

# **Comprehensive Annual Financial Report**

**of the**

**Board of Education for Vocational Schools  
Cape May County**

**Cape May County, New Jersey**

**For the Fiscal Year Ended June 30, 2012**

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# **Introductory Section**



October 12, 2012

Honorable President and  
Members of the Board of Education  
Cape May County Technical School District  
County of Cape May, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Cape May County Technical School 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. 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the Basic Financial Statements and Schedules, as well as the Auditor's Report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as revised in 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations," and 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.

**1. MAJOR INITIATIVES:** The District implemented a variety of initiatives during the 2011-12 school year.

Interdisciplinary and cross curricular project initiatives continue to keep students engaged and focused on learning outcomes. These real world projects offer our students the opportunity to understand the academic relevance of their course work. All courses are academically rigorous and adapted to meet the dynamic demands of the global economy which requires the 21<sup>st</sup> Century skills taught here at the Technical High School. The District's summer Bridging program continues to provide the support needed for our new, at-risk 9th and 10th grade students by enhancing and strengthening the students' study skills and academics to provide the educational foundation to succeed at the Technical District. The mandated tutoring program that has been in place for several years continues to help students in all grades to be successful in achieving passing grades in their classes. Students are placed in mandatory tutoring which is provided at no charge to our students by our certified staff.

During the 2011-12 school year, for first-time 11<sup>th</sup> graders only, 99.4% of the students achieved proficiency or advanced proficiency on the Language Arts section of the High School Proficiency Assessment (HSPA). For the first-time 11<sup>th</sup> graders only, on the Mathematics section of the HSPA 89.1. % achieved proficiency of advanced proficiency.

The District continues to offer online courses for our students through our affiliation with the Middle States accredited Virtual High School. The District initiative to offer the hybrid course (online and face to face) to implement the new Financial Literacy course/credits requirement instituted by the NJ Department of Education proved to be successful for our 9<sup>th</sup> and 10<sup>th</sup> graders. Our students also received training on the skills required to participate in online learning. Interdisciplinary teaching and learning enabled the students to engage in project based learning. The academic and technical teachers developed and implemented interdisciplinary projects culminating in the celebration of each with an instructional focus.

The District and our students continued to receive recognition at both the state and national levels during the school year. Our students competed in various SKILLS USA competitions and many received medal recognition. Members of the FFA chapter earned first and second place honors in several different competitions state-wide including a Superior National Chapter Award.

All technical career schedules reflect the needs of students and the requirements of the curriculum with most technical majors operating on a two-period per day schedule. The high school site committees focused on interdisciplinary projects, peer leadership, mentoring and ongoing teacher support. Teachers received training on problem based learning and the integration of academic and career courses using project –based learning. A focus was placed on implemented the Common Core Curriculum standards across all the disciplines.

The technology infrastructure continues to be enhanced each year to support upgraded and new technology and programming. In addition to our being a wireless campus, our online collaborative network that utilizes a Moodle server has ensured students and staff enjoy an advertisement free safe environment for teaching, learning and collaboration. The teachers and students had access to desktop and lap top computers for online research and collaboration in all their courses. Through the use of network virtualization the District has been able to build maximum network capacity while maintaining a keen eye on financial efficiencies.

The District continues to evaluate our educational programs through the use of a 15 question Senior Exit Survey conducted by the Guidance Department. This self-reflection of our graduating students' perceptions of their years at the Tech provides meaningful data for the staff as we reflect on our students' perceived instructional experiences and their preparedness for their next stage of life.

**2. 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 management.

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

**3. 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. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

**5. FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general, special revenue and capital projects fund revenues for the fiscal year ended June 30, 2012 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>2011-2012 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2011</u>	<u>Percent of Change</u>
Local Sources	\$ 12,857,112.75	81.67%	\$ 230,050.63	1.81%
State Sources	2,365,290.32	15.02%	376,410.43	17.19%
Federal Sources	<u>520,041.38</u>	<u>3.30%</u>	<u>(153,171.19)</u>	-17.60%
	<u>\$ 15,742,444.45</u>	<u>100.00%</u>	<u>\$ 453,289.87</u>	<u>2.87%</u>

The increase in Local Sources is primarily attributed to an increase in tuition charges. The decrease in Federal Sources is due to a reduction in Federal Aid.

The following schedule presents a summary of general, special revenue and capital projects fund expenditures for the fiscal year ended June 30, 2012 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>2011-2012 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2011</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 5,405,540.71	35.20%	\$ (63,202.59)	-1.16%
Undistributed Expenditures	8,132,848.23	52.96%	328,571.47	4.21%
Capital Outlay	508,934.76	3.31%	(62,813.20)	-10.99%
Special Schools	<u>1,309,503.31</u>	<u>8.53%</u>	<u>21,946.44</u>	<u>1.70%</u>
Total	<u>\$ 15,356,827.01</u>	<u>100.00%</u>	<u>\$ 224,502.12</u>	<u>1.45%</u>

The increase in Undistributed Expenditures is mainly due to an increase in employee benefits.

**6. DEBT ADMINISTRATION:** All debt of the District is the obligation of the County of Cape May. The County sold \$14,769,000 of bonds in September 2006 to fund the renovations and addition to the Technical High School.

**7. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**8. 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.

**9. OTHER INFORMATION:**

**A) Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as revised in 1996, and the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**10. ACKNOWLEDGMENTS:**

With the support of the Board of Chosen Freeholders, the Cape May County Technical School will continue to provide for the educational needs of students of all ages throughout the county. The increased technology in the District will help assure that our high school students are computer literate early in their secondary education and that they will be able to use that technology and knowledge to help create for themselves a challenging and rewarding future. We will continue to offer educational programs for adults who need to upgrade their skills or learn new ones and we will continue to make learning enjoyable and interesting through our varied evening program that provides dozens of vocational and avocational classes.

Our teachers and administration are dedicated to helping students of all ages reach their potential and to help students realize that learning is a journey, not a destination that ends with graduation.

Respectfully submitted,



Dr. Nancy M. Hudanich  
Superintendent



Paula J. Smith  
Business Administrator/Board Secretary



**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2012**

	<b>TERM EXPIRES</b>
<b>MEMBERS OF THE BOARD OF EDUCATION</b>	
Robert L. Boyd, President (Effective 5/15/12)	10/31/2012
Beatrice Payne, President (Deceased - 4/17/12)	
James R. Washington II, Vice-President	10/31/2015
Anthony L. Anzelone (From 6/12/12)	10/31/2013
Alan I. Gould (from 1/18/11)	10/31/2015
Dr. Richard Stepura, County Superintendent	Ex-Officio
<b>OTHER OFFICIALS</b>	
Robert W. Matthies, Superintendent	
Paula J. Smith, Business Administrator/Board Secretary	
James V. Craft, Treasurer	
Michael Adams, Principal	
Dr. Nancy V. Hudanich, Assistant Superintendent Curriculum, Instruction & Technology	
George Miller III, Director of Adult and Continuing Education	
James Owens, Director of Buildings and Grounds	

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Ford, Scott & Associates, L.L.C.**

Certified Public Accountants  
1535 Haven Avenue  
P.O. Box 538  
Ocean City, NJ 08226-0538  
399-6333

**ATTORNEY**

**Cooper Levinson, PA**

1125 Atlantic Avenue  
3<sup>rd</sup> Floor  
Atlantic City, N.J. 08401

**SERVICE BUREAU**

**Educational Management by Computer Center**

Division of Gloucester County Special Services  
204 East Holly Avenue  
Sewell, NJ 08080  
256-0530

**OFFICIAL DEPOSITORY**

**Sturdy Savings Bank**

506 S. Main Street  
Cape May Court House, NJ 08210

## **Financial Section**

1535 HAVEN AVENUE • PO BOX 538  
OCEAN CITY, NJ • 08226-0538  
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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
For Vocational Schools  
County of Cape May, New Jersey

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, of the Board of Education for Vocational Schools, in the County of Cape May, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows 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 October 12, 2012 on our consideration of the Board of Education for Vocational Schools' 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 our 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 the 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 schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the U.S Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Office of Management and Budget Circular 04-04 and are 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 schedules 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 related 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 combining statements and related major fund supporting statements and schedules are 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 basic financial statements and, accordingly, we express no opinion on them.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Glen J. Ortman*  
**Glen J. Ortman**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 853**

**October 12, 2012**

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED**

The discussion and analysis of Cape May County Technical School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2012 are as follows:

- In total, net assets decreased by \$608,986, which represents less than a 2.6 percent decrease from 2011. The difference is due a combination of factors affecting the current year.
- General revenues accounted for \$13,684,357 in revenue or 85 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,395,369 or 15 percent of total revenues of \$16,079,726.
- Total assets of governmental activities decreased by \$328,364 as cash and cash equivalents increased by \$498,326, receivables increased by \$23,708, and capital assets decreased by \$850,398.
- The School District had \$16,650,979 in expenses; only \$2,395,369 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily County Appropriation, county capital appropriation and tuition) of \$13,684,357 provided for these programs.
- Among governmental funds, the General Fund had \$15,121,660 in revenues and \$14,867,402 in expenditures. The General Fund's fund balance increased \$254,258 over 2011.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Cape May County Technical District, the General Fund is the most significant fund.

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

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

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

Governmental Funds

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

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**Reporting the School District's Most Significant Funds (Continued)**

Enterprise Fund

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 29 to 46 of this report.

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2012 and 2011.

**Table 1  
Net Assets**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Current and Other Assets	\$ 3,631,586.85	\$ 3,088,981.58
Capital Assets	<u>20,532,240.95</u>	<u>21,395,265.83</u>
Total Assets	<u>24,163,827.80</u>	<u>24,484,247.41</u>
<b>Liabilities</b>		
Long-Term Liabilities	827,609.82	807,230.82
Other Liabilities	<u>628,553.25</u>	<u>360,365.88</u>
Total Liabilities	<u>1,456,163.07</u>	<u>1,167,596.70</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	20,532,240.95	21,395,265.83
Restricted	2,525,929.00	1,040,550.60
Unrestricted	<u>(350,505.22)</u>	<u>880,834.28</u>
Total Net Assets	<u>\$ 22,707,664.73</u>	<u>\$ 23,316,650.71</u>

The District's combined net assets were \$22,707,664.73 on June 30, 2012. This was a decrease of \$608,985.98 from 2011.

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**The School District as a Whole (Continued)**

Table 2 shows changes in net assets for fiscal year 2012 and 2011.

**Table 2  
Changes in Net Assets**

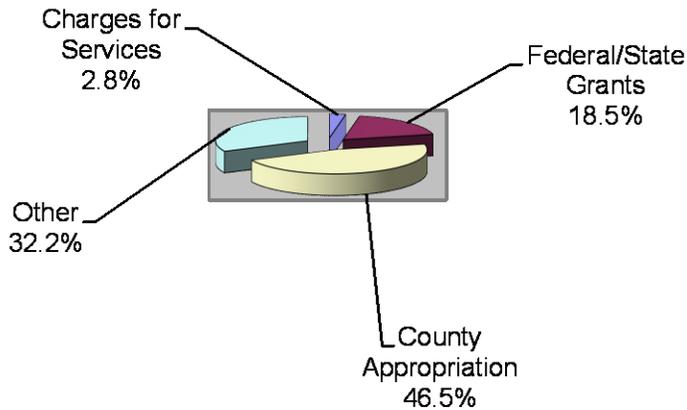
	2012	2011
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 702,334.83	\$ 656,104.87
Operating Grants and Contributions	1,693,034.61	1,689,079.78
General Revenues:		
County Taxes	7,314,862.00	7,314,862.00
Grants and Entitlements	1,308,019.00	1,052,117.14
Tuition	4,948,419.30	4,787,432.86
Other	113,056.34	116,777.85
Total Revenues	16,079,726.08	15,616,374.50
<b>Program Expenses</b>		
Instruction	7,631,332.46	7,668,567.00
Support Services:		
Student and Instruction Related Services	1,642,640.30	1,621,983.64
General Administration, School Administration, Business Operations and Maintenance of Facilities	2,113,664.70	1,930,624.69
Pupil Transportation	107,521.76	107,605.27
Adult and Continuing Education	1,314,844.87	1,290,863.46
Other	1,103,287.26	1,082,201.45
Food Service	306,038.52	287,826.78
Other Enterprise Funds	155,070.42	149,120.59
Total Expenses	16,688,712.06	16,505,836.70
Increase/(Decrease) in Net Assets	\$ (608,985.98)	\$ (889,462.20)

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**Governmental Activities**

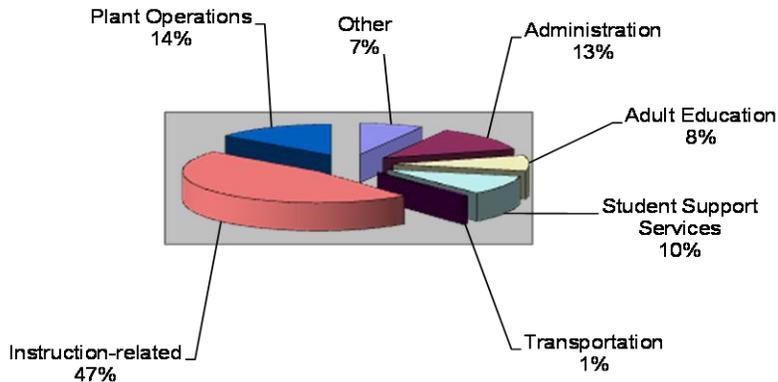
The county Appropriation made up 46.5 percent of revenues for governmental activities for the Cape May County Technical School District for fiscal year 2012. The District's total revenues were \$15,742,444 for the year ended June 30, 2012. Grants for operating purposes accounted for another 18.5 percent of revenue.

**Sources of Revenue for Fiscal Year 2012**



The total cost of all program and services was \$16,358,962. Instruction comprises 47 percent of District expenses.

**Cost of Programs and Services for Fiscal Year 2012**



**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**Business-Type Activities**

Revenues for the District's business-type activities (food service program, Early Childhood/Lab School/Summertime Adventure, Jobs Card, and Education Technology Training Center) were comprised of charges for services and federal and state reimbursements.

- The combined Business-Type Activities expenses exceeded revenues by \$123, 827.
- Charges for services of the combined Business-Type Activities represent \$254,255 of revenue. This represents amounts paid by students and others for daily food service and various fees and charges.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$82,985.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for 2012 and 2011. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3  
Costs of Services**

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Instruction	\$ 7,631,332.46	\$ 6,351,992.94	\$ 7,668,567.00	\$ 6,516,657.41
Support Services:				
Pupils & Instructional Staff	1,642,640.30	1,515,411.13	1,621,983.64	1,514,562.77
General and School				
Administration and				
Business Operations	2,113,664.70	1,943,239.52	1,930,624.69	1,787,653.14
Operation and Maintenance				
of Facilities	2,314,311.77	2,314,096.77	2,367,043.82	2,367,043.82
Pupil Transportation	107,521.76	107,521.76	107,605.27	107,605.27
Adult and Continuing Education	1,314,844.87	833,923.61	1,290,863.46	675,087.96
Other	1,065,554.33	1,065,554.33	1,076,312.21	1,076,312.21
Total Expenses	<u>\$ 16,189,870.19</u>	<u>\$ 14,131,740.06</u>	<u>\$ 16,063,000.09</u>	<u>\$ 14,044,922.58</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**Governmental Activities (Continued)**

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

"Other" includes unallocated depreciation.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$15,742,444 and expenditures were \$15,488,186. The net change in fund balance for the year was most significant in the General Fund, an increase of \$254,258.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2012, and the amount and percentage of total revenues compared to prior year revenues.

Revenue	2011-2012 Amount	Percentage of Total	2010-2011 Amount	Percentage of Total
Local Sources	\$ 12,857,112.75	81.68%	\$ 12,627,062.12	82.59%
State Sources	2,365,290.32	15.02%	1,988,879.89	13.01%
Federal Sources	520,041.38	3.30%	673,212.57	4.40%
<b>Total</b>	<b>\$ 15,742,444.45</b>	<b>100.00%</b>	<b>\$ 15,289,154.58</b>	<b>100.00%</b>

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**The School District's Funds (Continued)**

The following schedule represents a summary of general fund, special revenue fund, and capital projects fund expenditures for the fiscal year ended June 30, 2012, and the percentage of total expenditures compared to prior year amounts.

<u>Expenditures</u>	<u>2011-2012 Amount</u>	<u>Percentage of Total</u>	<u>2010-2011 Amount</u>	<u>Percentage of Total</u>
Current Expense:				
Instruction	\$ 5,405,540.71	34.89%	\$ 5,468,743.30	35.55%
Undistributed Expenditures	8,264,207.23	53.36%	8,052,886.76	52.36%
Capital Outlay	508,934.76	3.29%	571,747.96	3.72%
Special Schools	1,309,503.31	8.46%	1,287,556.87	8.37%
<b>Total</b>	<b>\$ 15,488,186.01</b>	<b>100.00%</b>	<b>\$ 15,380,934.89</b>	<b>100.00%</b>

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

The District transferred more than \$259,928 into capital outlay equipment line items during the year for capital purchases.

A withdrawal from the capital reserve account was made during 2011/12 in the amount of \$124,293 to fund projects that are part of the Long Range Facilities Plan.

TPAF Social Security and On-Behalf TPAF Pension are recorded as both non-budget revenue and expenditure lines in the budgetary comparison schedule. These amounts reflect contributions made by the State of New Jersey to the District's Teachers retirement plans. This amount was more than \$989,266 during 2011/12.

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**Capital Assets**

At the end of the fiscal year 2012, the School District had \$20,532,241 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2012 balances compared to 2011.

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

	2012	2011
Construction in Progress	\$ 17,824.53	\$ 17,824.53
Land Improvements	32,946.50	71,519.50
Buildings and Improvements	18,816,544.14	19,857,401.55
Machinery and Equipment	1,664,925.78	1,448,520.25
Total	\$ 20,532,240.95	\$ 21,395,265.83

Overall capital assets decreased \$863,024.88 from fiscal year 2011 to fiscal year 2012. The decrease in capital assets is due primarily to depreciation expense exceeding the cost of new additions to capital assets. For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

The Cape May County Technical School District is a Type I district. As such, all debt of the district is considered the obligation of the County of Cape May. The Board of School Estimates has authorized a capital project in the amount of \$14,769,143 and the County sold bonds in September 2006.

**For the Future**

The Cape May County Technical School District is in good financial condition presently. The School District is proud of the community and Board of Chosen Freeholder support and of the public schools.

