,951	-		110,951
Receivables from other governments	16,595	137,686	73,427	227,708
Other	234,833			234,833
Total assets	<u>4,161,481</u>	<u>137,686</u>	<u>120,207</u>	<u>4,419,374</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	93,786	26,735	120,207	240,728
Due to other funds	25	110,951		110,976
Deferred revenue	198,719			198,719
Total liabilities	<u>292,530</u>	<u>137,686</u>	<u>120,207</u>	<u>550,423</u>
Fund Balances:				
Restricted				
Excess Surplus	1,698,327			1,698,327
Excess Surplus-designated for subsequent years expenditures	1,440,347			1,440,347
Committed:				
Designated for subsequent years expenditures	-			-
Capital Reserve	155,099			155,099
Assigned:				
Encumbrances	294,263		-	294,263
Unreserved, reported in:				
General fund	280,915			280,915
Special Revenue fund		-		-
Capital outlay			-	-
Total Fund balances	<u>3,868,951</u>	<u>-</u>	<u>-</u>	<u>3,868,951</u>
Total liabilities and fund balances	<u>\$ 4,161,481</u>	<u>137,686</u>	<u>120,207</u>	

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.

48,057,457

Some liabilities, such as compensated absences and capital leases, are not due and payable in the current period and therefore are not reported in the funds.

(586,471)

Net assets of governmental activities

\$ 51,339,937

Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
County Appropriation	\$ 3,920,820			3,920,820
Tuition - from LEAs	5,644,715			5,644,715
Other tuition	517,922			517,922
Other restricted miscellaneous revenue	82,133	32,783		114,916
Miscellaneous	132,474			132,474
State sources	4,129,472	3,342		4,132,814
Federal sources	129,669	582,692		712,361
Total revenues	<u>14,557,205</u>	<u>618,817</u>	<u>-</u>	<u>15,176,022</u>
EXPENDITURES				
Current:				
Regular instruction	2,883,693	455,705		3,339,398
Other special instruction	126,221			126,221
Vocational education	995,292			995,292
Other instruction	163,870			163,870
Support services and undistributed costs:				
Student & instruction related services	861,909	139,520		1,001,429
School administrative services	319,512			319,512
Other administrative services	400,363			400,363
Central Services	306,564			306,564
Administrative Information Technology	197,000			197,000
Plant operations and maintenance	2,296,611			2,296,611
Pupil transportation	237,793			237,793
Unallocated Benefits	3,204,269			3,204,269
Special schools	1,019,909			1,019,909
Capital outlay	677,226	23,592	10,155,879	10,856,697
Total expenditures	<u>13,690,232</u>	<u>618,817</u>	<u>10,155,879</u>	<u>24,464,928</u>
Excess (Deficiency) of revenues over expenditures	<u>866,973</u>	<u>-</u>	<u>(10,155,879)</u>	<u>(9,288,906)</u>
OTHER FINANCING SOURCES (USES)				
Bond Proceeds			10,155,879	10,155,879
Cancellation of prior year purchase orders	(12,943)			(12,943)
Transfers in				
Transfers out	420,999			420,999
Total other financing sources and uses	<u>408,056</u>	<u>-</u>	<u>10,155,879</u>	<u>10,563,935</u>
Net change in fund balances	1,275,029	-	-	1,275,029
Fund balance—July 1	2,593,922	-	-	2,593,922
Fund balance—June 30	<u>\$ 3,868,951</u>	<u>-</u>	<u>-</u>	<u>3,868,951</u>

**Atlantic County Vocational School District
 (A Component Unit of the County of Atlantic)
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2012**

Total net change in fund balances - governmental funds (from B-2) \$ 1,275,029

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 depreciation exceeded capital outlays in the period.

	Depreciation expense	(534,252)	
	Transfer to capital reserve	(420,999)	
	Capital outlays	<u>10,856,697</u>	9,901,446

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

35,737

Change in net assets of governmental activities \$ 11,212,212

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Statement of Net Assets
Proprietary Funds
June 30, 2012**

	Business-type Activities - Enterprise Funds	
	Non-major Funds	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 178,038	178,038
Accounts receivable		
Federal	9,770	9,770
State	154	154
Other	2,930	2,930
Inventories	2,860	2,860
Total current assets	193,752	193,752
Noncurrent assets:		
Furniture, machinery & equipment	12,503	12,503
Less accumulated depreciation	(10,329)	(10,329)
Total noncurrent assets	2,174	2,174
Total assets	195,926	195,926
LIABILITIES		
Current liabilities:		
Accounts payables	37	37
Total current liabilities	37	37
Total liabilities	37	37
NET ASSETS		
Invested in capital assets net of related debt	2,174	2,174
Unrestricted	193,715	193,715
Total net assets	\$ 195,889	195,889

Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund	
	Non-major Funds	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 74,443	74,443
Daily sales - nonreimbursable programs	52,364	52,364
Special functions	50,759	50,759
Total operating revenues	177,566	177,566
 Operating expenses:		
Cost of sales	179,959	179,959
Salaries and wages	210,020	210,020
Employee benefits	51,235	51,235
Other objects	11,144	11,144
Materials and supplies	2,134	2,134
Depreciation	1,087	1,087
Total Operating Expenses	455,579	455,579
Operating (loss)	(278,013)	(278,013)
 Nonoperating revenues:		
State sources:		
State school lunch program	4,246	4,246
Federal sources:		-
National school lunch program	185,813	185,813
School breakfast program	73,373	73,373
Prior year reimbursements	26,318	26,318
Interest Income	327	327
Total nonoperating revenues	290,077	290,077
(Loss) before contributions & transfers	12,064	12,064
 Transfers in		
Adjustment for prior year depreciation	1,885	1,885
Total transfers in/(out)	1,885	1,885
Change in net assets	13,949	13,949
Total net assets—beginning	181,940	181,940
Total net assets—ending	\$ 195,889	195,889

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012**

	Business-type Activities - Enterprise Funds	
	Non-major Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 174,636	174,636
Payments to employees	(210,020)	(210,020)
Payments to suppliers	(247,295)	(247,295)
Net cash provided by/(used for) operating activities	(282,679)	(282,679)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	4,092	4,092
Federal Sources	249,416	249,416
Payments to other funds	(92,141)	(92,141)
Prior year reimbursements	26,318	26,318
Net cash provided by non-capital financing activities	187,685	187,685
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	327	327
Net cash provided by investing activities	327	327
Net increase/(decrease) in cash and cash equivalents	(94,667)	(94,667)
Balances—beginning of year	272,705	272,705
Balances—end of year	178,038	178,038
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating (loss)	(278,013)	(278,013)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities		
(Increase) in other accounts receivable	(2,930)	(2,930)
(Increase) in inventory	(2,860)	(2,860)
Increase in accounts payable	37	37
Depreciation and net amortization	1,087	1,087
Total adjustments	(4,666)	(4,666)
Net cash provided/(used for) operating activities	\$ (282,679)	(282,679)

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012**

	Unemployment Compensation Trust	Scholarship	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 15,535	600	47,094
Interfund accounts receivable	-		25
Total assets	15,535	600	47,119
LIABILITIES			
Payroll deductions and withholdings			3,172
Due to the State of NJ	13,058		
Payable to student groups			43,947
Total liabilities	13,058	-	47,119
(DEFICIT) NET ASSETS			
Held in trust for unemployment claims and other purposes	\$ 2,477		
Reserved for scholarships		600	
		600	

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012**

	Unemployment Compensation Trust	Scholarship
ADDITIONS		
Contributions:		
Employee Contributions	\$ 22,781	
Transfers from other funds	50,000	600
Total Contributions	72,781	600
Investment earnings:		
Interest	60	
Net investment earnings	60	-
Total additions	72,841	600
DEDUCTIONS		
Transferred to Payroll Agency	9,141	
Unemployment claims	63,140	
Total deductions	72,281	-
Change in net assets	560	600
Net assets—beginning of the year	1,917	-
Net assets—end of the year	\$ 2,477	600

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Effective July 1, 2011 the Board of Education of the Atlantic County Vocational School District was merged with the Board of Education of the Atlantic County Special Services School District. Although the District's share the same Board of Education, the financial activities of each district are maintained independently of one another.

The financial statements of the Board of Education (Board) of the Atlantic County Vocational School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

The Atlantic County Vocational School District is a Type I district located in the County of Atlantic, State of New Jersey. As a Type I District, the Board of Education members are appointed by the Atlantic County Board of Chosen Freeholders. As indicated above, the Board of Education of the Atlantic County Vocational School District was merged with the Board of Education of the Atlantic County Special Services School District. The board is comprised of six members who each serve three year terms. The purpose of the district is to educate students in grades 9-12. The Atlantic County Vocational School District had an enrollment at June 30, 2012 of 827 full time students and 259 shared time students.

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 whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

Based on the aforementioned criteria, the District has no component units but, as a Type I School District, would be considered a component unit of the County of Atlantic. The County however reports on a regulatory basis of accounting which does not recognize component units. If the County followed generally accepted accounting principles (GAAP) reporting, the School District would be a component unit of the County of Atlantic.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service and student operated restaurant (L'Academie Cafe) programs are classified as business-type activities. Fiduciary funds are excluded from the government-wide financial statements.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and L'Academie Cafe). The functions are also supported by general government revenues (County appropriation, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

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

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

The following fund types are used by the District:

1. Governmental Funds:

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters of the County of Atlantic as a separate question on the ballot either during the annual election or at a special election.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs.

Food Services Fund – provides for the operation of food services in the schools within the school district.

L'Academie Cafe – provides a student operated restaurant that is located on the school's campus and is open to the public.

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets, and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments), private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate).

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2012, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	2,511
Supplies		349
	\$	<u>2,860</u>

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years

5. Fund Balances – Governmental Funds

The Atlantic County Vocational School District Board of Education implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance.

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

6. Revenues:

Substantially all governmental fund revenues are accrued. The County appropriation is susceptible to accrual and the County is required to remit to the school district the entire balance of the appropriation in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved appropriation as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

7. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

8. Compensated Absences:

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

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

9. Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

10. 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 for approval and are approved by the board of school estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(f). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools. The Board of Education approved the following material budgetary appropriation transfers during the 2012 fiscal year:

<u>Account Name</u>	<u>Amount</u>
Grades 9-12 Salaries of Teacher	151,897
Regular Vocational Programs – Salaries of Teachers	
Salaries of Teacher	188,028
Other Salaries for Instruction	(144,677)
Contracted Services Other Than Between Home and	
School – Vendors	205,000
Other Special Schools – Salaries of Teachers	<u>(116,737)</u>
	<u>\$283,511</u>

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not (See audit schedule C-4 for reconciliation). Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

11. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

12. Tuition Receivable

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

13. Tuition Payable

Tuition charges for the fiscal year 2011/12 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

14. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

15. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the original budgetary expenditures by program.

F. RECENT ACCOUNTING PRONOUNCEMENTS

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements" to improve financial reporting related to service concession arrangements (SCAs) which are a type of public-private or public-public partnership. This statement will become effective for fiscal periods beginning after December 15, 2011. This statement is not anticipated to have any effect on the District's financial reporting.

Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The purpose of the statement is to amend the criteria for reporting and including component units with the primary government. This statement, which is effective for fiscal periods beginning after June 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The statement, which is effective for periods beginning after December 15, 2011, amends and supersedes several previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". The statement, which is effective for periods beginning after December 15, 2011, amends several previously issued GASB statements to standardize reporting of deferred inflows and outflows of financial resources. This statement is not anticipated to have any effect on the District's financial reporting.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 64 "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53". This statement, which is effective for fiscal periods beginning after June 15, 2011, is not anticipated to have any effect on the District's financial reporting.

In August 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In October 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". The statement, which is effective for periods beginning after December 15, 2012, amends and supersedes previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any impact on the District's financial reporting.

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

NOTE 2. INVESTMENTS

As of June 30, 2012, the District had no investments.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer.

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2012, \$114,536 of the District's bank balance of \$4,425,698 was exposed to custodial credit risk.

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**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

NOTE 4. FIXED ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2012</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Construction in progress	30,311,288	10,180,508		40,491,796
Land	78,120			78,120
Total capital assets not being depreciated	<u>30,389,408</u>	<u>10,180,508</u>	0	<u>40,569,916</u>
Bldg and bldg improve	14,423,477			14,423,477
Land improvements	690,358			690,358
Machinery and equipment	5,456,092	255,191	(121,027)	5,590,256
Total at historical cost	<u>20,569,927</u>	<u>255,191</u>	<u>(121,027)</u>	<u>20,704,091</u>
Less accum depr for:				
Bldg and improve	(7,625,784)	(397,016)		(8,022,800)
Land improvements	(102,834)	(34,518)		(137,352)
Machinery & equipment	(5,074,705)	(112,607)	130,914	(5,056,398)
Total accum deprec	<u>(12,803,323)</u>	<u>(544,141)</u>	<u>130,914</u>	<u>(13,216,550)</u>
Total capital assets being depr, net of accum depr	<u>7,766,604</u>	<u>(288,950)</u>	<u>9,887</u>	<u>7,487,541</u>
Governmental activities capital assets, net	<u>38,156,012</u>	<u>9,891,558</u>	<u>9,887</u>	<u>48,057,457</u>
Business-type activities:				
Equipment	12,503			12,503
Less accum depr for:				
Equipment	(11,127)	(1,087)	1,885	(10,329)
Business-type activities capital assets, net	<u>1,376</u>	<u>(1,087)</u>	<u>1,885</u>	<u>2,174</u>

Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$	146,787
Special education		6,892
Other instruction		63,138
Student & instruction related services		46,338
School administrative expenses		17,025
General and business administration		50,197
Plant operations and maintenance		133,090
Student transportation services		12,862
Special schools		57,923
	\$	<u>534,252</u>

NOTE 5. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Atlantic County Vocational School District on September 25, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The District included an appropriation in the amount of \$420,999 to fund the capital reserve account. 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) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the 2012 fiscal year is as follows:

Beginning balance, July 1	\$	0
Deposits – as appropriated in the 2011/12 adopted budget		420,999
Withdrawals		
Contract awarded for Re-roofing project		<u>265,900</u>
Ending balance, June 30	\$	<u><u>155,099</u></u>

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

NOTE 6. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2012 was as follows:

	Amounts				
	Balance			Balance	Due Within
	06-30-11	Issued	Retired	6-30-12	One year
Governmental Activities	\$				
Other liabilities:					
Compensated absences Payable	<u>622,207</u>	<u>223,329</u>	<u>259,065</u>	<u>586,471</u>	<u>0</u>
Governmental activities long-Term liabilities	<u>622,207</u>	<u>223,329</u>	<u>259,055</u>	<u>585,471</u>	<u>0</u>

Bonds Payable – The Atlantic County Vocation School District is a Type I School District. In the State of New Jersey, all type I school debt is borne by the municipality (County) rather than the school district.

NOTE 7. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

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**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et. Seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2012, 2011, and 2010 were \$396,972, \$294,958, and \$280,672, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2012, 2011, and 2010 were \$244,703, \$254,986, and \$165,431, respectively, equal to the required contributions for each year.

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

During the fiscal years ended June 30, 2012, 2011, and 2010, the State of New Jersey contributed \$396,972, \$294,958, and \$280,672, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$357,216, \$322,795, and \$316,357 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

NOTE 8. LABOR CONTRACTS

As of June 30, 2012, the District's employees are organized in the following collective bargaining unit.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
Atlantic County Vocational Technical Education Association	All regularly employed certified personnel, secretarial, and clerical personnel, and paraprofessional. This contract also includes regularly employed custodial, grounds, maintenance, and cafeteria personnel, except supervisors.	June 30, 2013

In addition to the above contracts, the Board of Education has entered into individual employment agreements with the Superintendent, Assistant Superintendents, Business Administrator and Central Office employees. The expiration of these contracts will vary depending on the position.

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 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 P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

NOTE 10. DEFERRED COMPENSATION

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

Equitable	Siracusa Benefits Program
Lincoln Investment Planning	The Travelers

NOTE 11. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. 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 vacation and sick leave in varying amounts under the District's personnel policies. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

NOTE 12. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, there are potential legal proceedings that may have a material affect on the accompanying financial statements.

NOTE 13. FUND BALANCE APPROPRIATED

General Fund – Of the \$3,868,951 General Fund fund balance at June 30, 2012, \$294,263 is reserved for encumbrances; \$3,138,674 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$1,440,347 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013); \$155,099 has been reserved in the Capital Reserve Account; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2013; and \$280,915 is unreserved and undesignated.

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

NOTE 14. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$3,138,674, of which \$1,440,347 has been included in the 2012-13 budget. The excess fund balance at June 30, 2011 was \$1,698,327.

NOTE 15. ECONOMIC DEPENDENCY

The District is heavily reliant on the County of Atlantic budget appropriation, tuition revenue from receiving districts, and state aid to fund the District operations. These revenue sources funded 98% of the Districts 2011-2012 governmental operations.

NOTE 16. RISK MANAGEMENT

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2012 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	50,000	22,841	72,281	2,477
2010-2011		14,980	20,988	1,917
2009-2010	25,000	22,618	44,001	7,925

**Atlantic County Vocational School District
Notes to Financial Statements
June 30, 2012**

NOTE 17. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2012, several interfunds remained on the various balance sheets of the Atlantic County Vocational Board of Education.

	From	To
General Fund:		
Special Revenue Fund	\$110,951	
Agency Fund		25
Special Revenue Fund:		
General Fund		110,951
Fiduciary Fund:		
Agency Fund		25
	\$110,976	110,976
	\$110,976	110,976

All interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies. It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 18. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 15, 2012, the date which the financial statements were available to be issued and no items were noted for disclosure.

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Required Supplementary Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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Atlantic County Vocational School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
County Appropriation	\$ 3,920,820		3,920,820	3,920,820	-
Tuition- from LEAs	5,148,926		5,148,926	5,644,715	495,789
Other Tuition	525,250		525,250	517,922	(7,328)
Other Restricted Miscellaneous Revenues	87,000		87,000	82,133	(4,867)
Miscellaneous	199,052		199,052	132,474	(66,578)
Total - Local Sources	9,881,048	-	9,881,048	10,298,064	417,016
State Sources:					
Equalization Aid	2,908,540	131,028	3,039,568	3,039,568	-
Categorical Special Education Aid	361,925		361,925	361,925	-
Reimbursed TPAF Social Security Contributions (non-budgeted)				357,216	357,216
On-behalf TPAF Contributions (non-budgeted)				396,972	396,972
Total - State Sources	3,270,465	131,028	3,401,493	4,155,681	754,188
Federal Sources:					
Education Jobs Fund Program - ARRA	125,730	3,939	129,669	129,669	-
Total - Federal Sources	125,730	3,939	129,669	129,669	-
Total Revenues	13,277,243	134,967	13,412,210	14,583,414	1,171,204
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 9-12	2,525,828	26,167	2,551,995	2,550,109	1,886
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	12,040	53,514	53,514	53,478	36
Purchased Professional Education Services	10,000	4,675	16,715	16,715	-
Purchased Technical Services	32,572	(4,675)	5,325	3,304	2,021
General Supplies	110,019	(5,000)	27,572	23,249	4,323
Textbooks	74,106	36,727	146,746	146,336	410
Other Objects	12,000	300	74,406	73,573	833
		(8,714)	3,286	3,286	-
Total Regular Programs	2,776,565	102,994	2,879,559	2,870,050	9,509

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive (Negative) Final to Actual
Regular Programs - Home Instruction					
Salaries of Teachers	15,000	(2,500)	12,500	12,224	276
Purchased Professional Education Services		1,600	1,600	784	816
Other Purchased Services		900	900	635	265
Total Regular Programs - Home Instruction	15,000	-	15,000	13,643	1,357
Basic Skills/Remedial - Instruction					
Salaries of Teachers	148,416	(16,500)	131,916	126,221	5,695
General Supplies	2,000	-	2,000	-	2,000
Textbooks	2,000	-	2,000	-	2,000
Total Basic Skills/Remedial - Instruction	152,416	(16,500)	135,916	126,221	9,695
Regular Vocational Programs - Instruction					
Salaries of Teachers	526,339	188,028	714,367	702,528	11,839
Other Salaries for Instruction	145,247	(144,677)	570	570	-
Purchased Professional-Educational Services		-	-	-	-
Purchased Technical Services	6,325	-	6,325	2,927	3,398
Other Purchased Services		-	-	-	-
General Supplies	40,000	(12,500)	27,500	23,184	4,316
Textbooks	15,000	(800)	14,200	11,614	2,586
Other Objects	9,000	(9,000)	-	-	-
Total Regular Vocational Programs - Instruction	741,911	21,051	762,962	740,823	22,139
Special Vocational Programs - Instruction					
Salaries of Teachers	338,080	(44,273)	293,807	253,494	40,313
Other Salaries for Instruction	72,174	(64,700)	7,474	-	7,474
Purchased Technical Services	400	-	400	400	-
Other Purchased Services	500	-	500	480	20
General Supplies	1,000	-	1,000	95	905
Other Objects	10,000	-	10,000	-	10,000
Total Special Vocational Programs - Instruction	422,154	(108,973)	313,181	254,469	58,712

Atlantic County Vocational School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Positive (Negative) Final to Actual
School Sponsored Cocurricular Activities - Instruction:					
Salaries	21,000	11,000	32,000	30,581	1,419
Purchased Services	11,000	(11,000)	-	-	-
Total School Sponsored Cocurricular Activities - Instruction	32,000	-	32,000	30,581	1,419
School Sponsored Athletics - Instruction:					
Salaries	10,000	64,404	74,404	70,828	3,576
Purchased Services	50,000	(44,923)	5,077	5,077	-
General Supplies	40,000	17,059	57,059	57,019	40
Other Objects	-	365	365	365	-
Total School Sponsored Athletics - Instruction	100,000	36,905	136,905	133,289	3,616
Total Instruction	4,240,046	35,477	4,275,523	4,169,076	106,447
Undistributed Expenditures - Attendance and Social Work:					
Salaries	77,050	100	77,150	76,826	324
Purchased Services	1,200	(100)	1,100	-	1,100
Supplies and Materials	250	-	250	250	-
Total Undistributed Expenditures - Attendance and Social Work	78,500	-	78,500	77,076	1,424
Undistributed Expenditures - Health Services:					
Salaries	63,357	1,304	64,661	64,661	-
Purchased Professional and Technical Services	2,000	-	2,000	2,000	-
Supplies and Materials	6,000	(948)	5,052	4,324	728
Other Objects	-	948	948	948	-
Total Undistributed Expenditures - Health Services	71,357	1,304	72,661	71,933	728
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Purchased P Professional-Educational Services	-	1,500	1,500	-	1,500
Total Undistributed Expenditures - Other Support Services - Students - Related Services	-	1,500	1,500	-	1,500

