

# **Comprehensive Annual Financial Report**

**of the**

**Gloucester County  
Vocational-Technical School District**

**Deptford, New Jersey**

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
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## INTRODUCTORY SECTION



## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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1360 TANYARD ROAD · SEWELL, NEW JERSEY 08080  
856-468-1445 · FAX 856-468-3397

December 3, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Gloucester County Vocational-Technical School District (District) for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the independent auditor's report, required supplementary information – part I (Management's Discussion & Analysis), the basic financial statements, notes to the financial statements, required supplementary information – part II, notes to the required supplementary information and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## 1. Reporting Entity and Its Services

The Gloucester County Vocational-Technical School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Gloucester County Vocational-Technical School District Board of Education and all of its programs and projects constitute the District's reporting entity.

The Gloucester County Vocational-Technical School District is one of 21 county career-technical schools in New Jersey. The District successfully completed its conversion to a comprehensive full-time high school. Applications for acceptance to the Gloucester County Institute of Technology continue to exceed seats available. A list of programs offered to incoming students in the 2011-2012 school year follows:

### A. Career-Technical Programs

School of Construction Technology	School of Cosmetology
School of Transportation Technology	School of Culinary Arts

### B. Academies

Southern New Jersey Academy of the Performing Arts – Dance/Drama  
Academy of Information Technology and Digital Communication  
Academy of Finance and Business Management  
Academy of Allied Health and Medical Science

### C. Shared-Time Vocational Programs

Emergency Response & Fire Science	Law Enforcement
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### D. Post-Secondary Adult Programs

Career-Technical Training Programs	Adult Regional High School
Customized Training Programs	Youth One Stop Program

### E. Community Use of Facilities

Aquatics Center	Fitness Center
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## **2. Major Initiatives**

### **A. Current Year Accomplishments**

Gloucester County Vocational-Technical School District's Gloucester County Institute of Technology (GCIT) used to be called area education's best-kept secret, but the record number of applicants substantiates its solid reputation and growing popularity in the county, making GCIT a school of choice for many high school students.

Thanks to our supportive Board of Education, faculty, staff, parents, and students, GCIT is ranked high on the list of New Jersey high schools, winning a best practice award on two occasions and the coveted NJ Star School designation from the New Jersey Department of Education.

Since its inception in 2000, full-time Academy Programs offer students a well-rounded education, integrating career, academic, and industry excellence. Students who pursue post-secondary high school goals have been successful in both attaining college and/or post-secondary training goals.

The diverse academy student population at GCIT is afforded high-tech instruction as students participate in interactive distance learning and receive complementary and cutting-edge instruction via mobile computer labs, software, and smart-board technology.

Career-Technical programs at GCIT prepare students for careers in demand through hands-on learning—integrating academics and industry standards. A record number of students have applied for admission to GCIT indicating the necessity of career-technical education and post-secondary opportunity.

Career-Technical students have several options awaiting them upon graduation. These options include entering the workforce, apprenticeship programs, and a pathway to college or other post-secondary training options. GCIT participates in an articulation agreement with Gloucester County College through which GCIT students may earn college credits while still in high school.

With guidance from business and industry, our school-to-careers program provides valuable work experience, income, and graduation credits for interested students.

### **B. District Goals for 2011-2012**

- Maintain and enhance all current programs for both districts.
- Reconfigure space at the Bankbridge Regional School, Bankbridge Development Center, Herbert Building (GCC) and the Gloucester County Vocational–Technical School to accommodate the Alternative High School, Medical Disabilities, and Youth One Stop programs.
- Explore cost-saving green initiatives to reduce utilities costs.
- Develop and initiate the Pre-Engineering Academy at GCIT in partnership with Gloucester County College and Rowan University to provide students with post-secondary opportunities.

- Continue to evaluate the sustainability of the Senior Transition to Employment Program (STEP).
- Continue to maintain close supervision of fiscal operations and seek every opportunity to cut operating costs through attrition and shared services.
- Implement internal controls and procedures to address the impact of the Health and Benefits reform legislation on the Business Department.
- Realign staff positions, job titles, and salary ranges for all employees.
- Continue to participate in the shared services initiatives which help to advance the positions of the Gloucester County Educational campus.
- Continue to support the work of the teacher evaluation committee and prepare the District's evaluation tool to meet the new requirements.
- Review current labor trends and settlements to prepare for contract negotiations in the fall with all associations.
- Conclude contract negotiations with the Gloucester County Vocational –Technical School Principals' and Supervisors' Association for the 2011-2012 school year.
- Develop and implement a strategic social media and marketing plan, which will improve communication and community awareness.

### **3. Internal Accounting Controls**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting 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. Internal control is also subject to periodic evaluation by the District management.

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

### **4. Budgetary Controls**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. 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 funds. 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

## **5. Accounting System and Reports**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups.

## **6. Cash Management**

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

## **7. Risk Management**

The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, worker's compensation, disability, and student insurance. During 2011-2012 insurance coverage of the Gloucester County Vocational-Technical School District was carried via the New Jersey School Boards Association Insurance Group, administered by Hardenbergh Insurance Group.

## **8. Other Information**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company, LLP, was selected by the Board's audit committee. 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 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the financial statements and the combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**9. Acknowledgments**

We would like to express our appreciation to the members of The Board of Education of the Special Services School District and the Vocational School District of the County of Gloucester, and to the Gloucester County Board of Chosen Freeholders for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office Staff.

Respectfully submitted,

Michael C. Dicken  
Superintendent



Marjorie M. Workman, CPA  
Assistant Superintendent for Business/Board Secretary

**THE BOARD OF EDUCATION OF THE SPECIAL SERVICES SCHOOL DISTRICT AND  
THE VOCATIONAL SCHOOL DISTRICT OF THE COUNTY OF GLOUCESTER**

**GCIT**

**\*\* Michael C. Dicken  
Superintendent**

**\*\* Marjorie Workman  
Asst. Superintendent for Business/Bd. Sec.**

**\*\*Brian Shakespeare  
Director of Curriculum &  
Instruction/Professional Development**

**\*\*Kathleen White  
Supervisor of Student Assessment**

**Gina Mateka  
Dir. of Career & Tech. Prog./Principal**

**Barbara Cheston  
Assistant Principal**

**James Clarke  
Assistant Principal/Athletic Director**

**Gregory Wright  
Assistant Principal**

**\*\*James Dundee  
Director of Special/Vocational Education**

**Arlene Powers  
Supervisor of Child Study**

**Christine Deek  
Director of Pupil Personnel Services**

**Donna Wynne  
Supervisor of Guidance**

**\*\*Susan Heiken  
Director of Clinical Services**

**GCIT  
ADMINISTRATIVE  
ORGANIZATION  
CHART**

**\*\*Shared employment with GCSSSD  
June 30, 2012**

**BOARD OF EDUCATION  
GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SEWELL, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2012**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Marlene A. McConnell, President	6/30/2012
Robert P. Wooton, Vice President	6/30/2015
William C. Packer III (Appointed 3/5/12)	6/30/2013
Frank J. DiMarco (Appointed 3/5/12)	6/30/2013
Albert F. Frattali	6/30/2015
Leona Mather (Resigned 12/21/2011)	12/21/2011
Adam Taliaferro (Resigned 12/21/2011)	12/21/2011
Anthony W. Wilcox	6/30/2014
Robert Bumpus, Acting Executive County Superintendent	
<b><u>Other Officials</u></b>	
Michael Dicken, Superintendent	
Marjorie M. Workman, Assistant Superintendent for Business	
Lisa Finnegan, Comptroller	

**BOARD OF EDUCATION  
GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

Bowman & Company LLP  
6 N. Broad Street, Suite 201  
Woodbury, New Jersey 08096

**Attorneys**

**Board Solicitor**

Louis Cappelli Jr., Esq.  
Florio, Perrucci, Steinhardt & Fader  
108 Euclid Street  
Woodbury, NJ 08096

**Labor Attorney**

Susan M. Leming, Esq.  
Brown & Connery, LLP  
360 Haddon Avenue  
Westmont, New Jersey 08108

**Construction Attorney**

Bradley K. Sclar, Esq.  
Parker McCay  
Three Greentree Center  
7001 Lincoln Drive West  
P.O. Box 974  
Marlton, New Jersey 08053

**Official Depositories**

TD Bank  
1701 Route 70 East  
Cherry Hill, New Jersey 08034

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gloucester County Vocational Technical School District, a component unit of the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Gloucester County Vocational Technical School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2012 on our consideration of the Gloucester County Vocational Technical School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed 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 of 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 opinions on the financial statements that collectively comprise the Gloucester County Vocational Technical School District's financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has 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 accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester County Vocational Technical School District's basic financial statements. The introductory section and statistical section listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 3, 2012

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gloucester County Vocational Technical School District, a component unit of the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 3, 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 in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and 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 previously.

**Compliance and Other Matters**

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

This report is intended solely for the information and use of management, members of the Board of Education, others within the School District, the Division of Administration and Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 3, 2012

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

The discussion and analysis of the Gloucester County Vocational-Technical School District's (the School District or "GCVTSD") 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 review the District's financial performance as a whole; readers are advised to read it in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the District's performance.

The Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report ("CAFR") is an element of Required Supplementary Information specified in the Governmental Accounting Standard's Board's (GASB) Statement Number 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments that was issued in June 1999. Certain comparative information between the current year (2011-2012) and the prior year (2010-2011) is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-2012 fiscal year are as follows:

- The District's net assets decreased by a total of \$1,432,670 as a result of this year's operations. Net assets of our business-type activities decreased by \$355,997. Net assets of our governmental activities decreased by \$1,076,673.
- During the year, the District generated \$19,077,175 in revenues from governmental activities, an increase of \$1,396,977 from the previous fiscal year. This variance was due to the additional funds received for Federal, State and Local Aid.
- In the District's business-type activities, operating revenues decreased by \$697,616 while operating expenses also decreased by \$13,530. The reduced revenue is the result of a reduction in allocation of the County of Gloucester tax levy appropriated to enterprise funds.

### USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can first understand the District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

## Reporting the School District as a Whole

The Statement of Net Assets includes all of the District's assets and liabilities and uses the accrual basis of accounting similar to the accounting used by most private-sector businesses. All of the current year's revenue and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. These statements report the District's *net assets* and how they have changed. Net assets are the difference between the District's assets and liabilities, and represent one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base, current laws and policies affecting school districts in New Jersey, educational programs offered, the condition of school buildings and other facilities, and other factors must be considered.

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

- *Governmental activities*: Most of the District's basic services are included here, such as alternative and special education. State Aid, the County tax levy and, to a lesser degree, Tuition, finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's enterprise funds are included here.

## Reporting the District's Most Significant Funds

The *fund financial statements* focus on the District's most significant funds, reporting on the District's operations in *more detail* than the district-wide financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on how cash and other financial assets that can be converted to cash flow in and out, and the balances left at year-end that are available for future spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that are available for spending in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information provided at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and student activity funds. The District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it may not use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

### Net Assets

The District's overall financial position and operations for the past two years are summarized as follows based on the information included in the government-wide financial statements.

The District's net assets at fiscal year-end June 30, 2012 are \$47,659,731. This is a \$1,432,670 decrease from last year's net assets of \$49,092,401. The following table provides a summary of the District's net assets:

#### Summary of Net Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Current and other assets	1,838,367	1,109,791	1,101,340	1,510,379	2,939,708	2,620,170
Capital assets	45,736,506	47,507,703	125,762	71,896	45,862,269	47,579,599
Total assets	47,574,874	48,617,494	1,227,103	1,582,275	48,801,977	50,199,769
Long-term liabilities	794,814	851,421			794,814	851,421
Other liabilities	331,414	240,755	16,017	15,193	347,432	255,948
Total liabilities	1,126,229	1,092,176	16,017	15,193	1,142,246	1,107,369
Net assets:						
Invested in capital assets,						
net of debt	45,736,506	47,507,703	125,762	71,896	45,862,269	47,579,599
Restricted	311,715	111,510			311,715	111,510
Unrestricted	400,424	-93,895	1,085,323	1,495,186	1,485,747	1,401,291
Total net assets	46,448,645	47,525,319	1,211,085	1,567,082	47,659,731	49,092,401

## Changes in Net Assets

The following table provides a summary of the District's changes in net assets:

	<u>Summary of Changes in Net Assets</u>					
	Governmental Activities		Business-type Activities		Total	
	2,012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services			1,208,394	1,905,210	1,208,394	1,905,210
Operating grants and contributions	2,288,305	2,071,814	117,504	94,586	2,405,809	2,166,400
General revenues:						
County tax levy	7,608,629	6,937,337			7,608,629	6,937,337
Federal and State Aid	7,425,427	7,016,579			7,425,427	7,016,579
Tuition charges	2,921,707	2,786,557			2,921,707	2,786,557
Other	140,671	(2,872,053)	(2,368)	(138,856)	138,303	(3,010,910)
Total revenues	<u>20,384,740</u>	<u>15,940,234</u>	<u>1,323,529</u>	<u>1,860,939</u>	<u>21,708,269</u>	<u>17,801,173</u>
Expenses:						
Instruction	9,965,347	9,253,453			9,965,347	9,253,453
Support services	11,262,373	10,991,263			11,262,373	10,991,263
Special Schools	233,692	208,914			233,692	208,914
Capital Outlay	0	76,928			0	76,928
Food service			466,909	456,703	466,909	456,703
Other activities			1,212,618	1,235,553	1,212,618	1,235,553
Total expenses	<u>21,461,412</u>	<u>20,530,558</u>	<u>1,679,526</u>	<u>1,692,256</u>	<u>23,140,939</u>	<u>22,222,814</u>
Change in net assets	(1,076,673)	(4,590,324)	(355,997)	168,683	(1,432,670)	(4,421,641)
Beginning net assets	<u>47,525,318</u>	<u>52,115,642</u>	<u>1,567,082</u>	<u>1,398,400</u>	<u>49,092,401</u>	<u>53,514,042</u>
Ending net assets	<u><u>46,448,645</u></u>	<u><u>47,525,318</u></u>	<u><u>1,211,085</u></u>	<u><u>1,567,082</u></u>	<u><u>47,659,731</u></u>	<u><u>49,092,401</u></u>

## THE DISTRICT'S FUNDS

Governmental funds reported ending fund balances of \$1,542,251. At June 30, 2012, the District has a deficit of \$128,902 in unreserved fund balance due to the withholding of the last two state aid payments. Assigned fund balance includes \$635,164 committed to liquidate encumbrances and \$724,274 designated for subsequent year's expenditures. Restricted fund balances include the capital reserve account with \$11,515 of funds available, the maintenance reserve account with \$300,200 of funds available.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Reimbursements for pension and Social Security contributions of \$1,153,502 are non-budgeted items in both revenues and appropriations.

## CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2012, was \$45,862,269 and \$125,763, respectively. See Note 6 for additional information about changes in capital assets during the fiscal year.

### Capital Assets (Net of Depreciation) at June 30

	<u>2012</u>	<u>2011</u>
Governmental Activities:		
Buildings and Building Improvements	\$44,640,129	\$46,405,916
Machinery and Equipment	1,096,378	1,101,787
Total	<u>\$45,736,506</u>	<u>\$47,507,703</u>
Business-type Activities		
Machinery & Equipment	<u>\$125,763</u>	<u>\$71,896</u>

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Like the rest of the United States, the State of New Jersey was heavily impacted by the failing economy. For that reason, there is no assurance that state and federal funding can be maintained at current levels. The Gloucester County Board of Chosen Freeholders has a history of maintaining adequate funding for the District through generous contributions to ensure that the Board of Education of the Special Services School District and the Vocational School District of the County of Gloucester ("Board of Education") and administration could continue to carry out the District's mission, yet Gloucester County is also feeling the impact of the economy and is experiencing significant unemployment. Currently the demand for admission to GCIT continues to exceed the spaces available, validating the need for career-technical education and post-secondary opportunities. The level of interest in the Gloucester County Vocational-Technical School District remains high, particularly in terms of those seeking career training.

In response to the high demand for admission to the school, the Gloucester County Board of Chosen Freeholders and the Board of Education developed a plan to renovate existing educational space and to expand both classroom and core space as part of their shared vision to create an Academy High School and in September, 2010, students were able to occupy a wing of state-of-the art classrooms, a new gymnasium, and an expanded cafeteria. These improvements to the facility expanded the District's ability to provide a high quality career-technical education to more students.

During the 2010-2011 fiscal year the District was notified that it was to receive an allocation of \$256,200 of Education Jobs funds that could be used in the period from August 10, 2010 and September 30, 2012, and \$30,501 of that allocation was used during the 2010-2011 fiscal year. The remaining \$225,699 was budgeted and used in the 2011-2012 fiscal year.