In conclusion, the Cape May County Technical School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**Contacting the School District's Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Paula Smith, School Business Administration/Board Secretary at the Board of Education, 188 Crest Haven Road, Cape May Court House, N.J. 08210.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Statement of Net Assets**  
**June 30, 2012**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,845,760.58	\$ 113,307.81	\$ 1,959,068.39
Internal Balances	7,815.78	(7,815.78)	-
Due from Payroll Agency Fund	8,150.60		8,150.60
Receivables, Net (Note 3)	368,899.42	61,846.82	430,746.24
Restricted Assets:			
Capital Reserve Account (Note 13)	1,219,733.17		1,219,733.17
Inventory (Note 5)		13,888.45	13,888.45
Capital Assets, Net (Note 6)	20,418,590.72	113,650.23	20,532,240.95
<b>Total Assets</b>	<b><u>23,868,950.27</u></b>	<b><u>294,877.53</u></b>	<b><u>24,163,827.80</u></b>
<b>LIABILITIES</b>			
Accounts Payable	592,153.30	325.92	592,479.22
Payable to State Government	0.30		0.30
Deferred Revenue	27,362.32	8,711.41	36,073.73
Noncurrent Liabilities (Note 7)			
Due Beyond One Year	827,609.82		827,609.82
<b>Total Liabilities</b>	<b><u>1,447,125.74</u></b>	<b><u>9,037.33</u></b>	<b><u>1,456,163.07</u></b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	20,418,590.72	113,650.23	20,532,240.95
Restricted for:			
Capital Projects	1,222,743.24		1,222,743.24
Maintenance Reserve	872,361.00		872,361.00
Other Purposes	430,824.76		430,824.76
Unrestricted	(522,695.19)	172,189.97	(350,505.22)
<b>Total Net Assets</b>	<b><u>\$ 22,421,824.53</u></b>	<b><u>\$ 285,840.20</u></b>	<b><u>\$ 22,707,664.73</u></b>

The accompanying Notes to Financial Statements are an integral part of this Statement

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012**

Function/Programs	Expenses	Program Revenue			Net (Expense Revenue and Changes in Net Assets)		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular Instruction	\$ 3,512,200.71	\$ -	\$ 629,462.75	\$ -	\$ (2,882,737.96)	\$ -	\$ (2,882,737.96)
Vocational Education	3,788,323.56		625,414.80		(3,162,908.76)		(3,162,908.76)
Other Instruction	330,808.19		24,461.97		(306,346.22)		(306,346.22)
<b>Support Services:</b>							
Student & Instruction Related Services	1,642,640.30		127,229.17		(1,515,411.13)		(1,515,411.13)
School Administrative Services	625,338.33		60,613.23		(564,725.10)		(564,725.10)
General Administrative and Business Services	1,488,326.37		109,811.95		(1,378,514.42)		(1,378,514.42)
Plant Operation and Maintenance	2,314,311.77		215.00		(2,314,096.77)		(2,314,096.77)
Pupil Transportation	107,521.76				(107,521.76)		(107,521.76)
Adult and Continuing Education	1,314,844.87	448,080.26	32,841.00		(833,923.61)		(833,923.61)
Unallocated depreciation	1,065,554.33				(1,065,554.33)		(1,065,554.33)
Total Governmental Activities	<u>16,189,870.19</u>	<u>448,080.26</u>	<u>1,610,049.87</u>	<u>-</u>	<u>(14,131,740.06)</u>	<u>-</u>	<u>(14,131,740.06)</u>
<b>Business-Type Activities:</b>							
Food Service	306,038.52	195,145.41	82,984.74		(27,908.37)		(27,908.37)
Early Childhood/Summertime Adventures	104,143.38	27,929.00			(76,214.38)		(76,214.38)
Job Cards	20,687.99	17,493.90			(3,194.09)		(3,194.09)
Education Technology Training Center	30,239.05	13,686.26			(16,552.79)		(16,552.79)
Total Business-Type Activities	<u>461,108.94</u>	<u>254,254.57</u>	<u>82,984.74</u>	<u>-</u>	<u>(123,869.63)</u>	<u>-</u>	<u>(123,869.63)</u>
Total Primary Government	<u>\$ 16,650,979.13</u>	<u>\$ 702,334.83</u>	<u>\$ 1,693,034.61</u>	<u>\$ -</u>	<u>\$ (14,131,740.06)</u>	<u>\$ (123,869.63)</u>	<u>\$ (14,255,609.69)</u>
<b>General Revenues:</b>							
County Appropriation, Levied for General Purposes					\$ 7,314,862.00	\$ -	\$ 7,314,862.00
Federal and State Aid not Restricted					1,308,019.00		1,308,019.00
Tuition Received					4,948,419.30		4,948,419.30
Investment Earnings					4,490.37	42.32	4,532.69
Miscellaneous Income					108,523.65		108,523.65
Loss on Disposal of Assets					(37,732.93)		(37,732.93)
Special Items:						131,359.00	-
Transfers					(131,359.00)		-
Total General Revenues, Special Items, Extraordinary Items and Transfers					<u>13,515,222.39</u>	<u>131,401.32</u>	<u>13,646,623.71</u>
Change in Net Assets					<u>(616,517.67)</u>	<u>7,531.69</u>	<u>(608,985.98)</u>
Net Assets - Beginning					23,038,342.20	278,308.51	23,316,650.71
Net Assets - Ending					<u>\$ 22,421,824.53</u>	<u>\$ 285,840.20</u>	<u>\$ 22,707,664.73</u>

## **FUND FINANCIAL STATEMENTS**

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

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2012**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,809,369.58	\$ -	\$ 36,391.00	\$ 1,845,760.58
Receivables, Net	228,644.87			228,644.87
Due from Other Funds	80,071.83			80,071.83
Due from Payroll Agency Fund	8,150.60			8,150.60
Receivables from Other Governments	-	140,254.55		140,254.55
Restricted Cash & Cash Equivalents	1,219,733.17			1,219,733.17
Total Assets	<u>\$ 3,345,970.05</u>	<u>\$ 140,254.55</u>	<u>\$ 36,391.00</u>	<u>\$ 3,522,615.60</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 542,964.62	\$ 49,188.68	\$ -	\$ 592,153.30
Payable to State Government	0.30			0.30
Due to Other Funds		72,256.05		72,256.05
Deferred Revenue	8,552.50	18,809.82		27,362.32
Total Liabilities	<u>551,517.42</u>	<u>140,254.55</u>	<u>-</u>	<u>691,771.97</u>
Fund Balances:				
Restricted for:				
Capital Projects			3,010.07	3,010.07
Capital Reserve Account	1,219,733.17			1,219,733.17
Maintenance Reserve Account	872,361.00			872,361.00
Committed to:				
Other Purposes			33,380.93	33,380.93
Assigned to:				
Designated by the BOE for Subsequent				
Year's Expenditures	154,677.00			154,677.00
Other Purposes	242,766.83			242,766.83
Unassigned:				
General Fund	304,914.63			304,914.63
Total Fund Balances	<u>2,794,452.63</u>	<u>-</u>	<u>36,391.00</u>	2,830,843.63
Total Liabilities and Fund Balances	<u>\$ 3,345,970.05</u>	<u>\$ 140,254.55</u>	<u>\$ 36,391.00</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 resources and therefore are not reported in the funds.

The cost of the assets is \$39,253,601.15 and the accumulated depreciation is \$18,835,010.43

(See Note 6) 20,418,590.72

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 7)

(827,609.82)

Net assets of governmental activities

\$22,421,824.53

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2012**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
County Line Item Appropriation	\$ 7,314,862.00	\$ -	\$ -	\$ 7,314,862.00
Tuition Charges	4,948,419.30			4,948,419.30
Miscellaneous	561,094.28	32,737.17	-	593,831.45
Total Local Sources	12,824,375.58	32,737.17	-	12,857,112.75
State Sources	2,238,105.81	127,184.51		2,365,290.32
Federal Sources	59,179.00	460,862.38		520,041.38
Total Revenues	<u>\$15,121,660.39</u>	<u>\$ 620,784.06</u>	<u>\$ -</u>	<u>\$15,742,444.45</u>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	\$ 2,268,467.05	\$ 307,468.41	\$ -	\$ 2,575,935.46
Vocational Instruction	2,583,494.12			2,583,494.12
Other Instruction	246,111.13			246,111.13
Support Services:				
Student & Instruction Related Serv.	901,846.77	280,259.65		1,182,106.42
School Administrative Services	424,760.61			424,760.61
Other Administrative Services	1,058,287.25			1,058,287.25
Plant Operation and Maintenance	1,777,558.05	215.00		1,777,773.05
Transportation Services	95,105.73			95,105.73
Employee Benefits	3,594,815.17			3,594,815.17
Capital Outlay	476,093.76	32,841.00	-	508,934.76
Adult and Continuing Education	1,309,503.31			1,309,503.31
Total Expenditures	<u>14,736,042.95</u>	<u>620,784.06</u>	<u>-</u>	<u>15,356,827.01</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>385,617.44</u>	<u>-</u>	<u>-</u>	<u>385,617.44</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out	(131,359.00)			(131,359.00)
Total Other Financing Sources and Uses	<u>(131,359.00)</u>	<u>-</u>	<u>-</u>	<u>(131,359.00)</u>
Net Changes in Fund Balance	254,258.44	-	-	254,258.44
Fund Balance - July 1	2,540,194.19	-	36,391.00	2,576,585.19
Fund Balance - June 30	<u>\$ 2,794,452.63</u>	<u>\$ -</u>	<u>\$ 36,391.00</u>	<u>\$ 2,830,843.63</u>

The accompanying Notes to Financial Statements are an integral part of this Statement

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2012**

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 254,258.44

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 capital outlays exceeded depreciation for the period.

	Depreciation expense	\$ (1,459,297.93)	
	Capital Outlays	<u>646,633.75</u>	
			(812,664.18)

In the statement of activities, only the loss on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale (if any) increases financial resources. Thus, the change in net assets differs from the change in fund balance by book value of the assets disposed. (37,732.93)

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 (+). (20,379.00)

Change in Net Assets of Governmental Activities \$ (616,517.67)

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Proprietary Funds**  
**Statement of Net Assets**  
**June 30, 2012**

	Business-Type Activities - Enterprise Fund				Total 2012
	Food Service	Early Childhood/ Lab School/ Summertime Adventures	Job Cards	Education Technology Training Center	
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 301.93	\$ 39,437.94	\$ 73,567.94	\$ -	\$ 113,307.81
Intergovernmental Accounts Receivable	5,618.06	-			5,618.06
Other Accounts Receivable	532.50		1,141.00	54,555.26	56,228.76
Inventory	13,888.45				13,888.45
<b>Total Current Assets</b>	<u>20,340.94</u>	<u>39,437.94</u>	<u>74,708.94</u>	<u>54,555.26</u>	<u>189,043.08</u>
Noncurrent Assets:					
Furniture, Machinery & Equipment					-
Less Accumulated Depreciation	113,650.23				113,650.23
<b>Total Noncurrent Assets</b>	<u>113,650.23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,650.23</u>
<b>Total Assets</b>	<u>\$ 133,991.17</u>	<u>\$ 39,437.94</u>	<u>\$ 74,708.94</u>	<u>\$ 54,555.26</u>	<u>\$ 302,693.31</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Interfunds Payable	\$ -	\$ -	\$ -	\$ 7,815.78	\$ 7,815.78
Accounts Payable			325.92	-	325.92
Deferred Revenue	961.41	7,750.00			8,711.41
<b>Total Current Liabilities</b>	<u>961.41</u>	<u>7,750.00</u>	<u>325.92</u>	<u>7,815.78</u>	<u>16,853.11</u>
<b>NET ASSETS</b>					
Invested in Capital Assets Net of Related Debt	113,650.23	-	-	-	113,650.23
Unrestricted	19,379.53	31,687.94	74,383.02	46,739.48	172,189.97
<b>Total Net Assets</b>	<u>\$ 133,029.76</u>	<u>\$ 31,687.94</u>	<u>\$ 74,383.02</u>	<u>\$ 46,739.48</u>	<u>\$ 285,840.20</u>

The accompanying Notes to Financial Statements are an integral part of this Statement

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2012**

	Business-Type Activities - Enterprise Fund				Total 2012
	Food Service	Early Childhood/ Lab School/ Summertime Adventures	Job Cards	Education Technology Training Center	
Operating Revenue:					
Charges for Service:					
Daily Sales - Non-reimbursable Programs	\$ 81,457.79	\$ -	\$ -	\$ -	\$ 81,457.79
Daily Sales - Reimbursable Programs	103,909.68				103,909.68
Special Functions	9,777.94	-			9,777.94
Early Childhood Program Fees		18,748.00			18,748.00
Summertime Adventure Fees		9,181.00			9,181.00
Cosmetology Revenue			5,678.00		5,678.00
Hotel/Motel			631.22		631.22
Bake Shop			3,760.50		3,760.50
Culinary Arts			7,424.18		7,424.18
ETTC Revenues				13,686.26	13,686.26
Total Operating Revenue	<u>195,145.41</u>	<u>27,929.00</u>	<u>17,493.90</u>	<u>13,686.26</u>	<u>254,254.57</u>
Operating Expenses:					
Cost of Sales	126,715.71				126,715.71
Salaries	15,956.60	98,918.03	-	28,090.15	142,964.78
Fringe Benefits	1,220.78	2,205.74		2,148.90	5,575.42
Other Purchased Services	129,345.17				129,345.17
Miscellaneous Expenditures	6,942.17	347.64			7,289.81
General Supplies	13,230.32	2,671.97	20,687.99		36,590.28
Depreciation	12,627.77				12,627.77
Total Operating Expenses	<u>306,038.52</u>	<u>104,143.38</u>	<u>20,687.99</u>	<u>30,239.05</u>	<u>461,108.94</u>
Operating Income (Loss)	<u>(110,893.11)</u>	<u>(76,214.38)</u>	<u>(3,194.09)</u>	<u>(16,552.79)</u>	<u>(206,854.37)</u>
Nonoperating Revenues (Expenses):					
State Sources:					
State School Lunch Program	2,417.63				2,417.63
Federal Sources:					
National School Lunch Program	55,705.25				55,705.25
School Breakfast Program	8,660.86				8,660.86
Food Distribution Program	16,201.00				16,201.00
Interest and Investment Income	42.32				42.32
Total Nonoperating Revenues (Expenses)	<u>83,027.06</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,027.06</u>
Income (loss) before Contributions & Transfers	<u>(27,866.05)</u>	<u>(76,214.38)</u>	<u>(3,194.09)</u>	<u>(16,552.79)</u>	<u>(123,827.31)</u>
Capital Contributions (Uses)					
Transfers In (Out)		82,500.00		48,859.00	131,359.00
Changes in Net Assets	(27,866.05)	6,285.62	(3,194.09)	32,306.21	7,531.69
Total Net Assets - Beginning	160,895.81	25,402.32	77,577.11	14,433.27	278,308.51
Total Net Assets - Ending	<u>\$ 133,029.76</u>	<u>\$ 31,687.94</u>	<u>\$ 74,383.02</u>	<u>\$ 46,739.48</u>	<u>\$ 285,840.20</u>

The accompanying Notes to Financial Statements are an integral part of this Statement

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Proprietary Funds**  
**Comparative Statement of Cash Flows**  
**For the Year Ended June 30, 2012**

	Business-Type Activities - Enterprise Fund				Total 2012
	Food Service	Early Childhood/ Lab School/ Summertime Adventures	Job Cards	Education Technology Training Center	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers	\$ 204,309.40	\$ 27,316.00	\$ 17,004.40	\$ 13,686.26	\$ 262,316.06
Payments to Employees	(15,956.60)	(98,918.03)	-	(27,841.10)	(142,715.73)
Payments for Employee Benefits	(1,220.78)	(2,205.74)	-	(2,148.90)	(5,575.42)
Payments for Supplies and Services	(262,026.15)	(3,261.82)	(20,382.23)	-	(285,670.20)
Net Cash Provided by (Used for) Operating Activities	<u>(74,894.13)</u>	<u>(77,069.59)</u>	<u>(3,377.83)</u>	<u>(16,303.74)</u>	<u>(171,645.29)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
State Sources	2,539.45				2,539.45
Federal Sources	60,908.22				60,908.22
Operating Subsidies and Transfers to Other Funds	-	82,500.00	-	16,303.74	98,803.74
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>63,447.67</u>	<u>82,500.00</u>	<u>-</u>	<u>16,303.74</u>	<u>162,251.41</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of Capital Assets		-	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Interest and Dividends	42.32	-	-	-	42.32
Net Cash Provided by (Used for) Investing Activities	<u>42.32</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42.32</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,404.14)	5,430.41	(3,377.83)	-	(9,351.56)
Balance - Beginning of Year	11,706.07	34,007.53	76,945.77	-	122,659.37
Balance - End of Year	<u>\$ 301.93</u>	<u>\$ 39,437.94</u>	<u>\$ 73,567.94</u>	<u>\$ -</u>	<u>\$ 113,307.81</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ (110,893.11)	\$ (76,214.38)	\$ (3,194.09)	\$ (16,552.79)	\$ (206,854.37)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	12,627.77				12,627.77
Federal Commodities - Non-Cash	16,201.00				16,201.00
(Increase) Decrease in Accounts Receivable	8,202.58		(489.50)		7,713.08
(Increase) Decrease in Inventories	(1,993.78)				(1,993.78)
Increase (Decrease) in Accounts Payable		(242.21)	305.76		63.55
Increase (Decrease) in Deferred Revenue	961.41	(613.00)			348.41
Increase (Decrease) in Interfund Payable				249.05	249.05
Total Adjustments	<u>35,998.98</u>	<u>(855.21)</u>	<u>(183.74)</u>	<u>249.05</u>	<u>35,209.08</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (74,894.13)</u>	<u>\$ (77,069.59)</u>	<u>\$ (3,377.83)</u>	<u>\$ (16,303.74)</u>	<u>\$ (171,645.29)</u>

The accompanying Notes to Financial Statements are an integral part of this Statement

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Fiduciary Funds**  
**Statement of Net Assets**  
**June 30, 2012**

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,324.87	\$ 40,631.65	\$ 94,484.92
Flexible Spending Accounts			\$ 889.25
Total Assets	\$ 4,324.87	\$ 40,631.65	\$ 95,374.17
<b>LIABILITIES</b>			
Interfunds Payable	\$ -	\$ -	\$ 8,150.60
Payable to Student Groups	-		72,600.95
Payroll Deductions and Withholdings	-		14,622.62
Total Liabilities	-	-	\$ 95,374.17
<b>NET ASSETS</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 4,324.87		
Reserved for Scholarships		\$ 40,631.65	

The accompanying Notes to Financial Statements are an integral part of this Statement

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2012**

	<u>Unemployment Compensation</u>	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Other	\$ -	\$ 11,887.00
Total Contributions	<u>-</u>	<u>11,887.00</u>
Investment Earnings:		
Interest	<u>5.28</u>	<u>49.80</u>
Net Investment Earnings	<u>5.28</u>	<u>49.80</u>
Total Additions	<u>5.28</u>	<u>11,936.80</u>
<b>DEDUCTIONS</b>		
Fund Raising Expenses	-	25.00
Scholarships Awarded		9,350.00
Total Deductions	<u>-</u>	<u>9,375.00</u>
Changes in Net Assets	5.28	2,561.80
Net Assets - Beginning of the Year	4,319.59	38,069.85
Net Assets - End of the Year	<u>\$ 4,324.87</u>	<u>\$ 40,631.65</u>

The accompanying Notes to Financial Statements are an integral part of this Statement

**BOARD OF EDUCATION  
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY  
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Cape May County Technical School District is a Type I District located in the County of Cape May, State of New Jersey. As a Type I District, the School District functions independently through a Board of Education. The Board is comprised of four members appointed to four-year terms, appointed by the Board of Chosen Freeholders, and the County Superintendent of Schools as an ex-officio member. The purpose of the District is to educate students in grades 9-12 for both regular and vocational programs and operate the adult and continuing education programs.