Atlantic County Vocational School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Positive (Negative) Final to Actual
Undistributed Expenditures - Other Support Services -					
Students - Regular:					
Salaries of Other Professional Staff	373,714	(1,100)	372,614	371,099	1,515
Salaries of Secretarial and Clerical Assistants	169,672	(45,593)	124,079	112,510	11,569
Purchased Professional - Educational Services	1,000	(500)	500	14	486
Other Purchased Professional and Technical Services	1,000	7,500	8,500	6,394	2,106
Other Purchased Services	5,000	125	5,125	5,115	10
Supplies and Materials	5,742	500	6,242	5,970	272
Other Objects	1,000	1,000	2,000	1,446	554
Total Undistributed Expenditures - Other Support Services -	557,128	(38,068)	519,060	502,548	16,512
Students - Regular					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	110,934	1,604	112,538	112,538	-
Sal of Clerical and Secretary Assist.	33,295	2,000	35,295	35,176	119
Other Purchased Services	758	(258)	500	-	500
Supplies and Materials	2,000	-	2,000	27	1,973
Other Objects	1,500	-	1,500	1,200	300
Total Undistributed Expenditures - Improv. of Instr. Services	148,487	3,346	151,833	148,941	2,892
Undistributed Expenditures - Educational Media Serv./Sch. Library					
Salaries	53,451	-	53,451	39,784	13,667
Purchased Professional and Technical Services	5,000	-	5,000	2,970	2,030
Other Purchased Services	10,000	258	10,258	2,349	7,909
Supplies and Materials	25,000	(15,323)	9,677	7,314	2,363
Total Undistributed Expenditures -Edu. Media Serv/Sch Library	93,451	(15,065)	78,386	52,417	25,969
Undistributed Expenditures - Instructional Staff Training Services					
Other Purchased Services	14,034	(2,225)	11,809	8,994	2,815
Total Undistributed Expenditures -Instructional Staff Training Services	14,034	(2,225)	11,809	8,994	2,815
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	212,135	5,000	217,135	211,332	5,803
Legal Services	26,956	(5,000)	21,956	11,231	10,725
Audit Fees	20,000	(600)	19,400	19,400	-
Other Purchased Professional Services	1,000	-	1,000	580	420
Purchased Technical Services	14,820	1,000	15,820	14,073	1,747
Communications/Telephone	91,010	5,000	96,010	85,895	10,115

Atlantic County Vocational School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Positive (Negative) Final to Actual
Board of Education Other Purchased Services					
Other Purchased Services	6,000	2,600	8,600	8,188	412
General Supplies	20,810	(10,500)	10,310	7,397	2,913
BOE In-House Training/Meeting Supplies	600	700	1,300	1,078	222
Judgements Against the District					
BOE Membership Dues and Fees	17,500	(700)	16,800	16,317	483
Miscellaneous Expenditures	5,000	22,500	27,500	24,872	2,628
Total Undistributed Expenditures - Support Services - Gen. Admin.	415,831	20,000	435,831	400,363	35,468
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	191,276	(6,500)	184,776	184,748	28
Salaries of Secretarial and Clerical Assistants	100,659	4,500	105,159	105,095	64
Purchased Professional and Technical Services	10,000	(10,000)	-	-	-
Other Purchased Services	18,689	-	18,689	7,491	11,198
Supplies and Materials	25,106	-	25,106	21,778	3,328
Other Objects	2,000	-	2,000	400	1,600
Total Undistributed Expenditures - Support Serv. - School Admin.	347,730	(12,000)	335,730	319,512	16,218
Undistributed Expenditures - Central Services					
Salaries	146,292	50,000	196,292	179,129	17,163
Purchased Professional Services	82,884	-	82,884	74,954	7,930
Purchased Technical Services	10,500	-	10,500	9,507	993
Miscellaneous Purchased Services	6,896	-	6,896	2,834	4,062
Supplies and Materials	25,000	20,000	45,000	39,765	5,235
Miscellaneous Expenses	1,500	-	1,500	375	1,125
Total Undistributed Expenditures - Central Services	273,072	70,000	343,072	306,564	36,508
Undistributed Expenditures - Administrative Information Technology					
Salaries	162,989	(10,000)	152,989	144,741	8,248
Purchased Professional Services	4,300	-	4,300	1,800	2,500
Purchased Technical Services	42,635	-	42,635	42,545	90
Other Purchased Services (400-500 Series)	1,014	-	1,014	858	156
Supplies and Materials	10,000	-	10,000	7,056	2,944
Total Undistributed Expenditures - Admin. Info. Tech.	220,938	(10,000)	210,938	197,000	13,938

Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Positive (Negative) Final to Actual
Undistributed Expenditures - Required Maintenance for School Facilities of Plant Services:					
Salaries	262,381	(18,000)	244,381	244,380	1
Cleaning, Repair and Maintenance Services	272,320	(15,500)	256,820	166,606	90,214
General Supplies	42,500	15,000	57,500	50,105	7,395
Other Objects	500	-	500	55	445
Total Undistributed Expenditures - Required Maintenance for School Facilities	577,701	(18,500)	559,201	461,146	98,055
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	485,271	60,169	545,440	545,357	83
Purchased Professional and Technical Services	55,000	(38,401)	16,599	3,533	13,066
Cleaning, Repair, and Maintenance Services	75,000	-	75,000	38,136	36,864
Other Purchased Property Services	44,400	-	44,400	31,472	12,928
Insurance	81,000	9,644	90,644	90,644	-
Miscellaneous Purchased Services	1,100	(243)	857	772	85
General Supplies	90,018	(10,000)	80,018	71,397	8,621
Energy (Natural Gas)	203,852	-	203,852	109,941	93,911
Energy (Electricity)	745,717	(6,000)	739,717	693,894	45,823
Energy (Gasoline)	10,339	-	10,339	8,068	2,271
Other Objects	800	-	800	299	501
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	1,792,497	15,169	1,807,666	1,593,513	214,153
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	31,055	(1,000)	30,055	30,055	-
Other Purchased Services (400-500 Series)	5,000	-	5,000	1,603	3,397
Supplies and Materials	15,000	(2,999)	12,001	2,614	9,387
Total Undistributed Expenditures - Care and Upkeep of Grounds	51,055	(3,999)	47,056	34,272	12,784
Undistributed Expenditures - Security					
Salaries	109,951	45,800	155,751	153,086	2,665
Purchased Professional and Technical Services	54,100	-	54,100	54,081	19
Supplies and Materials	500	200	700	513	187
Total Undistributed Expenditures - Security	164,551	46,000	210,551	207,680	2,871

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive (Negative) Final to Actual
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Other than Between Home & Sch.)	55,200	(52,500)	2,700	660	2,040
Other Purchased Professional and Technical Services	400	17,500	17,900	17,694	206
Cleaning, Repairs and Maintenance Services	7,500	-	7,500	2,031	5,469
Contracted Services - (Other than Between Home and School) - Vendors	10,260	205,000	215,260	210,917	4,343
Supplies and Materials	10,279	-	10,279	6,491	3,788
Total Undistributed Expenditures - Student Transportation Serv.	83,639	170,000	253,639	237,793	15,846
Unallocated Benefits:					
Social Security Contributions	311,700	-	311,700	230,114	81,586
TPAF Contributions - ERIP	26,000	-	26,000	25,033	967
Other Retirement Contributions - PERS	285,576	(3,000)	282,576	244,703	37,873
Other Retirement Contributions - DCRP	50,000	3,000	53,000	2,446	554
Unemployment Compensation	168,700	-	168,700	50,000	-
Worker's Compensation	2,049,748	-	2,049,748	1,718,009	331,739
Health Benefits	35,500	-	35,500	26,674	8,826
Tuition Reimbursement	3,000	-	3,000	-	3,000
Other Employee Benefits					
Total Unallocated Benefits	2,930,224	-	2,930,224	2,450,081	480,143
Reimbursed TPAF Social Security Contributions (non-budgeted)					
On-behalf TPAF Contributions (non-budgeted)	-	-	-	357,216	(357,216)
				396,972	(396,972)
Total On-behalf Contributions	-	-	-	754,188	(754,188)
Total Undistributed Expenditures	7,820,195	227,462	8,047,657	7,824,021	223,636
Total Current Expense	12,060,241	262,939	12,323,180	11,993,097	330,083
Capital Outlay:					
Increase in Capital Reserve	420,999	-	420,999	420,999	-
Total Increase in Capital Reserve	420,999	-	420,999	420,999	-

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive (Negative) Final to Actual
Equipment:					
Grades 9-12	115,000	(50,227)	64,773	38,771	26,002
Undistributed Expenditures:					
Support Services - Students - Regular	2,000	-	2,000	-	2,000
General Administration	3,000	-	3,000	-	3,000
Central Services	3,000	-	3,000	-	3,000
Admin Info Technology	100,000	(15,000)	85,000	39,934	45,066
Operation & Maintenance of Plant Services	11,899	11,899	11,899	11,794	105
Upkeep of Grounds		2,999	2,999		-
School Buses - Regular	150,000	(11,899)	138,101	138,101	-
Total Equipment	373,000	(62,228)	310,772	231,599	79,173
Facilities Acquisition and Construction Services:					
Architect/Engineering Services		31,500	31,500	24,628	6,872
Total Facilities Acquisition and Construction Services	-	31,500	31,500	24,628	6,872
Total Capital Outlay	793,999	(30,728)	763,271	677,226	86,045
Special Schools:					
Post Secondary Programs - Instruction:					
Salaries of Teachers	190,727	29,739	220,466	220,466	-
Purchased Prof. and Tech. Services	12,800	(12,800)	-	-	-
Other Purchased Services (400-500 Series)	4,900		4,900	1,298	3,602
General Supplies	25,000	(1,939)	23,061	12,671	10,390
Textbooks	33,080	-	33,080	24,669	8,411
Other Objects	500	-	500	461	39
Total Post Secondary - Instruction	267,007	15,000	282,007	259,565	22,442
Other Special Schools - Instruction					
Salaries of Teachers	482,074	(116,737)	365,337	346,196	19,141
Other Salaries for Instruction		8,000	8,000	7,000	1,000
Purchased Professional and Technical Services	37,800	(12,000)	25,800	15,985	9,815
General Supplies	17,500	18,607	36,107	30,269	5,838
Textbooks	12,000	(6,606)	5,394	5,128	266
Total Other Special Schools - Instruction	549,374	(108,736)	440,638	404,578	36,060