The Board of Education plans for the District's future by working closely with the Gloucester County Workforce Investment Board and area colleges to ensure that the programs it offers are relevant in the current economy.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide New Jersey citizens and taxpayers and our customers with a general overview of the District's finances and to demonstrate the District's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional financial information, contact the District Office, 1360 Tanyard Road, Sewell, NJ 08080.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Net Assets  
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 958,096.83	\$ 1,073,101.17	\$ 2,031,198.00
Receivables, net	568,555.58	19,364.54	587,920.12
Inventory		8,874.65	8,874.65
Restricted Assets:			
Capital Reserve Account - Cash	11,515.00		11,515.00
Maintenance Reserve Account - Cash	300,200.00		300,200.00
Capital Assets, net (Note 6)	<u>45,736,506.48</u>	<u>125,762.41</u>	<u>45,862,268.89</u>
<b>Total Assets</b>	<u>47,574,873.89</u>	<u>1,227,102.77</u>	<u>48,801,976.66</u>
<b>LIABILITIES:</b>			
Cash Overdraft	171,141.13		171,141.13
Accounts Payable	106,013.45	15,837.49	121,850.94
Payable to State Government	10,300.00		10,300.00
Payable to Local School District	450.00		450.00
Deferred Revenue	8,211.75	180.00	8,391.75
Noncurrent Liabilities (Note 7):			
Due within One Year	35,297.95		35,297.95
Due beyond One Year	<u>794,814.32</u>		<u>794,814.32</u>
<b>Total Liabilities</b>	<u>1,126,228.60</u>	<u>16,017.49</u>	<u>1,142,246.09</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	45,736,506.48	125,762.41	45,862,268.89
Restricted for:			
Other Purposes	311,715.00		311,715.00
Unrestricted	<u>400,423.81</u>	<u>1,085,322.87</u>	<u>1,485,746.68</u>
<b>Total Net Assets</b>	<u>\$ 46,448,645.29</u>	<u>\$ 1,211,085.28</u>	<u>\$ 47,659,730.57</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ending June 30, 2012

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 4,115,757.97		\$ 389,931.73	\$ (3,725,826.24)		\$ (3,725,826.24)
Special Instruction	631,697.60			(631,697.60)		(631,697.60)
Vocational	4,773,904.46			(4,773,904.46)		(4,773,904.46)
School Sponsored Cocurricular Activities	66,578.15			(66,578.15)		(66,578.15)
School Sponsored Athletics	377,408.60			(377,408.60)		(377,408.60)
Undistributed Expenditures and Support Services:						
Health Services	178,664.75			(178,664.75)		(178,664.75)
Student - Related Services	46,676.90			(46,676.90)		(46,676.90)
Students - Regular	886,579.53			(886,579.53)		(886,579.53)
Students - Special	532,802.18			(532,802.18)		(532,802.18)
Improvement of Instruction Services	89,945.50			(89,945.50)		(89,945.50)
Educational Media Services/School Library	224,791.20			(224,791.20)		(224,791.20)
Instructional Staff Training Services	1,529.43			(1,529.43)		(1,529.43)
General Administration	372,782.97			(372,782.97)		(372,782.97)
School Administration	556,784.63			(556,784.63)		(556,784.63)
Central Services	255,722.28			(255,722.28)		(255,722.28)
Administration Information Technology	36,252.22			(36,252.22)		(36,252.22)
Operation and Maintenance of Plant Services	2,223,893.63		11,766.87	(2,212,126.76)		(2,212,126.76)
Care and Upkeep of Grounds	54,822.19			(54,822.19)		(54,822.19)
Security	311,282.96			(311,282.96)		(311,282.96)
Student Transportation Services	63,820.36			(63,820.36)		(63,820.36)
Unallocated Benefits	3,570,430.56			(3,570,430.56)		(3,570,430.56)
On-Behalf Pension Contributions	602,728.00		602,728.00	-		-
Reimbursed TPAF Social Security	550,773.96		550,773.96	-		-
Support Services	702,090.01		702,090.01	-		-
Capital Outlay	-		31,014.27	31,014.27		31,014.27
Special Schools	233,692.40			(233,692.40)		(233,692.40)
<b>Total Governmental Activities</b>	<b>21,461,412.44</b>	<b>-</b>	<b>2,288,304.84</b>	<b>(19,173,107.60)</b>	<b>-</b>	<b>(19,173,107.60)</b>
<b>Business-Type Activities:</b>						
Food Service	466,908.64	\$ 370,455.50	117,503.82		\$ 21,050.68	21,050.68
Other Enterprise Funds	1,212,617.70	837,938.11			(374,679.59)	(374,679.59)
<b>Total Business-Type Activities</b>	<b>1,679,526.34</b>	<b>1,208,393.61</b>	<b>117,503.82</b>	<b>-</b>	<b>(353,628.91)</b>	<b>(353,628.91)</b>
<b>Total Primary Government</b>	<b>\$ 23,140,938.78</b>	<b>\$ 1,208,393.61</b>	<b>\$ 2,405,808.66</b>	<b>(19,173,107.60)</b>	<b>(353,628.91)</b>	<b>(19,526,736.51)</b>

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Statement of Activities  
 For the Fiscal Year Ending June 30, 2012

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
County Appropriations	\$ 7,608,629.00		\$ 7,608,629.00
Federal and State Aid not Restricted	7,425,427.39		7,425,427.39
Tuition Received	2,723,906.87		2,723,906.87
Non-Resident Fees	197,800.00		197,800.00
Miscellaneous Income	230,084.07		230,084.07
Special Item --			
Net Adjustment on Disposal of Fixed Assets	(48,368.83)	-	(48,368.83)
Prior Year Accounts Payable Cancelled	277.03	\$ 1,230.94	1,507.97
Cancellation of Prior Year Receivables	(41,320.83)	(3,599.07)	(44,919.90)
Total General Revenues, Special Items, Extraordinary Items and Transfers	<u>18,096,434.70</u>	<u>(2,368.13)</u>	<u>18,094,066.57</u>
Change in Net Assets	(1,076,672.90)	(355,997.04)	(1,432,669.94)
Net Assets -- July 1	<u>47,525,318.19</u>	<u>1,567,082.32</u>	<u>49,092,400.51</u>
Net Assets -- June 30	<u>\$ 46,448,645.29</u>	<u>\$ 1,211,085.28</u>	<u>\$ 47,659,730.57</u>

FUND FINANCIAL STATEMENTS

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Balance Sheet  
Governmental Funds  
June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 958,096.83		\$ 958,096.83
Cash - Capital Reserve Account	11,515.00		11,515.00
Cash - Maintenance Reserve Account	300,200.00		300,200.00
Receivables, net	1,250.00		1,250.00
Due from Other Funds	6,280.09		6,280.09
Receivables from Other Governments	85,932.46	\$ 171,281.03	257,213.49
Receivables - Tuition	303,912.00		303,912.00
	<u>1,667,186.38</u>	<u>171,281.03</u>	<u>1,838,467.41</u>
<b>Total Assets</b>	<b>\$ 1,667,186.38</b>	<b>\$ 171,281.03</b>	<b>\$ 1,838,467.41</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
Cash Overdraft		\$ 171,141.13	\$ 171,141.13
Accounts Payable	\$ 105,963.02	50.43	106,013.45
Payable to State Government	10,300.00		10,300.00
Payable to Local School District	450.00		450.00
Interfunds Payable	10.53	89.47	100.00
Deferred Revenue	8,211.75		8,211.75
	<u>124,935.30</u>	<u>171,281.03</u>	<u>296,216.33</u>
<b>Total Liabilities</b>	<b>124,935.30</b>	<b>171,281.03</b>	<b>296,216.33</b>
<b>Fund Balances:</b>			
<b>Restricted:</b>			
Capital Reserve Account	11,515.00		11,515.00
Maintenance Reserve Account	300,200.00		300,200.00
<b>Assigned</b>			
Other Purposes	635,163.80		635,163.80
Subsequent Year's Expenditures	724,274.00		724,274.00
<b>Unassigned:</b>			
General Fund	(128,901.72)		(128,901.72)
	<u>1,542,251.08</u>	<u>-</u>	<u>1,542,251.08</u>
<b>Total Fund Balances</b>	<b>1,542,251.08</b>	<b>-</b>	<b>1,542,251.08</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,667,186.38</b>	<b>\$ 171,281.03</b>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$83,340,313.46 and the accumulated depreciation is \$37,603,806.98.

45,736,506.48

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

(830,112.27)

Net assets of governmental activities

\$ 46,448,645.29

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ending June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>			
County Appropriations	\$ 7,608,629.00		\$ 7,608,629.00
Tuition Charges	2,723,906.87		2,723,906.87
Non-Resident Fees	197,800.00		197,800.00
Unrestricted Miscellaneous Revenues	230,084.07	\$ 11,122.00	241,206.07
State Sources	8,343,403.96	183,089.27	8,526,493.23
Federal Sources	235,525.39	940,591.61	1,176,117.00
<b>Total Revenues</b>	<b>19,339,349.29</b>	<b>1,134,802.88</b>	<b>20,474,152.17</b>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Regular Instruction	3,441,357.22	389,931.73	3,831,288.95
Special Instruction	631,697.60		631,697.60
Vocational Programs	3,374,781.34		3,374,781.34
School Sponsored Cocurricular Activities	66,578.15		66,578.15
School Sponsored Athletics	377,408.60		377,408.60
<b>Undistributed Expenditures and Support Services:</b>			
Health Services	178,664.75		178,664.75
Student - Related Services	46,676.90		46,676.90
Students - Regular	886,579.53		886,579.53
Students - Special	532,802.18		532,802.18
Improvement of Instruction Services	89,945.50		89,945.50
Educational Media Services/School Library	205,439.57		205,439.57
Instructional Staff Training Services	1,529.43		1,529.43
General Administration	339,885.19		339,885.19
School Administration	477,442.93		477,442.93
Central Services	255,722.28		255,722.28
Administration Information Technology	36,252.22		36,252.22
Operation and Maintenance of Plant Services	2,092,146.63	11,766.87	2,103,913.50
Care and Upkeep of Grounds	54,822.19		54,822.19
Security	311,282.96		311,282.96
Student Transportation Services	63,820.36		63,820.36
Unallocated Benefits	3,591,739.04		3,591,739.04
On-Behalf Pension Contributions	602,728.00		602,728.00
Reimbursed TPAF Social Security Contributions	550,773.96		550,773.96
Support Services		702,090.01	702,090.01
Capital Outlay	181,321.29	31,014.27	212,335.56
Special Schools	233,692.40		233,692.40
<b>Total Expenditures</b>	<b>18,625,090.22</b>	<b>1,134,802.88</b>	<b>19,759,893.10</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>714,259.07</b>	<b>-</b>	<b>714,259.07</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Prior Year Accounts Receivable Cancelled	(41,320.83)		(41,320.83)
Prior Year Accounts Payable Cancelled	277.03		277.03
<b>Total Other Financing Sources and Uses</b>	<b>(41,043.80)</b>	<b>-</b>	<b>(41,043.80)</b>
<b>Net Change in Fund Balances</b>	<b>673,215.27</b>	<b>-</b>	<b>673,215.27</b>
Fund Balance -- July 1	869,035.81	-	869,035.81
Fund Balance -- June 30	\$ 1,542,251.08	\$ -	\$ 1,542,251.08

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ending June 30, 2012

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Total Net Change in Fund Balances - Governmental Funds	\$	673,215.27
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(1,935,163.38)
Retirements		(48,368.83)
Capital Outlays		<u>212,335.56</u>
		(1,771,196.65)
<p>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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>21,308.48</u>
Change in Net Assets of Governmental Activities	\$	<u><u>(1,076,672.90)</u></u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Net Assets  
Proprietary Funds  
June 30, 2012

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 76,082.53	\$ 997,018.64	\$ 1,073,101.17
Accounts Receivable:			
State	59.47		59.47
Federal	2,138.96		2,138.96
Other		17,166.11	17,166.11
Inventory	4,165.50	4,709.15	8,874.65
<b>Total Current Assets</b>	<u>82,446.46</u>	<u>1,018,893.90</u>	<u>1,101,340.36</u>
<b>Noncurrent Assets:</b>			
Furniture, Machinery and Equipment	13,215.00	217,897.53	231,112.53
Less Accumulated Depreciation	<u>(10,874.63)</u>	<u>(94,475.49)</u>	<u>(105,350.12)</u>
<b>Total Noncurrent Assets</b>	<u>2,340.37</u>	<u>123,422.04</u>	<u>125,762.41</u>
<b>Total Assets</b>	<u>84,786.83</u>	<u>1,142,315.94</u>	<u>1,227,102.77</u>
<b>LIABILITIES :</b>			
<b>Current Liabilities:</b>			
Accounts Payable		15,837.49	15,837.49
Deferred Revenue		180.00	180.00
<b>Total Current Liabilities</b>	<u>-</u>	<u>16,017.49</u>	<u>16,017.49</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets Net of Related Debt	2,340.37	123,422.04	125,762.41
Unrestricted	<u>82,446.46</u>	<u>1,002,876.41</u>	<u>1,085,322.87</u>
<b>Total Net Assets</b>	<u>\$ 84,786.83</u>	<u>\$ 1,126,298.45</u>	<u>\$ 1,211,085.28</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ending June 30, 2012

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Enterprise Funds	Total
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 14,154.50		\$ 14,154.50
Daily Sales - Non-Reimbursable Programs	277,459.00		277,459.00
County Budget Appropriation	77,010.00	\$ 314,361.00	391,371.00
Other Revenue	1,832.00	523,577.11	525,409.11
<b>Total Operating Revenues</b>	<b>370,455.50</b>	<b>837,938.11</b>	<b>1,208,393.61</b>
<b>OPERATING EXPENSES:</b>			
Cost of Goods Sold	240,266.43	74,580.20	314,846.63
Salaries	187,019.71	414,458.48	601,478.19
Employee Benefits	36,588.15	92,930.90	129,519.05
Purchased Professional Services		16,920.12	16,920.12
Purchased Technical Services	50.00	49,330.34	49,380.34
Operations and Maintenance	623.71	49,207.90	49,831.61
Insurance		48,500.00	48,500.00
Postage Expense		21.98	21.98
Textbooks		603.83	603.83
General Supplies	1,683.14	34,647.43	36,330.57
Utilities		409,953.49	409,953.49
Miscellaneous		601.50	601.50
Depreciation	677.50	20,861.53	21,539.03
<b>Total Operating Expenses</b>	<b>466,908.64</b>	<b>1,212,617.70</b>	<b>1,679,526.34</b>
<b>Operating Income (Loss)</b>	<b>(96,453.14)</b>	<b>(374,679.59)</b>	<b>(471,132.73)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	3,124.53		3,124.53
Federal Sources:			
National School Lunch Program	79,800.41		79,800.41
National School Breakfast Program	13,720.13		13,720.13
Food Distribution Program	20,858.75		20,858.75
Cancellation of Prior Year Receivables		(3,599.07)	(3,599.07)
Prior Year Accounts Payables Cancelled		1,230.94	1,230.94
<b>Total Non Operating Revenues (Expenses)</b>	<b>117,503.82</b>	<b>(2,368.13)</b>	<b>115,135.69</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>21,050.68</b>	<b>(377,047.72)</b>	<b>(355,997.04)</b>
<b>Change in Net Assets</b>	<b>21,050.68</b>	<b>(377,047.72)</b>	<b>(355,997.04)</b>
<b>Total Net Assets -- July 1</b>	<b>63,736.15</b>	<b>1,503,346.17</b>	<b>1,567,082.32</b>
<b>Total Net Assets -- June 30</b>	<b>\$ 84,786.83</b>	<b>\$ 1,126,298.45</b>	<b>\$ 1,211,085.28</b>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ending June 30, 2012

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 293,445.50	\$ 518,365.37	\$ 811,810.87
County Budget Appropriation	77,010.00	314,361.00	391,371.00
Payments to Employees	(187,019.71)	(313,439.87)	(500,459.58)
Payments for Employee Benefits	(36,588.15)	(51,994.43)	(88,582.58)
Payments to Suppliers	<u>(240,020.09)</u>	<u>(825,659.31)</u>	<u>(1,065,679.40)</u>
Net Cash Provided by (used for) Operating Activities	<u>(93,172.45)</u>	<u>(358,367.24)</u>	<u>(451,539.69)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
State Sources	3,065.06		3,065.06
Federal Sources	<u>112,240.33</u>		<u>112,240.33</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>115,305.39</u>	-	<u>115,305.39</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of Capital Assets		<u>(75,405.39)</u>	<u>(75,405.39)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>(75,405.39)</u>	<u>(75,405.39)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,132.94	(433,772.63)	(411,639.69)
Balances -- July 1	<u>53,949.59</u>	<u>1,430,791.27</u>	<u>1,484,740.86</u>
Balances -- June 30	<u>\$ 76,082.53</u>	<u>\$ 997,018.64</u>	<u>\$ 1,073,101.17</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (96,453.14)	\$ (374,679.59)	\$ (471,132.73)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	677.50	20,861.53	21,539.03
(Increase) Decrease in Accounts Receivable, net		(5,391.74)	(5,391.74)
(Increase) Decrease in Other Current Assets	2,603.19	17.59	2,620.78
Increase (Decrease) in Accounts Payable		690.37	690.37
Increase (Decrease) in Other Current Liabilities		<u>134.60</u>	<u>134.60</u>
Total Adjustments	<u>3,280.69</u>	<u>16,312.35</u>	<u>19,593.04</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (93,172.45)</u>	<u>\$ (358,367.24)</u>	<u>\$ (451,539.69)</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 June 30, 2012

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	Unemployment Compensation <u>Trust</u>	Student Activity	<u>Payroll</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 63,579.90	\$ 198,220.25	\$ 6,333.72
Interfund Accounts Receivable: Due General Fund		<u>10.53</u>	
<b>Total Assets</b>	<u>63,579.90</u>	<u>\$ 198,230.78</u>	<u>\$ 6,333.72</u>
<b>LIABILITIES:</b>			
Interfund Accounts Payable: Due General Fund			\$ 6,190.62
Payable to Student Groups		\$ 198,230.78	-
Payroll Deductions and Withholdings			<u>143.10</u>
<b>Total Liabilities</b>	<u>-</u>	<u>\$ 198,230.78</u>	<u>\$ 6,333.72</u>
<b>NET ASSETS:</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 63,579.90</u>		

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ending June 30, 2012

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Plan member	\$ <u>80,607.90</u>
Total Contributions	<u>80,607.90</u>
Net Investment Earnings	<u>10.83</u>
Total Additions	<u>80,618.73</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	55,341.10
Administrative Expenses	<u>18.20</u>
Total Deductions	<u>55,359.30</u>
Change in Net Assets	25,259.43
Net Assets -- July 1	<u>38,320.47</u>
Net Assets -- June 30	\$ <u><u>63,579.90</u></u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2012

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Reporting Entity** - The Gloucester County Vocational Technical School District (hereafter referred to as the "School District") is a Type I district located in the County of Gloucester, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board is comprised of seven members, six members appointed by the Director of the Board of Chosen Freeholders, and the seventh member is the County School Superintendent. The purpose of the School District is to educate students in a job skill in addition to giving them the academic training necessary to receive a high school diploma. The School District has an approximate enrollment at June 30, 2012 of 1,399 Secondary students and 76 Post-Secondary students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**Component Units** - The Gloucester County Vocational Technical School District is a component unit of the County of Gloucester as described in governmental Accounting Standards Board Statement No. 14. These financial statements would be either blended or discreetly presented as part of the county's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities.

**Basis of Presentation** - The financial statements of the School 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 School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations, issued on or before November 30, 1989, to its business-type activities and enterprise funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this note.

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

**Government-wide Financial Statements** - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Basis of Presentation (Cont'd)**

**Government-wide Financial Statements (Cont'd)** - Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function 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. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, 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 which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2012 is considered to be attributable to Ed Jobs. Ed Jobs expenditures at June 30, 2012 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Financial Statements (Cont'd)****Governmental Funds (Cont'd)**

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources to be used for the acquisition or construction of capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the County Board of School Estimate.

**Proprietary Funds** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

**Enterprise Funds** - The enterprise funds are used to account for operations

1. that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or

2. where the School District has decided that periodic determination of revenues earned, expenses incurred, and / or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the School District.

**Aquatics & Fitness** - This fund accounts for financial activity related to the Floyd D. McLean Fitness and the GCIT Aquatics Center utilized by many different individuals and organizations.

**Automotive** - This fund accounts for financial activity related to student "Live Work" being provided to various outside customers for work performed on automotive vehicles and other recreational-type modes of transportation.

**Culinary Arts** – This fund accounts for the financial transactions related to the operations of the restaurant at the Gloucester County Vocational Technical School.

**Channel 5** - This fund accounts for the financial activity related to the operations of the Channel 5 Television Studio for the School District.

**Cisco** – This fund accounts for the financial activity related to providing computer repair and Cisco Network training to local schools that participate in the Cisco Networking Academy.

**Cosmetology Clinic** - This fund accounts for the financial transactions related to the operations of the Hair Salon in providing services such as haircuts, perms, highlighting, etc.