In evaluating how to define the governmental reporting entity, the District follows the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, under which the financial statements include all the organizations, activities, functions, and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. On this basis, the District's financial reporting entity has no component units. But, as a Type I District, would be considered a component unit of the County of Cape May. The County of Cape May however reports on the regulatory basis of accounting which does not recognize component units. If the County followed Generally Accepted Accounting Principles (GAAP) reporting, the Board of Education would be a component unit of the County of Cape May.

**B. Basis of Presentation, Measurement Focus and Basis of Accounting**

**Basis of Presentation**

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

*District-Wide Financial Statements:* The statement of net assets and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

**BOARD OF EDUCATION  
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY  
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued**

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

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

Governmental Funds

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**BOARD OF EDUCATION  
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY  
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued**

Governmental Funds - Continued

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the Board of School Estimates.

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the following;

A Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

An Early Childhood/Summertime Adventures Fund, which accounts for all revenues and expenses pertaining to these separate programs.

A Job Card Fund, which accounts for all revenues and expenses pertaining to the job cards operated by the district for different vocations such as culinary arts, the bake shop, auto mechanics, etc.

An Educational Technology Training Center Fund, which accounts for all revenues and expenses pertaining to the training center programs.

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**BOARD OF EDUCATION  
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY  
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued**

**Measurement Focus and Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

**C. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval after ratification by the Board of School Estimates. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. 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. 6A:23-2.2(g). All budget amendments/transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year. The following material transfers were made to/(from) budgetary line items during the year:

<u>Budget Category</u>	<u>From</u>	<u>To</u>
Undistributed Expenditures - Custodial Services:		
Energy (Natural Gas)	\$ 138,520.19	
Unallocated Benefits - Employee Benefits:		
Health Benefits	\$ 121,880.97	
Capital Outlay:		
Required Maintenance of School Facilities		\$ 186,037.84

**BOARD OF EDUCATION  
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY  
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**C. Budgets/Budgetary Control - Continued**

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

**D. Encumbrance Accounting**

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

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

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

**E. Assets, Liabilities and Equity**

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, bank deposits 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.

**BOARD OF EDUCATION  
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY  
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Assets, Liabilities and Equity – Continued**

Cash, Cash Equivalents and Investments - Continued

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

N.J.S.A. 17:9-41 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.

Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 15 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Infrastructure improvements such as sidewalks and parking lots are reported as land improvements in the district's capital asset report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Assets, Liabilities and Equity - Continued**

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". 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.

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-Wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Assets, Liabilities and Equity - Continued**

Net Assets

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

Fund Balance Reserves

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows;

- Non-spendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.
- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.
- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by Board of School Estimates, the Board of Education, Superintendent or Business Administrator.
- Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted an unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used be spent first when expenditures are made.

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Assets, Liabilities and Equity - Continued**

Revenues – Exchange and Nonexchange Transactions - Continued

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence.

Management Estimates

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

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**NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Custodial Credit Risk Related to Deposits** –Custodial credit risk is the risk that, in the event of a bank failure, the School District’s deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District’s bank balance of \$3,790,110.82 as of June 30, 2012, \$51,363.39 was uninsured and uncollateralized.

**NOTE 3 – RECEIVABLES**

Receivables at June 30, 2012, consisted of accounts (tuition and miscellaneous), interfund, and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of accounts receivable follows:

	Governmental Fund Financial Statements	District Wide Financial Statements
State Aid	\$ 19,572.38	\$ 19,661.73
Federal Aid	128,534.67	134,063.38
Interfunds	88,222.43	8,150.60
Other	220,792.37	277,021.13
Gross Receivables	457,121.85	438,896.84
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 457,121.85	\$ 438,896.84

**NOTE 4 – INTERFUND TRANSFERS AND BALANCES**

The following interfund balances remained on the fund financial statements at June 30, 2012:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 88,222.43	\$
Special Revenue Fund		72,256.05
Trust and Agency		8,150.60
Enterprise Funds		7,815.78
Total	\$ 88,222.43	\$ 88,222.43

The general fund receivable is comprised of three interfunds. The first is due from the special revenue fund in the amount of \$72,256.05 which is the result of the general funds loan to cover the special revenue funds cash deficit. The second interfund of \$8,150.60 represents interest earned in the agency fund and due to the general fund. The third interfund relates to \$7,815.78 owed to the general fund which results from general fund loans to cover a cash deficit in the education technology training center enterprise fund.

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**NOTE 5 – INVENTORY**

Inventory in the Food Service Fund is as follows:

Food	\$	13,063.20
Supplies		825.25
	<u>\$</u>	<u>13,888.45</u>

**NOTE 6 – CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in Progress	\$ 17,824.53	\$ -	\$ -	\$ 17,824.53
Total capital assets not being depreciated	<u>17,824.53</u>	<u>-</u>	<u>-</u>	<u>17,824.53</u>
Capital assets being depreciated:				
Land Improvements	750,180.00			750,180.00
Buildings and building improvements	34,815,902.86	149,143.00		34,965,045.86
Machinery and Equipment	3,209,437.81	497,490.75	(186,377.80)	3,520,550.76
Total capital assets being depreciated at historical cost	<u>38,775,520.67</u>	<u>646,633.75</u>	<u>(186,377.80)</u>	<u>39,235,776.62</u>
Less accumulated depreciation for:				
Land Improvements	(678,660.50)	(38,573.00)		(717,233.50)
Buildings and Building Improvements	(14,958,501.31)	(1,190,000.41)		(16,148,501.72)
Machinery and Equipment	(1,887,195.56)	(230,724.52)	148,644.87	(1,969,275.21)
Total capital assets being depreciated, net of accumulated depreciation	<u>21,251,163.30</u>	<u>(812,664.18)</u>	<u>(37,732.93)</u>	<u>20,400,766.19</u>
Governmental activity capital assets, net	<u>\$ 21,268,987.83</u>	<u>\$ (812,664.18)</u>	<u>\$ (37,732.93)</u>	<u>\$ 20,418,590.72</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 126,278.00	\$ -	\$ -	\$ 126,278.00
Less accumulated depreciation	<u>-</u>	<u>(12,627.77)</u>	<u>-</u>	<u>(12,627.77)</u>
Enterprise Fund capital assets, net	<u>\$ -</u>	<u>\$ (12,627.77)</u>	<u>\$ -</u>	<u>\$ 113,650.23</u>

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**NOTE 7 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2012 are as follows:

	Balance July 1, 2011	Issues or Additions	Payments or Expenditures	Balance June 30, 2012	Amounts Due Within One Year
Compensated Absences	\$ 807,230.82	\$ 41,778.13	\$ 21,399.13	\$ 827,609.82	\$
	<u>\$ 807,230.82</u>	<u>\$ 41,778.13</u>	<u>\$ 21,399.13</u>	<u>\$ 827,609.82</u>	<u>\$ -</u>

Compensated absences are liquidated in the General Fund.

**NOTE 8 – OPERATING LEASES**

The District has commitments to lease certain office equipment under operating leases that expire in 2016. Total operating lease payments made during the year ended June 30, 2012 were \$18,067.52. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2013	\$ 16,757.04
2014	5,867.14
2015	3,833.34
2016	<u>1,823.42</u>
	<u>\$ 28,280.94</u>

**NOTE 9 – PENSION PLANS**

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program 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 the 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.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 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.

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**NOTE 9 – PENSION PLANS - Continued**

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 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 of New Jersey 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 (N.J.S.A. 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 N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2012.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) that changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

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**NOTE 9 – PENSION PLANS - Continued**

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 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 actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF. The School District's contributions to TPAF for the years ending June 30, 2012, 2011 and 2010 were \$182,358, \$0, and \$0 respectively, and paid by the State of New Jersey on behalf of the board. The State of New Jersey did not make the required contributions for 2011 and 2010. The School District's contributions to PERS for the years ending June 30, 2012, 2011, 2010 were \$216,566.00, \$211,192.00, and \$156,084.00 respectively, equal to the required contributions for each year.

During the fiscal year ended June 30, 2012, the State of New Jersey made a contribution to the TPAF for post-retirement benefits on behalf of the District in the amount of \$366,588. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$440,319.81 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

**NOTE 10 – POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pension and Annuity Fund (TPAF) and 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 and payment of post-retirement medical benefits for retired state employees through 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 P.L. 1994, c.62. 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 for members PERS and the Alternative Benefit Program who retired from a 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 11 – COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by the 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.

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**NOTE 11 – COMPENSATED ABSENCES - Continued**

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, the liability for compensated absences in the proprietary funds was \$0.

**NOTE 12 – DEFERRED COMPENSATION**

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

Lincoln Investment Planning  
AXA Equitable  
A G Edwards & Son  
Vanguard Group

**NOTE 13 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by Board of Education by the inclusion of \$1.00 on October 17, 2000 retroactive to October 13, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the Board of School Estimates has been obtained. Pursuant to N.J.A.C. 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 LRFP.

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**NOTE 13 – CAPITAL RESERVE ACCOUNT - Continued**

The Activity of the capital reserve for the July1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$	521,148.76
Interest Earnings		497.41
Deposits:		
Budgeted Increase in Reserve		297,580.00
Transfer of Current Year Surplus		524,800.00
		1,344,026.17
Withdrawals:		
Budgeted Withdrawal		124,293.00
		124,293.00
Ending Balance, June 30, 2012	\$	1,219,733.17

**NOTE 14 – 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. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" until December 2004. 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 District converted to "Contributory Method beginning in January 2005. 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:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2011-2012	\$ -	\$ -	\$ -	\$ 4,324.87
2010-2011	-	-	-	4,319.59
2009-2010	-	-	-	4,309.07

**NOTE 15 – CONTINGENT LIABILITIES**

Federal and State Grants

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

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**NOTE 16 – FUND BALANCES**

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Vocational Public School Districts (N.J.S.A. 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 6% of the general fund budget or \$250,000, whichever is greater may be maintained.

The District's major sources of special revenue funds is federal grant funding for the No Child Left Behind (NCLB) program, federal grants for special education and adult basic education.

Specific classifications of fund balance are summarized below;

Non-Spendable Fund Balance – The District had no non-spendable fund balance at June 30, 2012.

Restricted Fund Balance

Excess Surplus – \$0.00 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$0.00 of the total restricted excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012).

Capital Projects – \$3,010.07 is restricted for a Capital Project for additions and renovations to the Technical High School, approved on August 23, 2005.

Capital Reserve Account – Of the \$1,219,733.17 balance in the capital reserve account at June 30, 2012, \$327,000 has been designated for utilization in the 2012-13 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan (LRFP).

Maintenance Reserve Account – Of the \$872,361.00 balance in the maintenance reserve account at June 30, 2012, \$250,000.00 has been designated for utilization in the 2012-13 budget. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Committed Fund Balance - The District's Committed Fund balance for other purposes of \$33,380.93 consists of construction contracts payable authorized by the Board of Education during 2011-12 for the various capital projects.

Assigned Fund Balance – At June 30, 2012, the District has assigned \$154,677.00 of general fund balance to expenditures in the 2012-13 budget. In addition, the District assigned fund balance in the general fund for other purposes of \$242,766.83. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District Officials.

Unassigned Fund Balance – At June 30, 2012, the District has \$304,914.63 of unassigned fund balance in the general fund.

**BOARD OF EDUCATION  
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY  
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

**NOTE 17 – CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2006, c. 73 (S1701), the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund 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 \$0.00.

**NOTE 18 – COMMITMENTS**

The District does not have encumbrance policy for the fiscal year end to determine significant encumbrances. All encumbrances are classified as either Assigned Fund Balance in the General Fund, Committed Fund Balance in the Capital Projects Fund or Deferred Revenue in the Special Revenue Fund.

Significant encumbrances at June 30<sup>th</sup> are as follows;

Fund	Amount
General Fund - Encumbered Orders	\$ 242,766.83
Special Revenue Fund - Encumbered Orders	\$ 4,824.42
Capital Projects Fund - Encumbered Orders	33,380.93
	\$ 280,972.18

**NOTE 19 – ECONOMIC DEPENDENCY**

The District receives support from federal government and from state governments through local school districts. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

**NOTE 20 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2012 through October 12, 2012, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
<b>REVENUES:</b>					
Local Sources:					
County Line Item Appropriation	\$ 7,314,862.00	\$ -	\$ 7,314,862.00	\$ 7,314,862.00	\$ -
Tuition	4,959,814.00		4,959,814.00	4,948,419.30	(11,394.70)
Nonresident Fees	36,648.00		36,648.00	36,648.00	-
GED Testing Center Fees	13,665.00		13,665.00	7,570.00	(6,095.00)
Interest on Maintenance Reserve	1,200.00		1,200.00		(1,200.00)
Interest on Capital Reserve	2,300.00		2,300.00	497.41	(1,802.59)
Other Restricted Miscellaneous Revenue	397,699.00		397,699.00	426,430.70	28,731.70
Unrestricted Miscellaneous Revenue	40,000.00		40,000.00	89,948.17	49,948.17
Total Local Sources	<u>12,766,188.00</u>	<u>-</u>	<u>12,766,188.00</u>	<u>12,824,375.58</u>	<u>58,187.58</u>
State Sources:					
Adult Education Aid			-		-
Categorical Special Education Aid	319,058.00		319,058.00	319,058.00	-
Categorical Security Aid	75,129.00		75,129.00	75,129.00	-
Adjustment Aid	734,426.00		734,426.00	885,352.00	150,926.00
TPAF Pension (On-Behalf - Non-Budgeted)					-
TPAF - Post Retirement Medical			-	366,588.00	366,588.00
Teachers Pension and Annuity Fund			-	182,358.00	182,358.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	440,319.81	440,319.81
Total State Sources	<u>1,128,613.00</u>	<u>-</u>	<u>1,128,613.00</u>	<u>2,268,804.81</u>	<u>1,140,191.81</u>
Federal Sources:					
Educational Jobs Fund	57,381.00	1,798.00	59,179.00	59,179.00	-
Total Federal Funds	<u>57,381.00</u>	<u>1,798.00</u>	<u>59,179.00</u>	<u>59,179.00</u>	<u>-</u>
Total Revenues	<u>13,952,182.00</u>	<u>1,798.00</u>	<u>13,953,980.00</u>	<u>15,152,359.39</u>	<u>1,198,379.39</u>
<b>EXPENDITURES:</b>					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION GRADES 9-12					
Salaries of Teachers	2,188,714.00	(18,409.96)	2,170,304.04	2,143,486.86	26,817.18
Other Purchased Services (400-500 series)	40,000.00	-	40,000.00	34,662.58	5,337.42
General Supplies	80,500.00	11,226.44	91,726.44	77,845.28	13,881.16
Textbooks	15,000.00	(8,313.06)	6,686.94	5,576.31	1,110.63
Other Objects	250.00	(11.81)	238.19		238.19
Regular Programs - Home Instruction					
Salaries of Teachers	6,000.00	600.00	6,600.00	6,600.00	-
Purchased Professional - Educational Services	1,100.00	(600.00)	500.00		500.00
Other Purchased Services (400-500 series)	900.00	-	900.00	296.02	603.98
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>2,332,464.00</u>	<u>(15,508.39)</u>	<u>2,316,955.61</u>	<u>2,268,467.05</u>	<u>48,488.56</u>
VOCATIONAL PROGRAMS - INSTRUCTION					
Regular Vocational Programs - Instruction					
Salaries of Teachers	1,487,810.00	(6,328.46)	1,481,481.54	1,472,713.85	8,767.69
Other Salaries for Instruction	152,435.00	2,421.80	154,856.80	154,414.53	442.27
Other Purchased Services (400-500 series)	71,180.00	1,000.00	72,180.00	70,630.58	1,549.42
General Supplies	149,500.00	(13,287.43)	136,212.57	127,363.47	8,849.10
Textbooks	14,000.00	3,343.12	17,343.12	15,246.14	2,096.98
Other Objects	7,500.00	1,819.75	9,319.75	8,353.25	966.50
Total Regular Vocational Programs - Instruction	<u>1,882,425.00</u>	<u>(11,031.22)</u>	<u>1,871,393.78</u>	<u>1,848,721.82</u>	<u>22,671.96</u>
Special Vocational Programs - Instruction					
Salaries of Teachers	672,052.00	(4,317.15)	667,734.85	661,656.21	6,078.64
Other Salaries for Instruction	16,000.00	-	16,000.00	15,956.38	43.62
General Supplies	35,055.00	23,196.08	58,251.08	56,663.02	1,588.06
Textbooks	-	525.00	525.00	496.69	28.31
Total Special Vocational Programs - Instruction	<u>723,107.00</u>	<u>19,403.93</u>	<u>742,510.93</u>	<u>734,772.30</u>	<u>7,738.63</u>
TOTAL VOCATIONAL PROGRAMS - INSTRUCTION	<u>2,605,532.00</u>	<u>8,372.71</u>	<u>2,613,904.71</u>	<u>2,583,494.12</u>	<u>30,410.59</u>