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Positive (Negative) Final to Actual
Other Special Schools - Support Services:					
Salaries	134,537	3,493	138,030	137,659	371
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services	8,062	4,999	13,061	11,573	1,488
Supplies and Materials	5,200	-	5,200	4,766	434
Other Objects	9,800	(5,000)	4,800	2,112	2,688
Total Other Special Schools - Support Services	157,599	3,492	161,091	156,110	4,981
Vocational Evening -Local- Instruction:					
Salaries of Teachers	76,000	25,000	101,000	100,596	404
General Supplies	20,000	(10,000)	10,000	2,064	7,936
Textbooks	40,000	(15,000)	25,000	20,427	4,573
Total Vocational Evening - Local - Instruction	136,000	-	136,000	123,087	12,913
Vocational Evening - Local- Support Services:					
Salaries	89,468	(7,000)	82,468	75,987	6,481
Personal Services - Employee Benefits	-	-	-	-	-
Other Purchased Services	15,000	-	15,000	582	14,418
Supplies and Materials	25,000	-	25,000	-	25,000
Total Vocational Evening - Local - Support Services	129,468	(7,000)	122,468	76,569	45,899
Total Special Schools	1,239,448	(97,244)	1,142,204	1,019,909	122,295
Total Expenditures	14,093,688	134,967	14,228,655	13,690,232	538,423
Excess (Deficiency) of Revenues Over (Under) Expenditures	(816,445)	-	(816,445)	893,182	1,709,627

Atlantic County Vocational School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Positive (Negative) Final to Actual
Other Financing Sources (Uses):					
Operating Transfers In/(Out):					
Cancellation of prior year purchase orders				(12,943)	(12,943)
Increase in Capital Reserve				420,999	420,999
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(816,445)	-	(816,445)	1,301,238	2,117,683
Fund Balances, July 1	2,907,862		2,907,862	2,907,862	-
Fund Balances, June 30	\$ 2,091,417	-	2,091,417	4,209,100	2,117,683

Recapitulation of Fund Balance:

Restricted Fund Balance:

Excess Surplus
 Excess Surplus-Designated for Subsequent
 Year's Expenditures

1,698,327
 1,440,347

Committed Fund Balance:

Designated for Subsequent Year's Expenditures
 Capital Reserve

-
 155,099

Assigned Fund Balance:

Reserve for Encumbrances

294,263

Unassigned Fund Balance

621,064

4,209,100

Reconciliation to Governmental Funds Statements (GAAP)
 Last State Aid Payment Not Recognized on GAAP Basis

(340,149)

Fund Balance per Governmental Funds (GAAP)

3,868,951

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
Education Jobs Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Federal Sources:					
Education Jobs Fund	-	129,669	129,669	129,669	-
Total Revenues	-	129,669	129,669	129,669	-
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Custodial Services		129,669	129,669	129,669	-
Salaries		129,669	129,669	129,669	-
Total Undistributed Expenditures - Custodial Services	-	129,669	129,669	129,669	-
Total Current Expense	-	129,669	129,669	129,669	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (Uses):					
None	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	-	-	-	-	-

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources		32,242	32,242	32,202	(40)
Total - Local Sources	-	32,242	32,242	32,202	(40)
State Sources:					
Other Restricted Entitlements	9,200	1,665	10,865	2,993	(7,872)
Total - State Sources	9,200	1,665	10,865	2,993	(7,872)
Federal Sources:					
Title I	104,165	152,035	256,200	225,310	(30,890)
Title I - ARRA		3,653	3,653	2,478	(1,175)
Title II - Parts A & D		42,646	42,646	25,566	(17,080)
Title IV		1,067	1,067	1,067	-
Vocational Education	125,000	73,249	198,249	198,249	-
IDEA Basic		110,660	110,660	102,392	(8,268)
Total - Federal Sources	229,165	383,310	612,475	555,062	(57,413)
Total Revenues	238,365	417,217	655,582	590,257	(65,325)

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction					
Salaries of Teachers	229,165	(30)	229,135	207,567	21,568
Purchased Prof and Technical Services		2,427	2,427	2,427	-
General Supplies		227,455	227,455	227,415	40
Miscellaneous Expenses		1,929	1,929	1,929	-
Total instruction	<u>229,165</u>	<u>231,781</u>	<u>460,946</u>	<u>439,338</u>	<u>21,608</u>
Support Services					
Salaries of Other Professional Staff	9,200	9,689	18,889	12,273	6,616
Personal Services - Employee Benefits		50,156	50,156	48,418	1,738
Purchased Professional - Educational Services		29,600	29,600	17,280	12,320
Other Purchased Professional Services		47,888	47,888	26,390	21,498
Miscellaneous Purchased Services		12,078	12,078	12,478	(400)
Travel		4,478	4,478	3,721	757
Supplies & Materials		7,363	7,363	6,767	596
Other Objects		592	592	592	592
Total support services	<u>9,200</u>	<u>161,844</u>	<u>171,044</u>	<u>127,327</u>	<u>43,717</u>
Facilities acquisition and construction services					
Instructional Equipment		23,592	23,592	23,592	-
Noninstructional Equipment		-	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>23,592</u>	<u>23,592</u>	<u>23,592</u>	<u>-</u>
Total expenditures	<u>238,365</u>	<u>417,217</u>	<u>655,582</u>	<u>590,257</u>	<u>65,325</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

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

		General Fund	Special Revenue
Sources/inflows of resources			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	C-1; C-2	\$ 14,583,414	590,257
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			
Prior year			28,560
Current year			-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		313,940	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(340,149)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	14,557,205	618,817
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-2	13,690,232	590,257
Differences - budget to GAAP:			
Encumbrances for supplies and equipment ordered but 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			
Prior year			28,560
Current year			-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers (outflows) to enterprise fund.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	\$ 13,690,232	618,817

SPECIAL REVENUE FUND

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Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	No Child Left Behind							IDEA Basic
	Title I	ARRA Title I	Title II Part A	Title II, Part A Carryover	Title II, Part D Carryover	Title IV	IDEA Basic	
REVENUES:								
State Sources								
Federal Sources	180,952	2,478	13,005	12,057	504	1,067	102,392	
Other Sources	<u>180,952</u>	<u>2,478</u>	<u>13,005</u>	<u>12,057</u>	<u>504</u>	<u>1,067</u>	<u>102,392</u>	
Total revenues								
EXPENDITURES:								
Instruction:								
Salaries of teachers	89,277	2,080	1,280	11,200			67,890	
Other purchased services							2,427	
General supplies	51,231		1,143		504	1,067	18,497	
Miscellaneous expenditures								
Total instruction	<u>140,508</u>	<u>2,080</u>	<u>2,423</u>	<u>11,200</u>	<u>504</u>	<u>1,067</u>	<u>88,814</u>	
Support services:								
Salaries of other professional staff	9,673							
Personal services- employee benefits	17,643		98	857			13,578	
Purchased professional educational service	10,793							
Other purchased professional services		398	8,039					
Miscellaneous purchased services	400		2,445					
Travel								
Supplies and materials	1,935							
Total support services	<u>40,444</u>	<u>398</u>	<u>10,582</u>	<u>857</u>	<u>-</u>	<u>-</u>	<u>13,578</u>	
Facilities acquisition and const. serv.:								
Instructional equipment								
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total expenditures	<u>\$ 180,952</u>	<u>2,478</u>	<u>13,005</u>	<u>12,057</u>	<u>504</u>	<u>1,067</u>	<u>102,392</u>	

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)**
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Secondary	Carl D. Perkins Vocational Secondary Reserve	Post-Secondary	Total Federal Funds	Apprenticeship Coordinator	Total State Funds	Youth Transition To Work	Atlanticare	Total Local Funds	Total
REVENUES:										
State Sources					2,993	2,993				2,993
Federal Sources	78,682	25,587	93,980	555,062	-	-	25,202	7,000	32,202	555,062
Other Sources	78,682	25,587	93,980	555,062	2,993	2,993	25,202	7,000	32,202	590,257
Total revenues										
EXPENDITURES:										
Instruction:										
Salaries of teachers	1,920	9,392		196,959			8,108	2,500	10,608	207,567
Other purchased services	66,226	324	79,321	2,427				4,500	-	2,427
General supplies	1,929			222,915					4,500	227,415
Miscellaneous expenditures				1,929						1,929
Total instruction	70,075	9,716	79,321	424,230	-	-	8,108	7,000	15,108	439,338
Support services:										
Salaries of other professional staff				9,673	2,600	2,600				12,273
Personal services- employee benefits	147	718		48,418						48,418
Purchased professional educational service				17,280						17,280
Other purchased professional services	7,600	4,903	5,450	26,390						26,390
Miscellaneous purchased services		9,383	250	12,478						12,478
Travel		867	1,461	2,328	393	393	1,000		1,000	3,721
Supplies and materials	860			6,767						6,767
Total support services	8,607	15,871	7,161	123,334	2,993	2,993	1,000	-	1,000	127,327
Facilities acquisition and const. serv.:										
Instructional equipment			7,498	7,498			16,094		16,094	23,592
Total facilities acquisition and construction services			7,498	7,498			16,094		16,094	23,592
Total expenditures	78,682	25,587	93,980	555,062	2,993	2,993	25,202	7,000	32,202	590,257

CAPITAL PROJECTS FUND

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Capital Projects Fund
Summary Statement of Project Expenditures
Year Ended June 30, 2012

Number	Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Unexpended Balance
				Prior Years	Current Year	
0120-010-06-1000	Emergent MEP Improvements	5/2/2006	\$ 2,400,000	1,588,191	-	811,809
0120-010-07-1000	Comprehensive High School Conversion	7/29/08	40,000,000	28,767,819	10,155,879	1,076,302
Totals			<u>\$ 42,400,000</u>	<u>30,356,010</u>	<u>10,155,879</u>	<u>1,888,111</u>

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Capital Projects Fund
Summary Schedule of Projects Revenues, Expenditures, and Changes in Fund Balance -
Budgetary Basis
For the Year Ended June 30, 2012

Revenues and other Financing Sources

Bond proceeds and transfers	10,155,879
Transfer from Capital Reserve	-
	<hr/>
Total revenues	10,155,879

Expenditures and other Financing Uses

Purchased professional and technical services	-
Construction services	10,155,879
Other Costs	-
	<hr/>
Total expenditures	10,155,879

Excess/(deficiency) of revenues over/(under) expenditures	-
---	---

Fund balance - beginning	-
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Fund balance - ending	<hr/> <hr/> \$ -
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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status -
Budgetary Basis
Emergent MEP Improvements
For the Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
Bond proceeds and transfers	1,588,191		1,588,191	2,400,000
Transfer from Capital Reserve				
Total revenues	1,588,191	-	1,588,191	2,400,000
Expenditures and other Financing Uses				
Purchased professional and technical services	200,000		200,000	216,656
Construction services	1,371,402		1,371,402	1,969,595
Other Costs	16,789		16,789	213,749
Total expenditures	1,588,191	-	1,588,191	2,400,000
Excess (deficiency) of revenues over (under) expenditures	\$ -	-	-	-