**Evening School** - This fund accounts for the financial transactions related to the evening school educational opportunities provided by the School District for the community.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Financial Statements (Cont'd)****Proprietary Funds – Enterprise Funds (Cont'd)**

**Printing and Duplication** - This fund accounts for the financial transactions related to the operations of the various print work services provided for a fee to customers of the shop such as the design and production of silk screened tee-shirts and sweatshirts for organizations in the community.

**Teaching American History Woodbury** – This fund accounts for the financial transactions related to services provided to Woodbury School District for history teacher salaries.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-20 Years
Light Trucks and Vehicles	5 Years
Heavy Trucks and Vehicles	10 Years

**Fiduciary Funds** - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The School District has three fiduciary funds: an unemployment compensation trust fund, a student activities fund, and a payroll / payroll agency fund.

**Measurement Focus**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

For the fund financial statements, all governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Measurement Focus (Cont'd)** - This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

**Recognition of Revenue** - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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 School District, available means expected to be received within sixty days after fiscal year end.

Revenue resulting from non-exchange transactions, which are defined as transactions in which the School District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

**Expenses / Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund financial statements is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budgets / Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the Board of School Estimates in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

The budget, as detailed on Exhibit C-1 and Exhibit C-2 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the revenue recognition policy for the one or more June state aid payments.

**Encumbrances** - Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Cash, Cash Equivalents and Investments (Cont'd)** - New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

**Tuition Receivable** - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Inventories** - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Deferred Expenditures** - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure / expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

**Short-Term Interfund Receivables / Payables** - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District, and that are due within one year. These amounts are eliminated in the government-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and / or interfunds payable on the statement of net assets.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Capital Assets** - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the governmental fund financial statements. Capital assets utilized by the proprietary funds, however, are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-20 Years
Vehicles	5-10 Years	5-10 Years

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

**Deferred Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**Accrued Liabilities and Long-Term Obligations** - All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**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 balances of any borrowings 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.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund Balance** - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

**Nonspendable** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**Restricted** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

**Unassigned** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Operating and Non-Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and described on Exhibit G-2. Non-operating revenues principally consist of State and Federal Aid and interest income earned on various interest-bearing accounts.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

**Interfund Activity** - Transfers between governmental and business-type activities on the government-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 proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 2: CASH AND CASH EQUIVALENTS**

**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 (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2012, the School District's bank balances of \$2,966,278.68 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 320,353.32
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**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$10,000.00 on September 27, 2001 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 School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance July 1, 2011	\$ 11,510.00
Increased by:	
Interest Earnings	<u>5.00</u>
Ending Balance June 30, 2012	<u>\$ 11,515.00</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted projects at June 30, 2012 is \$11,515.00. There have been no withdrawals from the capital reserve account.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Proprietary Funds</b>	<b>Total</b>
Intergovernmental	\$ 85,932.46	\$ 171,281.03	\$ 2,198.43	\$ 259,411.92
Other	<u>303,912.00</u>	<u>                    </u>	<u>17,166.11</u>	<u>321,078.11</u>
Total	<u>\$ 389,844.46</u>	<u>\$ 171,281.03</u>	<u>\$ 19,364.54</u>	<u>\$ 580,490.03</u>

**Note 5: INVENTORY**

Inventory in the food service fund at June 30, 2012 consisted of the following:

Food	\$ 5,921.38
Supplies	<u>2,953.27</u>
	<u>\$ 8,874.65</u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
<b>Governmental Activities:</b>				
Capital Assets, being Depreciated:				
Land Improvements	\$ 5,143.00			\$ 5,143.00
Building and Improvements	79,582,244.11			79,582,244.11
Equipment	<u>3,598,652.79</u>	<u>\$ 212,335.56</u>	<u>\$ (58,062.00)</u>	<u>3,752,926.35</u>
Total Capital Assets, being Depreciated	<u>83,186,039.90</u>	<u>212,335.56</u>	<u>(58,062.00)</u>	<u>83,340,313.46</u>
Less Accumulated Depreciation for:				
Land Improvements	(5,143.00)			(5,143.00)
Building and Improvements	(33,176,328.10)	(1,765,787.30)		(34,942,115.40)
Equipment	<u>(2,496,865.67)</u>	<u>(169,376.08)</u>	<u>9,693.17</u>	<u>(2,656,548.58)</u>
Total Accumulated Depreciation	<u>(35,678,336.77)</u>	<u>(1,935,163.38) *</u>	<u>9,693.17</u>	<u>(37,603,806.98)</u>
Total Capital Assets, being Depreciated, Net	<u>47,507,703.13</u>	<u>(1,722,827.82)</u>	<u>(48,368.83)</u>	<u>45,736,506.48</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,507,703.13</u>	<u>\$ (1,722,827.82)</u>	<u>(48,368.83)</u>	<u>\$ 45,736,506.48</u>
<b>Business-Type Activities:</b>				
Total Capital Assets, being Depreciated:				
Equipment	\$ 155,707.14	\$ 75,405.39		\$ 231,112.53
Less Accumulated Depreciation	<u>(83,810.66)</u>	<u>(21,539.46)</u>		<u>(105,350.12)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 71,896.48</u>	<u>\$ 53,865.93</u>	<u>-</u>	<u>\$ 125,762.41</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction - Regular	\$ 284,469.02
Instruction - Vocational	1,064,339.86
Instruction - Community Service Programs	334,783.26
Educational Media Services / School Library	19,351.63
General and Business Administrative Services	32,897.78
School Administration	79,341.70
Plant Operations and Maintenance	<u>119,980.13</u>
Total Depreciation Expense	<u>\$ 1,935,163.38</u>

**Note 7: LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 851,420.75	\$ -	(21,308.48)	\$ 830,112.27	\$ 35,297.95
Governmental Activity Long-term Liabilities	<u>\$ 851,420.75</u>	<u>\$ -</u>	<u>\$ (21,308.48)</u>	<u>\$ 830,112.27</u>	<u>\$ 35,297.95</u>

**Compensated Absences** - Compensated absences will be paid from the fund from which the employees' salaries are paid.

**Note 8: OPERATING LEASES**

At June 30, 2012, the School District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 40,234.44
2014	40,234.44
2015	12,452.61
2016	3,192.00
2017	<u>532.00</u>
	<u>\$ 96,645.49</u>

Rental payments under operating leases for the fiscal year ended June 30, 2012 were \$39,702.44

**Note 9: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

**Note 9: PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

**Public Employees' Retirement System** - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

**Public Employees Retirement System**

<b><u>Fiscal Year</u></b>	<b><u>Normal Contribution</u></b>	<b><u>Accrued Liability</u></b>	<b><u>Non-Contributory Group Term Life</u></b>	<b><u>Total Liability</u></b>	<b><u>Paid by School District</u></b>
2012	\$96,336.00	\$ 192,672.00	\$ 18,413.00	\$307,421.00	\$ 307,421.00
2011	103,398.00	164,758.00	20,366.00	288,522.00	288,522.00
2010	83,867.00	107,759.00	26,574.00	218,200.00	218,200.00

**Note 10: POST-RETIREMENT BENEFITS**

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

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$200,224.00 and \$402,504.00, respectively.

**Note 12: RISK MANAGEMENT**

The School 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 School 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 School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<b><u>Fiscal Year</u></b> <b><u>Ended June 30.</u></b>	<b><u>School</u></b> <b><u>District</u></b> <b><u>Contributions</u></b>	<b><u>Employee</u></b> <b><u>Contributions</u></b>	<b><u>Amount</u></b> <b><u>Reimbursed</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>
2012	-	\$ 80,607.90	\$ 55,341.10	\$ 63,579.90
2011	-	29,132.83	26,752.30	38,320.47
2010	-	28,172.14	61,235.59	35,887.72

**Note 12: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The School District is a member of the New Jersey School Boards Association Insurance Group. The Fund provides its members with the following coverage:

Property (Including Crime and Auto Physical Damage)  
 General Liability  
 Automobile Liability  
 Workers' Compensation  
 School Board Legal Liability  
 Supplemental Disability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the School District with the following coverage:

Property - Blanket Building and Grounds  
 General and Automobile Liability  
 Workers' Compensation and Employers' Liability  
 School Leaders Errors and Omissions

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2012, which can be obtained from:

New Jersey School Boards Association  
 Insurance Group  
 450 Veterans Drive  
 Burlington, New Jersey 08016

**Note 13: DEFERRED COMPENSATION**

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. 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:

Advanced Asset Planning Service  
 Lincoln Investment Planning Resources Trust  
 Advantage Capital  
 The Equitable

**Note 14: COMPENSATED ABSENCES**

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, the liability for compensated absences in the governmental activities is \$830,112.27.

**Note 15: INTERFUND BALANCES AND TRANSFERS**

The following interfund balances were recorded on the various balance sheets as June 30, 2012:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 6,280.09	\$ 10.53
Special Revenue		89.47
Fiduciary	<u>10.53</u>	<u>6,190.62</u>
	<u>\$ 6,290.62</u>	<u>\$ 6,290.62</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2013, the District expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 16: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$128,901.72 in the general as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

**Note 16: DEFICIT FUND BALANCES (CONT'D)**

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$128,901.72 is less than the June state aid payments.

**Note 17: FUND BALANCES****NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. As of June 30, 2012, the District did not have any nonspendable fund balances.

**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund -**

**For Capital Reserve Account** - As of June 30, 2012, the balance in the capital reserve account is \$11,515.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2012, the balance in the maintenance reserve account is \$300,200.00. 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**

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. The District did not have any committed balances as of June 30, 2012.

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund -**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2013 \$724,274.00 of general fund balance at June 30, 2012.

**Other Purposes** - As of June 30, 2012, the School District had \$635,163.80 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Note 17: FUND BALANCES (CONT'D)****UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance (deficit) is summarized as follows:

**General Fund** - As of June 30, 2012, \$(128,901.72) of general fund balance (deficit) was unassigned.

**Note 18: LITIGATION**

The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ending June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
County Budget Appropriation	\$ 7,608,629.00		\$ 7,608,629.00	\$ 7,608,629.00	
Tuition	2,759,220.00		2,759,220.00	2,723,906.87	\$ (35,313.13)
Non-Resident Fees	230,000.00		230,000.00	197,800.00	(32,200.00)
Unrestricted Miscellaneous Revenue	170,807.00	\$ 464.00	171,271.00	230,084.07	58,813.07
<b>Total - Local Sources</b>	<b>10,768,656.00</b>	<b>464.00</b>	<b>10,769,120.00</b>	<b>10,760,419.94</b>	<b>(8,700.06)</b>
State Sources:					
Categorical Special Education Aid	593,323.00	-	593,323.00	593,323.00	
Equalization Aid	6,465,040.00	-	6,465,040.00	6,633,356.00	168,316.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)					
Teacher's Pension and Annuity Fund		-		200,224.00	200,224.00
Teacher's Pension and Annuity Fund - Post Retirement Costs		-		402,504.00	402,504.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)		-		550,773.96	550,773.96
<b>Total - State Sources</b>	<b>7,058,363.00</b>	<b>-</b>	<b>7,058,363.00</b>	<b>8,380,180.96</b>	<b>1,321,817.96</b>
Federal Sources:					
Medicaid Reimbursement	10,107.00	-	10,107.00	1,800.39	(8,306.61)
Education Jobs Fund - ARRA EJP	225,669.00	8,056.00	233,725.00	233,725.00	
<b>Total - Federal Sources</b>	<b>235,776.00</b>	<b>8,056.00</b>	<b>243,832.00</b>	<b>235,525.39</b>	<b>(8,306.61)</b>
<b>Total Revenues</b>	<b>18,062,795.00</b>	<b>8,520.00</b>	<b>18,071,315.00</b>	<b>19,376,126.29</b>	<b>1,304,811.29</b>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers	3,016,500.00	5,140.23	3,021,640.23	3,017,266.68	4,373.55
Other Salaries for Instruction	23,000.00	(21,756.00)	1,244.00	1,244.00	
Purchased Professional/Educational Services	14,075.00	(6,299.00)	7,776.00	2,125.00	5,651.00
Purchased Technical Services	69,715.00	(25,500.00)	44,215.00	37,840.98	6,374.02
Cleaning/Repair/Main.	12,800.00	(5,700.00)	7,100.00	4,488.97	2,611.03
Rentals	3,200.00	20,950.84	24,150.84	24,150.84	
Other Purchased Services	-	100.00	100.00	63.24	36.76
General Supplies	246,350.00	229,411.14	475,761.14	301,940.73	173,820.41
Textbooks	82,970.00	(23,900.88)	59,069.12	44,086.99	14,982.13
Other Objects	200.00	250.00	450.00	277.50	172.50
<b>Total Regular Programs - Instruction</b>	<b>3,468,810.00</b>	<b>172,696.33</b>	<b>3,641,506.33</b>	<b>3,432,240.93</b>	<b>209,265.40</b>
Regular Programs - Home Instruction					
Salaries of Teachers	5,500.00	1,905.17	7,405.17	7,405.17	
Purchased Professional/Educational Services	2,500.00	(505.17)	1,994.83	1,711.12	283.71
General Supplies	200.00	-	200.00	-	200.00
<b>Total Home Instruction</b>	<b>8,200.00</b>	<b>1,400.00</b>	<b>9,600.00</b>	<b>9,116.29</b>	<b>483.71</b>
Special Education Instruction - Resource Room/Resource Center:					
Salaries of Teachers	527,500.00	(2,365.00)	525,135.00	523,668.90	1,466.10
Other Salaries for Instruction	37,000.00	65,016.00	102,016.00	101,211.16	804.84
Purchased Technical Services	5,600.00	(820.00)	4,780.00	2,000.00	2,780.00
General Supplies	1,000.00	-	1,000.00	250.26	749.74
<b>Total Special Education - Instruction</b>	<b>571,100.00</b>	<b>61,831.00</b>	<b>632,931.00</b>	<b>627,130.32</b>	<b>5,800.68</b>
Special Education Instruction - Home Instruction:					
Salaries of Teachers	5,500.00	(5,000.00)	500.00	102.00	398.00
Purchased Professional/Educational Services	2,500.00	1,966.00	4,466.00	4,465.28	0.72
General Supplies	200.00	-	200.00	-	200.00
<b>Total Special Education - Instruction</b>	<b>8,200.00</b>	<b>(3,034.00)</b>	<b>5,166.00</b>	<b>4,567.28</b>	<b>598.72</b>
Regular Vocational Programs - Instruction:					
Salaries of Teachers	2,468,225.00	(99,184.54)	2,369,040.46	2,325,102.74	43,937.72
Other Salaries for Instruction	433,079.00	138,014.85	571,093.85	554,766.10	16,327.75
Purchased Professional-Educational Services	29,550.00	(1,960.00)	27,590.00	16,474.50	11,115.50
Purchased Technical Services	15,840.00	13,499.00	29,339.00	27,363.64	1,975.36
Cleaning/Repair/Maintenance	3,600.00	354.50	3,954.50	886.72	3,067.78
Rentals	3,000.00	-	3,000.00	1,940.99	1,059.01
Travel		1,535.00	1,535.00	184.98	1,350.02
General Supplies	352,870.00	93,253.65	446,123.65	412,489.49	33,634.16
Textbooks	1,500.00	35,354.51	36,854.51	34,698.18	2,156.33
Other Objects	2,900.00	(1,050.00)	1,850.00	874.00	976.00
<b>Total - Regular Vocational Programs - Instruction</b>	<b>3,310,564.00</b>	<b>179,816.97</b>	<b>3,490,380.97</b>	<b>3,374,781.34</b>	<b>115,599.63</b>
Special Vocational Programs - Special:					
Salaries of Teachers	90,240.00	(84,853.68)	5,386.32		5,386.32
Other Salaries for Instruction	44,335.00	(44,335.00)			
Purchased Technical Services	300.00		300.00		300.00
Cleaning/Repairs/Maintenance	21,500.00	(20,950.84)	549.16		549.16
General Supplies	22,000.00	(22,000.00)			
<b>Total - Special Vocational Programs Cost - Instruction</b>	<b>178,375.00</b>	<b>(172,139.52)</b>	<b>6,235.48</b>	<b>-</b>	<b>6,235.48</b>
<b>Total Vocational Programs</b>	<b>3,488,939.00</b>	<b>7,677.45</b>	<b>3,496,616.45</b>	<b>3,374,781.34</b>	<b>121,835.11</b>