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
School-Spon. Cocurricular Activities - Instruction					
Salaries	\$ 42,000.00	\$ (500.00)	\$ 41,500.00	\$ 34,003.74	\$ 7,496.26
Purchased Services (300-500 series)	10,000.00	(3,000.00)	7,000.00	6,200.68	799.32
Supplies & Materials	4,500.00	-	4,500.00	2,447.39	2,052.61
Other Objects	17,659.00	900.00	18,559.00	15,619.15	2,939.85
Total School-Spon. Cocurricular Activities - Inst.	<u>74,159.00</u>	<u>(2,600.00)</u>	<u>71,559.00</u>	<u>58,270.96</u>	<u>13,288.04</u>
School-Spon. Cocurricular Athletics - Instruction					
Salaries	143,715.00	(1,604.26)	142,110.74	129,338.75	12,771.99
Purchased Services (300-500 series)	32,550.00	1,604.26	34,154.26	28,536.51	5,617.75
Supplies & Materials	25,500.00	-	25,500.00	21,806.82	3,693.18
Other Objects	9,200.00	-	9,200.00	7,298.00	1,902.00
Total School-Spon. Cocurricular Athletics - Inst.	<u>210,965.00</u>	<u>(0.00)</u>	<u>210,965.00</u>	<u>186,980.08</u>	<u>23,984.92</u>
Other Instructional Programs - Instruction					
Supplies & Materials	3,000.00	-	3,000.00	860.09	2,139.91
Total Other Instructional Programs - Inst.	<u>3,000.00</u>	<u>-</u>	<u>3,000.00</u>	<u>860.09</u>	<u>2,139.91</u>
<b>TOTAL INSTRUCTION</b>	<u>5,226,120.00</u>	<u>(9,735.68)</u>	<u>5,216,384.32</u>	<u>5,098,072.30</u>	<u>118,312.02</u>
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expend. - Attendance & Social Work					
Salaries	44,073.00	-	44,073.00	43,280.54	792.46
Total Undistributed Expend. - Attend & Social Work	<u>44,073.00</u>	<u>-</u>	<u>44,073.00</u>	<u>43,280.54</u>	<u>792.46</u>
Undistributed Expend. - Health Services					
Salaries	73,527.00	2,929.39	76,456.39	76,456.39	-
Purchased Professional and Technical Services	675.00	(133.44)	541.56	120.00	421.56
Other Purchased Services (400-500 series)	1,750.00	468.00	2,218.00	892.08	1,325.92
Supplies & Materials	3,500.00	(174.01)	3,325.99	3,325.01	0.98
Other Objects	100.00	43.50	143.50	143.50	-
Total Undistributed Expend. - Health Services	<u>79,552.00</u>	<u>3,133.44</u>	<u>82,685.44</u>	<u>80,936.98</u>	<u>1,748.46</u>
Undistributed Expend. - Guidance					
Salaries of Other Professional Staff	216,323.00	(6,971.94)	209,351.06	208,563.59	787.47
Salaries of Secretarial and Clerical Assistants	118,526.00	(9,293.00)	109,233.00	105,716.65	3,516.35
Purchased Professional and Technical Services	2,800.00	-	2,800.00	1,047.66	1,752.34
Other Purchased Services (400-500 series)	250.00	2.39	252.39	252.39	-
Supplies & Materials	9,500.00	357.50	9,857.50	9,669.01	188.49
Other Objects	1,200.00	1,000.00	2,200.00	1,653.67	546.33
Total Undistributed Expend. - Guidance	<u>348,599.00</u>	<u>(14,905.05)</u>	<u>333,693.95</u>	<u>326,902.97</u>	<u>6,790.98</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	127,819.00	(3,900.00)	123,919.00	122,738.03	1,180.97
Purchased Professional - Educational Services	350.00	-	350.00	350.00	-
Other Purchased Services (400-500 series)	500.00	-	500.00	500.00	-
Supplies & Materials	1,000.00	500.00	1,500.00	1,161.42	338.58
Other Objects	500.00	-	500.00	400.00	100.00
Total Undist. Expend. - Child Study Teams	<u>130,169.00</u>	<u>(3,400.00)</u>	<u>126,769.00</u>	<u>124,299.45</u>	<u>2,469.55</u>

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	\$ 124,358.00	\$ (0.06)	\$ 124,357.94	\$ 121,277.52	\$ 3,080.42
Salaries of Other Professional Staff	30,725.00	(500.00)	30,225.00	23,724.88	6,500.12
Salaries of Secretarial and Clerical Assistants	59,877.00	(8,938.80)	50,938.20	45,698.09	5,240.11
Other Purchased Services (400-500 series)	1,850.00	3,954.53	5,804.53	3,122.74	2,681.79
Supplies & Materials	2,954.00	2,036.95	4,990.95	4,687.28	303.67
Other Objects	2,000.00	-	2,000.00	1,643.60	356.40
Total Undist. Expend. - Improvement of Inst. Serv.	<u>221,764.00</u>	<u>(3,447.38)</u>	<u>218,316.62</u>	<u>200,154.11</u>	<u>18,162.51</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	94,320.00	-	94,320.00	88,628.69	5,691.31
Other Purchased Services (400-500 series)	1,800.00	-	1,800.00	640.50	1,159.50
Supplies & Materials	15,166.00	(2,036.95)	13,129.05	12,777.44	351.61
Total Undistributed Expenditures - Educational Media Services - School Library	<u>111,286.00</u>	<u>(2,036.95)</u>	<u>109,249.05</u>	<u>102,046.63</u>	<u>7,202.42</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisor of Instruction	13,817.00	(0.17)	13,816.83	13,475.39	341.44
Salaries of Other Professional Staff	7,865.00	0.23	7,865.23	7,865.23	-
Salaries of Secretarial and Clerical Assistants	3,615.00	(876.00)	2,739.00	2,555.86	183.14
Purchased Professional - Educational Services	1,500.00	-	1,500.00	-	1,500.00
Other Purchased Services (400-500 series)	9,000.00	(8,264.12)	735.88	329.61	406.27
Total Undistributed Expenditures - Instructional Staff Training Services	<u>35,797.00</u>	<u>(9,140.06)</u>	<u>26,656.94</u>	<u>24,226.09</u>	<u>2,430.85</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	261,836.00	(2,471.07)	259,364.93	258,271.16	1,093.77
Legal Services	28,000.00	16,062.58	44,062.58	44,062.58	-
Audit Fees	24,000.00	5,500.00	29,500.00	29,500.00	-
Other Purchased Professional Services	15,000.00	32,821.70	47,821.70	43,268.15	4,553.55
Communications/Telephone	30,600.00	333.62	30,933.62	29,178.62	1,755.00
BOE Other Purchased Services	11,500.00	(5,262.39)	6,237.61	2,552.49	3,685.12
Other Purchased Services (400-500 series)	32,800.00	208.83	33,008.83	27,843.35	5,165.48
General Supplies	7,000.00	21,405.05	28,405.05	12,750.05	15,655.00
BOE In-House Training/Meeting Supplies	1,200.00	38.35	1,238.35	1,238.35	-
Judgements Against the School District	-	30,000.00	30,000.00	30,000.00	-
Miscellaneous Expenditures	26,500.00	(3,440.58)	23,059.42	17,550.89	5,508.53
BOE Membership Dues and Fees	7,000.00	-	7,000.00	6,100.90	899.10
Total Undistributed Expenditures - Support Services - General Administration	<u>445,436.00</u>	<u>95,196.09</u>	<u>540,632.09</u>	<u>502,316.54</u>	<u>38,315.55</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	334,138.00	399.84	334,537.84	334,537.84	-
Salaries of Secretarial and Clerical Assistants	80,947.00	(6,888.04)	74,058.96	70,201.29	3,857.67
Other Purchased Services (400-500 series)	10,600.00	100.20	10,700.20	6,393.56	4,306.64
Supplies & Materials	14,100.00	1,000.00	15,100.00	7,983.71	7,116.29
Other Objects	7,000.00	-	7,000.00	5,644.21	1,355.79
Total Undistributed Expenditures - Support Services - School Administration	<u>446,785.00</u>	<u>(5,388.00)</u>	<u>441,397.00</u>	<u>424,760.61</u>	<u>16,636.39</u>
Undist. Expend. - Central Services					
Salaries	297,846.00	(8,379.50)	289,466.50	279,327.92	10,138.58
Misc. Purchased Services (400-500 series)	23,380.00	-	23,380.00	21,257.47	2,122.53
Supplies & Materials	10,500.00	-	10,500.00	6,565.71	3,934.29
Miscellaneous Expenditures	2,000.00	-	2,000.00	1,460.72	539.28
Total Undistributed Expenditures - Central Services	<u>333,726.00</u>	<u>(8,379.50)</u>	<u>325,346.50</u>	<u>308,611.82</u>	<u>16,734.68</u>

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Undist. Expend. - Admin. Info. Tech					
Salaries	\$ 233,938.00	\$ (35,183.66)	\$ 198,754.34	\$ 195,659.87	\$ 3,094.47
Purchased Technical Services	23,500.00	10,616.40	34,116.40	34,116.40	-
Other Purchased Services (400-500 series)	8,500.00	(1,216.40)	7,283.60	4,244.48	3,039.12
Supplies & Materials	15,575.00	(1,522.78)	14,052.22	13,338.14	714.08
Other Objects	700.00	-	700.00	700.00	700.00
Total Undistributed Expenditures - Admin Info Tech	<u>282,213.00</u>	<u>(27,306.44)</u>	<u>254,906.56</u>	<u>247,358.89</u>	<u>7,547.67</u>
Undist. Expend. - Required Maint. School Facilities					
Salaries	154,517.00	(749.89)	153,767.11	151,905.10	1,862.01
Cleaning, Repair and Maintenance Service	32,000.00	69,798.46	101,798.46	101,798.46	-
General Supplies	43,000.00	1,177.33	44,177.33	44,177.33	-
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>229,517.00</u>	<u>70,225.90</u>	<u>299,742.90</u>	<u>297,880.89</u>	<u>1,862.01</u>
Undist. Expend. - Custodial Services					
Salaries	551,795.00	(1,098.09)	550,696.91	539,343.92	11,352.99
Purchased Professional and Technical Services	93,500.00	28,575.00	122,075.00	99,663.79	22,411.21
Cleaning, Repair and Maintenance Service	52,900.00	(4,740.54)	48,159.46	46,225.74	1,933.72
Rental of Land and Buildings	7,200.00	(2,182.00)	5,018.00	1,723.39	3,294.61
Other Purchased Property Services	43,100.00	-	43,100.00	39,161.04	3,938.96
Insurance	150,000.00	(15,215.04)	134,784.96	132,485.00	2,299.96
General Supplies	59,500.00	14,829.88	74,329.88	67,356.22	6,973.66
Energy (Natural Gas)	282,850.00	(138,520.19)	144,329.81	130,016.12	14,313.69
Energy (Electricity)	495,889.00	(96,806.09)	399,082.91	398,867.91	215.00
Energy (Oil)	36,927.00	(11,468.34)	25,458.66	23,399.33	2,059.33
Other Objects	1,333.00	101.70	1,434.70	1,434.70	-
Total Undist. Expend. - Custodial Services	<u>1,774,994.00</u>	<u>(226,523.71)</u>	<u>1,548,470.29</u>	<u>1,479,677.16</u>	<u>68,793.13</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>2,004,511.00</u>	<u>(156,297.81)</u>	<u>1,848,213.19</u>	<u>1,777,558.05</u>	<u>70,655.14</u>
Undist. Expend. - Student Transportation Serv.					
Salaries - Non-Instructional Aides	5,000.00	(5,000.00)	-	-	-
Salaries - (Oth Bet. Home & School)	-	377.15	377.15	-	377.15
Cleaning, Repair and Maintenance Service	4,500.00	1,156.60	5,656.60	5,656.60	-
Contracted Services - (Oth Bet. Home & School)	7,500.00	21,424.81	28,924.81	28,924.81	-
Cont Services - (Bet Home & School) - Joint	5,500.00	(1,820.00)	3,680.00	3,680.00	-
Contracted Services - (ESC's & CTSA's)	65,200.00	(12,481.12)	52,718.88	52,718.88	-
General Supplies	2,750.00	1,325.44	4,075.44	4,075.44	-
Other Objects	400.00	(165.40)	234.60	50.00	184.60
Total Undistributed Expenditures - Student Transportation Services	<u>90,850.00</u>	<u>4,817.48</u>	<u>95,667.48</u>	<u>95,105.73</u>	<u>561.75</u>
Unallocated Benefits - Employee Benefits					
Group Insurance	4,200.00	-	4,200.00	3,093.69	1,106.31
Social Security Contribution	226,816.00	202.73	227,018.73	220,709.71	6,309.02
Other Retirement Contributions - PERS	298,695.00	(80,735.55)	217,959.45	217,959.45	-
Unemployment Compensation	28,991.00	2,913.30	31,904.30	31,904.30	-
Workmen's Compensation	168,107.00	9,984.91	178,091.91	165,801.60	12,290.31
Health Benefits	1,915,691.00	(121,880.97)	1,793,810.03	1,792,627.74	1,182.29
Tuition Reimbursement	22,000.00	(10,569.02)	11,430.98	11,430.98	-
Other Employee Benefits	80,977.00	87,672.93	168,649.93	162,021.89	6,628.04
Total Unallocated Benefits - Employee Benefits	<u>2,745,477.00</u>	<u>(112,411.67)</u>	<u>2,633,065.33</u>	<u>2,605,549.36</u>	<u>27,515.97</u>

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
On-Behalf Contributions					
On-Behalf TPAF Pension (nonbudgeted)					
TPAF - Post Retirement Medical	\$ -	\$ -	\$ -	\$ 366,588.00	\$ (366,588.00)
Teachers Pension and Annuity Fund				182,358.00	(182,358.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	440,319.81	(440,319.81)
Total On-Behalf Contributions	-	-	-	989,265.81	(989,265.81)
Total Personal Services - Employee Benefits	2,745,477.00	(112,411.67)	2,633,065.33	3,594,815.17	(961,749.84)
TOTAL UNDISTRIBUTED EXPENDITURES	7,320,238.00	(239,565.85)	7,080,672.15	7,852,373.58	(771,701.43)
TOTAL GENERAL CURRENT EXPENSE	12,546,358.00	(249,301.53)	12,297,056.47	12,950,445.88	(653,389.41)
CAPITAL OUTLAY					
Equipment					
Grades 9-12	8,000.00	16,378.74	24,378.74	17,032.75	7,345.99
Vocational Programs - Regular	35,000.00	60,423.49	95,423.49	86,965.56	8,457.93
Vocational Programs - Special	35,000.00	2,143.00	37,143.00	27,607.77	9,535.23
Undistributed Expenditures:					
Instruction	2,500.00	13,699.50	16,199.50	8,879.50	7,320.00
Undistributed Expenditures:					
General Administration		411.84	411.84	411.84	-
Central Services		1,867.93	1,867.93	1,867.93	-
Admin. Info. Technology		21,585.89	21,585.89	21,386.01	199.88
Required Maintenance of School Facilities	40,000.00	186,037.84	226,037.84	180,538.40	45,499.44
Special Schools (All Programs)	115,117.00	(18,125.04)	96,991.96	96,991.96	96,991.96
Total Equipment	235,617.00	284,423.19	520,040.19	344,689.76	175,350.43
Facilities Acquisition and Construction Services:					
Construction Services	150,000.00	(11,397.00)	138,603.00	124,293.00	14,310.00
Other Objects	7,111.00	-	7,111.00	7,111.00	-
Total Facilities Acquisition and Construction Services	157,111.00	(11,397.00)	145,714.00	131,404.00	14,310.00
TOTAL CAPITAL OUTLAY	392,728.00	273,026.19	665,754.19	476,093.76	189,660.43
SPECIAL SCHOOLS					
Post-Secondary - Instruction:					
Salaries of Teachers	427,617.00	(21,839.27)	405,777.73	401,030.41	4,747.32
Other Salaries for Instruction	27,559.00	-	27,559.00	27,558.20	0.80
Other Purchased Services (400-500 series)	2,034.00	-	2,034.00	346.90	1,687.10
General Supplies	63,500.00	26,615.78	90,115.78	77,461.00	12,654.78
Textbooks	45,000.00	(9,805.25)	35,194.75	34,249.95	944.80
Other Objects	25,500.00	-	25,500.00	21,045.31	4,454.69
Total Post-Secondary - Instruction	591,210.00	(5,028.74)	586,181.26	561,691.77	24,489.49
Post-Secondary - Support Services:					
Salaries	63,459.00	(1,075.52)	62,383.48	62,382.44	1.04
Personal Services - Employee Benefits	90,130.00	17,685.77	107,815.77	107,815.77	-
Supplies and Materials	1,000.00	191.65	1,191.65	1,191.65	-
Total Post-Secondary - Support Services	154,589.00	16,801.90	171,390.90	171,389.86	1.04
Total Post-Secondary Programs	745,799.00	11,773.16	757,572.16	733,081.63	24,490.53
Summer School - Instruction:					
Salaries of Teachers	18,000.00	6,543.00	24,543.00	21,271.50	3,271.50
Total Summer School - Instruction	18,000.00	6,543.00	24,543.00	21,271.50	3,271.50
Summer School - Support Services:					
Salaries	8,190.00	-	8,190.00	7,125.25	1,064.75
Total Summer School - Support Services	8,190.00	-	8,190.00	7,125.25	1,064.75
Total Summer School	26,190.00	6,543.00	32,733.00	28,396.75	4,336.25

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Accredited Evening/Adult H.S./Post-Grad. - Instruction:					
Salaries of Teachers	\$ 43,398.00	\$ -	\$ 43,398.00	\$ 37,207.00	\$ 6,191.00
General Supplies	250.00	-	250.00	106.39	143.61
Textbooks	1,500.00	-	1,500.00	220.83	1,279.17
Other Objects	250.00	-	250.00	100.00	150.00
Total Accredited Evening/Adult H.S./Post-Grad. - Instruction	<u>45,398.00</u>	<u>-</u>	<u>45,398.00</u>	<u>37,634.22</u>	<u>7,763.78</u>
Accredited Evening/Adult H.S./Post-Grad. - Support Services:					
Salaries	147,920.00	(6,485.16)	141,434.84	128,687.85	12,746.99
Personal Services - Employee Benefits	33,000.00	5,146.65	38,146.65	35,928.36	2,218.29
Other Purchased Services (400-500 series)	400.00	(100.00)	300.00	191.46	108.54
Supplies and Materials	1,100.00	1,485.16	2,585.16	2,585.16	-
Total Accredited Evening/Adult H.S./Post-Grad. - Support Services	<u>182,420.00</u>	<u>46.65</u>	<u>182,466.65</u>	<u>167,392.83</u>	<u>15,073.82</u>
Total Accredited Evening/Adult H.S./Post-Grad.	<u>227,818.00</u>	<u>46.65</u>	<u>227,864.65</u>	<u>205,027.05</u>	<u>22,837.60</u>
Adult Education - Local - Instruction:					
Salaries of Teachers	60,000.00	(61.08)	59,938.92	40,084.00	19,854.92
General Supplies	16,000.00	(150.00)	15,850.00	9,151.43	6,698.57
Textbooks	1,200.00	-	1,200.00	172.42	1,027.58
Other Objects	500.00	-	500.00	399.44	100.56
Total Adult Education - Local - Instruction	<u>77,700.00</u>	<u>(211.08)</u>	<u>77,488.92</u>	<u>49,807.29</u>	<u>27,681.63</u>
Adult Education - Local - Support Services:					
Salaries	83,696.00	(1,774.00)	81,922.00	76,344.37	5,577.63
Personal Services - Employee Benefits	10,014.00	(10,014.00)	-	-	-
Other Purchased Services (400-500 series)	10,850.00	(350.00)	10,500.00	7,954.25	2,545.75
Supplies & Materials	750.00	150.00	900.00	841.72	58.28
Total Adult Education - Local - Support Services	<u>105,310.00</u>	<u>(11,988.00)</u>	<u>93,322.00</u>	<u>85,140.34</u>	<u>8,181.66</u>
Total Adult Education	<u>183,010.00</u>	<u>(12,199.08)</u>	<u>170,810.92</u>	<u>134,947.63</u>	<u>35,863.29</u>
Vocational Evening - Local - Instruction:					
Salaries of Teachers	75,000.00	(1,117.05)	73,882.95	63,627.50	10,255.45
General Supplies	15,370.00	20.12	15,390.12	10,149.43	5,240.69
Textbooks	9,000.00	-	9,000.00	6,858.37	2,141.63
Total Vocational Evening - Local - Instruction	<u>99,370.00</u>	<u>(1,096.93)</u>	<u>98,273.07</u>	<u>80,635.30</u>	<u>17,637.77</u>
Vocational Evening - Support Services:					
Salaries	68,840.00	27,377.49	96,217.49	93,492.55	2,724.94
Personal Services - Employee Benefits	10,014.00	943.81	10,957.81	10,875.30	82.51
Other Purchased Services (400-500 series)	10,370.00	378.03	10,748.03	8,845.86	1,902.17
Supplies and Materials	250.00	71.97	321.97	186.04	135.93
Other Objects	5,000.00	-	5,000.00	2,316.62	2,683.38
Total Vocational Evening - Support	<u>94,474.00</u>	<u>28,771.30</u>	<u>123,245.30</u>	<u>115,716.37</u>	<u>7,528.93</u>
Total Vocational Evening	<u>193,844.00</u>	<u>27,674.37</u>	<u>221,518.37</u>	<u>196,351.67</u>	<u>25,166.70</u>
GED Test Centers:					
Salaries	8,500.00	91.25	8,591.25	8,591.25	-
Supplies & Materials	5,165.00	(91.25)	5,073.75	3,107.33	1,966.42
Total GED Test Centers	<u>13,665.00</u>	<u>-</u>	<u>13,665.00</u>	<u>11,698.58</u>	<u>1,966.42</u>
TOTAL SPECIAL SCHOOLS	<u>1,390,326.00</u>	<u>33,838.10</u>	<u>1,424,164.10</u>	<u>1,309,503.31</u>	<u>114,660.79</u>
TOTAL EXPENDITURES	<u>14,329,412.00</u>	<u>57,562.76</u>	<u>14,386,974.76</u>	<u>14,736,042.95</u>	<u>(349,068.19)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(377,230.00)</u>	<u>(55,764.76)</u>	<u>(432,994.76)</u>	<u>416,316.44</u>	<u>849,311.20</u>