Additional project information:

Project number	0120-010-06-1000
Grant Date	N/A
Bond Authorization Date	May 2, 2006
Bonds Authorized	\$ 2,400,000
Bonds Issued	\$ 2,400,000
Original Authorized Cost	\$ 2,400,000
Additional/Reduction in Authorized Cost	-
Revised Authorized Cost	\$ 2,000,000
Percentage Increase over Original	
Authorized Cost	0%
Percentage Completion	66%
Original target completion date	June 30, 2008
Revised target completion date	June 30, 2012

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status -
Budgetary Basis
Comprehensive High School Conversion
For the Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
Bond proceeds and transfers	37,861,500	10,155,879	48,017,379	40,000,000
Transfer from Capital Reserve				
Total revenues	<u>37,861,500</u>	<u>10,155,879</u>	<u>48,017,379</u>	<u>40,000,000</u>
Expenditures and other Financing Uses				
Purchased professional and technical services	2,929,415		2,929,415	5,483,592
Construction services	25,623,884	10,155,879	35,779,763	33,788,248
Other Costs	214,519		214,519	728,160
Total expenditures	<u>28,767,818</u>	<u>10,155,879</u>	<u>38,923,697</u>	<u>40,000,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 9,093,682</u>	<u>-</u>	<u>9,093,682</u>	<u>-</u>

Additional project information:

Project number	0120-010-07-1000
Grant Date	N/A
Bond Authorization Date	July 29, 2008
Bonds Authorized	\$ 40,000,000
Bonds Issued	\$ 40,000,000
Original Authorized Cost	\$ 40,000,000
Additional/Reduction in Authorized Cost	-
Revised Authorized Cost	\$ 40,000,000

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	97%
Original target completion date	Sept. 1, 2011
Revised target completion date	May 2012

PROPRIETARY FUNDS

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Non-major Enterprise Funds
Combining Statement of Net Assets
June 30, 2012

	<u>Food Service Fund</u>	<u>L'Academie Café Fund</u>	<u>Total Non-major Funds</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 144,879	33,159	178,038
Accounts receivable			
Federal	9,770		9,770
State	154		154
Other	2,930		2,930
Inventories	2,860		2,860
Total Current Assets	<u>160,593</u>	<u>33,159</u>	<u>193,752</u>
Noncurrent assets:			
Furniture, machinery & equipment	12,503		12,503
Less accumulated depreciation	<u>(10,329)</u>		<u>(10,329)</u>
Total Noncurrent Assets	<u>2,174</u>	<u>-</u>	<u>2,174</u>
Total assets	<u>162,767</u>	<u>33,159</u>	<u>195,926</u>
LIABILITIES AND FUND EQUITY:			
Current liabilities:			
Interfunds payable	37		37
Total current liabilities	<u>37</u>	<u>-</u>	<u>37</u>
Net Assets			
Invested in Capital - net of related debt			
Unrestricted	162,730	33,159	195,889
Total net assets	<u>162,730</u>	<u>33,159</u>	<u>195,889</u>
Total liabilities and net assets	<u>\$ 162,767</u>	<u>33,159</u>	<u>195,926</u>

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Non-major Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For the Fiscal Year ended June 30, 2012

	Food Service Fund	L'Academie Café Fund	Total Non-major Funds
OPERATING REVENUES:			
Charges for services:			
Daily sales - reimbursable programs	\$ 74,443		74,443
Daily sales non- reimbursable programs	40,042	12,322	52,364
Special functions	50,166	593	50,759
	<u>164,651</u>	<u>12,915</u>	<u>177,566</u>
OPERATING EXPENSES:			
Cost of sales	170,462	9,497	179,959
Salaries and wages	210,020		210,020
Employee benefits	51,235		51,235
Other Objects	10,449	695	11,144
Materials and supplies	-	2,134	2,134
Depreciation	1,087		1,087
	<u>443,253</u>	<u>12,326</u>	<u>455,579</u>
Total operating expenses	<u>443,253</u>	<u>12,326</u>	<u>455,579</u>
Operating income/(loss)	<u>(278,602)</u>	<u>589</u>	<u>(278,013)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	4,246		4,246
Federal sources:			
National school lunch program	185,813		185,813
School breakfast program	73,373		73,373
Prior year reimbursements	26,318		26,318
Interest revenue	327	-	327
Total nonoperating revenues	<u>290,077</u>	<u>-</u>	<u>290,077</u>
Net income before operating transfers	11,475	589	12,064
Other operating sources/(uses)			
Adjustment for prior year depreciation	1,885		1,885
Total other operating sources/(uses)	<u>1,885</u>	<u>-</u>	<u>1,885</u>
Net Assets, July 1	149,370	32,570	181,940
Net Assets, June 30	<u>\$ 162,730</u>	<u>33,159</u>	<u>195,889</u>

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Fiscal Year ended June 30, 2012

	Food Service Fund	L'Academie Café Fund	Total Non-major Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 161,721	12,915	174,636
Payments to employees	(210,020)		(210,020)
Payments to suppliers	(234,969)	(12,326)	(247,295)
Net cash provided by (used for) operating activities	<u>(283,268)</u>	<u>589</u>	<u>(282,679)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	4,092		4,092
Federal sources	249,416		249,416
Payments from other funds	(92,141)		(92,141)
Prior year reimbursements	26,318		26,318
Net cash provided by non-capital financing activities	<u>187,685</u>	<u>-</u>	<u>187,685</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	327	-	327
Net cash provided by investing activities	<u>327</u>	<u>-</u>	<u>327</u>
Net increase (decrease) in cash and cash equivalents	(95,256)	589	(94,667)
Balances—beginning of year	240,135	32,570	272,705
Balances—end of year	<u>144,879</u>	<u>33,159</u>	<u>178,038</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(278,602)	589	(278,013)
Adjustments to reconcile operating income (loss) to net cash provided by/(used for) operating activities			
Depreciation and net amortization	1,087		1,087
(Increase) in other accounts receivable	(2,930)		(2,930)
(Increase) in inventory	(2,860)		(2,860)
Increase in accounts payable	37		37
Total adjustments	<u>(4,666)</u>	<u>-</u>	<u>(4,666)</u>
Net cash provided by (used for) operating activities	<u>\$ (283,268)</u>	<u>589</u>	<u>(282,679)</u>

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FIDUCIARY FUNDS

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ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Trust and Agency Fund
Combining Balance Sheet
June 30, 2012

	Trust		Total Trust Funds	Agency		Totals Agency Funds
	Unemployment Compensation	Scholarship		Student Activity	Payroll	
ASSETS:						
Cash and cash equivalents	\$ 15,535	600	16,135	43,922	3,172	47,094
Interfund accounts receivable				25		25
Total Assets	<u>15,535</u>	<u>600</u>	<u>16,135</u>	<u>43,947</u>	<u>3,172</u>	<u>47,119</u>
LIABILITIES AND EQUITY:						
Liabilities:						
Payroll deductions and withholdings			-		3,172	3,172
Due to State of New Jersey	13,058		13,058			-
Due to student groups			-	43,947		43,947
Total Liabilities	<u>13,058</u>	<u>-</u>	<u>13,058</u>	<u>43,947</u>	<u>3,172</u>	<u>47,119</u>
Equity:						
Net Assets						
Reserved -						
Expendable Trust	2,477	600	3,077			-
Total equity	<u>2,477</u>	<u>600</u>	<u>3,077</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and equity	<u>\$ 15,535</u>	<u>600</u>	<u>16,135</u>	<u>43,947</u>	<u>3,172</u>	<u>47,119</u>

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Expendable Trust Funds
Combining Statement of Revenues, Expenditures
and Changes in Net Assets
Year Ending June 30, 2012

	Unemployment Trust	Scholarship Trust	Total Expendable Trust
ADDITIONS			
Local sources:			
Interest on investments	60		60
Employee withholdings	22,781		22,781
Transfers from other funds	50,000	600	50,600
Total additions	72,841	600	73,441
DEDUCTIONS			
Transfers to payroll agency	9,141		9,141
Payments of unemployment claims	63,140		63,140
Total operating expenses	72,281	-	72,281
Change in net assets	560	600	1,160
Net Assets, July 1	1,917		1,917
Net Assets, June 30	\$ 2,477	600	3,077

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Student Activity Agency Fund
Schedule of Receipts and Disbursements

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
ASSETS:				
Cash and cash equivalents	\$ 50,283	114,439	120,800	43,922
Interfund accounts receivable	-	25		25
Total assets	<u>50,283</u>	<u>114,464</u>	<u>120,800</u>	<u>43,947</u>
LIABILITIES:				
Due to Student groups	50,283	114,464	120,800	43,947
Total liabilities	<u>\$ 50,283</u>	<u>114,464</u>	<u>120,800</u>	<u>43,947</u>

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
ASSETS:				
Cash and cash equivalents	\$ 82,427	3,624,036	3,703,291	3,172
Total assets	<u>82,427</u>	<u>3,624,036</u>	<u>3,703,291</u>	<u>3,172</u>
LIABILITIES:				
Payroll deductions and withholdings	82,427	3,624,036	3,703,291	3,172
Total liabilities	<u>\$ 82,427</u>	<u>3,624,036</u>	<u>3,703,291</u>	<u>3,172</u>

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Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. Effective with the fiscal year ended June 30, 2003, the District's financial statements are presented in accordance with GASB 34. As a result, 10 years of information may not be available to report.

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Atlantic County Vocational School District
Net Assets by Component,
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 8,287,540	10,812,662	10,069,983	9,788,004	11,142,005	10,690,660	11,708,103	18,486,060	38,156,011	48,057,457
Restricted	96,202	54,471	268,820	467,596	269,784	341,660	310,023	453,811	2,256,793	3,588,036
Unrestricted	73,928	(264,477)	361,240	669,707	527,376	785,834	997,259	555,067	(285,079)	(305,556)
Total governmental activities net assets	8,457,670	10,602,656	10,700,043	10,925,307	11,939,165	11,818,154	13,015,385	19,494,938	40,127,725	51,339,937
Business-type activities										
Invested in capital assets, net of related debt	3,846	2,972	2,273	1,574	875	6,698	4,912	3,144	1,376	2,174
Restricted										
Unrestricted	56,681	64,715	55,357	63,887	120,737	90,214	70,425	104,843	180,563	193,715
Total business-type activities net assets	60,527	67,687	57,630	65,461	121,612	96,912	75,337	107,987	181,939	195,889
District-wide										
Invested in capital assets, net of related debt	8,291,386	10,815,634	10,072,256	9,789,578	11,142,880	10,697,358	11,713,015	18,489,204	38,157,387	48,059,631
Restricted	96,202	54,471	268,820	467,596	269,784	341,660	310,023	453,811	2,256,793	3,588,036
Unrestricted	130,609	(199,762)	416,597	733,594	648,113	876,048	1,067,684	659,910	(104,516)	(111,841)
Total district net assets	8,518,197	10,670,343	10,757,673	10,990,768	12,060,777	11,915,066	13,090,722	19,602,925	40,309,664	51,535,826