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ending June 30, 2012

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Current Expense (Cont'd):</b>					
<b>School Sponsored Cocurricular Activities - Instruction:</b>					
Salaries	\$ 22,000.00	\$ 8,609.00	\$ 30,609.00	\$ 30,609.00	
Other Prof / Tech Services		2,680.80	2,680.80	2,609.78	\$ 71.02
Purchased Services	30,000.00	3,362.10	33,362.10	33,359.37	2.73
Supplies and Materials	500.00	(500.00)			
Other Objects	2,000.00	(1,577.90)	422.10		422.10
<b>Total School Sponsored Cocurricular Activities - Instruction</b>	<b>54,500.00</b>	<b>12,574.00</b>	<b>67,074.00</b>	<b>66,578.15</b>	<b>495.85</b>
<b>School Sponsored Athletics - Instruction</b>					
Salaries	299,600.00	7,131.00	306,731.00	302,790.54	3,940.46
Other Professional / Technical Services	35,000.00	-	35,000.00	29,246.00	5,754.00
Purchased Technical Services	1,700.00	-	1,700.00	1,172.19	527.81
Rentals	7,200.00	(1,056.00)	6,144.00	1,500.00	4,644.00
Purchased Services	1,000.00	1,000.00	1,000.00	937.50	62.50
Travel	2,590.00	(500.00)	2,090.00	525.21	1,564.79
Supplies and Materials	16,450.00	3,756.00	20,206.00	20,171.66	34.34
Other Objects	32,410.00	195.00	32,605.00	21,065.50	11,539.50
<b>Total Other Instructional Programs - Instruction</b>	<b>394,950.00</b>	<b>10,526.00</b>	<b>405,476.00</b>	<b>377,408.60</b>	<b>28,067.40</b>
<b>Undistributed Expenditures - Attendance &amp; Social Work</b>					
Salaries	19,052.00	(18,852.00)	200.00	-	200.00
General Supplies	200.00	(200.00)	-	-	
<b>Total Undistributed Expenditures - Attendance &amp; Social Work</b>	<b>19,252.00</b>	<b>(19,052.00)</b>	<b>200.00</b>	<b>-</b>	<b>200.00</b>
<b>Undistributed Expenditures - Health Services:</b>					
Salaries	119,370.00	(2,123.00)	117,247.00	116,433.59	813.41
Other Salaries for Instruction	51,832.00	(100.00)	51,732.00	51,382.08	349.92
Purchased Professional and Technical Services	64,000.00	(60,372.00)	3,628.00	3,628.00	
Cleaning/Repair/Main	250.00	-	250.00	-	250.00
Other Purchased Services	100.00	(100.00)	-	-	
Travel - Conf./Workshops	600.00	-	600.00	225.00	375.00
Supplies and Materials	5,305.00	1,702.00	7,007.00	6,996.08	10.92
<b>Total Undistributed Expenditures - Health Services</b>	<b>241,457.00</b>	<b>(60,993.00)</b>	<b>180,464.00</b>	<b>178,664.75</b>	<b>1,799.25</b>
<b>Undistributed Expenditures - Speech, OT, PT &amp; Related Services - Students - Related Service:</b>					
Other Salaries for Instruction	16,870.00	17,448.00	34,318.00	32,894.90	1,423.10
Purchased Professional - Educational Services	24,500.00	(2,511.85)	21,988.15	13,782.00	8,206.15
<b>Total Undistributed Expenditures - Speech, OT, PT &amp; Related Services - Students - Related Services</b>	<b>41,370.00</b>	<b>14,936.15</b>	<b>56,306.15</b>	<b>46,676.90</b>	<b>9,629.25</b>
<b>Undistributed Expenditures - Other Support Services - Students - Regular:</b>					
Salaries of Other Professional Staff	558,083.00	(2,690.38)	555,392.62	545,546.12	9,846.50
Salaries of Secretarial and Clerical Assistants	191,071.00	(299.00)	190,772.00	183,485.54	7,286.46
Other Salaries	61,550.00	(50.00)	61,500.00	58,050.00	3,450.00
Purchased Professional - Educational Services	45,000.00	-	45,000.00	45,000.00	
Other Purchase Prof. & Tech. Services	9,250.00	836.00	10,086.00	8,220.00	1,866.00
Purchased Technical Services	1,200.00	1,414.57	2,614.57	2,520.14	94.43
Rentals	4,000.00	-	4,000.00	3,998.76	1.24
Travel	3,200.00	(1,500.00)	1,700.00	152.99	1,547.01
Misc. Purchased Services	35,000.00	(16,282.82)	18,717.18	18,197.50	519.68
Supplies and Materials	14,050.00	6,666.40	20,716.40	18,072.12	2,644.28
Other Objects	2,600.00	785.00	3,385.00	3,336.36	48.64
<b>Total Undistributed Expenditures - Other Support Services - Students - Regular</b>	<b>925,004.00</b>	<b>(11,120.23)</b>	<b>913,883.77</b>	<b>886,579.53</b>	<b>27,304.24</b>
<b>Total Undistributed Expenditures - Other Support Services - Students</b>					
	<b>925,004.00</b>	<b>(11,120.23)</b>	<b>913,883.77</b>	<b>886,579.53</b>	<b>27,304.24</b>
<b>Undistributed Expenditures - Other Support Services - Students - Special:</b>					
Salaries of Other Professional Staff	366,450.00	97,604.00	464,054.00	463,329.16	724.84
Salaries of Secretarial and Clerical Assistants	58,365.00	(12,428.00)	45,937.00	45,936.62	0.38
Purchased Professional - Educational Services	24,500.00	(3,951.00)	20,549.00	15,336.00	5,213.00
Other Purchased Professional and Technical Services	3,800.00	3,800.00	3,800.00	3,800.00	
Purchased Technical Services	1,200.00	(59.95)	1,140.05	737.64	402.41
Rentals	2,400.00	585.95	2,985.95	2,660.00	325.95
Miscellaneous Purchased Services	2,600.00	(1,092.00)	1,508.00	550.89	957.11
General Supplies	400.00	300.00	700.00	451.87	248.13
<b>Total Undistributed Expenditures - Other Support Services - Students - Special</b>	<b>455,915.00</b>	<b>84,759.00</b>	<b>540,674.00</b>	<b>532,802.18</b>	<b>7,871.82</b>
<b>Improvement of Instruction Services/Other Support Services - Instructional Staff:</b>					
Salaries of Other Professional Staff	4,500.00	(4,500.00)	9,345.00	9,345.00	
Other Salaries		9,345.00	9,345.00	77,275.64	1,924.36
Purchased Professional - Educational Services	96,300.00	(17,100.00)	79,200.00	817.52	2,782.48
Other Purchased Services	3,600.00	-	3,600.00	2,507.34	492.66
General Supplies	3,000.00	-	3,000.00	-	3,000.00
Other Objects	3,000.00	-	3,000.00	-	
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>	<b>110,400.00</b>	<b>(12,255.00)</b>	<b>98,145.00</b>	<b>89,945.50</b>	<b>8,199.50</b>

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ending June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	\$ 62,650.00	\$ 50.00	\$ 62,700.00	\$ 59,876.00	\$ 2,824.00
Salaries of Technology Coordinators	104,250.00	58,125.00	162,375.00	125,795.09	36,579.91
Purchased Professional - Technical Services - Shared	11,950.00	-	11,950.00	4,970.00	6,980.00
Cleaning/Repair/Main	200.00	100.00	300.00	265.99	34.01
Rentals	1,700.00	(626.00)	1,074.00	-	1,074.00
Travel	1,050.00	-	1,050.00	229.00	821.00
Supplies and Materials	19,000.00	(4,000.00)	15,000.00	14,204.49	795.51
Other Objects	500.00	-	500.00	99.00	401.00
<b>Total Undistributed Expenditures - Educational Media Services / School Library</b>	<b>201,300.00</b>	<b>53,649.00</b>	<b>254,949.00</b>	<b>205,439.57</b>	<b>49,509.43</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Travel	27,850.00	745.00	28,595.00	1,529.43	27,065.57
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>27,850.00</b>	<b>745.00</b>	<b>28,595.00</b>	<b>1,529.43</b>	<b>27,065.57</b>
Undistributed Expenditures - Support Services - General Administration					
Legal Services	11,000.00	25,000.00	36,000.00	34,045.81	1,954.19
Audit Fees	50,500.00	-	50,500.00	50,500.00	-
Other Purchased Professional Services	3,300.00	-	3,300.00	3,192.50	107.50
Purchased Technical Services	80,000.00	-	80,000.00	80,000.00	-
INS-Student	15,750.00	10,583.00	26,333.00	26,329.00	4.00
Communications / Telephone	117,000.00	11,499.00	128,499.00	111,902.08	16,596.92
BOE Other Purchased Services	4,000.00	(1,074.00)	2,926.00	-	2,926.00
Other Purchased Services	7,200.00	250.00	7,450.00	2,707.36	4,742.64
Supplies and Materials	4,500.00	4,900.00	9,400.00	6,162.73	3,237.27
BOE In-House Training/Meeting Supplies	-	2,824.00	2,824.00	2,824.00	-
Judgments Against the School District	-	8,000.00	8,000.00	5,000.00	3,000.00
Miscellaneous Expenditures	10,000.00	600.00	10,600.00	10,566.56	33.44
BOE Membership Dues and Fees	7,000.00	-	7,000.00	6,655.15	344.85
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>310,250.00</b>	<b>62,582.00</b>	<b>372,832.00</b>	<b>339,885.19</b>	<b>32,946.81</b>
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	401,600.00	(97,063.00)	304,537.00	304,312.06	224.94
Salaries of Secretarial and Clerical Assistants	142,625.00	(1,940.00)	140,685.00	140,417.61	267.39
Purchased Technical Services	4,450.00	1,716.81	6,166.81	6,166.81	-
Rentals	8,950.00	-	8,950.00	8,892.84	57.16
Travel	3,000.00	-	3,000.00	118.10	2,881.90
Supplies and Materials	5,000.00	-	5,000.00	2,405.52	2,594.48
Other Objects	30,350.00	(13,000.00)	17,350.00	15,129.99	2,220.01
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>595,975.00</b>	<b>(110,286.19)</b>	<b>485,688.81</b>	<b>477,442.93</b>	<b>8,245.88</b>
Undistributed Expenditures - Central Services					
Salaries	248,275.00	(30,000.00)	218,275.00	208,891.16	9,383.84
Purchased Professional Services	7,000.00	-	7,000.00	5,189.00	1,811.00
Purchased Technical Services	30,000.00	3,074.00	33,074.00	28,623.00	4,451.00
Miscellaneous Purchased Services	10,000.00	1,000.00	11,000.00	7,281.75	3,718.25
Supplies and Materials	12,000.00	(3,074.00)	8,926.00	4,246.18	4,679.82
Miscellaneous Expenditures	700.00	3,500.00	4,200.00	1,491.19	2,708.81
<b>Total Undistributed Expenditures - Central Services</b>	<b>307,975.00</b>	<b>(25,500.00)</b>	<b>282,475.00</b>	<b>255,722.28</b>	<b>26,752.72</b>
Undistributed Expenditures - Administration Information					
Technology	-	-	-	-	-
Salaries	6,500.00	(3,000.00)	3,500.00	-	3,500.00
Purchased Technical Services	2,625.00	3,000.00	5,625.00	2,527.50	3,097.50
Travel	4,750.00	-	4,750.00	-	4,750.00
Supplies & Materials	13,050.00	38,100.00	51,150.00	33,724.72	17,425.28
<b>Total Undistributed Expenditures - Administration Information</b>	<b>26,925.00</b>	<b>38,100.00</b>	<b>65,025.00</b>	<b>36,252.22</b>	<b>28,772.78</b>
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	210,000.00	102,846.29	312,846.29	311,075.29	1,771.00
General Supplies	15,000.00	165,283.20	180,283.20	9,901.39	170,381.81
Other Objects	1,000.00	600.00	1,600.00	1,400.00	200.00
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>226,000.00</b>	<b>268,729.49</b>	<b>494,729.49</b>	<b>322,376.68</b>	<b>172,352.81</b>
Undistributed Expenditures - Other Operation and Maintenance of Plant Services:					
Salaries	819,301.00	(29,850.00)	789,451.00	773,595.62	15,855.38
Purchased Professional and Technical Services	75,000.00	(59,421.00)	15,579.00	15,274.50	304.50
Cleaning, Repair and Maintenance Services	100,575.00	(15,918.52)	84,656.48	63,095.53	21,560.95
Rental of Land and Buildings Other than Lease Purchase Agreements	2,000.00	-	2,000.00	680.00	1,320.00
Other Purchased Property Services	18,000.00	1,500.00	19,500.00	15,213.74	4,286.26
Insurance	120,000.00	(6,663.00)	113,337.00	113,337.00	-
Miscellaneous Purchases	1,000.00	715.00	1,715.00	1,351.37	363.63
General Supplies	228,000.00	(73,775.38)	154,224.62	154,152.82	71.80
Energy (Natural Gas)	240,000.00	(140,000.00)	100,000.00	98,816.94	1,183.06

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ending June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
<b>Current Expense (Cont'd):</b>					
Undistributed Expenditures - Other Operation and Maintenance of Plant Services (Cont'd):					
Energy (Electricity)	\$ 675,000.00	\$ (160,000.00)	\$ 515,000.00	\$ 513,304.29	\$ 1,695.71
Energy (Oil)	1,000.00	-	1,000.00	-	1,000.00
Energy (Gasoline)	20,000.00	9,100.00	29,100.00	20,399.14	8,700.86
Other Objects	8,000.00	269.00	8,269.00	549.00	7,720.00
<b>Total Undistributed Expenditures - Other Operation and Maintenance of Plant Services</b>	<b>2,307,876.00</b>	<b>(474,043.90)</b>	<b>1,833,832.10</b>	<b>1,769,769.95</b>	<b>64,062.15</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>2,533,876.00</b>	<b>(205,314.41)</b>	<b>2,328,561.59</b>	<b>2,092,146.63</b>	<b>236,414.96</b>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	64,100.00	(12,634.00)	51,466.00	44,432.50	7,033.50
Purchased Professional and Technical Services	8,000.00	-	8,000.00	872.00	7,128.00
Cleaning, Repair, and Maintenance Services	7,500.00	-	7,500.00	-	7,500.00
General Supplies	15,000.00	-	15,000.00	9,517.69	5,482.31
Other Objects	2,500.00	-	2,500.00	-	2,500.00
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>97,100.00</b>	<b>(12,634.00)</b>	<b>84,466.00</b>	<b>54,822.19</b>	<b>29,643.81</b>
Undistributed Expenditures - Security:					
Salaries	175,400.00	30.00	175,430.00	167,798.36	7,631.64
Purchased Professional and Technical Services	195,000.00	(39,100.00)	155,900.00	138,000.38	17,899.62
Cleaning, Repair, and Maintenance Services	10,000.00	-	10,000.00	2,853.50	7,146.50
General Supplies	15,000.00	(8,900.00)	6,100.00	2,232.22	3,867.78
Other Objects	2,000.00	-	2,000.00	398.50	1,601.50
<b>Total Undistributed Expenditures - Security</b>	<b>397,400.00</b>	<b>(47,970.00)</b>	<b>349,430.00</b>	<b>311,282.96</b>	<b>38,147.04</b>
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Other than Between Home and School)	17,000.00	7,001.25	24,001.25	24,001.25	-
Other Prof/Tech Services	200.00	-	200.00	42.00	158.00
Cleaning, Repair and Maintenance Services	10,000.00	-	10,000.00	1,126.00	8,874.00
Contracted Services - (Not Home/School) - Vendors	51,500.00	(6,600.00)	44,900.00	26,424.90	18,475.10
Misc. Purchased Services - Transportation	1,000.00	-	1,000.00	118.00	882.00
General Supplies	1,000.00	-	1,000.00	-	1,000.00
Transportation Supplies	18,000.00	(701.25)	17,298.75	11,776.21	5,522.54
Miscellaneous Expenditures	500.00	-	500.00	332.00	168.00
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>99,200.00</b>	<b>(300.00)</b>	<b>98,900.00</b>	<b>63,820.36</b>	<b>35,079.64</b>
Business and Other Support Services - Employee Benefits					
Social Security Contributions	282,722.00	(30,000.00)	252,722.00	251,752.41	969.59
Other Retirement Contributions - Regular	478,237.00	(202,890.05)	275,346.95	274,900.01	446.94
Unemployment Compensation	40,000.00	10,590.00	50,590.00	50,579.00	11.00
Workers Compensation	140,000.00	23,510.00	163,510.00	163,506.00	4.00
Health Benefits	2,939,301.00	(128,024.48)	2,811,276.52	2,781,387.85	29,888.67
Tuition Reimbursement	50,000.00	(35,372.90)	14,627.10	14,426.40	200.70
Other Employee Benefits	36,000.00	19,998.30	55,998.30	55,187.37	810.93
<b>Total Business and Other Support Services - Employee Benefits</b>	<b>3,966,260.00</b>	<b>(342,189.13)</b>	<b>3,624,070.87</b>	<b>3,591,739.04</b>	<b>32,331.83</b>
Undistributed Expenditures - Food Services					
Transfers to Cover Deficit (Enterprise Fund)	150,000.00	-	150,000.00	-	150,000.00
<b>Total Undistributed Expenditures - Food Services</b>	<b>150,000.00</b>	<b>-</b>	<b>150,000.00</b>	<b>-</b>	<b>150,000.00</b>
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)					
Teacher's Pension and Annuity Fund	-	-	-	200,224.00	(200,224.00)
Teacher's Pension and Annuity Fund - Post Retirement Costs	-	-	-	402,504.00	(402,504.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)	-	-	-	550,773.96	(550,773.96)
<b>Total On-Behalf T.P.A.F. Social Security/Pension Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,153,501.96</b>	<b>(1,153,501.96)</b>
<b>Total Undistributed Expenditures</b>	<b>10,507,509.00</b>	<b>(592,842.81)</b>	<b>9,914,666.19</b>	<b>10,318,253.62</b>	<b>(403,587.43)</b>
<b>Total Current Expense</b>	<b>18,502,208.00</b>	<b>(329,172.03)</b>	<b>18,173,035.97</b>	<b>18,210,076.53</b>	<b>(37,040.56)</b>
<b>Capital Outlay:</b>					
Interest Deposit to Capital Reserve					
Equipment:					
Grades 9-12					
Regular Program Grades 9-12:					
Instructional Staff					
		195,372.90	195,372.90	-	195,372.90
Vocational Programs:					
Regular Programs					
		48,097.82	48,097.82	21,797.20	26,300.62
		8,026.18	8,026.18	8,026.18	-
	48,000.00	18,232.14	66,232.14	17,388.91	48,843.23
Other Operations & Maintenance of Plant Services					
		2,500.00	2,500.00	2,500.00	-
Care / Up Keep of Grounds					
	83,000.00	-	83,000.00	78,386.00	4,614.00
Security					
		7,405.00	7,405.00	7,405.00	-
Other Objects					
	45,818.00	-	45,818.00	45,818.00	-
<b>Total Equipment</b>	<b>176,818.00</b>	<b>279,634.04</b>	<b>456,452.04</b>	<b>181,321.29</b>	<b>275,130.75</b>
<b>Total Capital Outlay</b>	<b>176,818.00</b>	<b>279,634.04</b>	<b>456,452.04</b>	<b>181,321.29</b>	<b>275,130.75</b>