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Under/(Over)
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfer to Enterprise Funds	\$ (82,500.00)	\$ (48,859.00)	\$ (131,359.00)	\$ (131,359.00)	\$ -
Total Other Financing Sources:	<u>(82,500.00)</u>	<u>(48,859.00)</u>	<u>(131,359.00)</u>	<u>(131,359.00)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(459,730.00)	(104,623.76)	(564,353.76)	284,957.44	849,311.20
Fund Balance July 1	<u>2,636,739.19</u>	<u>-</u>	<u>2,636,739.19</u>	<u>2,636,739.19</u>	<u>-</u>
Fund Balance June 30	<u>\$ 2,177,009.19</u>	<u>\$ (104,623.76)</u>	<u>\$ 2,072,385.43</u>	<u>\$ 2,921,696.63</u>	<u>\$ 849,311.20</u>
Recapitulation of Fund Balance:					
Nonspendable Fund Balance:					
None				\$ -	
Restricted Fund Balance:					
Capital Reserve Account				1,219,733.17	
Maintenance Reserve				872,361.00	
Committed Fund Balance:					
None				-	
Assigned Fund Balance:					
Year End Encumbrances				242,766.83	
Designated for Subsequent Year's Expenditures				154,677.00	
Unassigned Fund Balance				<u>432,158.63</u>	
				2,921,696.63	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				(127,244.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,794,452.63</u>	

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Education Jobs Fund Program**  
**Budget and Actual**  
**For the Year Ended June 30, 2012**

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Support Services:			
Personal Services - Employee Benefits	\$ 59,179.00	\$ 59,179.00	\$ -
Total Support Services	<u>59,179.00</u>	<u>59,179.00</u>	<u>-</u>
Total Expenditures	<u>\$ 59,179.00</u>	<u>\$ 59,179.00</u>	<u>\$ -</u>

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ 2,003.00	\$ 45,598.82	\$ 47,601.82	\$ 32,695.27	\$ (14,906.55)
State Sources	9,517.00	117,522.00	127,039.00	126,323.54	(715.46)
Federal Sources	545,587.00	(62,544.22)	483,042.78	437,367.28	(45,675.50)
<b>Total Revenues</b>	<b>557,107.00</b>	<b>100,576.60</b>	<b>657,683.60</b>	<b>596,386.09</b>	<b>(61,297.51)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	535,104.00	(404,333.93)	130,770.07	108,927.87	21,842.20
Salaries of Teachers		82,432.20	82,432.20	76,849.70	5,582.50
Purchased Professional - Technical Services	20,000.00	6,405.00	26,405.00	25,324.00	1,081.00
Other Purchased Services (400-500 series)		10,689.25	10,689.25	10,689.25	-
General Supplies	2,003.00	98,705.58	100,708.58	84,367.69	16,340.89
Other Objects	-	1,268.00	1,268.00	1,268.00	-
<b>Total Instruction</b>	<b>557,107.00</b>	<b>(204,833.90)</b>	<b>352,273.10</b>	<b>307,426.51</b>	<b>44,846.59</b>
Support Services:					
Salaries	-	143,621.31	143,621.31	142,111.31	1,510.00
Salaries - Supervisor of Instruction	-	10,719.99	10,719.99	10,719.99	-
Personal Services - Employee Benefits	-	76,978.69	76,978.69	74,497.15	2,481.54
Purchased Professional - Technical Services	-	20,243.50	20,243.50	19,249.00	994.50
Travel	-	2,752.82	2,752.82	2,588.82	164.00
Other Purchased Services (400-500 series)	-	12,848.47	12,848.47	12,848.47	-
Supplies & Materials	-	13,685.72	13,685.72	6,423.84	7,261.88
Other Objects	-	10,106.00	10,106.00	9,492.00	614.00
<b>Total Support Services</b>	<b>-</b>	<b>290,956.50</b>	<b>290,956.50</b>	<b>277,930.58</b>	<b>13,025.92</b>
Custodial Services:					
Electricity	-	1,320.00	1,320.00	215.00	1,105.00
<b>Total Custodial Services</b>	<b>-</b>	<b>1,320.00</b>	<b>1,320.00</b>	<b>215.00</b>	<b>1,105.00</b>
Facilities Acquisition and Constr. Services:					
Buildings	-	-	-	-	-
Instructional Equipment	-	2,134.00	2,134.00	2,134.00	-
Noninstructional Equipment	-	-	-	-	-
Construction Services	-	11,000.00	11,000.00	8,680.00	2,320.00
<b>Total Facilities Acquisition and Constr. Services</b>	<b>-</b>	<b>13,134.00</b>	<b>13,134.00</b>	<b>10,814.00</b>	<b>2,320.00</b>
<b>Total Outflows</b>	<b>557,107.00</b>	<b>100,576.60</b>	<b>657,683.60</b>	<b>596,386.09</b>	<b>61,297.51</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Required Supplementary Information**  
**Budget to GAAP Reconciliation**  
**Note to RSI**  
**For the Year Ended June 30, 2012**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 15,152,359.39	[C-2]	\$ 596,386.09
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				
Encumbrances at June 30, 2012		-		(4,824.42)
Encumbrances at June 30, 2011		-		29,222.39
Final State Aid payment was delayed until July 2011 is recorded as GAAP revenue but is not recognized as budgetary revenue.		96,545.00		-
Final State Aid payment was delayed until July 2012 is recorded as budgetary revenue but is not recognized under GAAP.		(127,244.00)		-
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	\$ 15,121,660.39	[B-2]	\$ 620,784.06
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 14,736,042.95	[C-2]	\$ 596,386.09
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances at June 30, 2012		-		(4,824.42)
Encumbrances at June 30, 2011		-		29,222.39
	[B-2]	\$ 14,736,042.95	[B-2]	\$ 620,784.06

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2012**

	Total Brought Forward (Ex. E-1a)	Carl Perkins Secondary	Carl Perkins Secondary Reserve Funds	Carl Perkins Post-Secondary	2012 WIB Summer Youth	2012 WIB	Totals 2012
<b>REVENUES:</b>							
Local Sources	\$ 32,695.27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,695.27
State Sources	16,355.54	62,727.00	15,988.00	93,980.00	-	-	126,323.54
Federal Sources	354,897.52	-	-	-	823.76	18,919.00	437,367.28
<b>Total Revenues</b>	<b>403,948.33</b>	<b>62,727.00</b>	<b>15,988.00</b>	<b>93,980.00</b>	<b>823.76</b>	<b>18,919.00</b>	<b>596,386.09</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries	108,117.87	-	-	810.00	-	-	108,927.87
Salaries of Teachers	76,284.20	-	-	-	565.50	-	76,849.70
Purchased Professional - Technical Services	-	6,750.00	1,547.00	6,405.00	-	18,919.00	25,324.00
Other Purchased Services (400-500 series)	-	19,471.33	9,883.62	2,392.25	-	-	10,689.25
General Supplies	26,014.90	-	-	28,997.84	-	-	84,367.69
Other Objects	-	-	-	1,268.00	-	-	1,268.00
<b>Total Instruction</b>	<b>210,416.97</b>	<b>26,221.33</b>	<b>11,430.62</b>	<b>39,873.09</b>	<b>565.50</b>	<b>18,919.00</b>	<b>307,426.51</b>
Support Services:							
Salaries	81,322.11	26,025.06	-	34,764.14	-	-	142,111.31
Salaries - Supervisor of Instruction	4,800.00	2,712.99	-	3,207.00	-	-	10,719.99
Personal Services - Employee Benefits	62,011.06	4,592.83	-	7,850.00	43.26	-	74,497.15
Purchased Professional - Technical Services	9,005.00	2,054.00	4,200.00	3,990.00	-	-	19,249.00
Travel	524.32	1,045.00	45.25	974.25	-	-	2,588.82
Other Purchased Services (400-500 series)	11,740.34	-	312.13	796.00	-	-	12,848.47
Supplies & Materials	5,956.53	75.79	-	391.52	-	-	6,423.84
Other Objects	9,492.00	-	-	-	-	-	9,492.00
<b>Total Support Services</b>	<b>184,851.36</b>	<b>36,505.67</b>	<b>4,557.38</b>	<b>51,972.91</b>	<b>43.26</b>	<b>-</b>	<b>277,930.58</b>
Custodial Services:							
Electricity	-	-	-	-	215.00	-	215.00
<b>Total Custodial Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215.00</b>	<b>-</b>	<b>215.00</b>
Facilities Acquisition and Constr. Services:							
Instructional Equipment	-	-	-	2,134.00	-	-	2,134.00
Noninstructional Equipment	-	-	-	-	-	-	-
Construction Services	8,680.00	-	-	-	-	-	8,680.00
<b>Total Facilities Acquisition and Constr. Services</b>	<b>8,680.00</b>	<b>-</b>	<b>-</b>	<b>2,134.00</b>	<b>-</b>	<b>-</b>	<b>10,814.00</b>
Contribution to Charter Schools	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>403,948.33</b>	<b>62,727.00</b>	<b>15,988.00</b>	<b>93,980.00</b>	<b>823.76</b>	<b>18,919.00</b>	<b>596,386.09</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2012**

	Total Brought Forward (Ex. E-1b)	Apprenticeship Coordinator	Four Year Green Program	Adult Basic Education Civics	I.D.E.A. Part B	I.D.E.A. Part B Carryover	Total Carried Forward
<b>REVENUES:</b>							
Local Sources	\$ 32,695.27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,695.27
State Sources	4,684.00	11,071.00	600.54	39,398.00	94,486.65	11,392.62	16,355.54
Federal Sources	209,620.25	-	-	-	-	-	354,897.52
Total Revenues	246,999.52	11,071.00	600.54	39,398.00	94,486.65	11,392.62	403,948.33
<b>EXPENDITURES:</b>							
Instruction:							
Salaries	97,046.87	11,071.00	-	31,661.76	-	-	108,117.87
Salaries of Teachers	44,622.44	-	-	-	-	-	76,284.20
Purchased Professional - Technical Services	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	350.54	-	839.69	-	-
General Supplies	24,824.67	-	-	-	-	-	26,014.90
Other Objects	-	-	-	-	-	-	-
Total Instruction	166,493.98	11,071.00	350.54	31,661.76	839.69	-	210,416.97
Support Services:							
Salaries	400.00	-	-	-	-	-	81,322.11
Salaries - Supervisor of Instruction	4,800.00	-	-	-	71,711.69	9,210.42	4,800.00
Personal Services - Employee Benefits	39,648.59	-	-	7,338.24	12,842.03	2,182.20	62,011.06
Purchased Professional - Technical Services	-	-	-	-	9,005.00	-	9,005.00
Travel	274.32	-	250.00	-	-	-	524.32
Other Purchased Services (400-500 series)	11,254.10	-	-	398.00	88.24	-	11,740.34
Supplies & Materials	5,956.53	-	-	-	-	-	5,956.53
Other Objects	9,492.00	-	-	-	-	-	9,492.00
Total Support Services	71,825.54	-	250.00	7,736.24	93,646.96	11,392.62	184,851.36
Custodial Services:							
Electricity	-	-	-	-	-	-	-
Total Custodial Services	-	-	-	-	-	-	-
Facilities Acquisition and Constr. Services:							
Instructional Equipment	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-	-
Construction Services	8,680.00	-	-	-	-	-	8,680.00
Total Facilities Acquisition and Constr. Services	8,680.00	-	-	-	-	-	8,680.00
Contribution to Charter Schools	-	-	-	-	-	-	-
Total Expenditures	246,999.52	11,071.00	600.54	39,398.00	94,486.65	11,392.62	403,948.33
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2012**

	Total Brought Forward (Ex. E-1c)	Four Year Green Program Carryover	Adult Basic Education	NJSBA Safety Grant	Dollar General Year 2	Dollar General Literacy Foundation Private Donations	Total Carried Forward
<b>REVENUES:</b>							
Local Sources	\$ 3,560.77	\$ -	\$ -	\$ 13,636.53	\$ 539.87	\$ 14,958.10	\$ 32,695.27
State Sources	-	4,684.00	-	-	-	-	4,684.00
Federal Sources	75,293.25	-	134,327.00	-	-	-	209,620.25
<b>Total Revenues</b>	<b>78,854.02</b>	<b>4,684.00</b>	<b>134,327.00</b>	<b>13,636.53</b>	<b>539.87</b>	<b>14,958.10</b>	<b>246,999.52</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries	49,182.33	645.00	47,219.54	-	-	-	97,046.87
Salaries of Teachers	-	-	44,622.44	-	-	-	44,622.44
Purchased Professional - Technical Services	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	218.20	-	539.87	14,268.10	24,824.67
General Supplies	6,353.00	3,445.50	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>55,535.33</b>	<b>4,090.50</b>	<b>92,060.18</b>	<b>-</b>	<b>539.87</b>	<b>14,268.10</b>	<b>166,493.98</b>
Support Services:							
Salaries	-	400.00	-	-	-	-	400.00
Salaries - Supervisor of Instruction	-	-	4,800.00	-	-	-	4,800.00
Personal Services - Employee Benefits	3,774.92	79.95	35,793.72	-	-	-	39,648.59
Purchased Professional - Technical Services	-	-	-	-	-	-	-
Travel	160.77	113.55	1,673.10	-	-	-	274.32
Other Purchased Services (400-500 series)	9,581.00	-	-	-	-	-	11,254.10
Supplies & Materials	1,000.00	-	-	4,956.53	-	690.00	5,956.53
Other Objects	8,802.00	-	-	-	-	-	9,492.00
<b>Total Support Services</b>	<b>23,318.69</b>	<b>593.50</b>	<b>42,266.82</b>	<b>4,956.53</b>	<b>-</b>	<b>690.00</b>	<b>71,825.54</b>
Custodial Services:							
Electricity	-	-	-	-	-	-	-
<b>Total Custodial Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Facilities Acquisition and Constr. Services:							
Instructional Equipment	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	8,680.00	-	-	-
Construction Services	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Constr. Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,680.00</b>	<b>-</b>	<b>-</b>	<b>8,680.00</b>
Contribution to Charter Schools	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>78,854.02</b>	<b>4,684.00</b>	<b>134,327.00</b>	<b>13,636.53</b>	<b>539.87</b>	<b>14,958.10</b>	<b>246,999.52</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2012**

	Total Brought Forward (Ex. E-1d)	Title I	Title I Carryover	Eisenhower Title IIA	Eisenhower Title IIA Carryover	Cape Educational Green Cycle	Total Carried Forward
<b>REVENUES:</b>							
Local Sources	\$ 3,060.77	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ 3,560.77
State Sources	-	44,241.09	15,420.01	13,624.00	2,008.15	-	75,293.25
Federal Sources	-	44,241.09	15,420.01	13,624.00	2,008.15	500.00	78,854.02
<b>Total Revenues</b>	<b>3,060.77</b>	<b>44,241.09</b>	<b>15,420.01</b>	<b>13,624.00</b>	<b>2,008.15</b>	<b>500.00</b>	<b>78,854.02</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries	360.00	36,957.80	10,604.75	1,259.78			49,182.33
Salaries of Teachers	-	-	-	-	-	-	-
Purchased Professional - Technical Services	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-
General Supplies	2,500.00	991.00		2,362.00		500.00	6,353.00
Other Objects	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>2,860.00</b>	<b>37,948.80</b>	<b>10,604.75</b>	<b>2,362.00</b>	<b>1,259.78</b>	<b>500.00</b>	<b>55,535.33</b>
Support Services:							
Salaries	-	-	-	-	-	-	-
Salaries - Supervisor of Instruction	-	-	-	-	-	-	-
Personal Services - Employee Benefits	40.00	2,827.29	811.26	96.37			3,774.92
Purchased Professional - Technical Services	-	-	-	-	-	-	-
Travel	160.77						160.77
Other Purchased Services (400-500 series)	-	-	-	9,581.00			9,581.00
Supplies & Materials	-	3,465.00	4,004.00	1,000.00			1,000.00
Other Objects	-	-	-	681.00	652.00		8,802.00
<b>Total Support Services</b>	<b>200.77</b>	<b>6,292.29</b>	<b>4,815.26</b>	<b>11,262.00</b>	<b>748.37</b>	<b>-</b>	<b>23,318.69</b>
Custodial Services:							
Electricity	-	-	-	-	-	-	-
<b>Total Custodial Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Facilities Acquisition and Constr. Services:							
Instructional Equipment	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Constr. Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Contribution to Charter Schools	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,060.77</b>	<b>44,241.09</b>	<b>15,420.01</b>	<b>13,624.00</b>	<b>2,008.15</b>	<b>500.00</b>	<b>78,854.02</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2012**

	Cape Educational One of Those Days	Cape Educational Baking Away	Cape Educational Wind Turbines	Cape Educational Develop and Sustain	Cape Educational Fables Unplugged	Achieve Workshops	Total Carried Forward
<b>REVENUES:</b>							
Local Sources	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 560.77	\$ 3,060.77
State Sources	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-
<b>Total Revenues</b>	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>	<u>560.77</u>	<u>3,060.77</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries						360.00	360.00
Salaries of Teachers							-
Purchased Professional - Technical Services							-
Other Purchased Services (400-500 series)							-
General Supplies	500.00	500.00	500.00	500.00	500.00		2,500.00
Other Objects							-
<b>Total Instruction</b>	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>	<u>360.00</u>	<u>2,860.00</u>
Support Services:							
Salaries							-
Salaries - Supervisor of Instruction							-
Personal Services - Employee Benefits						40.00	40.00
Purchased Professional - Technical Services							-
Travel						160.77	160.77
Other Purchased Services (400-500 series)							-
Supplies & Materials							-
Other Objects							-
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200.77</u>	<u>200.77</u>
Custodial Services:							
Electricity							-
<b>Total Custodial Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Constr. Services:							
Instructional Equipment							-
Noninstructional Equipment							-
Construction Services							-
<b>Total Facilities Acquisition and Constr. Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools							
<b>Total Expenditures</b>	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>	<u>560.77</u>	<u>3,060.77</u>
Excess (Deficiency) of Revenues Over (Under)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures and Other Financing Sources (Uses)							