Source: CAFR Schedule A-1

Atlantic County Vocational School District
Changes in Net Assets, Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,859,323	1,958,354	2,111,150	2,383,462	3,122,231	3,563,264	3,482,141	3,959,822	3,430,737	4,351,474
Other special education	126,858	141,501	175,853	3,786	13,823	6,314	257,258	273,568	291,624	179,263
Vocational	1,858,342	1,568,935	1,379,105	1,363,282	1,665,728	1,503,460	1,777,019	1,754,228	1,210,601	1,373,524
Other instruction	34,958	68,220	59,385	84,395	75,010	56,192	221,857	237,012	261,795	276,365
Support Services:										
Student & instruction related services	1,004,557	1,232,226	1,111,848	846,446	991,635	900,149	918,897	1,077,885	1,135,526	1,269,454
General administrative services	1,173,690	1,324,888	1,428,873	1,404,766	1,277,003	1,368,219	1,306,280	1,210,658	1,277,501	1,251,827
School administrative services	424,315	491,513	426,415	340,660	342,875	352,642	337,100	349,873	402,616	437,510
Plant operations and maintenance	1,790,311	2,254,178	2,236,122	2,298,796	2,393,275	2,390,397	2,107,925	2,458,745	2,606,185	3,219,032
Pupil transportation	33,363	37,988	42,828	56,810	59,651	79,285	51,260	111,662	108,903	326,939
Special Schools	1,360,332	1,097,190	999,873	1,550,998	1,995,533	1,975,820	1,494,080	1,368,185	1,156,001	1,421,358
Unallocated Depreciation							542,583	556,839		-
Capital Outlay	53,331	-	18,295	-	27,522	-				
Total governmental activities expenses	9,719,380	10,174,993	9,989,747	10,333,401	11,964,286	12,195,742	12,496,400	13,358,477	12,438,328	14,106,746
Business-type activities:										
Food service	161,914	251,066	270,762	287,370	209,914	379,535	399,678	391,800	315,890	443,253
Construction Enterprise	18,366	200	61,074							
Electronic Technology Training	149,359									
L'Academie Café					66	51	173	41	-	12,326
Total business-type activities expense	329,639	251,266	331,836	287,370	209,980	379,586	399,851	391,841	315,890	455,579
Total district expenses	10,049,019	10,426,259	10,321,583	10,620,771	12,174,266	12,575,328	12,896,251	13,750,318	12,754,218	14,562,325
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools	536,930	406,010	441,937	462,228	497,926	494,392	478,126	416,966	475,610	517,922
Tuition	588,400	555,151	1,639,400	1,895,000	1,907,500	2,392,692	2,933,201	3,793,099	3,595,520	5,644,715
Operating grants and contributions	1,508,960	1,728,159	1,468,652	1,496,716	2,068,761	1,933,317	1,401,501	1,578,212	3,822,622	1,373,005
Total governmental activities program revenues	2,634,290	2,689,320	3,549,989	3,853,944	4,474,187	4,820,401	4,812,828	5,788,277	7,893,752	7,535,642
Business-type activities:										
Charges for services										
Food service	110,864	121,233	123,072	122,868	128,237	155,930	140,671	180,507	124,662	164,651
Construction Enterprise	8,500		50,000							
Electronic Technology Training	110,900									
L'Academie Café					8,449	7,825	9,690	6,598	142,446	12,915
Operating grants and contributions	18,646	30,570	47,948	43,384	56,419	71,828	99,631	120,699	267,108	290,077
Total business type activities program revenues	248,910	151,803	221,020	166,252	193,105	235,583	249,992	307,804	8,160,860	467,643
Total district program revenues	\$ 2,883,200	2,841,123	3,771,009	4,020,196	4,667,292	5,055,984	5,062,820	6,096,081	8,160,860	8,003,285

Atlantic County Vocational School District
Changes in Net Assets, Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Governmental activities	\$ (7,085,090)	(7,485,673)	(6,439,758)	(6,479,457)	(7,490,099)	(7,375,341)	(7,683,572)	(7,570,200)	(4,544,576)	(6,571,104)
Business-type activities	(80,729)	(99,463)	(110,816)	(121,118)	(16,875)	(144,003)	(149,859)	(84,037)	(48,782)	12,064
Total district-wide net expense	<u>(7,165,819)</u>	<u>(7,585,136)</u>	<u>(6,550,574)</u>	<u>(6,600,575)</u>	<u>(7,506,974)</u>	<u>(7,519,344)</u>	<u>(7,833,431)</u>	<u>(7,654,237)</u>	<u>(4,593,358)</u>	<u>(6,559,040)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
County appropriation levied for:										
General purposes	3,208,500	3,304,756	3,403,898	3,506,000	3,624,000	3,750,840	3,882,000	3,882,000	3,882,000	3,920,820
Capital improvements										
Federal and state aid not restricted	2,697,357	2,858,822	3,006,838	2,951,297	2,957,500	3,053,051	3,029,585	2,671,427	626,561	3,504,953
Other restricted misc. income		95,613	88,846	136,337	145,837	287,159	191,912	144,763		82,133
Investment earnings	73,566			39,969						
Miscellaneous income	230,398	141,620	138,322	200,067	383,496	254,600	333,064	360,086	636,052	132,474
Special items	(30,297)									(12,943)
Contribution of Building	3,359,755									
Loss on Disposition of Assets	(23,284)				(94,112)					
Cancellation of Prior Receivables										
Bond proceeds					1,560,258	27,933	1,507,060	7,107,055	20,153,704	10,155,879
Transfers	(21,500)	(106,623)	(100,759)	(128,949)	(73,022)	(119,253)	(62,835)	(115,577)	(120,954)	-
Total governmental activities	<u>6,158,024</u>	<u>9,630,659</u>	<u>6,537,145</u>	<u>6,704,721</u>	<u>8,503,957</u>	<u>7,254,330</u>	<u>8,880,786</u>	<u>14,049,754</u>	<u>25,177,363</u>	<u>17,783,316</u>
Business-type activities:										
Investment earnings	1,297				4	50		1,070	1,780	-
Special Items	80,004									
Transfers	21,500	106,623	100,759	128,949	73,022	119,253		115,577	120,954	-
Total business-type activities	<u>102,801</u>	<u>106,623</u>	<u>100,759</u>	<u>128,949</u>	<u>73,026</u>	<u>119,303</u>	<u>-</u>	<u>116,647</u>	<u>122,734</u>	<u>-</u>
Total district-wide	<u>6,260,825</u>	<u>9,737,282</u>	<u>6,637,904</u>	<u>6,833,670</u>	<u>8,576,983</u>	<u>7,373,633</u>	<u>8,880,786</u>	<u>14,166,401</u>	<u>25,300,097</u>	<u>17,783,316</u>
Change in Net Assets										
Governmental activities	(927,066)	2,144,986	97,387	225,264	1,013,858	(121,011)	1,197,214	6,479,554	20,632,787	11,212,212
Business-type activities	22,072	7,160	(10,057)	7,831	56,151	(24,700)	(149,859)	32,610	73,952	12,064
Total district	<u>\$ (904,994)</u>	<u>2,152,146</u>	<u>87,330</u>	<u>233,095</u>	<u>1,070,009</u>	<u>(145,711)</u>	<u>1,047,355</u>	<u>6,512,164</u>	<u>20,706,739</u>	<u>11,224,276</u>

Source: CAFR Schedule A-2

**Atlantic County Vocational School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited**

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Restricted										
Committed										
Assigned										
Unassigned										
Reserved	\$ 797,994	165,620	746,734	1,207,085	992,416	1,302,400	1,676,081	1,317,004	2,061,346	3,138,674
Unreserved	100,517	323,304	470,332	522,640	438,411	442,240	303,539	334,006	195,447	155,099
Total general fund	<u>898,511</u>	<u>488,924</u>	<u>1,217,066</u>	<u>1,729,725</u>	<u>1,430,827</u>	<u>1,744,640</u>	<u>1,979,620</u>	<u>1,651,010</u>	<u>2,593,921</u>	<u>3,868,951</u>
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund	(20,787)	(19,761)	(19,761)	(19,761)	(19,761)	(24,211)				-
Total all other governmental funds	<u>\$ (20,787)</u>	<u>(19,761)</u>	<u>(19,761)</u>	<u>(19,761)</u>	<u>(19,761)</u>	<u>(24,211)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Source: CAFR Schedule B-1

Atlantic County Vocational School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
County appropriation	\$ 3,208,500	3,304,756	3,403,898	3,506,000	3,624,000	3,750,840	3,882,000	3,882,000	3,882,000	3,920,820
Tuition charges	588,400	555,151	1,639,400	1,895,000	1,907,500	2,392,692	2,933,201	3,793,099	3,595,520	5,644,715
Other Tuition	536,930	406,010	441,937	462,228	497,926	494,392	478,126	416,966	475,610	517,922
Other restricted miscellaneous revenue	81,263	116,783	92,946	157,821	361,510	504,091	191,912	144,763	87,173	114,916
Miscellaneous	230,398	141,620	138,322	240,036	383,496	254,600	390,526	410,189	583,720	132,474
State sources	3,640,054	3,799,640	3,909,689	3,912,001	4,261,454	4,441,399	3,948,551	2,961,709	3,832,321	4,132,814
Federal sources	558,566	766,171	561,701	514,528	549,134	328,037	425,093	1,237,827	582,021	712,361
Total revenue	8,844,111	9,090,131	10,187,893	10,687,614	11,585,020	12,166,051	12,249,409	12,846,553	13,038,365	15,176,022
Expenditures										
Instruction										
Regular Instruction	1,625,484	1,622,442	1,739,224	1,929,741	2,730,673	3,132,428	3,087,879	2,738,063	2,581,770	3,339,398
Other special instruction	87,218	99,380	128,344	1,306	9,789	4,401	207,650	223,043	219,459	126,221
Vocational education	1,425,095	1,108,057	976,141	1,022,185	1,378,321	1,245,576	1,527,234	1,189,920	911,027	995,292
Other instruction	26,854	17,482	10,847	34,158	33,771	18,624	181,323	195,901	197,012	163,870
Support Services:										
Student & instruction related services	814,922	966,006	915,057	703,184	871,146	771,310	785,008	912,017	854,530	1,001,429
General administrative services	893,775	942,432	546,646	465,688	503,483	559,621	521,739	487,793	412,165	400,363
School Administrative services	317,995	339,478	291,218	251,121	272,457	272,118	274,877	288,624	302,985	319,512
Central Services			336,885	359,128	372,750	391,086	394,298	381,197	348,107	306,564
Administrative Information Technology	1,303,913	1,589,444	1,583,471	1,646,674	1,840,341	1,891,083	1,892,799	2,233,247	2,011,100	197,000
Plant operations and maintenance	24,757	26,805	30,955	41,746	42,672	56,924	48,486	100,026	81,954	237,793
Pupil transportation	1,460,177	1,735,094	1,850,049	1,987,984	1,563,791	1,625,521	1,457,076	2,756,669	2,960,107	3,204,269
Unallocated employee benefits	1,032,991	779,815	712,377	1,120,476	1,591,535	1,578,799	1,262,493	1,147,188	869,938	1,019,909
Special Schools	268,618	165,634	78,423	281,695	1,937,288	89,488	1,603,955	7,349,026	20,226,790	10,856,697
Capital outlay	9,281,799	9,392,069	9,358,992	10,046,006	13,277,042	11,765,368	13,434,441	20,166,637	32,128,205	24,464,928
Total expenditures	(437,688)	(301,938)	828,901	641,608	(1,692,022)	400,683	(1,185,032)	(7,320,084)	(19,089,840)	(9,288,906)
Excess (Deficiency) of revenues over (under) expenditures	(30,297)	(106,623)	(100,759)	(128,949)	(123,251)	(91,320)	1,444,225	6,991,478	(20,032,750)	10,563,935
Other Financing sources (uses)										
Cancellation of PY accounts receivable					(94,112)		(62,835)			(12,943)
Bond Proceeds					1,560,258	27,933	1,507,060	7,107,055	20,153,704	10,155,879
Transfers in					50,229					
Transfers out					(123,251)	(119,253)		(115,577)	(120,954)	420,999
Total other financing sources (uses)	(21,500)	(106,623)	(100,759)	(128,949)	(123,251)	(91,320)	1,444,225	6,991,478	(20,032,750)	10,563,935
Net change in fund balances	\$ (489,485)	(408,561)	728,142	512,659	(298,898)	309,363	259,193	(328,606)	942,910	1,275,029
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: CAFR Schedule B-2