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ending June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
<b>Special Schools:</b>					
<b>Post-Secondary Programs - Instruction:</b>					
Salaries of Teachers	\$ 91,000.00	\$ 18,258.82	\$ 109,258.82	\$ 109,244.64	\$ 14.18
Purchased Professional and Technical Services		473.00	473.00	470.00	3.00
General Supplies	27,000.00	(8,490.50)	18,509.50	16,012.24	2,497.26
<b>Total Post-Secondary Programs - Instruction</b>	<b>118,000.00</b>	<b>10,241.32</b>	<b>128,241.32</b>	<b>125,726.88</b>	<b>2,514.44</b>
<b>Post-Secondary Programs - Support Services:</b>					
Salaries		40,447.17	40,447.17	40,446.75	0.42
Social Sec Contributions		11,451.40	11,451.40	11,451.39	0.01
Other Retirement Regulations	1,500.00	(1,500.00)			
Purchased Services		2,217.10	2,217.10	2,217.10	
<b>Total Post-Secondary Programs - Support Services</b>	<b>1,500.00</b>	<b>52,615.67</b>	<b>54,115.67</b>	<b>54,115.24</b>	<b>0.43</b>
<b>Total Post-Secondary Programs</b>	<b>119,500.00</b>	<b>62,856.99</b>	<b>182,356.99</b>	<b>179,842.12</b>	<b>2,514.87</b>
<b>Summer School - Instruction:</b>					
Salaries of Teachers	25,000.00	(2,202.00)	22,798.00	22,318.98	479.02
Other Salaries for Instruction	4,000.00	(3,179.00)	821.00		821.00
Educational Software	10,500.00	-	10,500.00	10,500.00	
<b>Total Summer School - Instruction</b>	<b>39,500.00</b>	<b>(5,381.00)</b>	<b>34,119.00</b>	<b>32,818.98</b>	<b>1,300.02</b>
<b>Summer School - Support Services:</b>					
Salaries of Teachers		2,202.00	2,202.00	723.14	1,478.86
<b>Total Summer School - Support Services</b>	<b>-</b>	<b>2,202.00</b>	<b>2,202.00</b>	<b>723.14</b>	<b>1,478.86</b>
<b>Accredited Evening / Adult High School - Instruction:</b>					
Salaries of Teachers	25,000.00	(3,170.00)	21,830.00	6,529.14	15,300.86
General Supplies		1,500.00	1,500.00	1,301.27	198.73
Other Objects		50.00	50.00	-	50.00
<b>Total Accredited Evening / Adult High School - Instruction</b>	<b>25,000.00</b>	<b>(1,620.00)</b>	<b>23,380.00</b>	<b>7,830.41</b>	<b>15,549.59</b>
<b>Accredited Evening/Adult H.S./Post-Graduate - Support Services</b>					
Salaries	13,000.00	(2,099.00)	10,901.00	10,900.88	0.12
Personal Services - Employee Benefits		1,899.00	1,899.00	1,309.66	589.34
Supplies and Materials	100.00	200.00	300.00	267.21	32.79
<b>Total Accredited Evening/Adult H.S./Post-Graduate - Support Services</b>	<b>13,100.00</b>	<b>-</b>	<b>13,100.00</b>	<b>12,477.75</b>	<b>622.25</b>
<b>Total Accredited Evening/Adult H.S./Post-Graduate</b>	<b>38,100.00</b>	<b>(1,620.00)</b>	<b>36,480.00</b>	<b>20,308.16</b>	<b>16,171.84</b>
<b>Total Special Schools</b>	<b>197,100.00</b>	<b>58,057.99</b>	<b>255,157.99</b>	<b>233,692.40</b>	<b>21,465.59</b>
<b>Total Expenditures</b>	<b>18,876,126.00</b>	<b>8,520.00</b>	<b>18,884,646.00</b>	<b>18,625,090.22</b>	<b>259,555.78</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(813,331.00)</b>	<b>(0.00)</b>	<b>(813,331.00)</b>	<b>751,036.07</b>	<b>1,564,367.07</b>
<b>Other Financing Sources (Uses):</b>					
Prior Year Accounts Payable Cancelled		-		277.03	277.03
Prior Year Accounts Receivable Cancelled		-		(41,320.83)	(41,320.83)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,043.80)</b>	<b>(41,043.80)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(813,331.00)</b>	<b>(0.00)</b>	<b>(813,331.00)</b>	<b>709,992.27</b>	<b>1,523,323.27</b>
<b>Fund Balances, July 1</b>	<b>1,550,345.81</b>	<b>-</b>	<b>1,550,345.81</b>	<b>1,550,345.81</b>	
<b>Fund Balances, June 30</b>	<b>\$ 737,014.81</b>	<b>\$ (0.00)</b>	<b>\$ 737,014.81</b>	<b>\$ 2,260,338.08</b>	<b>\$ 1,523,323.27</b>
<b>Recapitulation:</b>					
<b>Restricted</b>					
Capital Reserve Account				\$ 11,515.00	
Maintenance Reserve Account				300,200.00	
<b>Assigned</b>					
Other Purpose				635,163.80	
Designated for Subsequent Year's Expenditures				724,274.00	
<b>Unassigned</b>					
General Fund				589,185.28	
				2,260,338.08	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment Not Recognized on GAAP Basis				718,087.00	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<b>\$ 1,542,251.08</b>	

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule -- Education Jobs  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Federal Sources:					
Education Jobs	\$ 225,669.00	\$ 8,056.00	\$ 233,725.00	\$ 233,725.00	\$ -
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Speech, OT, PT & Related Services - Students - Related Service:					
Salaries	225,669.00	8,056.00	233,725.00	233,725.00	
Total Undistributed Expenditures - Speech, OT, PT & Related Services - Students - Related Services	225,669.00	8,056.00	233,725.00	233,725.00	-
Total Expenditures	225,669.00	8,056.00	233,725.00	233,725.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ending June 30, 2012

	Original Budget	Original/ Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>				
State Sources	\$ 203,656.85	\$ 203,656.85	\$ 183,089.27	\$ (20,567.58)
Federal Sources	940,591.61	940,591.61	940,591.61	-
Other Sources	11,122.00	11,122.00	11,122.00	-
<b>Total Revenues</b>	<b>1,155,370.46</b>	<b>1,155,370.46</b>	<b>1,134,802.88</b>	<b>(20,567.58)</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers	33,830.20	33,830.20	33,830.20	-
Purchased Professional Technical Services	20,183.75	20,183.75	20,183.75	-
Purchased Educational Services	100,294.42	100,294.42	100,294.42	-
Supplies and Materials	219,677.61	219,677.61	219,677.61	-
Miscellaneous Expenditures	4,495.75	4,495.75	4,495.75	-
Other Objects	11,450.00	11,450.00	11,450.00	-
<b>Total Instruction</b>	<b>389,931.73</b>	<b>389,931.73</b>	<b>389,931.73</b>	
<b>Support Services:</b>				
Salaries of Personnel Services	59,228.40	59,228.40	59,228.40	-
Salaries of Principals/Assistant Principals	66,290.16	66,290.16	56,812.96	9,477.20
Salaries of Secretaries & Clerical Assistants	44,292.84	44,292.84	37,959.04	6,333.80
Other Salaries	19,853.44	19,853.44	18,992.64	860.80
Other Employee Benefits	26,549.02	26,549.02	26,001.60	547.42
Health Benefits	16,838.10	16,838.10	13,880.80	2,957.30
Purchased Educational Services	206,215.76	206,215.76	206,215.76	-
Purchased Technical Services	208,959.29	208,959.29	208,959.29	-
Other Purchased Services	8,026.94	8,026.94	7,807.30	219.64
Miscellaneous Purchased Services	56.24	56.24	-	56.24
Purchased Property Services	1,627.80	1,627.80	1,627.80	-
Supplies and Materials	34,270.96	34,270.96	34,270.96	-
Travel	21,319.99	21,319.99	21,243.41	76.58
Miscellaneous Expenditures	9,128.65	9,128.65	9,090.05	38.60
<b>Total Support Services</b>	<b>722,657.59</b>	<b>722,657.59</b>	<b>702,090.01</b>	<b>20,567.58</b>
<b>Operation &amp; Maintenance of Plant Services:</b>				
<b>Buildings</b>				
General Supplies	11,766.87	11,766.87	11,766.87	-
<b>Total Operation &amp; Maintenance of Plant Services</b>	<b>11,766.87</b>	<b>11,766.87</b>	<b>11,766.87</b>	<b>-</b>
<b>Facilities Acquisition and Construction Services:</b>				
Instructional Equipment	31,014.27	31,014.27	31,014.27	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>31,014.27</b>	<b>31,014.27</b>	<b>31,014.27</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,155,370.46</b>	<b>1,155,370.46</b>	<b>1,134,802.88</b>	<b>20,567.58</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ending June 30, 2012

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 19,376,126.29	\$ 1,134,802.88
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2011.	681,310.00	-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2012.	<u>(718,087.00)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ <u>19,339,349.29</u>	\$ <u>1,134,802.88</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 18,625,090.22	\$ 1,134,802.88
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ <u>18,625,090.22</u>	\$ <u>1,134,802.88</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ending June 30, 2012

	No Child Left Behind			Perkins Post Secondary	Perkins Basic Secondary	I.D.E.A. 2011-12	Youth One-Stop for at Risk 2011-12	Total Carried Forward
	Title I - A 2011-12	Title I - A 2010-11	Title II - A 2011-12					
<b>REVENUES:</b>								
Federal Sources	\$ 83,491.00	\$ 82.59	\$ 12,669.00	\$ 93,980.00	\$ 198,764.00	\$ 163,108.00	\$ 309,785.89	\$ 861,880.48
State Sources								-
Local Sources								-
<b>Total Revenues</b>	<b>\$ 83,491.00</b>	<b>\$ 82.59</b>	<b>\$ 12,669.00</b>	<b>\$ 93,980.00</b>	<b>\$ 198,764.00</b>	<b>\$ 163,108.00</b>	<b>\$ 309,785.89</b>	<b>\$ 861,880.48</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers							\$ 22,330.20	22,330.20
Purchased Technical Services			\$ 2,500.00	\$ 120.00	\$ 14,313.75	\$ 3,250.00		20,183.75
Purchased Educational Services							95,319.24	95,319.24
Supplies & Materials	\$ 5,262.80			66,666.30	81,262.14	56,412.93	4,176.19	213,780.36
Miscellaneous Expenditures							4,395.75	4,395.75
Other Objects				1,200.00	10,250.00			11,450.00
<b>Total Instruction</b>	<b>5,262.80</b>	<b>-</b>	<b>2,500.00</b>	<b>67,986.30</b>	<b>105,825.89</b>	<b>59,662.93</b>	<b>126,221.38</b>	<b>367,459.30</b>
Support Services:								
Salaries of Personnel Services					15,990.00			15,990.00
Salaries of Principals/Assistant Principals								-
Salaries of Secretaries & Clerical Assistants								-
Other Salaries							13,042.80	13,042.80
Other Employee Benefits					1,223.25		3,822.37	5,045.62
Health Benefits								-
Purchased Educational Services							162,294.88	162,294.88
Purchased Technical Services	73,700.40		3,399.00		55,200.00	76,659.89		208,959.29
Other Purchased Services				1,700.00	2,187.50		997.96	4,885.46
Purchased Property Services	1,627.80							1,627.80
Supplies and Materials			6,770.00			25,161.00	866.06	32,797.06
Travel	2,900.00	\$ 82.59		1,737.43	9,879.36	1,624.18		16,223.56
Miscellaneous Expenditures							2,051.30	2,051.30
<b>Total Support Services</b>	<b>78,228.20</b>	<b>82.59</b>	<b>10,169.00</b>	<b>3,437.43</b>	<b>84,480.11</b>	<b>103,445.07</b>	<b>183,075.37</b>	<b>462,917.77</b>
Operation & Maintenance of Plant Services:								
General Supplies	-						489.14	489.14
<b>Total Operation &amp; Maintenance of Plant Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>489.14</b>	<b>489.14</b>
Facilities Acquisition & Construction Services:								
Instructional Equipment				22,556.27	8,458.00			31,014.27
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,556.27</b>	<b>8,458.00</b>	<b>-</b>	<b>-</b>	<b>31,014.27</b>
<b>Total Expenditures</b>	<b>\$ 83,491.00</b>	<b>\$ 82.59</b>	<b>\$ 12,669.00</b>	<b>\$ 93,980.00</b>	<b>\$ 198,764.00</b>	<b>\$ 163,108.00</b>	<b>\$ 309,785.89</b>	<b>\$ 861,880.48</b>

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ending June 30, 2012

	Total Brought Forward	Youth One-Stop for at Risk 2010-11	Youth One-Stop for at Risk 2009-10	Apprentice Coordinator 2011-12	VSO HOSA 2010-11	VSO HOSA 2011-12	Learn and Serve America 2010-11	New Jersey School Board Association Insurance	Total Carried Forward
<b>REVENUES:</b>									
Federal Sources	\$ 861,880.48	\$ 15,271.51	\$ 63,439.62						\$ 940,591.61
State Sources	-			\$ 35,723.00	\$ 21,779.22	\$ 119,432.42	\$ 6,154.63		\$ 183,089.27
Local Sources	-							11,122.00	11,122.00
<b>Total Revenues</b>	<b>\$ 861,880.48</b>	<b>\$ 15,271.51</b>	<b>\$ 63,439.62</b>	<b>\$ 35,723.00</b>	<b>\$ 21,779.22</b>	<b>\$ 119,432.42</b>	<b>\$ 6,154.63</b>	<b>\$ 11,122.00</b>	<b>\$ 1,134,802.88</b>
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of Teachers	\$ 22,330.20		\$ 10,350.00				\$ 1,150.00		\$ 33,830.20
Purchased Technical Services	20,183.75								20,183.75
Purchased Educational Services	95,319.24		4,975.18						100,294.42
Supplies & Materials	213,780.36		2,253.42				3,643.83		219,677.61
Miscellaneous Expenditures	4,395.75		100.00						4,495.75
Other Objects	11,450.00								11,450.00
<b>Total Instruction</b>	<b>367,459.30</b>	<b>-</b>	<b>17,678.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,793.83</b>	<b>-</b>	<b>389,931.73</b>
<b>Support Services:</b>									
Salaries of Personnel Services	15,990.00	\$ 7,043.76		\$ 35,723.00			471.64		59,228.40
Salaries of Principals/Assistant Principals	-				\$ 9,427.16	\$ 47,385.80			56,812.96
Salaries of Secretaries & Clerical Assistants	-				6,284.84	31,674.20			37,959.04
Other Salaries	13,042.80				991.64	4,958.20			18,992.64
Other Employee Benefits	5,045.62		791.77		1,270.60	18,769.56	124.05		26,001.60
Health Benefits	-				2,314.10	11,566.70			13,880.80
Purchased Educational Services	162,294.88		43,920.88						206,215.76
Purchased Technical Services	208,959.29								208,959.29
Other Purchased Services	4,885.46	2,057.40			8.99	90.34	765.11		7,807.30
Purchased Property Services	1,627.80								1,627.80
Supplies and Materials	32,797.06				1,421.99	51.91			34,270.96
Travel	16,223.56		56.24		27.90	4,935.71			21,243.41
Miscellaneous Expenditures	2,051.30	6,170.35	836.40		32.00				9,090.05
<b>Total Support Services</b>	<b>462,917.77</b>	<b>15,271.51</b>	<b>45,605.29</b>	<b>35,723.00</b>	<b>21,779.22</b>	<b>119,432.42</b>	<b>1,360.80</b>	<b>-</b>	<b>702,090.01</b>
<b>Operation &amp; Maintenance of Plant Services:</b>									
General Supplies	489.14		155.73					11,122.00	11,766.87
<b>Total Operation &amp; Maintenance of Plant Services</b>	<b>489.14</b>	<b>-</b>	<b>155.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,122.00</b>	<b>11,766.87</b>
<b>Facilities Acquisition &amp; Construction Services:</b>									
Instructional Equipment	31,014.27								31,014.27
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>31,014.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,014.27</b>
<b>Total Expenditures</b>	<b>\$ 861,880.48</b>	<b>\$ 15,271.51</b>	<b>\$ 63,439.62</b>	<b>\$ 35,723.00</b>	<b>\$ 21,779.22</b>	<b>\$ 119,432.42</b>	<b>\$ 6,154.63</b>	<b>\$ 11,122.00</b>	<b>\$ 1,134,802.88</b>

PROPRIETARY FUNDS

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Net Assets  
June 30, 2012

	<u>Food Service</u>	<u>Aquatics &amp; Fitness</u>	<u>Automotive</u>	<u>Culinary Arts</u>	<u>Channel 5</u>	<u>Cisco</u>	<u>Cosmetology Clinic</u>	<u>Evening School</u>	<u>Printing and Duplication</u>	<u>Total</u>
<b>ASSETS:</b>										
<b>Current Assets:</b>										
Cash and Cash Equivalents	\$ 76,082.53	\$ 519,437.36	\$ 10,651.62	\$ 235,779.41	\$ 98,939.08	\$ 8,701.12	\$ 63,381.55	\$ 57,678.65	\$ 2,449.85	\$ 1,073,101.17
Accounts Receivable:										
State	59.47									59.47
Federal	2,138.96			662.50	1,100.00					2,138.96
Other		15,403.61		4,709.15						17,166.11
Inventory	4,165.50									8,874.65
<b>Total Current Assets</b>	<b>82,446.46</b>	<b>534,840.97</b>	<b>10,651.62</b>	<b>241,151.06</b>	<b>100,039.08</b>	<b>8,701.12</b>	<b>63,381.55</b>	<b>57,678.65</b>	<b>2,449.85</b>	<b>1,101,340.36</b>
<b>Noncurrent Assets:</b>										
Furniture, Machinery and Equipment	13,215.00	49,031.11	79,341.25	11,153.32	78,371.85					231,112.53
Less Accumulated Depreciation	<u>(10,874.63)</u>	<u>(20,007.51)</u>	<u>(57,227.96)</u>	<u>(4,585.24)</u>	<u>(12,654.78)</u>					<u>(105,350.12)</u>
<b>Total Noncurrent Assets</b>	<b>2,340.37</b>	<b>29,023.60</b>	<b>22,113.29</b>	<b>6,568.08</b>	<b>65,717.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,762.41</b>
<b>Total Assets</b>	<b>84,786.83</b>	<b>563,864.57</b>	<b>32,764.91</b>	<b>247,719.14</b>	<b>165,756.15</b>	<b>8,701.12</b>	<b>63,381.55</b>	<b>57,678.65</b>	<b>2,449.85</b>	<b>1,227,102.77</b>
<b>LIABILITIES:</b>										
Accounts Payable		14,034.64	577.05	509.93	715.87					15,837.49
Deferred Revenue		180.00								180.00
<b>Total Current Liabilities</b>	<b>-</b>	<b>14,214.64</b>	<b>577.05</b>	<b>509.93</b>	<b>715.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,017.49</b>
<b>Total Liabilities</b>	<b>-</b>	<b>14,214.64</b>	<b>577.05</b>	<b>509.93</b>	<b>715.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,017.49</b>
<b>NET ASSETS:</b>										
Invested in Capital Assets, Net of Related Debt	2,340.37	29,023.60	22,113.29	6,568.08	65,717.07	-	-	-	-	125,762.41
Unrestricted	82,446.46	520,626.33	10,074.57	240,641.13	99,323.21	8,701.12	63,381.55	57,678.65	2,449.85	1,085,322.87
<b>Total Net Assets</b>	<b>\$ 84,786.83</b>	<b>\$ 549,649.93</b>	<b>\$ 32,187.86</b>	<b>\$ 247,209.21</b>	<b>\$ 165,040.28</b>	<b>\$ 8,701.12</b>	<b>\$ 63,381.55</b>	<b>\$ 57,678.65</b>	<b>\$ 2,449.85</b>	<b>\$ 1,211,085.28</b>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ending June 30, 2012