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

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

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2012**

Number	Issue / Project Title	Original Date	Appropriations	Expenditures to Date	Current Year	Canceled	Unexpended Balance
			Prior Years				
	Whereas, the State of New Jersey Department of Education has pursuant to N.J.S.A. 18A:7G-5 and N.J.A.C. 6A:26-3.6, established the eligible costs at \$14,761,419						
	Whereas, The Board of Education of the Cape May County Vocational School has accepted the project cost determination and pursuant to NJSA 18A:54-31 has determined the amount necessary to fund certain capital projects for the school district to be \$14,769,143						
	Therefore Be It Resolved, that the Cape May Board of School Estimate hereby approve additions and renovations to the Technical High School in accordance with the application filed with the State of New Jersey. The project budget of \$14,769,143 in approved.	8/9/2005	\$ 14,769,143.00	\$ 14,732,752.00	-	\$ -	\$ 36,391.00
			<u>\$ 14,769,143.00</u>	<u>\$ 14,732,752.00</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 36,391.00</u>

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Capital Projects Fund  
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis  
For the Year Ended June 30, 2012**

**REVENUES AND OTHER FINANCING SOURCES:**

State Sources:		
SCC Grants	\$	-
Local Sources		
County Appropriation		-
Interest Earned on Deposits		-
		<hr/>
Total Revenues		<hr/> -
<b>EXPENDITURES</b>		
Purchased Professional and Technical Services		-
Construction Services		-
Equipment purchases		-
Other Objects		-
		<hr/>
Total Expenditures		<hr/> -
Excess (Deficiency) of Revenues Over (Under) Expenditures		-
Fund Balances, July 1		<hr/> 36,391.00
Fund Balances, June 30	\$	<hr/> <hr/> 36,391.00

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Additions and Renovations to the Technical High School  
From Inception and for the Year Ended June 30, 2012**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Local Sources				
County Appropriation	\$ 14,769,143.00	\$ -	\$ 14,769,143.00	\$ 14,769,143.00
<b>Total Revenues</b>	<u>14,769,143.00</u>	<u>-</u>	<u>14,769,143.00</u>	<u>14,769,143.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased Professional/Technical Services	1,063,358.39		1,063,358.39	1,063,358.39
Construction Services	12,970,266.94		12,970,266.94	12,970,266.94
Purchase of Equipment	217,369.73		217,369.73	217,369.73
Other Objects	481,756.94		481,756.94	481,756.94
<b>Total Expenditures</b>	<u>14,732,752.00</u>	<u>-</u>	<u>14,732,752.00</u>	<u>14,732,752.00</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 36,391.00</u>	<u>\$ -</u>	<u>\$ 36,391.00</u>	<u>\$ 36,391.00</u>
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number				
Grant Date	N/A			
Bond Authorization Date	8/23/2005			
Bonds Authorized	\$ 14,769,143.00			
Bonds Issued	14,769,000.00			
Original Cost Authorized	14,769,143.00			
Additional Authorized Cost				
Revised Authorized Cost	14,769,143.00			
Percentage Increase over Original Authorized Cost		0%		
Percentage Completion		99.75%		
Original Target Completion Date		June 2007		
Revised Target Completion Date		January, 2013		

## **FIDUCIARY FUNDS DETAIL STATEMENTS**

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

**Unemployment Fund** - This trust fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

**Scholarship Fund** – this is an expendable trust fund that receives funds from private contributions and disburses funds for scholarships and graduation awards to students.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.

**Board of Education for Vocational Schools, County of Cape May  
 (A Component Unit of the County of Cape May)  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Assets  
 June 30, 2012**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust</u>	<u>Agency Funds</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,324.87	\$ 40,631.65	\$ 94,484.92	\$ 139,441.44
Flexible Spending Accounts			889.25	889.25
Total Assets	<u>4,324.87</u>	<u>40,631.65</u>	<u>95,374.17</u>	<u>140,330.69</u>
<b>LIABILITIES</b>				
Interfunds Payable			8,150.60	8,150.60
Payable to Student Groups			72,600.95	72,600.95
Payroll Deductions & Withholdings			14,622.62	14,622.62
Total Liabilities	<u>-</u>	<u>-</u>	<u>95,374.17</u>	<u>95,374.17</u>
<b>NET ASSETS</b>				
Held in Trust for Unemployment Claims and Other Purposes	\$ <u>4,324.87</u>			4,324.87
Reserved for Scholarships		\$ <u>40,631.65</u>		40,631.65
Total Net Assets				<u>44,956.52</u>
Total Liabilities and Net Assets			\$	<u>140,330.69</u>

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2012**

	Unemployment Compensation Trust	Private Purpose Trust	Totals
<b>ADDITIONS</b>			
Contributions:			
Other	\$	\$ 11,887.00	\$ 11,887.00
Total Contributions	<u>-</u>	<u>11,887.00</u>	<u>11,887.00</u>
Investments Earnings:			
Interest	5.28	49.80	55.08
Net Investment Earnings	<u>5.28</u>	<u>49.80</u>	<u>55.08</u>
Total Additions	<u>5.28</u>	<u>11,936.80</u>	<u>11,942.08</u>
<b>Deductions</b>			
Fundraising expenses		25.00	25.00
Scholarships Awarded		9,350.00	9,350.00
Total Deductions	<u>-</u>	<u>9,375.00</u>	<u>9,375.00</u>
Change in Net Assets	5.28	2,561.80	2,567.08
Net Assets - Beginning of the Year	<u>4,319.59</u>	<u>38,069.85</u>	<u>42,389.44</u>
Net Assets - End of the Year	<u>\$ 4,324.87</u>	<u>\$ 40,631.65</u>	<u>\$ 44,956.52</u>

**Board of Education for Vocational Schools, County of Cape May  
(A Component Unit of the County of Cape May)  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
As of June 30, 2012**

	Balance		Cash		Cash		Transfers to/(from ) (Accts Receivable) Accts Payable	Balance June 30, 2012
	July 1, 2010	2011	Receipts	Disbursements	Cash	Disbursements		
Boys Baseball	\$	422.19	\$	1,728.73	\$	1,412.22	\$	738.70
Boys Basketball		1,327.11		8,874.73		9,356.76		845.08
Boys Soccer		273.13		0.34				273.47
Cheerleading		75.82		552.12		575.00		52.94
Class of 1995		82.17		0.11				82.28
Class of 1996		438.37		0.52				438.89
Class of 1997		350.47		0.42				350.89
Class of 1998		830.42		1.02				831.44
Class of 1999		1,288.09		1.60				1,289.69
Class of 2001		1,303.78		1.60				1,305.38
Class of 2002		3,926.61		4.85				3,931.46
Class of 2003		245.79		0.31				246.10
Class of 2004		348.64		0.42				349.06
Class of 2007		5,241.52		6.45				5,247.97
Class of 2008		115.20		0.14				115.34
Class of 2009		7,061.91		8.69				7,070.60
Class of 2011		48.44		0.06				48.50
Class of 2012		7,486.89		24,245.76		26,874.40		4,858.25
Class of 2013		1,666.00		1,040.43		576.00		2,130.43
Class of 2014		302.16		1,160.39		1,010.00		452.55
Class of 2015		-		998.31				998.31
Cross Country		1,144.32		701.47		346.07		1,499.72
Culinary Gratuities		811.80		1,311.99		1,800.00		323.79
Drama Club		1,655.54		2.03				1,657.57
Field Trips		11,106.85		13.68				11,120.53
French Club		1,139.98		0.34		1,140.32		-
Future Farmers		1,861.33		12,531.36		12,414.72		1,977.97
Girls Basketball		99.13		2,244.85		1,630.00		713.98
Girls Soccer		471.37		0.60				471.97

**Board of Education for Vocational Schools, County of Cape May  
 (A Component Unit of the County of Cape May)  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 As of June 30, 2012**

	Balance July 1, 20101	Cash Receipts	Cash Disbursements	Transfers to/(from ) (Accts Receivable) Accts Payable	Balance June 30, 2012
Girls Softball	\$ (360.01)	\$ 730.01	\$ 1,000.00	\$	(\$630.00)
Golf	55.98	0.07			56.05
Hosa	474.86	0.60			475.46
Interact Club	(113.24)				(113.24)
Key Club	-	9,784.60	5,294.41		4,490.19
Library	6,484.08	1,583.76	1,924.19		6,143.65
Miscellaneous	1,474.59	798.60	762.10		1,511.09
National Honor Society	0.36	2,715.63	1,602.50		1,113.49
Skills USA	-	1,148.44	633.74		514.70
Spanish Club	(187.89)				(187.89)
Student Council	1,438.08	6,930.75	6,753.94		1,614.89
Swim Team	219.85	6,417.27	6,537.50		99.62
Travel and Tourism	402.23	1,057.78	231.00		1,229.01
Yearbook	3,347.48	14,945.62	17,752.94		540.16
<b>Total Senior High Schools</b>	<b>\$</b>	<b>\$ 101,546.45</b>	<b>\$ 99,627.81</b>	<b>\$ -</b>	<b>\$ 66,280.04</b>
<b>ATHLETICS:</b>					
<b>All Sports</b>	<b>\$ 9,874.26</b>	<b>\$ 10,725.65</b>	<b>\$ 14,279.00</b>	<b>\$</b>	<b>\$ 6,320.91</b>

**Board of Education for Vocational Schools, County of Cape May**  
**(A Component Unit of the County of Cape May)**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2012**

	<u>Balance</u> <u>July 1, 2011</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS:</b>							
Cash and Cash Equivalents	\$ 65,014.37	\$	9,587,099.24	\$	9,630,229.64	\$	21,883.97
Flexible Spending Account			12,839.45		11,950.20		889.25
Total Assets	<u>\$ 65,014.37</u>	<u>\$</u>	<u>9,599,938.69</u>	<u>\$</u>	<u>9,642,179.84</u>	<u>\$</u>	<u>22,773.22</u>
<b>LIABILITIES:</b>							
Payroll Deductions & Withholding	\$ 64,992.25	\$	3,554,094.95	\$	3,604,464.58	\$	14,622.62
Interfunds Payable	22.12		18,611.09		10,482.61		8,150.60
Net Payroll Payable	-		6,027,232.65		6,027,232.65		-
Total Assets	<u>\$ 65,014.37</u>	<u>\$</u>	<u>9,599,938.69</u>	<u>\$</u>	<u>9,642,179.84</u>	<u>\$</u>	<u>22,773.22</u>

## **Statistical Section**

**Board of Education for Vocational Schools, County of Cape May**  
**Net Assets by Component,**  
**Last Nine Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-1

	Fiscal Year Ending June 30								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 11,433,304.15	\$ 10,865,099.22	\$ 11,052,786.42	\$ 18,161,735.16	\$ 22,367,919.59	\$ 23,499,384.81	\$ 22,206,679.00	\$ 21,268,987.83	\$ 20,418,590.72
Restricted	688,878.18	879,627.94	15,316,509.46	7,374,925.74	2,843,566.37	1,743,403.06	2,018,241.13	1,238,103.70	2,525,929.00
Unrestricted	402,684.74	288,253.13	503,737.14	346,628.16	311,090.40	(117,999.82)	(161,238.18)	531,250.67	(522,695.19)
<b>Total governmental activities net assets</b>	<b>\$ 12,524,867.07</b>	<b>\$ 12,032,980.29</b>	<b>\$ 26,873,033.02</b>	<b>\$ 25,883,289.06</b>	<b>\$ 25,522,576.36</b>	<b>\$ 25,124,788.05</b>	<b>\$ 24,063,681.95</b>	<b>\$ 23,038,342.20</b>	<b>\$ 22,421,824.53</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,650.23
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	69,091.15	86,895.45	114,449.83	123,338.25	115,752.62	141,495.38	142,430.96	152,030.51	172,189.97
<b>Total business-type activities net assets</b>	<b>\$ 69,091.15</b>	<b>\$ 86,895.45</b>	<b>\$ 114,449.83</b>	<b>\$ 123,338.25</b>	<b>\$ 115,752.62</b>	<b>\$ 141,495.38</b>	<b>\$ 142,430.96</b>	<b>\$ 278,308.51</b>	<b>\$ 285,840.20</b>
<b>District-wide</b>									
Invested in capital assets, net of related debt	\$ 11,433,304.15	\$ 10,865,099.22	\$ 11,052,786.42	\$ 18,161,735.16	\$ 22,367,919.59	\$ 23,499,384.81	\$ 22,206,679.00	\$ 21,395,265.83	\$ 20,532,240.95
Restricted	688,878.18	879,627.94	15,316,509.46	7,374,925.74	2,843,566.37	1,743,403.06	2,018,241.13	1,238,103.70	2,525,929.00
Unrestricted	471,775.89	375,148.58	618,186.97	469,966.41	426,843.02	23,495.56	(18,807.22)	683,281.18	(350,505.22)
<b>Total district net assets</b>	<b>\$ 12,593,958.22</b>	<b>\$ 12,119,875.74</b>	<b>\$ 26,987,482.85</b>	<b>\$ 26,006,627.31</b>	<b>\$ 25,638,328.98</b>	<b>\$ 25,266,283.43</b>	<b>\$ 24,206,112.91</b>	<b>\$ 23,316,650.71</b>	<b>\$ 22,707,664.73</b>

Source: CAFR Schedule A-1

**Board of Education for Vocational Schools, County of Cape May**  
**Changes in Net Assets,**  
**Last Nine Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>									
Governmental activities:									
Instruction:									
Regular instruction	\$ 2,378,454.22	\$ 2,683,021.94	\$ 2,760,112.11	\$ 3,417,090.47	\$ 3,458,706.13	\$ 3,504,720.89	\$ 3,840,144.66	\$ 3,735,544.23	\$ 3,512,200.71
Vocational education	2,504,191.45	2,669,407.88	2,732,445.51	3,124,318.69	3,488,531.54	3,871,446.11	3,920,490.98	3,595,551.30	3,788,323.56
Other instruction	162,549.11	242,573.47	245,284.34	375,715.38	359,774.28	369,385.04	396,714.44	337,471.47	330,808.19
Support Services:									
Student & instruction related services	1,555,172.05	1,528,394.66	1,775,057.55	1,903,489.14	1,653,914.25	1,798,835.46	1,755,252.71	1,621,983.64	1,642,640.30
General administrative/Business services	819,604.57	977,022.33	967,912.15	1,050,032.39	1,167,723.60	1,185,751.07	1,281,542.02	1,332,057.61	1,488,326.37
School administrative services	448,123.45	475,893.52	537,159.35	639,290.72	624,440.35	622,456.03	689,510.79	598,567.08	625,338.33
Plant operations and maintenance	1,148,959.80	1,320,827.38	1,342,330.88	1,404,488.16	1,604,657.65	1,664,335.42	1,725,050.88	2,367,043.82	2,314,311.77
Pupil transportation	102,672.72	98,598.82	105,851.37	115,423.54	137,959.65	142,379.98	133,840.19	107,605.27	107,521.76
Adult and continuing education	1,508,806.27	1,606,739.58	1,507,870.78	1,782,390.63	1,855,286.33	1,969,628.44	1,956,027.98	1,290,863.46	1,314,844.87
Unallocated depreciation	555,936.93	538,289.50	514,797.00	491,342.86	471,268.06	469,141.31	1,097,209.06	1,076,312.21	1,065,554.33
Total governmental activities expenses	11,184,470.57	12,140,769.08	12,488,821.04	14,303,581.98	14,822,261.84	15,598,079.75	16,775,783.71	16,063,000.09	16,189,870.19
Business-type activities:									
Food service	\$ 225,552.56	\$ 223,855.61	\$ 247,682.60	\$ 251,644.97	\$ 274,342.60	\$ 276,431.07	\$ 287,528.56	\$ 287,826.78	\$ 306,038.52
Early childhood/Summertime adventures	120,344.69	109,334.25	100,089.53	120,753.41	103,570.02	130,055.33	110,996.31	103,367.89	104,143.38
Job cards	25,190.90	18,138.15	24,579.00	25,573.96	23,095.11	20,895.68	15,752.57	17,178.49	20,687.99
Educational technology/training center	21,459.76	23,474.23	23,493.91	25,988.69	19,265.30	29,279.27	36,912.47	28,574.21	30,239.05
Total business-type activities expenses	392,547.91	374,802.24	395,845.04	423,961.03	420,273.03	456,661.35	451,169.91	436,947.37	461,108.94
Total district expenses	\$ 11,577,018.48	\$ 12,515,571.32	\$ 12,884,666.08	\$ 14,727,543.01	\$ 15,242,534.87	\$ 16,054,741.10	\$ 17,226,973.62	\$ 16,499,947.46	\$ 16,650,979.13
<b>Program Revenues</b>									
Governmental activities:									
Charges for services	\$ 197,455.82	\$ 256,806.34	\$ 271,770.10	\$ 323,886.81	\$ 318,600.65	\$ 375,616.65	\$ 424,815.82	\$ 406,972.64	\$ 448,080.26
Operating grants and contributions	2,601,295.70	2,594,283.08	2,968,402.74	3,690,931.27	2,812,548.69	1,766,279.89	1,785,081.01	1,611,104.87	1,610,049.87
Total governmental activities program revenues	2,798,751.52	2,851,089.42	3,240,172.84	4,014,818.08	3,131,149.34	2,141,896.54	2,209,896.83	2,018,077.51	2,058,130.13
Business-type activities:									
Charges for services:									
Food service	184,391.57	192,529.50	204,252.02	204,850.58	207,902.62	210,812.31	197,056.19	189,593.74	195,145.41
Early childhood/Summertime adventures	82,208.08	77,245.84	89,706.68	84,454.74	36,179.36	93,758.87	22,100.00	27,973.00	27,929.00
Job cards	22,627.54	23,169.00	32,174.81	31,778.89	29,139.98	26,349.30	18,590.96	24,181.49	17,493.90
Educational technology/training center	23,120.43	21,085.80	7,803.00	23,590.25	16,847.89	41,018.00	38,697.00	7,384.00	13,686.26
Operating grants and contributions	36,037.16	36,698.28	36,841.55	36,389.31	52,450.75	75,097.29	95,479.24	77,974.91	82,984.74
Capital grants and contributions									
Total business-type activities program revenue	348,384.78	350,728.42	370,778.06	383,063.77	342,520.60	447,035.77	371,923.39	327,107.14	337,239.31
Total district program revenue	\$ 3,147,136.30	\$ 3,201,817.84	\$ 3,610,950.90	\$ 4,397,881.85	\$ 3,473,669.94	\$ 2,588,932.31	\$ 2,581,820.22	\$ 2,345,184.65	\$ 2,395,369.44