**Atlantic County Vocational School District
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Tuition	Interest	Rent	Refund of Prior Year Revenue	Miscellaneous	Total General Funds	Other Grants Special Revenue	Total
2002	943,366	39,749		74,788	261,208	1,319,111	5,003	1,324,114
2003	1,125,330	11,342			292,622	1,429,294	7,697	1,436,991
2004	869,630	1,508	12,672		223,053	1,106,863	21,170	1,128,033
2005	2,081,337		14,976		212,192	2,308,505	4,100	2,312,605
2006	2,357,228	39,969	128,868		207,536	2,733,601	21,484	2,755,085
2007	2,405,426		194,104		335,229	2,934,759	215,673	3,150,432
2008	2,887,084		163,564		378,195	3,428,843	216,932	3,645,775
2009	2,933,201		183,516		820,606	3,937,323	11,563	3,948,886
2010	3,793,099		183,516	478,126	341,480	4,796,221	50,102	4,846,323
2011	4,071,130		106,052		530,419	4,707,601	34,422	4,742,023
2012	6,162,637	12,243	109,652		92,712	6,377,244	32,783	6,410,027

Source: District Records

Atlantic County Vocational School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Capital Leases	Total District		
2003		248,384		248,384	0.000%	1
2004		191,754		191,754	0.000%	1
2005		131,626		131,626	0.000%	0
2006		67,784		67,784	0.000%	0
2007		-		-	0.000%	-
2008		-		-	0.000%	-
2009		-		-	0.000%	-
2010		-		-	0.000%	-
2011		-		-	0.000%	-
2012		-		-	0.000%	-

Source: District CAFR Schedule I-2

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Atlantic County Vocational School District is a Type I School District. As a result, debt related to the District is an obligation of the County of Atlantic.

Atlantic County Vocational School District
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2003	261,810	8,751,523	33,427	6.90%
2004	266,015	9,162,089	34,442	6.10%
2005	268,318	9,539,242	35,552	5.20%
2006	269,495	9,937,359	36,874	5.20%
2007	269,945	10,352,661	38,351	5.70%
2008	270,609	9,842,049	36,370	5.80%
2009	271,712	10,372,606	38,175	7.00%
2010	274,666	10,916,875	39,746	12.10%
2011	274,338	10,903,838	39,746	12.40%
2012	274,338	10,903,838	39,746	12.90%

Source:

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

b Personal income is calculated by multiplying per capita income by the population

b Per Capita Income US Department of Commerce, Bureau of Economic Analysis, April 25, 2007

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

Atlantic County Vocational School District
Full-time Equivalent District Employees by Function/Program,
Last Seven Fiscal Years
Unaudited

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction							
Regular	34.5	31.5	34.5	36.50	43.00	41.00	52.00
Vocational	34.5	24.0	25.0	25.00	22.00	20.00	22.00
Adult/continuing education programs	3.0	3.0	4.0	4.00	3.00	3.00	16.50
Support Services:							
Student & instruction related services	8.5	8.0	9.5	10.00	9.00	13.50	14.50
General administrative services	8.0	5.5	7.0	7.00	7.00	4.00	2.00
School administrative services	3.5	12.0	8.5	9.00	9.00	5.50	3.50
Business administrative services	4.5	4.5	4.5	4.00	4.00	4.00	7.00
Plant operations and maintenance	17.0	17.0	18.0	17.00	15.00	19.00	21.00
Pupil transportation	1.0	1.5	0.5	0.50	1.00	-	2.00
Food Service	4.0	4	4.0	4.00	5.00	5.00	5.00
Total	<u>118.5</u>	<u>111.0</u>	<u>115.5</u>	<u>117.0</u>	<u>118.0</u>	<u>115.0</u>	<u>145.5</u>

GASB requires this table to present the full-time equivalent district employees by function/program for the current year and the previous nine years, however only the past seven year's information was available.

Source: District Personnel Records

**Atlantic County Vocational School District
Operating Statistics
Last Ten Fiscal Years
Unaudited**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						General	Vocational				
2003	735	9,013,181	12,263	-4.53%	70	10.5:1		735.2	694.3	4.64%	94.44%
2004	759	9,226,435	12,156	-0.87%	65	11.7:1		759.0	721.2	3.24%	95.02%
2005	650	9,280,569	14,278	17.45%	66	9.9:1		650.0	614.0	-14.36%	94.46%
2006	702	9,764,311	13,909	-2.58%	69	10.2:1		702.1	668.4	8.02%	95.20%
2007	749	11,339,754	15,140	8.85%	56	13.4:1		748.3	715.3	6.58%	95.59%
2008	788	11,675,880	14,817	-2.13%	60	13.1:1		788.1	752.1	5.32%	95.43%
2009	754	11,893,322	15,774	6.46%	61	14.5:1		754.2	732.9	-4.30%	97.18%
2010	800	12,817,614	16,022	1.57%	68	12.0:1		800.2	760.7	6.10%	95.06%
2011	854	11,402,616	13,352	-16.66%	72	11.8:1		830.9	798.2	3.84%	96.06%
2012	957	13,013,006	13,605	1.89%	78	11.8:1		1,022.1	982.7	23.01%	96.15%

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count.

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

**Atlantic County Vocational School District
School Building Information
Last Ten Fiscal Years**

Unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
District Building										
Vocational School										
Atlantic County Vocational School (1973, renovation 1993, 2012)										
Square Feet	143,230	143,230	143,230	143,230	143,230	143,230	143,230	143,230	143,230	237,998
Capacity (students)	412	412	412	412	412	412	412	412	412	1,314
Enrollment	479	413	422	388	675	653	804	717	774	931
Annex Building										
Acquired 2003										
Square Feet	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130	57,130
Capacity (students)	428	428	428	428	428	428	428	428	428	428
Enrollment	78	78	71	72	74	70	79	83	80	123

Number of Schools at June 30, 2012
 High School = 1
 Other = 1

Source: District records, ASSA

Atlantic County Vocational School District
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

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

School Facilities	Project #	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Atlantic County Vocational School	N/A	\$ 385,175	425,323	395,664	419,001	411,544	455,296	496,539	458,377	359,838	461,146
Grand Total		<u>\$ 385,175</u>	<u>425,323</u>	<u>395,664</u>	<u>419,001</u>	<u>411,544</u>	<u>455,296</u>	<u>496,539</u>	<u>458,377</u>	<u>359,838</u>	<u>461,146</u>

Atlantic County Vocational School District

Insurance Schedule

June 30, 2012

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Public Entity Policy Property Coverage		
Buildings/Personal Property	97,213,151	5,000
Extra Expense	50,000,000	5,000
Loss of Business Income/Tuition	1,000,000	
Valuable Papers Coverage	10,000,000	5,000
Flood Insurance		
Flood Zones A & V per occurrence	10,000,000	500,000
Public Entity General Liability Coverage/ Law Enforcement Liability Coverage		
Bodily Injury & Property Damage	31,000,000	
Personal and Advertising Injury Limit	31,000,000	
Bodily Injury from Products & Completed Operations	31,000,000	
Child Molestation/Sexual Abuse per occurrence	17,000,000	
per occurrence per perpetrator	17,000,000	
Terrorism	1,000,000	
Employee Benefit Liability	31,000,000	1,000
Medical Expenses Limit each person	5,000	
each accident	10,000	
School Violent Act per occurrence	250,000	
NJSBAIG annual aggregate	1,000,000	
Catatrophic per occurrence	5,000,000	
Package Policy Crime Coverage		
Faithful Performance Limit	1,000,000	1,000
Forgery or Alteration	1,000,000	1,000
Loss of Money & Securities On or Off Premises	25,000	500
Money Orders & Counterfeit Paper Currency	25,000	500
Computer Fraud		

Atlantic County Vocational School District
Insurance Schedule
June 30, 2012
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Leaders Errors and Omissions Liability		
Coverage A		
Each policy period	31,000,000	
Each claim		5,000
Coverage B		
Each policy period	300,000	
Each claim	100,000	5,000
Boiler and Machinery	100,000,000	
Sublimits:		
Perishable Goods	500,000	
Expediting Expenses	500,000	
Per Accident for Property Damage		5,000
Automobile Liability		
Combined Single Limits for Bodily Injury/Property Damage	31,000,000	
Uninsured/Underinsured Motorists - Private Passenger Auto	1,000,000	
Medical Payments		
for Private Passenger Vehicles	10,000	
for All other Vehicles	5,000	
Standard Worker's Compensation & Employer's Liability Policy		
Workers Compensation-Coverage A	Statutory	
Employers' Liability Agreement-Coverage B		
Bodily Injury each accident	2,000,000	
Bodily Injury each employee	2,000,000	
Bodily Injury by Disease-(aggregate limit)	2,000,000	

Source: District Records.

Single Audit Section

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Atlantic County Vocational School District in the County of Atlantic, State of New Jersey as of and for the year ended June 30, 2012, which collectively comprises the District's basic financial statements, and have issued our report thereon dated November 15, 2012. 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 prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Atlantic County Vocational School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Atlantic County Vocational School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Atlantic County Vocational School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Atlantic County Vocational School District's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Atlantic County Vocational School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the requirements of the Office of Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Atlantic County Vocational School District in the separate *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 15, 2012.

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



Leon P. Costello, CPA
Licensed Public School Accountant
No. CS00767

Ford Scott & Associates
Ford Scott & Associates, LLC
Certified Public Accountants

November 15, 2012

**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 A133
And New Jersey Circular OMB 04-04**

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

Compliance

We have audited the Atlantic County Vocational School District Board of Education's compliance 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 Grants Compliance Supplement* that could have a direct and material effect on each of the Atlantic County Vocational School District Board of Education's major federal and state programs for the year ended June 30, 2012. The Atlantic County Vocational School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Atlantic County Vocational School District Board of Education's management. Our responsibility is to express an opinion on the Atlantic County Vocational School District Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB 04-04, *New Jersey State Grants Compliance Supplement*. Those standards, OMB Circular A-133 and New Jersey OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Atlantic County Vocational School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Atlantic County Vocational School District Board of Education's compliance with those requirements.