	<u>Food Service</u>	<u>Aquatics &amp; Fitness</u>	<u>Automotive</u>	<u>Culinary Arts</u>	<u>Channel 5</u>	<u>Cisco</u>	<u>Cosmetology Clinic</u>	<u>Evening School</u>	<u>Printing and Duplication</u>	<u>Teaching American History Woodbury</u>	Total
<b>OPERATING REVENUES:</b>											
Charges for Services:											
Daily Sales - Reimbursable Programs	\$ 14,154.50										\$ 14,154.50
Daily Sales - Non-Reimbursable Programs	277,459.00										277,459.00
County Budget Appropriation	77,010.00	\$ 207,620.00			\$ 69,741.00			\$ 37,000.00			391,371.00
Other Revenue	<u>1,832.00</u>	<u>351,885.79</u>	<u>\$ 29,864.76</u>	<u>\$ 114,637.39</u>	<u>16,312.50</u>	<u>\$</u>	<u>\$ 9,693.03</u>	<u>\$</u>	<u>503.64</u>	<u>\$ 680.00</u>	<u>525,409.11</u>
Total Operating Revenues	<u>370,455.50</u>	<u>559,505.79</u>	<u>29,864.76</u>	<u>114,637.39</u>	<u>86,053.50</u>	<u>-</u>	<u>9,693.03</u>	<u>37,000.00</u>	<u>503.64</u>	<u>680.00</u>	<u>1,208,393.61</u>
<b>OPERATING EXPENSES:</b>											
Cost of Goods Sold	240,266.43		28,494.94	45,730.83			354.43				314,846.63
Salaries	187,019.71	292,031.47		20,728.40	101,018.61					680.00	601,478.19
Employee Benefits	36,588.15	50,504.28		1,490.15	40,936.47						129,519.05
Purchased Professional Services		554.27			16,365.85						16,920.12
Purchased Technical Services	50.00	49,330.34									49,380.34
Operations and Maintenance	623.71	47,422.90			1,785.00						49,831.61
Insurance		48,500.00									48,500.00
Postage Expense		21.98									21.98
Textbooks		603.83									603.83
General Supplies	1,683.14	6,342.62		322.59	2,987.27		24,994.95				36,330.57
Utilities		409,953.49									409,953.49
Miscellaneous		601.50									601.50
Depreciation	<u>677.50</u>	<u>3,389.37</u>	<u>9,917.65</u>	<u>743.55</u>	<u>6,810.96</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,539.03</u>
Total Operating Expenses	<u>466,908.64</u>	<u>909,256.05</u>	<u>38,412.59</u>	<u>69,015.52</u>	<u>169,904.16</u>	<u>-</u>	<u>25,349.38</u>	<u>-</u>	<u>-</u>	<u>680.00</u>	<u>1,679,526.34</u>
Operating Income / (Loss)	<u>(96,453.14)</u>	<u>(349,750.26)</u>	<u>(8,547.83)</u>	<u>45,621.87</u>	<u>(83,850.66)</u>	<u>-</u>	<u>(15,656.35)</u>	<u>37,000.00</u>	<u>503.64</u>	<u>-</u>	<u>(471,132.73)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>											
State Sources:											
State School Lunch Program	3,124.53										3,124.53
Federal Sources:											
National School Lunch Program	79,800.41										79,800.41
National School Breakfast Program	13,720.13										13,720.13
Food Distribution Program	20,858.75										20,858.75
Cancellation of Prior Year Receivables		(3,324.07)			(275.00)						(3,599.07)
Prior Year Accounts Payable Cancelled				1,230.94							1,230.94
Total Non Operating Revenues (Expenses)	<u>117,503.82</u>	<u>(3,324.07)</u>	<u>-</u>	<u>1,230.94</u>	<u>(275.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,135.69</u>
Income (Loss) Before Transfers	<u>21,050.68</u>	<u>(353,074.33)</u>	<u>(8,547.83)</u>	<u>46,852.81</u>	<u>(84,125.66)</u>	<u>-</u>	<u>(15,656.35)</u>	<u>37,000.00</u>	<u>503.64</u>	<u>-</u>	<u>(355,997.04)</u>
Change in Net Assets	21,050.68	(353,074.33)	(8,547.83)	46,852.81	(84,125.66)	-	(15,656.35)	37,000.00	503.64	-	(355,997.04)
Net Assets -- July 1	<u>63,736.15</u>	<u>902,724.26</u>	<u>40,735.69</u>	<u>200,356.40</u>	<u>249,165.94</u>	<u>8,701.12</u>	<u>79,037.90</u>	<u>20,678.65</u>	<u>1,946.21</u>	<u>-</u>	<u>1,567,082.32</u>
Net Assets -- June 30	<u>\$ 84,786.83</u>	<u>\$ 549,649.93</u>	<u>\$ 32,187.86</u>	<u>\$ 247,209.21</u>	<u>\$ 165,040.28</u>	<u>\$ 8,701.12</u>	<u>\$ 63,381.55</u>	<u>\$ 57,678.65</u>	<u>\$ 2,449.85</u>	<u>\$ -</u>	<u>\$ 1,211,085.28</u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Enterprise Fund  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ending June 30, 2012

	Food Service	Aquatics & Fitness	Automotive	Culinary Arts	Channel 5	Cisco	Cosmetology Clinic	Evening School	Printing and Duplication	Teaching American History Woodbury	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>											
Receipts from Customers	\$ 293,445.50	\$ 344,418.11	\$ 29,864.76	\$ 115,868.33	\$ 17,337.50	-	\$ 9,693.03	-	\$ 503.64	\$ 680.00	\$ 811,810.87
County Budget Appropriation	77,010.00	207,620.00	-	-	69,741.00	-	-	\$ 37,000.00	-	-	391,371.00
Payments to Employees	(187,019.71)	(292,031.47)	-	(20,728.40)	-	-	-	-	-	(680.00)	(500,459.58)
Payments for Employee Benefits	(36,588.15)	(50,504.28)	-	(1,490.15)	-	-	-	-	-	-	(88,582.58)
Payments to Suppliers	(240,020.09)	(562,595.57)	(28,539.65)	(45,525.90)	(163,469.98)	(178.14)	(25,350.07)	-	-	-	(1,065,679.40)
Net Cash Provided by (used for) Operating Activities	(93,172.45)	(353,093.21)	1,325.11	48,123.88	(76,391.48)	(178.14)	(15,657.04)	37,000.00	503.64	-	(451,539.69)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>											
State Sources	3,065.06	-	-	-	-	-	-	-	-	-	3,065.06
Federal Sources	112,240.33	-	-	-	-	-	-	-	-	-	112,240.33
Net Cash Provided by (used for) Non-Capital Financing Activities	115,305.39	-	-	-	-	-	-	-	-	-	115,305.39
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>											
Purchases of Capital Assets	-	(19,647.39)	-	-	(55,758.00)	-	-	-	-	-	(75,405.39)
Net Cash Provided by (used for) Capital and Related Financing Activities	-	(19,647.39)	-	-	(55,758.00)	-	-	-	-	-	(75,405.39)
Net Increase (Decrease) in Cash and Cash Equivalents	22,132.94	(372,740.60)	1,325.11	48,123.88	(132,149.48)	(178.14)	(15,657.04)	37,000.00	503.64	-	(411,639.69)
Cash and Cash Equivalents -- July 1	53,949.59	892,177.96	9,326.51	187,655.53	231,088.56	8,879.26	79,038.59	20,678.65	1,946.21	-	1,484,740.86
Cash and Equivalents -- June 30	\$ 76,082.53	\$ 519,437.36	\$ 10,651.62	\$ 235,779.41	\$ 98,939.08	\$ 8,701.12	\$ 63,381.55	\$ 57,678.65	\$ 2,449.85	\$ -	\$ 1,073,101.17
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>											
Operating Income (Loss)	\$ (96,453.14)	\$ (349,750.26)	\$ (8,547.83)	\$ 45,621.87	\$ (83,850.66)	-	\$ (15,656.35)	\$ 37,000.00	\$ 503.64	-	\$ (471,132.73)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:											
Depreciation and Net Amortization	677.50	3,389.37	9,917.65	743.55	6,810.96	-	-	-	-	-	21,539.03
(Increase) Decrease in Accounts Receivable, net	-	(7,647.68)	-	1,230.94	1,025.00	-	-	-	-	-	(5,391.74)
(Increase) Decrease in Other Current Assets	2,603.19	-	-	17.59	-	-	-	-	-	-	2,620.78
Increase (Decrease) in Accounts Payable	-	735.36	-	509.93	(376.78)	(178.14)	-	-	-	-	690.37
Increase (Decrease) in Other Current Liabilities	-	180.00	(44.71)	-	-	-	(0.69)	-	-	-	134.60
Total Adjustments	3,280.69	(3,342.95)	9,872.94	2,502.01	7,459.18	(178.14)	(0.69)	-	-	-	19,593.04
Net Cash Provided by (used for) Operating Activities	\$ (93,172.45)	\$ (353,093.21)	\$ 1,325.11	\$ 48,123.88	\$ (76,391.48)	\$ (178.14)	\$ (15,657.04)	\$ 37,000.00	\$ 503.64	\$ -	\$ (451,539.69)

FIDUCIARY FUNDS

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Assets  
 June 30, 2012

	<u>Trust Funds</u>		<u>Agency Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 63,579.90	\$ 198,220.25	\$ 6,333.72	\$ 268,133.87
Interfund Accounts Receivable:				
Due General Fund		10.53		10.53
<b>Total Assets</b>	<u>63,579.90</u>	<u>\$ 198,230.78</u>	<u>\$ 6,333.72</u>	<u>268,144.40</u>
<b>LIABILITIES:</b>				
Interfund Accounts Payable:				
Due General Fund			\$ 6,190.62	6,190.62
Payable to Student Groups		\$ 198,230.78		198,230.78
Payroll Deductions and Withholdings			143.10	143.10
<b>Total Liabilities</b>	<u>-</u>	<u>\$ 198,230.78</u>	<u>\$ 6,333.72</u>	<u>204,564.50</u>
<b>NET ASSETS:</b>				
Held in Trust for Unemployment Claims and Other Purposes	<u>63,579.90</u>			<u>63,579.90</u>
<b>Total Net Assets</b>	<u>\$ 63,579.90</u>		<u>\$ 63,579.90</u>	

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Assets  
 For the Fiscal Year Ending June 30, 2012

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	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ <u>80,607.90</u>
Total Contributions	<u>80,607.90</u>
Net Investment Earnings	<u>10.83</u>
Total Additions	<u>80,618.73</u>
DEDUCTIONS:	
Unemployment Claims	55,341.10
Administrative Expenses	<u>18.20</u>
Total Deductions	<u>55,359.30</u>
Change in Net Assets	25,259.43
Net Assets -- July 1	<u>38,320.47</u>
Net Assets -- June 30	\$ <u><u>63,579.90</u></u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ending June 30, 2012

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	<u>Balance</u> <u>June 30, 2011</u>		<u>Cash</u> <u>Receipts</u>		<u>Cash</u> <u>Disbursements</u>		<u>Balance</u> <u>June 30, 2012</u>
Clubs and Funds	\$ 204,938.88	\$	560,258.18	\$	590,792.13	\$	174,404.93
HOSA Funds	20,813.63		70,621.28		76,697.40		14,737.51
GCIT Memorial Scholarship	<u>9,067.71</u>		<u>10.10</u>		<u></u>		<u>9,077.81</u>
Total	<u>\$ 234,820.22</u>	\$	<u>630,889.56</u>	\$	<u>667,489.53</u>	\$	<u>198,220.25</u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ending June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 19,420.39	\$ 15,329,823.14	\$ 15,342,909.81	\$ 6,333.72
<b>Total Assets</b>	<b>\$ 19,420.39</b>	<b>\$ 15,329,823.14</b>	<b>\$ 15,342,909.81</b>	<b>\$ 6,333.72</b>
Payroll Deductions and Withholdings	\$ 13,205.73	\$ 7,901,308.99	\$ 7,914,371.62	\$ 143.10
Net Payroll		7,428,420.05	7,428,420.05	-
Interfund Accounts Payable:				
Due General Fund	6,214.66	94.10	118.14	6,190.62
<b>Total Liabilities</b>	<b>\$ 19,420.39</b>	<b>\$ 15,329,823.14</b>	<b>\$ 15,342,909.81</b>	<b>\$ 6,333.72</b>

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

**Gloucester County Vocational-Technical School District**  
 Net Assets by Component  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 45,736,506.48	\$ 47,507,703.13	\$ 47,184,142.41	\$ 38,491,757.58	\$ 32,064,329.09	\$ 28,140,769.56	\$ 25,582,600.25	\$ 21,469,243.64	\$ 16,990,057.63	\$ 9,854,749.74
Restricted	311,715.00	111,510.00	4,718,869.74	15,104,394.35	6,424,054.48	11,766,214.11	4,730,844.78	4,999,524.93	5,611,977.93	13,567,981.43
Unrestricted	<u>400,423.81</u>	<u>(93,894.94)</u>	<u>212,629.97</u>	<u>2,320,182.14</u>	<u>1,095,737.01</u>	<u>(87,670.43)</u>	<u>(328,227.55)</u>	<u>(70,682.27)</u>	<u>(159,208.76)</u>	<u>257,246.70</u>
<b>Total Governmental Activities Net Assets</b>	<u>\$ 46,448,645.29</u>	<u>\$ 47,525,318.19</u>	<u>\$ 52,115,642.12</u>	<u>\$ 55,916,334.07</u>	<u>\$ 39,584,120.58</u>	<u>\$ 39,819,313.24</u>	<u>\$ 29,985,217.48</u>	<u>\$ 26,398,086.30</u>	<u>\$ 22,442,826.80</u>	<u>\$ 23,679,977.87</u>
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 125,762.41	\$ 71,896.05	\$ 70,483.18	\$ 92,727.18	\$ 19,588.69	\$ 19,375.65	\$ 17,814.12	\$ 11,476.99	-	-
Unrestricted	<u>1,085,322.87</u>	<u>1,495,186.27</u>	<u>1,327,916.41</u>	<u>582,452.86</u>	<u>227,019.52</u>	<u>222,175.46</u>	<u>172,410.10</u>	<u>148,197.21</u>	<u>32,459.22</u>	<u>368.74</u>
<b>Total Business-type Activities Net Assets</b>	<u>\$ 1,211,085.28</u>	<u>\$ 1,567,082.32</u>	<u>\$ 1,398,399.59</u>	<u>\$ 675,180.04</u>	<u>\$ 246,608.21</u>	<u>\$ 241,551.11</u>	<u>\$ 190,224.22</u>	<u>\$ 159,674.20</u>	<u>\$ 32,459.22</u>	<u>\$ 368.74</u>
<b>District-wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 45,862,268.89	\$ 47,579,599.18	\$ 47,254,625.59	\$ 38,584,484.76	\$ 32,083,917.78	\$ 28,160,145.21	\$ 25,600,414.37	\$ 21,480,720.63	\$ 16,990,057.63	\$ 9,854,749.74
Restricted	311,715.00	111,510.00	4,718,869.74	15,104,394.35	6,424,054.48	11,766,214.11	4,730,844.78	4,999,524.93	5,611,977.93	13,567,981.43
Unrestricted	<u>1,485,746.68</u>	<u>1,401,291.33</u>	<u>1,540,546.38</u>	<u>2,902,635.00</u>	<u>1,322,756.53</u>	<u>134,505.03</u>	<u>(155,817.45)</u>	<u>77,514.94</u>	<u>(126,749.54)</u>	<u>257,615.44</u>
<b>Total District-wide Net Assets</b>	<u>\$ 47,659,730.57</u>	<u>\$ 49,092,400.51</u>	<u>\$ 53,514,041.71</u>	<u>\$ 56,591,514.11</u>	<u>\$ 39,830,728.79</u>	<u>\$ 40,060,864.35</u>	<u>\$ 30,175,441.70</u>	<u>\$ 26,557,760.50</u>	<u>\$ 22,475,286.02</u>	<u>\$ 23,680,346.61</u>

Source: District Records

**Gloucester County Vocational-Technical School District**  
 Changes in Net Assets  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Net Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 4,115,757.97	\$ 3,853,864.10	\$ 3,738,734.36	\$ 2,953,460.10	\$ 3,243,451.31	\$ 2,541,018.21	\$ 2,095,360.71	\$ 2,066,092.10	\$ 2,033,053.77	\$ 2,685,640.53
Special Education	631,697.60	543,980.90	440,488.70	536,033.31	1,440.00	2,843.00	7,162.50	-	-	-
Vocational	4,773,904.46	4,373,052.58	4,016,818.39	3,286,730.11	3,122,531.19	3,243,814.52	2,433,105.57	3,082,891.94	3,104,324.31	2,649,912.61
Other Instruction	443,986.75	482,555.36	350,189.33	392,614.32	269,359.74	250,880.68	225,402.99	203,533.55	371,571.85	767,383.69
Support Services:										
Student & Instruction Related Services	1,960,989.49	1,852,970.97	1,749,257.32	1,566,517.74	1,425,616.38	1,151,512.78	979,352.16	1,037,254.60	1,096,601.77	1,018,197.70
General Administrative Services	372,782.97	256,838.63	326,683.97	282,346.71	330,112.15	487,273.77	511,535.11	482,632.49	557,356.68	399,140.21
School Administrative Services	593,036.85	686,068.03	677,814.59	714,989.80	656,047.99	575,168.64	527,068.50	419,333.77	376,343.66	381,170.44
Central Services	255,722.28	263,874.94	226,213.61	246,955.38	178,602.66	144,729.64	234,418.54	235,279.94	197,844.58	401,129.63
Plant Operations and Maintenance	2,223,893.63	2,689,210.85	2,407,022.86	2,258,980.40	2,359,777.06	2,408,780.17	1,959,235.57	1,802,432.22	1,375,052.89	1,715,006.83
Care and Upkeep of Grounds	54,822.19	71,516.22	63,552.97	-	-	-	-	-	-	-
Security	311,282.96	353,494.44	306,457.78	-	-	-	-	-	-	-
Pupil Transportation	63,820.36	88,293.09	80,230.23	75,526.38	75,289.09	27,271.62	12,277.84	6,545.58	5,331.97	18,862.66
Other Support Services	702,090.01	607,556.13	679,778.33	483,427.03	532,915.11	1,055,069.10	1,212,812.14	986,773.69	762,120.15	700,554.71
Unallocated Benefits	3,570,430.56	3,186,694.96	2,753,061.27	2,463,091.82	2,418,187.82	2,178,053.28	1,954,714.67	1,639,224.87	1,493,185.02	1,654,179.04
On-Behalf Pension Contributions	602,728.00	414,450.00	365,581.00	352,718.00	679,584.00	606,907.00	254,734.00	193,421.00	183,400.00	112,349.00
Reimbursed TPAF Social Security Contributions	550,773.96	520,294.72	469,032.52	441,961.52	410,204.24	386,323.47	371,776.74	356,708.69	344,123.81	322,902.19
Capital Outlay	-	76,928.00	49,138.23	45,181.31	-	254,463.37	150,230.42	(27,674.07)	36,194.89	74,479.22
Special Schools	233,692.40	208,913.88	267,602.49	228,747.71	317,083.21	511,539.85	678,652.83	1,071,020.87	969,569.00	713,636.00
Unallocated Depreciation	-	-	-	-	-	-	1,107,185.58	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>21,461,412.44</b>	<b>20,530,557.80</b>	<b>18,967,657.95</b>	<b>16,329,281.64</b>	<b>16,020,201.95</b>	<b>15,825,649.10</b>	<b>14,715,025.87</b>	<b>13,555,471.24</b>	<b>12,906,074.35</b>	<b>13,614,544.46</b>
Business-type Activities:										
Food Service	466,908.64	456,703.27	415,858.13	413,331.52	279,748.74	240,784.65	208,959.49	156,274.44	136,368.06	92,639.27
Enterprise Other	1,212,617.70	1,236,352.75	1,281,772.84	1,887,208.72	1,348,040.66	1,626,615.05	1,636,668.85	1,286,531.58	1,075,531.22	-
<b>Total Business-type Activities Expense</b>	<b>1,679,526.34</b>	<b>1,693,056.02</b>	<b>1,697,630.97</b>	<b>2,300,540.24</b>	<b>1,627,789.40</b>	<b>1,867,399.70</b>	<b>1,845,628.34</b>	<b>1,442,806.02</b>	<b>1,211,899.28</b>	<b>92,639.27</b>
<b>Total District Expenses</b>	<b>\$ 23,140,938.78</b>	<b>\$ 22,223,613.82</b>	<b>\$ 20,665,288.92</b>	<b>\$ 18,629,821.88</b>	<b>\$ 17,647,991.35</b>	<b>\$ 17,693,048.80</b>	<b>\$ 16,560,654.21</b>	<b>\$ 14,998,277.26</b>	<b>\$ 14,117,973.63</b>	<b>\$ 13,707,183.73</b>
<b>Program Revenues</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 2,288,304.84	\$ 2,071,813.67	\$ 2,261,066.24	\$ 1,862,296.03	\$ 1,542,603.28	\$ 1,788,316.05	\$ 626,510.74	\$ 550,129.69	\$ 527,523.81	\$ 435,251.19
<b>Total Governmental Activities Program Revenues</b>	<b>2,288,304.84</b>	<b>2,071,813.67</b>	<b>2,261,066.24</b>	<b>1,862,296.03</b>	<b>1,542,603.28</b>	<b>1,788,316.05</b>	<b>626,510.74</b>	<b>550,129.69</b>	<b>527,523.81</b>	<b>435,251.19</b>
Business-type activities:										
Charges for services										
Food Service	370,455.50	371,389.65	301,924.88	386,049.70	240,233.23	185,420.96	161,418.26	94,769.10	122,576.68	69,846.16
Other	837,938.11	1,534,619.95	2,038,690.10	2,190,763.59	723,506.68	1,062,838.28	1,317,884.24	1,159,628.48	971,695.81	-
Operating Grants and Contributions	117,503.82	94,585.59	89,614.51	77,508.30	59,409.53	50,728.72	40,547.59	25,524.28	16,132.99	13,235.68
<b>Total Business-type Activities Program Revenues</b>	<b>1,325,897.43</b>	<b>2,000,595.19</b>	<b>2,430,229.49</b>	<b>2,654,321.59</b>	<b>1,023,149.44</b>	<b>1,298,987.96</b>	<b>1,519,850.09</b>	<b>1,279,921.86</b>	<b>1,110,405.48</b>	<b>83,081.84</b>
<b>Total District Program Revenues</b>	<b>\$ 3,614,202.27</b>	<b>\$ 4,072,408.86</b>	<b>\$ 4,691,295.73</b>	<b>\$ 4,516,617.62</b>	<b>\$ 2,565,752.72</b>	<b>\$ 3,087,304.01</b>	<b>\$ 2,146,360.83</b>	<b>\$ 1,830,051.55</b>	<b>\$ 1,637,929.29</b>	<b>\$ 518,333.03</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (19,173,107.60)	\$ (18,458,744.13)	\$ (16,706,591.71)	\$ (14,466,985.61)	\$ (14,477,598.67)	\$ (14,037,333.05)	\$ (14,088,515.13)	\$ (13,005,341.55)	\$ (12,378,550.54)	\$ (13,179,293.27)
Business-type Activities	(353,628.91)	307,539.17	732,598.52	353,781.35	(604,639.96)	(568,411.74)	(325,778.25)	(162,884.16)	(101,493.80)	(9,557.43)
<b>Total District-wide Net Expense</b>	<b>\$ (19,526,736.51)</b>	<b>\$ (18,151,204.96)</b>	<b>\$ (15,973,993.19)</b>	<b>\$ (14,113,204.26)</b>	<b>\$ (15,082,238.63)</b>	<b>\$ (14,605,744.79)</b>	<b>\$ (14,414,293.38)</b>	<b>\$ (13,168,225.71)</b>	<b>\$ (12,480,044.34)</b>	<b>\$ (13,188,850.70)</b>