**Board of Education for Vocational Schools, County of Cape May**  
**Changes in Net Assets,**  
**Last Nine Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Net (Expense)/Revenue</b>									
Governmental activities	\$ (8,385,719.05)	\$ (9,289,679.66)	\$ (9,248,648.20)	\$ (10,288,763.90)	\$ (11,691,112.50)	\$ (13,456,183.21)	\$ (14,565,886.88)	\$ (14,044,922.58)	\$ (14,131,740.06)
Business-type activities	(44,163.13)	(24,073.82)	(25,066.98)	(40,897.26)	(77,752.43)	(9,625.58)	(79,266.52)	(109,840.23)	(123,869.63)
Total district-wide net expense	\$ (8,429,882.18)	\$ (9,313,753.48)	\$ (9,273,715.18)	\$ (10,329,661.16)	\$ (11,768,864.93)	\$ (13,465,808.79)	\$ (14,645,153.40)	\$ (14,154,762.81)	\$ (14,255,609.69)
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
County appropriation levied for general purposes	\$ 4,378,203.00	\$ 4,623,123.61	\$ 5,178,203.00	\$ 5,281,804.00	\$ 6,527,409.00	\$ 7,314,862.00	\$ 7,314,862.00	\$ 7,314,862.00	\$ 7,314,862.00
County appropriation for capital improvement			14,769,143.00						
Unrestricted grants and contributions	574,236.07	630,271.83	611,659.83	206,936.10	650,728.31	1,543,079.68	1,280,995.69	1,052,117.14	1,308,019.00
Tuition received	2,423,618.50	3,481,177.43	3,440,565.54	3,660,910.40	4,073,128.00	4,132,972.50	4,893,627.90	4,787,432.86	4,948,419.30
Investment earnings	21,386.81	44,294.06	92,819.43	117,873.65	82,396.69	32,333.08	16,696.72	7,910.24	4,490.37
Miscellaneous income	111,370.34	68,949.90	63,065.19	85,595.21	66,426.99	70,147.64	82,592.92	108,754.83	108,523.65
Transfers	(30,000.00)	(41,344.47)	(51,355.69)	(48,255.41)	(69,252.49)	(35,000.00)	(80,000.00)	(245,605.00)	(131,359.00)
Loss on disposal of capital assets	(3,710.55)	(8,679.48)	(15,399.37)	(5,784.01)	(436.70)	-	(3,994.45)	(2,884.21)	(37,732.93)
Unauthorized payments								(3,005.00)	
Total governmental activities	7,475,104.17	8,797,792.88	24,088,700.93	9,299,019.94	11,330,399.80	13,058,394.90	13,504,780.78	13,019,582.86	13,515,222.39
Business-type activities:									
Investment earnings	167.81	533.65	1,265.67	1,530.27	914.31	368.34	202.10	112.78	42.32
Transfers	30,000.00	41,344.47	51,355.69	48,255.41	69,252.49	35,000.00	80,000.00	245,605.00	131,359.00
Total business-type activities	30,167.81	41,878.12	52,621.36	49,785.68	70,166.80	35,368.34	80,202.10	245,717.78	131,401.32
Total district-wide	\$ 7,505,271.98	\$ 8,839,671.00	\$ 24,141,322.29	\$ 9,348,805.62	\$ 11,400,566.60	\$ 13,093,763.24	\$ 13,584,982.88	\$ 13,265,300.64	\$ 13,646,623.71
Changes in Net Assets									
Governmental activities	\$ (910,614.88)	\$ (491,886.78)	\$ 14,840,052.73	\$ (989,743.96)	\$ (360,712.70)	\$ (397,788.31)	\$ (1,061,106.10)	\$ (1,025,339.72)	\$ (616,517.67)
Business-type activities	(13,995.32)	17,804.30	27,554.38	8,888.42	(7,585.63)	25,742.76	935.58	135,877.55	7,331.69
Total district	\$ (924,610.20)	\$ (474,082.48)	\$ 14,867,607.11	\$ (980,855.54)	\$ (368,298.33)	\$ (372,045.55)	\$ (1,060,170.52)	\$ (889,462.17)	\$ (608,985.98)

Source: CAFR Schedule A-2

**Board of Education for Vocational Schools, County of Cape May**  
**Fund Balances, Governmental Funds,**  
**Last Nine Fiscal Years**  
*(modified accrual basis of accounting)*

Exhibit J-3

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,277,254.87	\$ 2,092,094.17
Committed								731,688.65	397,443.83
Assigned								531,250.67	304,914.63
Unassigned								-	-
Reserved	705,571.40	879,627.94	1,250,063.08	1,052,699.21	1,255,175.56	1,047,385.86	1,489,595.06	-	-
Unreserved	751,553.20	820,965.16	932,443.62	927,759.25	1,052,171.11	1,262,498.35	1,129,209.44	-	-
Total general fund	\$ 1,457,124.60	\$ 1,700,593.10	\$ 2,182,506.70	\$ 1,980,458.46	\$ 2,307,346.67	\$ 2,309,884.21	\$ 2,618,804.50	\$ 2,540,194.19	\$ 2,794,452.63
All Other Governmental Funds									
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,010.07	\$ 3,010.07
Committed								33,380.93	33,380.93
Reserved			156,203.45	4,670,141.45	1,080,871.80	70,803.37	33,380.93	-	-
Unreserved, reported in:									
Special revenue fund	(930.60)	(934.40)	(933.00)	(930.60)	(930.60)	-	-	-	-
Capital projects fund	175,211.46	-	13,910,242.93	1,652,085.08	507,519.01	11,576.70	16,180.07	-	-
Total all other governmental funds	\$ 174,280.86	\$ (934.40)	\$ 14,065,513.38	\$ 6,321,295.93	\$ 1,587,460.21	\$ 82,380.07	\$ 49,561.00	\$ 36,391.00	\$ 36,391.00

Source: CAFR Schedule B-1

**Board of Education for Vocational Schools, County of Cape May**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

Exhibit J-4

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
County appropriation	\$ 4,228,203	\$ 4,378,203	\$ 4,728,203	\$ 5,178,203	\$ 5,281,804	\$ 6,527,409	\$ 7,314,862	\$ 7,314,862	\$ 7,314,862	\$ 7,314,862
Tuition charges	1,838,106	2,423,618	3,481,177	3,440,566	3,660,910	4,073,128	4,132,972	4,893,628	4,787,433	4,948,419
Miscellaneous	296,261	330,713	370,050	438,133	528,127	468,227	493,409	530,827	524,767	593,832
County - capital	1,795,927		14,769,143		-	-	-	-	-	-
State sources	3,110,437	2,151,708	2,164,724	2,174,895	2,505,597	2,620,618	2,467,896	2,189,229	1,988,880	2,365,290
Federal sources	921,328	1,023,324	1,129,247	1,394,689	1,391,439	841,856	826,152	870,126	673,213	520,041
Total revenue	<u>12,190,262</u>	<u>10,307,566</u>	<u>11,873,401</u>	<u>27,395,629</u>	<u>13,367,877</u>	<u>14,531,238</u>	<u>15,235,291</u>	<u>15,798,672</u>	<u>15,289,155</u>	<u>15,742,444</u>
<b>Expenditures</b>										
Instruction:										
Regular instruction	1,703,029	1,878,838	2,113,281	2,232,975	2,544,388	2,427,669	2,530,493	2,576,034	2,677,648	2,577,017
Special instruction										
Vocational instruction	1,827,924	1,810,422	1,953,220	1,913,711	2,147,206	2,321,067	2,681,883	2,559,095	2,531,393	2,583,494
Other instruction	133,797	129,582	196,355	187,089	283,971	269,644	279,506	295,501	259,703	246,111
Support Services:										
Student & instruction related services	1,127,019	1,288,100	1,234,063	1,397,641	1,497,238	1,222,282	1,335,641	1,272,259	1,196,042	1,182,106
General & business administrative services	608,387	610,059	760,846	737,906	750,140	812,422	834,884	883,111	948,694	1,058,287
School administrative services	303,375	313,375	353,175	361,225	417,346	404,188	412,252	434,281	417,857	424,761
Plant operations and maintenance	825,450	830,525	1,002,373	1,013,463	1,068,140	1,199,625	1,303,226	1,295,319	1,877,964	1,777,773
Pupil transportation	106,232	100,353	97,181	97,174	101,946	122,626	127,290	118,934	95,293	95,106
Unallocated employee benefits	1,525,430	1,712,836	2,108,197	2,467,705	2,911,115	3,320,451	3,387,210	3,816,664	3,268,426	3,594,815
Special schools	1,496,171	1,497,102	1,601,915	1,517,242	1,746,670	1,820,564	1,960,172	1,944,591	1,287,557	1,308,422
Capital outlay	2,932,972	249,323	168,702	869,780	7,797,728	4,948,395	1,850,277	246,782	571,748	508,935
Total Expenditures	<u>12,589,786</u>	<u>10,420,515</u>	<u>11,589,308</u>	<u>12,795,911</u>	<u>21,265,888</u>	<u>18,868,933</u>	<u>16,702,834</u>	<u>15,442,571</u>	<u>15,132,325</u>	<u>15,356,827</u>
Excess (Deficiency) of revenues over (under) expenditures	(399,524)	(112,949)	284,093	14,599,718	(7,898,011)	(4,337,695)	(1,467,543)	356,101	156,830	385,617
<b>Other Financing Sources (Uses)</b>										
Transfers in										
Transfers out	(58,315)	(30,000)	(41,344)	(51,356)	(48,255)	(69,252)	(35,000)	(80,000)	(245,605)	(131,359)
Cancellations			(174,495)							
Unauthorized payments			(215,839)							
Total other financing sources (uses)	<u>(58,315)</u>	<u>(30,000)</u>	<u>(215,839)</u>	<u>(51,356)</u>	<u>(48,255)</u>	<u>(69,252)</u>	<u>(35,000)</u>	<u>(80,000)</u>	<u>(245,605)</u>	<u>(131,359)</u>
Net change in fund balances	\$ (457,839)	\$ (142,949)	\$ 68,254	\$ 14,548,362	\$ (7,946,266)	\$ (4,406,947)	\$ (1,502,543)	\$ 276,101	\$ (91,780)	\$ 254,258

Source: CAFR Schedule B-2

Board of Education for Vocational Schools, County of Cape May  
 General Fund Other Local Revenue by Source,  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Non-Resident Fees	Registration Fees	Use of Facilities	Bookstore	Miscellaneous	Totals
2003	\$ 34,850.59	\$ 1,838,106.00	\$ 7,052.00	\$ 190,841.33	\$ 31,721.37	\$ 15,916.68	\$ 15,378.83	\$ 2,133,866.80
2004	21,322.81	2,423,618.50	10,003.50	190,401.07	46,045.75	12,268.85	50,170.99	2,753,831.47
2005	44,294.06	3,481,177.43	-	247,537.46	22,054.03	11,496.20	44,668.55	3,851,227.73
2006	92,819.43	3,440,565.54	17,800.00	265,607.83	6,162.27	11,032.25	34,232.94	3,868,220.26
2007	117,873.65	3,660,910.40	9,000.00	303,837.37	2,184.72	13,364.44	81,035.49	4,188,206.07
2008	82,396.69	4,073,128.00	-	318,600.65	-	19,940.00	46,486.99	4,540,552.33
2009	32,333.08	4,132,972.50	28,440.00	347,176.65	-	15,663.50	54,484.14	4,611,069.87
2010	16,696.72	4,893,627.90	42,429.00	368,721.82	-	20,429.00	75,828.92	5,417,733.36
2011	7,932.36	4,787,432.86	44,298.50	362,674.14	-	19,615.25	89,117.46	5,311,070.57
2012	4,490.37	4,948,419.30	36,648.00	411,432.26	-	13,013.44	95,510.21	5,509,513.58

Source: District Records

**Board of Education for Vocational Schools, County of Cape May  
 Demographic and Economic Statistics,  
 Last Ten Fiscal Years** **Exhibit J-14**

Fiscal Year Ended June 30,	(a)	(b)	(c)	(d)
	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2003	101,335	3,683,020,575	36,345	9.9%
2004	99,920	3,847,919,200	38,510	6.8%
2005	98,558	3,943,896,928	40,016	6.4%
2006	97,814	4,101,145,392	41,928	6.8%
2007	96,700	4,289,612,000	44,360	6.5%
2008	96,470	4,509,683,090	46,747	8.0%
2009	96,091	4,420,666,455	46,005	11.4%
2010	97,250	4,619,180,500	47,498	13.3%
2011	Not Available	Not Available	Not Available	12.5%
2012	Not Available	Not Available	Not Available	Not Available

**Source:**

- (a) U.S. Bureau of Census - Population Division - Cape May County
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

Board of Education for Vocational Schools, County of Cape May  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years

Exhibit J-16

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction:										
140 Regular instruction	26.0	25.0	27.0	29.0	31.0	32.0	33.0	33.5	33.50	33.50
N/A Special education instruction	-	-	-	-	-	-	-	-	-	-
320 Other special education instruction	7.0	7.0	7.0	8.0	9.5	10.5	11.5	12.5	10.50	10.50
310 Vocational education	27.5	27.5	24.5	22.0	24.0	29.0	28.4	27.5	26.91	26.91
150 Other instruction	-	-	-	-	-	-	-	-	-	-
N/A Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
330 Adult/continuing education programs	6.5	6.5	7.0	8.5	2.0	6.0	7.6	7.8	8.34	8.34
Support Services:										
Tuition										
211-219,222 Student & instruction related services	10.0	10.0	10.0	10.0	9.0	10.4	10.4	9.4	11.50	11.50
230 General administrative services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.00	3.50
240 School administrative services	8.0	8.0	8.0	8.0	9.0	6.0	6.0	6.0	5.00	5.00
221 Other administrative services	9.0	9.0	5.5	5.5	4.0	6.0	5.0	5.0	4.00	4.00
290,251 Business administrative services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.00	5.00
252 Administrative Information Technology	-	-	3.0	3.0	3.0	4.0	4.0	4.0	4.00	4.00
261-262 Plant operations and maintenance	16.0	17.0	17.0	17.0	16.0	17.0	17.0	17.0	17.00	17.00
N/A Pupil transportation	-	-	-	-	-	-	-	-	-	-
Special schools	-	-	-	-	-	4.0	4.0	4.0	5.00	5.00
Food Service	-	-	-	-	-	0.5	0.5	0.5	0.50	0.50
Child Care	-	-	-	-	-	3.0	2.0	1.7	1.75	1.75
Various	-	-	-	-	-	-	-	-	-	-
Other	2.0	20.0	3.0	3.0	3.0	-	-	-	-	-
<b>Total</b>	<b>121.0</b>	<b>139.0</b>	<b>121.0</b>	<b>123.0</b>	<b>119.5</b>	<b>137.4</b>	<b>138.4</b>	<b>137.9</b>	<b>136.00</b>	<b>136.50</b>

Source: District Personnel Records (Position Control Roster, Payroll Breakdown Reports)

Board of Education for Vocational Schools, County of Cape May  
 Operating Statistics,  
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Overall District	District				
2003	745	12,648,101	16,977	35.51%	77	8.12:1	8.12:1	625	600	11.11%	96.08%
2004	756	10,450,515	13,823	-18.58%	76	8.21:1	8.21:1	625	589	-0.05%	94.32%
2005	785	11,630,652	14,816	7.18%	79	4.95:1	4.95:1	624	587	-0.13%	94.15%
2006	785	12,847,267	16,366	10.46%	80	7.8:1	7.8:1	629	601	0.82%	95.60%
2007	666	21,314,143	32,003	95.55%	80	8.33:1	8.33:1	624	566	-0.78%	90.71%
2008	672	18,938,185	28,182	-11.94%	82	8.20:1	8.20:1	648	604	3.85%	93.21%
2009	737	16,737,834	22,711	-19.41%	82	8.99:1	8.99:1	692	642	6.79%	92.77%
2010	742	15,522,571	20,920	-7.89%	83	8.94:1	8.94:1	705	656	1.88%	93.05%
2011	725	15,380,935	21,230	1.48%	80	9.06:1	9.06:1	691	644	-1.99%	93.20%
2012	719	15,488,186	21,556	1.54%	81	8.87:1	8.87:1	688	643	-0.43%	93.46%

Source: District records, ASSA and Schedule J-14

Board of Education for Vocational Schools, County of Cape May  
 School Building Information,  
 Last Ten Fiscal Years

Exhibit J-18

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b><u>District Buildings</u></b>										
<b><u>Technical School</u></b>										
CMC VOTech H.S. Instructional-(100,200,300 Bldgs)(1969)										
Square Feet	224,724	224,724	224,724	224,724	224,724	224,724	224,724	224,724	224,724	224,724
Capacity (students)	652	652	652	652	652	652	652	652	652	652
Enrollment	610	625	561	635	624	648	692	705	691	688
<b><u>Other</u></b>										
Greenhouse [400] Building (1960 & 1985)	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032
Square Feet										
Service Station [500] Building (1997)	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618
Square Feet										
Broadley Administration [600] Building (1993)	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590	3,590
Square Feet										
Senior Citizen House [700] Building (1972)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Square Feet										
Other Misc. Buildings (1970 & 1975)	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025
Square Feet										

Number of Schools at June 30, 2012

Elementary - 0

Middle - 0

Other - 6

Source: District Records (LRFP), ASSA, School Register Summaries

Board of Education for Vocational Schools, County of Cape May  
 General Fund  
 Schedule of Required Maintenance for School Facilities,  
 Last Ten Fiscal Years  
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities  
 11-000-261-XXX

School Facilities	Project # (s)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Technical School - Only Building	N/A	\$ 113,981.41	\$ 90,797.46	\$ 130,647.28	\$ 129,202.80	\$ 119,877.82	\$ 142,811.60	\$ 140,569.26	\$ 179,713.52	\$ 270,759.66	\$ 297,880.89
Total School Facilities		<u>113,981.41</u>	<u>90,797.46</u>	<u>130,647.28</u>	<u>129,202.80</u>	<u>119,877.82</u>	<u>142,811.60</u>	<u>140,569.26</u>	<u>179,713.52</u>	<u>270,759.66</u>	<u>297,880.89</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 113,981.41</u>	<u>\$ 90,797.46</u>	<u>\$ 130,647.28</u>	<u>\$ 129,202.80</u>	<u>\$ 119,877.82</u>	<u>\$ 142,811.60</u>	<u>\$ 140,569.26</u>	<u>\$ 179,713.52</u>	<u>\$ 270,759.66</u>	<u>\$ 297,880.89</u>

Source: District Records

**Board of Education for Vocational Schools, County of Cape May**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2012**  
*(Unaudited)*