In our opinion, the Atlantic County Vocational School District Board of Education complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Atlantic County Vocational School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Atlantic County Vocational School District Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on compliance in accordance with OMB Circular A-133 and NJ OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and 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 of the audit committee, management, Board of Education, the New Jersey State Department of Education (cognizant audit agency) and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.



Leon P. Costello, CPA
Licensed Public School Accountant
No. CS00767

Ford Scott & Associates
Ford Scott & Associates, LLC
Certified Public Accountants

November 15, 2012

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education													
General Fund: Education Jobs Fund - ARRA	84.410A	NA	8/1/10-9/30/12	129,669	\$0	-	129,669	(129,669)	-	-	-	-	-
Total General Fund													
U.S. Department of Education													
Passed-through State Department of Education: Special Revenue Fund: No Child Left Behind													
Title I	84.010	NCLB-07	9/1/07-8/31/08	96,329	2,108	-	-	-	-	(2,108)	-	-	-
Title I - FY11	84.010	NCLB-10	9/1/10-8/31/11	237,301	(187,296)	-	228,734	(44,358)	2,920	-	-	-	-
Title I - FY12	84.010	NCLB-11	9/1/11-8/31/12	193,459	-	-	130,207	(180,952)	(2,920)	-	(63,665)	-	-
ARRA - Title I - FY11	84.389	NCLB-09	9/1/09-8/31/11	42,847	(14,840)	-	15,398	(2,478)	1,920	-	-	-	-
Title II, Part A Carryover	84.281	NCLB-09	9/1/09-8/31/11	19,164	(10,938)	-	9,392	(12,057)	(5,681)	-	(4,134)	-	-
Title II, Part A	84.281	NCLB-10	9/1/10-8/31/11	39,792	4,212	-	11,477	(13,005)	-	(299)	(1,528)	-	-
Title II, Part A	84.281	NCLB-11	9/1/11-8/31/12	13,591	299	-	-	-	-	-	-	-	-
Title II, Part D Carryover	84.281	NCLB-05	9/1/05-8/31/06	2,221	1,156	-	-	-	-	-	-	-	-
Title II, Part D Carryover	84.281	NCLB-10	9/1/10-8/31/11	504	-	-	-	(504)	-	(1,372)	(504)	-	-
Title II, Part D	84.281	NCLB-11	9/1/11-8/31/12	2,736	1,372	-	1,989	-	180	-	-	-	-
Title IV	84.186	NCLB-06	9/1/06-8/31/07	2,179	(2,179)	-	1,067	(1,067)	-	(21)	-	-	-
Title IV	84.186	NCLB-09	9/1/09-8/31/10	1,067	-	-	-	-	-	-	-	-	-
Title IV	84.186	NCLB-10	9/1/10-8/31/11	1,595	21	-	58,355	-	1	-	-	-	-
Title V, Innovative Programs, Carryover	84.296A	NCLB-05	9/1/05-8/31/06	114,384	(58,356)	-	61,873	(102,392)	-	-	(40,519)	-	-
IDEA Part B, Basic Regular	84.027	NCLB-10	9/1/10-8/31/11	110,660	(103)	-	-	-	103	-	-	-	-
IDEA Part B, Basic Regular	84.243	N/A	9/1/05-8/31/06	72,354	(3,433)	-	-	-	3,433	-	-	-	-
Technical Prep Associate Degree	84.243	N/A	9/1/06-8/31/07	129,559	-	-	-	-	-	-	-	-	-
Technical Prep Associate Degree	84.048	PERK012009	9/1/09-8/31/10	165,875	(30,243)	-	31,241	(78,682)	(998)	-	(9,224)	-	-
Carl D. Perkins Secondary & Reserve	84.048	PERK012010	9/1/09-8/31/11	78,682	-	-	69,458	(25,587)	-	-	(7,962)	-	-
Carl D. Perkins Secondary	84.048	PERK012011	9/1/11-8/31/12	25,587	-	-	17,605	-	-	-	-	-	-
Carl D. Perkins Secondary Reserve	84.048	PERK012009	9/1/09-8/31/10	76,622	-	-	8,030	(93,980)	(1,296)	-	(18,580)	-	-
Carl D. Perkins Post-Secondary	84.048	PSFS012009	9/1/09-8/31/11	83,454	(6,734)	-	75,400	-	(336)	-	-	-	-
Carl D. Perkins Post-Secondary	84.048	PSFS012011	9/1/11-8/31/12	93,980	336	-	4,038	-	(4,038)	-	-	-	-
Learn and Serve America Program	94.004	06-CJ09-D02	10/1/06-9/30/07	25,000	2,187	-	19,234	-	(2,187)	-	-	-	-
Learn and Serve America Program	94.004	07-CJ09-D02	10/1/07-9/30/08	25,000	(19,234)	-	-	-	-	(600)	-	-	-
Learn and Serve America Program	94.004	08-CJ09-D02	10/1/08-9/30/09	19,234	600	-	-	-	-	-	-	-	-
Learn and Serve America Program	94.004	10-CJ09-D02	10/1/10-9/30/11	600	-	-	-	-	-	-	-	-	-
Teacher Quality Education Mentor Training	84.336A	N/A	9/1/04-8/31/05	-	-	-	-	-	-	-	-	-	-
Total Special Revenue Fund													
U. S. Department of Agriculture													
Passed-through State Department of Education: Enterprise Fund: National School Lunch Program School Breakfast Program	10.555 10.553		7/1/11-6/30/12 7/1/11-6/30/12	185,813 73,373	(318,183)	-	739,470	(655,062)	2,059	(4,400)	(136,136)	-	-
Total U.S. Department of Agriculture													
Total Federal Financial Awards													

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement.

ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011			Balance at June 30, 2012			MEMO					
				Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Education Aid	495-034-5120-078	7/1/11-6/30/12	3,039,568	-	-	-	3,039,568	(3,039,568)	-	-	-	-	-	303,957	3,039,568
Special Education Aid	495-034-5120-089	7/1/11-6/30/12	361,925	-	-	-	361,925	(361,925)	-	-	-	-	-	36,192	361,925
Reimbursed TPAF Social Security Contributions	495-034-5085-001	7/1/11-6/30/12	357,216	-	-	-	340,621	(357,216)	-	-	-	-	-	-	357,216
Total General Fund							3,742,114	(3,758,709)						340,149	3,758,709
Special Revenue Fund:															
Apprenticeship Coordinator	100-034-5062-032	7/1/11-6/30/12	10,865	(2,507)	-	1,443	1,443	(2,983)	1,919	(1,550)	-	-	-	-	2,993
Apprenticeship Coordinator	100-034-5062-032	7/1/10-6/30/11	10,870	(240)	-	588	588	-	240	-	-	-	-	-	10,048
Apprenticeship Coordinator	100-034-5062-032	7/1/06-6/30/07	21,762	(210)	-	-	-	-	210	-	-	-	-	-	21,762
Apprenticeship Coordinator	100-034-5062-032	7/1/05-6/30/06	21,513	(400)	-	-	-	-	400	-	-	-	-	-	21,513
Juvenile Justice Commission - Southern Residential Group Center	CLAX1X	7/1/05-6/30/06	40,000	(1,400)	-	-	-	-	1,400	-	-	-	-	-	40,000
Welding and Culinary Arts	NA	7/1/03-6/30/04	36,237	(3,789)	-	-	-	-	3,789	-	-	-	-	-	36,237
Tools Program	495-034-5120-053	7/1/05-6/30/06	7,789	(1,000)	-	-	-	-	1,000	-	-	-	-	-	7,789
Character Education	NA	9/1/09-8/15/10	1,000	(39)	-	-	-	-	(1,000)	-	-	-	-	-	-
Extraordinary Standards Incentive Program	NA	9/1/09-8/15/09	1,000	(39)	-	-	-	-	(1,000)	-	-	-	-	-	-
Character Education	NA	9/1/07-8/15/08	3,000	-	-	-	-	-	39	-	-	-	-	-	-
Total Special Revenue Fund				(6,585)	-	2,031	2,031	(2,983)	5,997	(1,550)	-	-	-	-	140,342
State Department of Health and Senior Services															
REBEL	100-010-3350-023	7/1/11-6/30/12	4,246	-	-	-	4,092	(4,246)	-	(154)	-	-	-	-	4,246
REBEL				-	-	-	4,092	(4,246)	-	(154)	-	-	-	-	4,246
REBEL				(6,685)	-	3,748,237	3,748,237	(3,765,948)	5,997	(18,299)	-	-	-	340,149	3,903,297
Total State Financial Assistance															

The accompanying notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement.

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2012**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise 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.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$26,209) for the general fund and \$28,560 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
State Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$3,758,709	2,993	4,246	3,765,948
Difference – budget to GAAP				
On-behalf payments recognized for GAAP statements but not included in the Schedule of Expenditures of State Financial Assistance	396,972			396,972
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(26,209)			(26,209)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			349	349
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$4,129,472</u>	<u>3,342</u>	<u>4,246</u>	<u>4,137,060</u>

**Atlantic County Vocational School District
(A Component Unit of the County of Atlantic)
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) “revenues” from the Schedule of Expenditures of Federal Awards	\$129,669	555,062	259,186	943,917
Difference – budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		27,630		27,630
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance.	<u>\$129,669</u>	<u>582,692</u>	<u>259,186</u>	<u>971,547</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2012.

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Part I -- Summary of Auditor's Results

Financial Statement Section

- A) Type of auditor's report issued: Unqualified
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
- C) Noncompliance material to financial statements noted? yes X no

Federal Awards Section

- D) Internal Control over Major Programs:
- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
- E) Type of auditor's report on compliance for major programs Unqualified
- F) Any audit findings disclosed that are required to be reported in accordance with section 510)a) of OMB Circular A-133? yes X no
- G) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553	Child Nutrition Cluster - School Breakfast Program &
10.555	National School Lunch Program

- H) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
- I) Auditee qualified as low-risk auditee? X yes no n/a

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
 (A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Part I -- Summary of Auditor's Results

State Awards Section

- J) Internal Control over Major Programs:
 1) Material weakness(es) identified? _____ yes X no
 2) Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
- K) Type of auditor's report on compliance for major programs
 _____ Unqualified _____
- L) Any audit findings disclosed that are required to be reported in accordance with section 510)a) of OMB Circular A-133?
 _____ yes X no

M) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

- N) Dollar threshold used to distinguish between Type A and Type B programs:
 _____ \$300,000 _____
- O) Auditee qualified as low-risk auditee? X yes _____ no _____ n/a

**ATLANTIC COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Part 2 – Schedule of Financial Statement Findings

NONE

Part 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

NONE

STATE AWARDS

NONE

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

STATUS OF PRIOR YEAR FINDINGS

NONE