(Continued)

**Gloucester County Vocational-Technical School District**  
 Changes in Net Assets  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
County Appropriation	\$ 7,608,629.00	\$ 6,937,337.00	\$ 6,937,337.00	\$ 22,937,337.00	\$ 9,000,000.00	\$ 17,489,826.00	\$ 10,353,450.00	\$ 8,893,639.00	\$ 4,403,200.00	\$ 11,949,024.00
Unrestricted Grants and Contributions	7,425,427.39	7,016,578.61	5,884,404.84	6,838,412.00	5,658,595.00	5,328,967.00	4,689,555.00	4,680,506.20	4,533,851.00	4,290,317.80
Restricted Grants and Contributions					-	-	1,534,944.51	2,455,829.67	1,344,865.03	7,581,349.06
Tuition - LEA's	2,723,906.87	2,557,307.36	211,765.00	199,844.30	112,203.67	239,550.04	311,988.06	276,887.78	113,348.35	245,599.22
Non-Resident Fees	197,800.00	229,250.00	350,200.00	523,649.41	642,600.00	829,500.00	738,888.92	726,050.00	675,000.00	-
Miscellaneous Income	230,084.07	264,888.83	106,536.15	147,993.44	207,157.66	491,127.83	354,700.48	217,787.54	204,719.37	1,574,691.90
Special Item					(610,750.00)	(753,560.82)	(356,348.27)	(290,099.14)	(133,584.28)	-
Transfers		129,350.07								
Special Revenue Fund Adjustment		(7,501.50)		(435.11)	-	(14,035.30)				
Cancellation of Prior Year Payable/(Receivable)	(41,043.80)	(3,262,004.12)	(587,843.23)	(547.06)	(773,200.47)	239,382.06	48,467.61	-	-	-
Capital Projects Fund Adjustment										
Capital Contributions		3,213.95	3,500.00	152,945.12	5,800.15	20,672.00				
Net Adjustment on Disposal of Fixed Assets	(48,368.83)									
<b>Total Governmental Activities</b>	<b>18,096,434.70</b>	<b>13,868,420.20</b>	<b>12,905,899.76</b>	<b>30,799,199.10</b>	<b>14,242,406.01</b>	<b>23,871,428.81</b>	<b>17,675,646.31</b>	<b>16,960,601.05</b>	<b>11,141,399.47</b>	<b>25,640,981.98</b>
Business-type Activities:										
Transfers	\$ -	\$ (129,350.07)	\$ -	\$ -	\$ 610,750.00	\$ 753,560.82	\$ 356,348.27	\$ 290,099.14	\$ 133,584.28	\$ -
Special Item										
Loss on Disposal of Fixed Assets	-	(9,506.37)	(6,887.24)	74,790.48	(1,052.94)	(2,105.33)				
Capital Contributions										
Cancellation of Prior Year Payable/(Receivable)	(2,368.13)		(2,491.73)		-	(131,716.86)				
<b>Total Business-type Activities</b>	<b>(2,368.13)</b>	<b>(138,856.44)</b>	<b>(9,378.97)</b>	<b>74,790.48</b>	<b>609,697.06</b>	<b>619,738.63</b>	<b>356,348.27</b>	<b>290,099.14</b>	<b>133,584.28</b>	<b>-</b>
<b>Total District-wide</b>	<b>\$ 18,094,066.57</b>	<b>\$ 13,729,563.76</b>	<b>\$ 12,896,520.79</b>	<b>\$ 30,873,989.58</b>	<b>\$ 14,852,103.07</b>	<b>\$ 24,491,167.44</b>	<b>\$ 18,031,994.58</b>	<b>\$ 17,250,700.19</b>	<b>\$ 11,274,983.75</b>	<b>\$ 25,640,981.98</b>
<b>Change in Net Assets</b>										
Governmental Activities	\$ (1,076,672.90)	\$ (4,590,323.93)	\$ (3,800,691.95)	\$ 16,332,213.49	\$ (235,192.66)	\$ 9,834,095.76	\$ 3,587,131.18	\$ 3,955,259.50	\$ (1,237,151.07)	\$ 12,461,688.71
Business-type Activities	(355,997.04)	168,682.73	723,219.55	428,571.83	5,057.10	51,326.89	30,570.02	127,214.98	32,090.48	(9,557.43)
<b>Total District</b>	<b>\$ (1,432,669.94)</b>	<b>\$ (4,421,641.20)</b>	<b>\$ (3,077,472.40)</b>	<b>\$ 16,760,785.32</b>	<b>\$ (230,135.56)</b>	<b>\$ 9,885,422.65</b>	<b>\$ 3,617,701.20</b>	<b>\$ 4,082,474.48</b>	<b>\$ (1,205,060.59)</b>	<b>\$ 12,452,131.28</b>
Source: District Records										

**Gloucester County Vocational-Technical School District**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30.									
	2012	2011(1)	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Reserved			\$ 1,872,272.83	\$ 3,053,818.59	\$ 1,257,927.44	\$ 204,266.00	\$ 364,518.56	\$ 219,638.21	\$ 418,872.89	\$ 224,649.76
Unreserved			(733,982.95)	79,361.74	611,890.90	506,502.28	498,273.56	709,374.57	421,251.17	908,857.03
Restricted	\$ 311,715.00	\$ 111,510.00								
Assigned	1,359,437.80	813,331.00								
Unassigned	(128,901.72)	(55,805.19)								
<b>Total General Fund</b>	<b>\$ 1,542,251.08</b>	<b>\$ 869,035.81</b>	<b>\$ 1,138,289.88</b>	<b>\$ 3,133,180.33</b>	<b>\$ 1,869,818.34</b>	<b>\$ 710,768.28</b>	<b>\$ 862,792.12</b>	<b>\$ 929,012.78</b>	<b>\$ 840,124.06</b>	<b>\$ 1,133,506.79</b>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ 4,607,364.74	\$ 15,092,894.35	\$ 6,412,654.48	\$ 11,754,914.11	\$ 4,383,217.50	\$ 4,844,963.88	\$ 5,347,212.91	\$ 13,333,249.14
Unreserved, Reported in:										
Special Revenue Fund					(713.00)	(713.00)	(713.00)	(713.00)	(713.80)	(1,648.80)
<b>Total All Other Governmental Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,607,364.74</b>	<b>\$ 15,092,894.35</b>	<b>\$ 6,411,941.48</b>	<b>\$ 11,754,201.11</b>	<b>\$ 4,382,504.50</b>	<b>\$ 4,844,250.88</b>	<b>\$ 5,346,499.11</b>	<b>\$ 13,331,600.34</b>

(1) - GASB Statement No. 54 effective for the fiscal year ending June 30, 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. See the Notes to Financial Statements.

Source: District Records

**Gloucester County Vocational-Technical School District**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Revenues</b>										
County Appropriation	\$ 7,608,629.00	\$ 6,937,337.00	\$ 6,937,337.00	\$ 22,937,337.00	\$ 9,000,000.00	\$ 17,489,826.00	\$ 10,353,450.00	\$ 8,893,639.00	\$ 4,403,200.00	\$ 11,949,024.00
Tuition Charges	2,921,706.87	2,786,557.36	561,965.00	723,493.71	754,803.67	1,069,050.04	1,050,876.98	1,002,937.78	788,348.35	245,599.22
Miscellaneous	241,206.07	277,952.43	117,942.55	147,993.44	207,157.66	493,749.12	359,700.48	232,579.54	204,719.37	1,574,691.90
State Sources	8,526,493.23	8,165,385.66	5,658,412.87	7,796,883.61	6,275,232.95	6,049,300.33	5,601,553.43	6,337,404.77	5,281,238.97	11,336,962.30
Federal Sources	1,176,117.00	909,943.02	2,475,651.81	903,824.42	925,965.33	1,065,361.43	1,244,456.82	1,334,268.79	1,125,000.87	969,955.75
Total Revenue	<u>20,474,152.17</u>	<u>19,077,175.47</u>	<u>15,751,309.23</u>	<u>32,509,532.18</u>	<u>17,163,159.61</u>	<u>26,167,286.92</u>	<u>18,610,037.71</u>	<u>17,800,829.88</u>	<u>11,802,507.56</u>	<u>26,076,233.17</u>
<b>Expenditures</b>										
Instruction										
Regular Instruction	3,831,288.95	3,592,662.47	3,538,780.24	2,774,235.06	3,103,862.92	2,399,303.52	2,095,360.71	1,903,335.82	1,872,826.20	1,723,794.46
Special Education Instruction	631,697.60	543,980.90	440,488.70	536,033.31	1,440.00	2,843.00	7,162.50			
Vocational Education	3,374,781.34	3,088,367.00	3,033,370.59	2,405,235.52	2,435,984.26	2,713,589.49	2,433,105.57	2,473,939.87	2,504,833.40	2,649,912.61
Other Instruction	443,986.75	482,555.36	350,189.33	392,614.32	269,359.74	250,880.68	225,402.99	172,886.66	183,004.71	767,383.69
Support Services:										
Student & Instruction Related Services	1,941,637.86	1,835,202.15	1,735,655.00	1,554,325.56	1,416,120.57	1,141,872.32	979,352.16	1,026,182.74	1,085,701.94	1,007,142.00
General Administrative Services	339,885.19	226,631.64	303,560.02	261,620.00	411,281.54	470,885.00	511,535.11	463,810.34	444,851.96	448,418.51
School Administrative Services	477,442.93	566,501.24	570,922.72	537,630.44	519,802.92	535,642.77	527,068.50	373,939.16	331,654.34	335,842.06
Business Administrative Services	255,722.28	263,874.94	226,213.61	246,955.38	178,602.66	144,729.64	234,418.54	235,279.94	197,844.58	401,129.63
Administration Information Technology	36,252.22	46,714.63	51,122.35	127,371.42						
Plant Operations and Maintenance	2,103,913.50	2,579,044.17	2,322,688.47	2,228,833.54	2,344,059.41	2,389,992.68	2,018,031.38	1,789,636.39	1,461,735.05	1,646,461.48
Care and Upkeep of Grounds	54,822.19	71,516.22	63,552.97							
Security	311,282.96	353,494.44	306,457.78							
Pupil Transportation	63,820.36	88,293.09	80,230.23	75,526.38	75,289.09	27,271.62	12,277.84	6,545.58	5,331.97	18,862.66
Other Support Services	702,090.01	607,556.13	679,778.33	483,427.03	532,915.11	1,055,069.10	1,212,812.14	986,773.69	762,120.15	700,554.71
Unallocated Employee Benefits	3,591,739.04	3,149,429.12	2,740,404.55	2,423,561.96	2,442,645.20	2,234,306.96	1,956,456.28	1,528,657.87	1,493,185.02	1,654,179.04
On-Behalf Pension Contributions	602,728.00	414,450.00	365,581.00	352,718.00	679,584.00	606,907.00	254,734.00	193,421.00	183,400.00	112,349.00
Reimbursed TPAF Social Security	550,773.96	520,294.72	469,032.52	441,961.52	410,204.24	386,323.47	371,776.74	356,708.69	344,123.81	322,902.19
Special Schools	233,692.40	208,913.88	267,602.49	228,747.71	317,083.21	511,539.85	678,652.83	910,124.65	969,569.00	713,636.00
Capital Outlay	212,335.56	2,174,156.63	10,098,255.16	7,493,438.00	4,824,183.84	3,351,707.51	5,311,976.80	5,502,847.85	8,107,225.11	848,397.10
Total Expenditures	<u>19,759,893.10</u>	<u>20,813,638.73</u>	<u>27,643,886.06</u>	<u>22,564,235.15</u>	<u>19,962,418.71</u>	<u>18,222,864.61</u>	<u>18,830,124.09</u>	<u>17,924,090.25</u>	<u>19,947,407.24</u>	<u>13,350,965.14</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	714,259.07	(1,736,463.26)	(11,892,576.83)	9,945,297.03	(2,799,259.10)	7,944,422.31	(220,086.38)	(123,260.37)	(8,144,899.68)	12,725,268.03
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-budgeted)										
Tuition Adjustments										
Special Revenue Fund Adjustment		(7,501.50)		(435.11)		(14,035.30)				
Capital Projects Fund Adjustment										
Cancellation of Prior Year Payables/(Receivables)	(41,043.80)	(3,262,004.12)	(587,843.23)	(547.06)	(773,200.47)	22,174.58	48,467.61			
Refund of Prior Year Expenditures						20,672.00				
Transfers In/(Out)	-	129,350.07			(610,750.00)	(753,560.82)	(356,348.27)	(290,099.14)	(133,584.28)	
Total Other Financing Sources (Uses)	<u>(41,043.80)</u>	<u>(3,140,155.55)</u>	<u>(587,843.23)</u>	<u>(982.17)</u>	<u>(1,383,950.47)</u>	<u>(724,749.54)</u>	<u>(307,880.66)</u>	<u>(290,099.14)</u>	<u>(133,584.28)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 673,215.27</u>	<u>\$ (4,876,618.81)</u>	<u>\$ (12,480,420.06)</u>	<u>\$ 9,944,314.86</u>	<u>\$ (4,183,209.57)</u>	<u>\$ 7,219,672.77</u>	<u>\$ (527,967.04)</u>	<u>\$ (413,359.51)</u>	<u>\$ (8,278,483.96)</u>	<u>\$ 12,725,268.03</u>

Source: District Records

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Tuition - LEA's	\$ 2,693,204.37	\$ 2,557,307.36	\$ 211,765.00	\$ 199,844.30	\$ 112,203.67	\$ 72,550.00	\$ 311,988.06	\$ 276,887.78	\$ 113,348.35	\$ 245,599.22	\$ 225,487.42
Nonresident Fees	197,800.00	229,250.00	350,200.00	523,649.41	642,600.00	829,500.00	738,888.92	726,050.00	675,000.00	712,349.71	792,450.00
Interest Earned on Investments	2,110.05	5,974.05	15,479.92	26,922.30	49,420.46	100,965.24	67,447.13	29,104.31	5,461.77	14,746.71	33,061.52
Rent	146,035.00					-	-	143,215.84	-	-	-
Summer School	31,286.50										
Ford Asset						167,000.04	-	-	129,114.67	13,531.74	-
Pool Operations						-	-	-	-	92,407.75	
Other Restricted Miscellaneous Revenues						-	-	-	-	705,547.70	685,799.62
Miscellaneous	<u>84,673.33</u>	<u>258,914.78</u>	<u>102,462.63</u>	<u>121,071.14</u>	<u>157,737.20</u>	<u>390,162.59</u>	<u>287,253.35</u>	<u>45,467.39</u>	<u>59,899.42</u>	<u>36,108.75</u>	<u>100,467.57</u>
	<u>\$ 3,155,109.25</u>	<u>\$ 3,051,446.19</u>	<u>\$ 679,907.55</u>	<u>\$ 871,487.15</u>	<u>\$ 961,961.33</u>	<u>\$ 1,560,177.87</u>	<u>\$ 1,405,577.46</u>	<u>\$ 1,220,725.32</u>	<u>\$ 982,824.21</u>	<u>\$ 1,820,291.58</u>	<u>\$ 1,837,266.13</u>

Source: District Records

## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

**Gloucester County Vocational-Technical School District**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
 Unaudited