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
<b>New Jersey School Boards Association Insurance Group</b>		
<b>Package Policy</b>		
<b>Property</b>		
Blanket Real & Personal Property - per occurrence	\$ 500,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Vaulable Papers & Records	10,000,000	5,000
Demolition & Increased Cost of Construction - per occurrence	10,000,000	
Loss of Business Income/Tuition	3,000,000	
Fire Department Service Charge	10,000	
Arson Award	10,000	
Pollutant Cleanup and Removal	250,000	
Sublimits: Flood Zones (SFHA)		
per occurrence	10,000,000	
NJSBAIG annual aggregate	10,000,000	
per building - zones prefix A & V		500,000
per building contents		500,000
Accounts Receivable - per occurrence	250,000	
All Other Flood Zones - per occurrence/NJSBAIG annual aggregate	50,000,000	
per occurrence/per member (subject to max retained ded. Of \$1,000,000 to NJSBAIG)		10,000
Earthquake		
per occurrence	50,000,000	
NJSBAIG annual aggregate	50,000,000	
Terrorism		
per occurrence	1,000,000	
NJSBAIG annual aggregate	1,000,000	
<b>Electronic Data Processing</b>		
Blanket Hardware/Software - per occurrence	3,297,000	1,000
Blanket Extra Expense	Included	
Coverage Extensions:		
Transit	25,000	
Loss of Income	10,000	
Terrorism	Included in Property	
Flood - per occurrence	1,000,000	
Zones A & V - per building contents		500,000
All Other Flood Zones:		
per occurrence/per member (subject to max retained ded. Of \$1,000,000 to NJSBAIG)		10,000
<b>Equipment Breakdown</b>		
Combined Single Limit per Accident for Property Damage & Business Income	100,000,000	
Sublimits:		
Property Damage	Deductible-per accident	Included
Off Premises Property Damage		100,000
Business Income		Included
Extra Expense	Deductible-per accident	10,000,000
Service Interruption	Deductible-per accident	10,000,000
Perishable Goods		500,000
Data Restoration		100,000
Contingent Business Income		100,000
Demolition		1,000,000
Ordinance or Law		1,000,000
Expediting Expenses		500,000
Hazardous Substances		500,000
Newly Acquired Locations (60 days notice)	Deductible-Waiting Period 60 Days	250,000
Terrorism		Included
Interruption of Service Waiting Period 24 Hours		
<b>Crime</b>		
Faithful Performance Limit	25,000	500
Money & Securities Limit	25,000	500
Forgery or Alteration Limit	25,000	500
Computer Fraud Limit	25,000	500
Public Officials Bond - Paula Smith	Board Secretary	25,000
Public Officials Bond - James V. Craft	Treasurer	195,000

**Board of Education for Vocational Schools, County of Cape May**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2012**  
*(Unaudited)*

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
<b>Comprehensive General Liability</b>		
Bodily Injury & Property Damage	16,000,000	
Bodily Injury from Products & Operations - annual aggregate	16,000,000	
Personal Injury & Advertising Injury - per occurrence/annual aggregate	16,000,000	
Sexual Abuse	16,000,000	
	per occurrence	
	annual pool aggregate	
	17,000,000	
Employee Benefit Liability - per occurrence/annual aggregate	16,000,000	1,000
Premises Medical Payments	per accident	
	10,000	
	per person	
	5,000	
Terrorism	per occurrence	
	1,000,000	
	NJSBAIG annual aggregate	
	1,000,000	
<b>Automobile</b>		
<b>Liability</b>		
Combined Single Limits for Bodily Injury & Property Damage	16,000,000	1,000
Uninsured/Underinsured Motorists	Private Passenger Auto	
	1,000,000	
Uninsured/Underinsured Motorists	All Other Vehicles - bodily injury per person	
	15,000	
	All Other Vehicles - bodily injury per accident	
	30,000	
	All Other Vehicles - property damage per accident	
	5,000	
Personal Injury Protection (including pedestrians)	250,000	
Medical Payments	Private Passenger Vehicles	
	10,000	
	All Other Vehicles	
	5,000	
Terrorism	per occurrence	
	1,000,000	
	NJSBAIG annual aggregate	
	1,000,000	
<b>Physical Damage</b>		
Comprehensive	1,000,000	
Collision	1,000,000	
Hired Car Physical Damage	1,000,000	
<b>Garage Keepers</b>	Included	
<b>Workers Compensation</b>	Statutory	
<b>Employers Liability</b>	Each Accident, Employee, Aggregate Limit	
	2,000,000	
<b>Errors &amp; Omissions Policy</b>		
Coverage A Limit of Liability - Each Policy Period	Deductible-each claim	5,000
	16,000,000	
Coverage B Limit of Liability - Each Policy Period	Deductible-each claim	5,000
	300,000	
Coverage B Limit of Liability - Each Claim	100,000	
<b>Student Accident Policies</b>		
Excess Medical	5,000,000	25,000
Accident Death & Dismemberment	20,000	
Catastrophic Injury	1,000,000	

Source: District records.

# **Single Audit Section**

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**K-1 REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable President and  
Members of the Board of Education  
for Vocational Schools  
County of Cape May, New Jersey

We have audited the financial statements of the Board of Education for Vocational Schools in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated October 12, 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 Board of Education for Vocational Schools in the County of Cape May is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Board of Education for Vocational Schools in the County of Cape May's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education for Vocational Schools in the County of Cape May's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education for Vocational Schools in the County of Cape May'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Glen J. Ortman*  
**Glen J. Ortman**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 853**

**October 12, 2012**

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**K-2 REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and  
Members of the Board of Education  
for Vocational Schools  
County of Cape May, New Jersey

**Compliance**

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

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

In our opinion, the Board of Education for Vocational Schools in the County of Cape May, New Jersey complied, in all material respects, with the compliance 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

The management of the Board of Education for Vocational Schools District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's 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 School District's internal control over compliance.

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

Our consideration of the 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 described above.

This report is intended for the information of the management of the Board of Education for Vocational Schools in the County of Cape May, the New Jersey State Department of Education (the cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Glen J. Ortman*  
**Glen J. Ortman**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 853**

**October 12, 2012**

**Board of Education for Vocational Schools, County of Cape May  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) 06/30/2012	Deferred Revenue/ 06/30/2012	Due to Grantor June 30, 2012
<b>U.S. Department of Education Passed-Through State Department of Education General Fund:</b>												
Education Jobs Fund	84.410A	8/10/2010	\$ 59,179.00	\$ -	\$ -	\$ 51,326.50	\$ (59,179.00)	\$ -	\$ -	\$ (7,852.50)	\$ -	\$ -
Total General Fund						\$ 51,326.50	\$ (59,179.00)	\$ -	\$ -	\$ (7,852.50)	\$ -	\$ -
<b>U.S. Department of Education Passed-Through State Department of Education</b>												
Special Revenue Fund:												
Title I, Part A Cluster:												
Title I, Part A	84.010A	9/1/2011	\$ 69,297.00	\$ -	\$ -	\$ 31,820.00	\$ (44,241.09)	\$ -	\$ -	\$ (12,421.09)	\$ -	\$ -
Title I, Part A	84.010A	9/1/2010	80,075.00	(38,022.99)	(15,420.01)	53,443.00	(15,420.01)					
Title I, Part A (Carryover)	84.010A	9/1/2010	80,075.00	(20,192.00)	15,420.01	20,192.00						
ARRA - Title I, Part A	84.389	7/1/2009	23,117.00	(58,214.99)	-	105,455.00	(58,661.10)			(12,421.09)		
Total I, Part A Cluster												
Title IIA, Eisenhower	84.367	9/1/2011	13,624.00			708.00	(13,624.00)			(12,916.00)		
Title IIA, Eisenhower (Carryover)	84.367	9/1/2010	13,699.00	(10,033.00)	2,008.15	10,685.00	(2,008.15)	1,386.15				
Title IIA, Eisenhower	84.367	9/1/2010	13,699.00	(151.00)	151.00							
Vocational Education:												
Carl Perkins Secondary	84.048A	7/1/2010	68,951.00	(38,786.00)		38,786.00						
Carl Perkins Secondary	84.048A	7/1/2011	62,727.00			36,422.00	(62,727.00)			(26,305.00)		
Adult Basic Education - GED	84.002A	9/1/2010	141,309.00	(35,377.12)		35,377.12						
Adult Basic Education - Civics	84.002A	9/1/2010	45,036.00	(3,053.57)		3,053.57						
Special Education Cluster (IDEA):												
I.D.E.A. Part B	84.027A	9/1/2010	90,995.00	(23,675.38)	(11,392.62)	35,068.00	(11,392.62)					
I.D.E.A. Part B (Carryover)	84.027A	9/1/2010	90,995.00		11,392.62		(11,392.62)					
I.D.E.A. Part B	84.027A	9/1/2011	100,432.00	(14,182.00)		64,304.00	(94,486.65)			(30,182.65)		
ARRA - I.D.E.A. Part B (Carryover)	84.391	7/1/2009	146,491.00	(37,857.38)	-	113,554.00	(105,879.27)			(30,182.65)		
Total Special Education Cluster (IDEA)												
Sub-total - Passed thru State Department of Education				(183,473.06)	-	344,191.69	(243,899.52)	1,386.15	-	(81,824.74)	-	-
<b>U.S. Department of Education (Passed-Through State Department of Labor and Workforce Development Passed-Through Atlantic Cape Community College):</b>												
Consolidated Adult Basic Skills - GED	84.002A	7/1/2011	173,725.00			107,241.34	(134,327.00)			(27,085.66)		
Consolidated Adult Basic Skills - Civics	84.002A	7/1/2011	39,398.00			31,840.59	(39,398.00)			(7,557.41)		
Sub-total Passed thru Atlantic Cape Community College						139,081.93	(173,725.00)			(34,643.07)		

**Board of Education for Vocational Schools, County of Cape May  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) 06/30/2012	Deferred Revenue/ 06/30/2012	Due to Grantor June 30, 2012
<b>U.S. Department of Labor (Passed through Atlantic Cape May- Workforce Investment Board)</b>												
Special Revenue Fund:												
Workforce Investment Board	17.259	7/1/2011	\$ 18,919.00	\$ -	\$ -	\$ 15,528.40	\$ (16,919.00)	\$ -	\$ -	\$ (3,390.60)	\$ -	\$ -
Workforce Investment Board	17.259	7/1/2010	20,000.00	(4,022.92)	-	4,022.92	-	-	-	-	-	-
Workforce Investment Board - Summer Youth Academic program	17.259	5/1/2012	9,733.00	(4,022.92)	-	19,551.32	(823.76)	-	-	(823.76)	-	-
Sub-total - Passed thru Atlantic Workforce Investment Board				(187,495.98)	-	502,824.94	(437,367.28)	1,356.15	-	(120,682.17)	-	-
Total Special Revenue Fund												
<b>U.S. Department of Agriculture Passed-Through State</b>												
Enterprise Funds:												
Food Distribution Program	10.550	7/1/2010	15,609.09	1,374.67	(1,374.67)	-	-	-	-	-	-	-
Food Distribution Program	10.550	7/1/2010	15,609.09	-	1,374.67	-	(1,374.67)	-	-	-	-	-
Food Distribution Program	10.550	7/1/2011	16,201.00	-	-	16,201.00	(15,375.75)	-	-	-	825.25	-
Child Nutrition Cluster:												
National School Lunch Program	10.555	7/1/2011	55,705.25	-	-	50,535.24	(55,705.25)	-	-	(5,170.01)	-	-
National School Lunch Program	10.555	7/1/2010	51,794.52	(1,750.64)	-	1,750.64	(8,660.86)	-	-	(366.70)	-	-
School Breakfast Program	10.553	7/1/2011	8,066.86	(320.18)	-	8,302.16	(8,660.86)	-	-	-	-	-
School Breakfast Program	10.553	7/1/2010	8,066.58	(2,070.82)	-	320.18	(64,366.11)	-	-	(6,528.71)	-	-
Total Child Nutrition Cluster				(696.15)	-	77,109.22	(81,116.53)	-	-	(6,528.71)	825.25	-
Total Enterprise Funds				(188,192.13)	-	631,260.66	(577,662.81)	1,356.15	-	(134,063.39)	825.25	-
<b>Total Federal Financial Awards</b>												

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

Board of Education for Vocational Schools, County of Cape May  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2012			MEMO
				Deferred Revenue (Accts Receivable)	Due to Grantor					Deferred Revenue	Due to Grantor	Budgetary Receivable	
<b>State Department of Education</b>													
<b>General Fund:</b>													
Reimbursed TPAF Social Security Contributions	12-100-034-5095-004	7/1/2011	440,319.81	\$	\$	\$	440,319.81	(440,319.81)	\$	\$	\$	\$	\$
State Aid Public Cluster:													
Categorical Special Education Aid	12-465-034-5120-089	7/1/2011	319,068.00				319,068.00	(319,068.00)				31,728.79	319,068.00
Categorical Security Aid	12-465-034-5120-090	7/1/2011	44,000.00				44,000.00	(44,000.00)				7,471.22	44,000.00
Categorical Security Aid	12-465-034-5120-084	7/1/2011	75,120.00				75,120.00	(75,120.00)				127,244.00	75,120.00
Total State Aid Public Cluster							1,279,539.00	(1,279,539.00)				127,244.00	1,279,539.00
Total General Fund							1,719,859.81	(1,719,859.81)				127,244.00	1,719,859.81
<b>Special Revenue Fund:</b>													
Vocational Education:													
Apprenticeship Coordinator	11-100-034-5062-032	6/30/2011	11,107.00	(2,563.90)			2,563.90						
Vocational Aid - Apprenticeship Coordinator	12-100-034-5062-032	6/30/2012	11,071.00			8,471.82		(11,071.00)		(2,599.38)			11,071.00
Vocational Aid - Four-Year Green Program of Study Pilot Program	11-100-034-5062-032-H200	2/1/2011	6,000.00	(1,316.00)		6,000.00							1,316.00
Vocational Aid - Four-Year Green Program of Study Pilot Program	11-100-034-5062-032-H200	2/1/2011	6,000.00					(4,684.00)					4,684.00
Study Program Year 2	13-100-034-5062-032-H200	2/1/2012	6,000.00										6,000.00
Carl Perkins Secondary Reserve	PSFS Reserve 72011	7/1/2010	6,000.00				1,682.39						6,000.00
Carl Perkins Secondary Reserve	PSFS Reserve 72011	7/1/2010	18,844.00				5,068.00						18,844.00
Carl Perkins Post Secondary	PSFS Reserve 72012	2/1/2011	15,988.00	(5,068.00)			10,283.00				1,081.85		15,988.00
Carl Perkins Post Secondary	PSFS Reserve 72012	2/1/2011	93,980.00				82,702.00				(5,695.00)		93,980.00
Carl Perkins Post Secondary	PSFS Reserve 72011	7/1/2010	83,454.00	(25,963.00)			25,583.00				(11,278.00)		83,454.00
Sub-Total Special Revenue Fund				(34,530.90)			142,383.91	(126,323.54)			1,081.85		211,093.54
Total Special Revenue Fund				(34,530.90)			142,383.91	(126,323.54)			1,081.85		211,093.54
<b>State Department of Agriculture</b>													
<b>Enterprise Fund:</b>													
National School Lunch Program (State Share)	12-100-010-3350-023	7/1/2011	2,417.63			2,328.28		(2,417.63)		(89.35)			2,417.63
National School Lunch Program (State Share)	11-100-010-3350-023	7/1/2010	2,485.72	(211.17)		211.17							
Total Enterprise Fund				(211.17)			2,539.45	(2,417.63)		(89.35)			2,417.63
<b>Total State Financial Assistance</b>				(34,742.07)			1,864,762.17	(1,846,599.99)				127,244.00	1,933,369.98

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
K-5 NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2012**

**Note 1: General**

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

**Note 2: Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting, and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's basic financial statements.

**Note 3: Relationship to Basic Financial Statements**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year whereas GAAP reporting, revenue is not recognized until the subsequent year or when the 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 special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$30,699.00 for the General Fund and \$24,397.97 for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis on the following page:

**BOARD OF EDUCATION FOR VOCATIONAL SCHOOLS  
COUNTY OF CAPE MAY  
K-5 NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2012  
(CONTINUED)**

**Note 3: Relationship to Basic Financial Statements - Continued**

	<u>Federal</u>	<u>State</u>	<u>TPAF Pension</u>	<u>Total</u>
General Fund	\$ 59,179.00	\$ 2,238,105.81	\$ (548,946.00)	\$ 1,748,338.81
Special Revenue Fund	460,862.38	127,184.51		588,046.89
Food Service Fund	<u>80,567.11</u>	<u>2,417.63</u>		<u>82,984.74</u>
Total Financial Award Revenues	<u>\$ 600,608.49</u>	<u>\$ 2,367,707.95</u>	<u>\$ (548,946.00)</u>	<u>\$ 2,419,370.44</u>

**Note 4: Relationship to Federal and State Financial Reports**

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

**Note 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 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.

**Note 6: Adjustments**

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year. The adjustments on the following page were a result of prior encumbrances being canceled.

<b>Federal:</b>	
Title IIA, Eisenhower	\$ 1,356.15
	<u>\$ 1,356.15</u>

**BOARD OF EDUCATION  
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY  
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

**Financial Statements**

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- 2) Significant deficiencies identified? \_\_\_\_\_ Yes      X   None reported

Non-compliance material to basic financial statements noted? \_\_\_\_\_ Yes      X   No

**Federal Awards**

Internal Control over major programs:

- 1) Material weakness(es) identified: \_\_\_\_\_ Yes      X   No
- 2) Significant deficiencies identified? \_\_\_\_\_ Yes      X   None reported

Type of auditor's report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ Yes      X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.002	Adult Basic Education

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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

**BOARD OF EDUCATION  
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY  
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

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

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?  X  Yes      No

Type of auditor's report issued on compliance for major programs: Unqualified Opinion

Internal Control over major programs:

1) Material weakness(es) identified?      Yes  X  No

2) Significant deficiencies identified?      Yes  X  None reported

Any audit findings disclosed that are required to be reported  
In accordance with NJOMB Circular Letter 04-04?      Yes  X  No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
State Aid – Public Cluster: 495-034-5120-089 495-034-5120-084 495-034-5120-085	Special Education Categorical Aid Security Aid Adjustment Aid

***Section II - Financial Statement Findings***

None

***Section III - Federal Awards and State Financial Assistance Statement Findings and Questioned Costs***

**FEDERAL AWARDS**

None

**STATE AWARDS**

None

**MANAGEMENT RESPONSES**

Management is required to respond to findings and recommendations in the audit report. A corrective action plan is required to be filed with the Executive County Superintendent of Schools within 30 days of the filing of this report, if any findings and recommendations are noted in the audit report.

**BOARD OF EDUCATION  
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY  
K-7 SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**STATUS OF PRIOR YEAR FINDINGS**

**FINANCIAL STATEMENT FINDINGS**

**FINDING #11-1:**

Finding: As a result of the District's implementation of additional internal controls over Post-Secondary tuition billings and receipts, the District found some cash receipts for student payments of tuition that were not deposited into the school district's bank accounts.

Recommendation: That internal controls, over the billing and collection of Post-Secondary student tuition, continue to be monitored in order to ensure all funds are deposited into the school district's bank accounts.

Current Year Status: The internal controls are being monitored and no comment is warranted in the current year.