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2012	Unavailable	Unavailable	Unavailable	9.8%
2011	289,104	Unavailable	Unavailable	9.3%
2010	288,288	\$ 8,997,468,480.00	\$ 31,210.00	10.0%
2009	289,920	11,478,222,720.00	39,591.00	9.2%
2008	288,168	11,354,971,872.00	39,404.00	5.4%
2007	285,753	10,810,607,496.00	37,832.00	4.3%
2006	282,031	10,266,210,431.00	36,401.00	4.7%
2005	277,037	9,522,592,801.00	34,373.00	4.4%
2004	272,784	8,971,320,192.00	32,888.00	4.7%
2003	267,978	8,392,267,026.00	31,317.00	5.4%

**Source:**

- (1) Information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

## Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

**Gloucester County Vocational-Technical School District**  
Principal Employers  
Current Year and Ten Years Ago  
Unaudited

<u>Employer</u>	<u>2012</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Underwood Memorial Hospital	1,825	1	1.13%	N/A	N/A	N/A
Rowan University	1,300	2	0.80%	N/A	N/A	N/A
Kennedy Memorial Hospital	1,200	3	0.74%	N/A	N/A	N/A
Missa Bay, LLC	950	4	0.59%	N/A	N/A	N/A
ExxonMobil Corp	750	5	0.46%	N/A	N/A	N/A
U.S. FoodService	725	6	0.45%	N/A	N/A	N/A
Godwin Pumps/ITT	640	7	0.39%	N/A	N/A	N/A
Paulsboro Refining	600	8	0.37%	N/A	N/A	N/A
Delaware Valley Wholesale Florist	500	9	0.31%	N/A	N/A	N/A
Drugstore.com	450	10	0.28%	N/A	N/A	N/A
Hertiage Dairy Stores	450	10	0.28%	N/A	N/A	N/A
	<u>9,390</u>		<u>5.79%</u>			

**Source:** Gloucester County Department of Economic Development

**Gloucester County Vocational-Technical School District**  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	1,246.5	\$ 19,547,557.54	\$ 15,681.96	3.98%	107.0	1,246.5	1,208.1	7.19%	96.92%
2011	1,233.1	17,545,630.90	14,228.88	0.18%	107.0	1,233.1	1,192.7	16.21%	96.72%
2010	1,162.9	17,538,853.57	15,082.00	-4.91%	96.0	1,162.9	1,117.1	21.85%	96.06%
2009	1,061.1	15,070,797.15	14,202.99	-10.46%	72.0	1,061.1	1,022.4	16.99%	96.35%
2008	954.4	15,138,234.87	15,861.52	-3.26%	73.0	954.4	905.8	29.90%	94.91%
2007	907.0	14,871,157.10	16,395.98	-10.89%	75.0	907.0	865.5	37.13%	95.42%
2006	734.7	13,518,147.29	18,399.55	11.93%	67.1	734.7	699.7	18.04%	95.24%
2005	661.4	10,871,980.53	16,437.83	-2.77%	59.0	661.4	619.2	3.21%	93.62%
2004	622.4	10,522,203.48	16,905.85	-4.30%	60.1	622.4	580.0	4.48%	93.19%
2003	640.8	11,320,607.12	17,666.37	-2.33%	56.5	640.8	601.3	15.38%	93.84%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Gloucester County Vocational-Technical School District**  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b><u>District Building</u></b>											
<b><u>Vocational-Technical School</u></b>											
Gloucester County Institute of Technology (1972)											
Square Feet	378,676	378,676	378,676	328,509	297,879	297,879	297,879	280,064	280,064	253,614	253,614
Capacity (students) <sup>1</sup>						-	-	-	-	-	-
Enrollment	1,246.5	1,233.1	1,162.9	1,061.1	954.4	907.0	734.7	661.4	622.4	640.8	595.7

Number of Schools at June 30, 2012  
 High School - 1

<sup>1</sup> N.J.S.A. 18A:7G et seq. provides no standard capacity for County Vocational-Technical School Districts due to the specialized programs offered

**Source:** District records, ASSA

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

**Gloucester County Vocational-Technical School District**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
 Unaudited

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

* School Facilities	Gross Square Footage	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Gloucester County Institute of Technology	378,676	\$ 322,377	\$ 290,746	\$ 217,656	\$ 183,646	\$ 190,942	\$ 176,369	\$ 74,195	\$ 181,066	\$ 168,177	\$ 256,911
Total School Facilities		<u>\$ 322,377</u>	<u>\$ 290,746</u>	<u>\$ 217,656</u>	<u>\$ 183,646</u>	<u>\$ 190,942</u>	<u>\$ 176,369</u>	<u>\$ 74,195</u>	<u>\$ 181,066</u>	<u>\$ 168,177</u>	<u>\$ 256,911</u>

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

Source: District Records

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Insurance Schedule

June 30, 2012

Unaudited

	<u>Coverage</u>		<u>Deductible</u>	
<b>Automobile Liability (1)</b>	\$	16,000,000	per occurrence	
		1,000,000	Combined Single Limit	
<b>Property (1)</b>				
Blanket Real and Personal Property	\$	5,000,000	per occurrence	\$ 5,000
Blanket Extra Expense		50,000,000		5,000
Blanket Valuable Papers and Records		10,000,000		5,000
Demolition and Increased Cost of Construction		10,000,000	per occurrence	
Pollutant Cleanup and Removal		250,000		
Earthquake		50,000,000	per occurrence	
		50,000,000	NJSBAIG annual aggregate	
Terrorism		1,000,000	per occurrence	
		1,000,000	NJSBAIG annual aggregate	
<b>Comprehensive General Liability (1)</b>				
Combined Single Limit for Bodily Injury & Property Damage	\$	16,000,000	Combined Single Limit for Bodily Injury & Property Damage	
Bodily Injury from Products and Completed Operations	\$	16,000,000	annual aggregate	
Sexual Abuse		16,000,000	per occurrence	
		17,000,000	annual pool aggregate	
Personal Injury and Advertising Injury		16,000,000	each occurrence	
		16,000,000	annual aggregate	
Employee Benefits Liability		16,000,000	per occurrence/ annual aggregate	\$ 1,000 per claim
Terrorism		1,000,000	per occurrence/ annual NJSBAIG aggregate	
<b>Worker's Compensation - Employers' Liability (1)</b>				
Bodily Injury by Accident	\$	2,000,000	each accident	
Bodily Injury by Disease		2,000,000	each employee	
		2,000,000	aggregate limit	
Part A			Statutory	
<b>School Leaders Errors &amp; Omissions (1)</b>				
Coverage A				
Limit of Liability:	\$	16,000,000	each policy period	\$ 5,000 each claim
Coverage B				
Limit of Liability:	\$	100,000	each claim	\$ 5,000 each claim
		300,000	each policy period	
<b>Public Official Bonds (2)</b>				
Assistant Superintendent for Business/Board Secretary	\$	215,000		
<b>Student Accident Policy (3)</b>				
Accident Medical Expense Benefit	\$	1,000,000		-
<b>Catastrophic Student Accident (4)</b>				
Catastrophic Student Accident Coverage	\$	5,000,000		

(1) - New Jersey School Boards Association Insurance Group Educational Risk and Insurance Consortium (ERIC South)

(2) - Western Surety

(3) - American International Insurance Company

(4) - National Union Fire Insurance Company of Pittsburgh, PA

Source: District Records

SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

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

**Compliance**

We have audited the Gloucester County Vocational Technical School District's compliance with the types of compliance requirements described in the 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 School District's major federal and state programs for the fiscal year ended June 30, 2012. The School District'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 School District'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; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB 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 Gloucester County Vocational Technical School District'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 School District's compliance with those requirements.

In our opinion, the Gloucester County Vocational Technical School District 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 fiscal year ended June 30, 2012.

**Internal Control Over Compliance**

Management of the Gloucester County Vocational Technical School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the 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 State of New Jersey Circular 04-04-OMB, 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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, members of the Board of Education, others within the School District, the Division of Administration and Finance of the New Jersey Department of Education, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 3, 2012

**Gloucester County Vocational Technical School District**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2012

Federal Grantor /Pass-through Grantor / Program Title	CFDA Number	Grant or Federal Project Number	Program or Award Amount	<u>Grant Period</u> From To	
<b>General Fund:</b>					
<b>U.S. Department of Health and Human Services: Passed-through State Department of Education: Immunization Grant:</b>					
Medical Assistance Program	93.778	N/A	\$ 1,800.39	07/01/11	06/30/12
<b>U.S. Department of Education: State Fiscal Stabilization Fund Cluster: Education Job Fund</b>					
	84.410A	ARRA177511	256,200.00	8/10/2010	9/30/2012
Total U.S. Department of Education					
<b>Total General Fund</b>					
<b>Special Revenue Fund:</b>					
<b>U.S. Department of Education: Passed-through State Department of Education: No Child Left Behind:</b>					
Title I - Part A Cluster:					
Title I	84.010	NCLB177512	83,491.00	9/1/2011	8/31/2012
Title I	84.010	NCLB177511	69,156.00	9/1/2010	8/31/2011
Title I	84.010	NCLB177510	69,347.00	9/1/2009	8/31/2010
Total Title I - Part A Cluster					
Eisenhower Professional Development State Grants:					
Title II - Part A	84.281	NCLB177512	12,669.00	9/1/2011	8/31/2012
Title II - Part A	84.281	NCLB177511	13,729.00	9/1/2010	8/31/2011
Title II - Part D	84.281	NCLB177510	706.00	9/1/2009	8/31/2010
Total Title II Cluster					
Special Education Grants to States (IDEA) Cluster					
I.D.E.I.A. Part B Basic Regular	84.027	IDEA177512	163,108.00	9/1/2011	8/31/2012
Career and Technical Education - Basic Grants to States (Perkins IV)					
Post Secondary	84.048A	PSFS177512	93,980.00	9/1/2011	8/31/2012
Post Secondary	84.048A	PSFS177511	83,454.00	9/1/2010	8/31/2011
Secondary	84.048A	PERK177512	198,764.00	9/1/2011	8/31/2012
Secondary	84.048A	PERK177511	216,393.00	9/1/2010	8/31/2011
Secondary	84.048A	PERK177510	178,932.00	9/1/2009	8/31/2010
Total U.S. Department of Education (State)					
<b>U.S. Department of Labor: Passed-Through County of Gloucester:</b>					
W.I.A. Youth Activities:					
Youth One Stop Career Center "At Risk"	17.259	unavailable	323,000.00	9/1/2011	8/31/2012
Youth One Stop Career Center "At Risk"	17.259	unavailable	390,327.40	9/1/2010	8/31/2011
Total U.S. Department of Labor					
<b>Total Special Revenue Fund</b>					
<b>Enterprise Fund:</b>					
<b>U.S. Department of Agriculture Passed-through State Department of Education:</b>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	12-100-010-3350-021	13,720.13	7/1/2011	6/30/2012
National School Lunch Program:					
Food Distribution Program	10.555	unavailable	20,858.75	7/1/2011	6/30/2012
Food Distribution Program	10.555	unavailable	12,355.68	7/1/2010	6/30/2011
National School Lunch Program	10.555	12-100-010-3350-023	79,800.41	7/1/2011	6/30/2012
Total Child Nutrition Cluster					
<b>Total Enterprise Fund</b>					
<b>Total Federal Financial Assistance</b>					

(A) See Note 5 to the Schedules of Expenditures of Federal and State Financial Assistance

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Balance June 30, 2011	Balance at June 30, 2012					
Deferred Revenue/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Adjustments (D)	(Accounts Receivable)	Deferred Revenue	Due to Grantor
	\$ 1,800.39	\$ (1,800.39)				
\$ (3,202.20)	153,668.44	(233,725.00)		\$ (83,258.76)		
(3,202.20)	153,668.44	(233,725.00)	-	(83,258.76)	-	-
(3,202.20)	155,468.83	(235,525.39)	-	(83,258.76)	-	-
(29,465.00)	82,526.00	(83,491.00)		(965.00)		
(29.00)	29,548.00	(82.59)	\$ (0.41)	(0.00)		
(29,494.00)	112,103.00	(83,573.59)	-	(965.00)	-	-
(10,516.00)	12,669.00	(12,669.00)				
(140.00)	10,516.00					
(10,656.00)	140.00					
	23,325.00	(12,669.00)	-	-	-	-
	160,711.00	(163,108.00)		(2,397.00)		
(7,788.00)	93,980.00	(93,980.00)				
(20,910.00)	7,788.00					
50.00	178,849.00	(198,764.00)		(19,915.00)		
(68,798.00)	20,910.00		50.00			
	597,666.00	(552,094.59)	50.00	(23,277.00)	-	-
(41,198.30)	226,995.64	(323,000.00)		(96,004.36)		
	106,695.32	(65,497.02)				
(41,198.30)	333,690.96	(388,497.02)	-	(96,004.36)		-
(109,996.30)	931,356.96	(940,591.61)	50.00	(119,281.36)	-	-
	13,206.45	(13,720.13)		(513.68)		
1,062.72	20,858.75	(19,816.59)			\$ 1,042.16	
	78,175.13	(1,062.72)		(1,625.28)		
1,062.72	112,240.33	(114,399.85)	-	(2,138.96)	1,042.16	-
1,062.72	112,240.33	(114,399.85)	-	(2,138.96)	1,042.16	-
\$ (112,135.78)	\$ 1,199,066.12	\$ (1,290,516.85)	\$ 50.00	\$ (204,679.08)	\$ 1,042.16	\$ -

**Gloucester County Vocational Technical School District**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2012

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2011 Deferred Revenue / (Accounts Receivable)</u>
			<u>From</u>	<u>To</u>	
<b>General Fund:</b>					
<b>State Department of Education:</b>					
Equalization Aid	12-495-034-5120-078	\$ 6,633,356.00	7/1/11	6/30/12	
Equalization Aid	11-495-034-5120-078	6,296,723.00	7/1/10	6/30/11	\$ (622,649.21)
Special Education Aid	12-495-034-5120-089	593,323.00	7/1/11	6/30/12	
Special Education Aid	11-495-034-5120-089	593,323.00	7/1/10	6/30/11	(58,660.79)
TPAF Social Security Contributions	12-100-034-5095-051	550,773.96	7/1/11	6/30/12	
TPAF Social Security Contributions	11-100-034-5095-051	520,294.72	7/1/10	6/30/11	(3,169.66)
Total General Fund					<u>(684,479.66)</u>
<b>Special Revenue Fund:</b>					
<b>State Department of Education:</b>					
Apprentice Coordinator	12-100-034-5062-032	35,723.00	7/1/11	6/30/12	
Apprentice Coordinator	11-100-034-5062-032	35,944.00	7/1/10	6/30/11	(10,783.20)
Vocational Student Organizations Statewide					
Leadership and Administrative Services (HOSA)	12-495-034-5062-002	140,000.00	9/1/11	8/31/12	
Leadership and Administrative Services (HOSA)	11-495-034-5062-002	140,000.00	9/1/10	8/31/11	(23,806.39)
Learn and Serve	11AMER312ALS	66,000.00	9/1/10	8/31/11	(43,345.37)
Total State Department of Education					<u>(77,934.96)</u>
Total Special Revenue Fund					<u>(77,934.96)</u>
<b>Enterprise Fund:</b>					
<b>State Department of Agriculture:</b>					
State School Lunch Program	12-100-010-3350-023	3,124.53	7/1/11	6/30/12	
Total Enterprise Fund					<u>-</u>
Total State Financial Assistance					<u>\$ (762,414.62)</u>

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of the schedule

Due to Grantor	Cash Received	Adjustments (A)	Budgetary Expenditures	Balance at	Memo	
				June 30, 2012	(Accounts Receivable)	Budgetary Receivable June 30, 2012
	\$ 5,974,226.12		\$ (6,633,356.00)	\$ (659,129.88)	\$ (659,129.88)	\$ (6,633,356.00)
	622,649.21					(6,296,723.00)
	534,366.88		(593,323.00)	(58,956.12)	(58,956.12)	(593,323.00)
	58,660.79					(593,323.00)
	548,100.26		(550,773.96)	(2,673.70)	(2,673.70)	(550,773.96)
	3,169.66					(520,294.72)
<u>-</u>	<u>7,741,172.92</u>	<u>-</u>	<u>(7,777,452.96)</u>	<u>(720,759.70)</u>	<u>(720,759.70)</u>	<u>(15,187,793.68)</u>
	25,006.10		(35,723.00)	(10,716.90)	(10,716.90)	(35,723.00)
	10,783.20					(35,944.00)
	94,649.65		(119,432.42)	(24,782.77)	(24,782.77)	(119,432.42)
	45,585.61		(21,779.22)	-	-	(140,000.00)
	33,000.00		(6,154.63)	(16,500.00)	(16,500.00)	(66,000.00)
<u>-</u>	<u>209,024.56</u>	<u>-</u>	<u>(183,089.27)</u>	<u>(51,999.67)</u>	<u>(51,999.67)</u>	<u>(397,099.42)</u>
<u>-</u>	<u>209,024.56</u>	<u>-</u>	<u>(183,089.27)</u>	<u>(51,999.67)</u>	<u>(51,999.67)</u>	<u>(397,099.42)</u>
	3,065.06		(3,124.53)	(59.47)	(59.47)	(3,124.53)
<u>-</u>	<u>3,065.06</u>	<u>-</u>	<u>(3,124.53)</u>	<u>(59.47)</u>	<u>(59.47)</u>	<u>(3,124.53)</u>
<u>\$ -</u>	<u>\$ 7,953,262.54</u>	<u>\$ -</u>	<u>\$ (7,963,666.76)</u>	<u>\$ (772,818.84)</u>	<u>\$ (772,818.84)</u>	<u>\$ (15,588,017.63)</u>

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2012

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**Note 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Gloucester County Vocational Technical School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**Note 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the 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 for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

An adjustment was not required to reconcile revenues and expenditures from the budgetary basis to the GAAP basis for the special revenue fund. See Exhibit C-3, 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.

**Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)**

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 235,525.39	\$ 7,740,675.96	\$ 7,976,201.35
Special Revenue	940,591.61	183,089.27	1,123,680.88
Food Service	114,379.29	3,124.53	117,503.82
Total Awards and Financial Assistance	<u>\$ 1,176,117.00</u>	<u>\$ 7,923,765.23</u>	<u>\$ 9,099,882.23</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: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent immaterial prior year accounts receivable or deferred revenue adjustments on Schedule K-3.

**Note 6: OTHER**

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. 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 fiscal year ended June 30, 2012.

**Note 7: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2012**

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued UNQUALIFIED

Internal control over financial reporting:

Material weaknesses identified?      yes   X   no

Were significant deficiencies identified that were not considered to be a material weakness?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards**

Internal control over compliance:

Material weaknesses identified?      yes   X   no

Were significant deficiencies identified that were not considered to be a material weakness?      yes   X   none reported

Type of auditor's report on compliance for major programs UNQUALIFIED

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?      yes   X   no

Identification of major programs:

<b><u>CFDA Numbers</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
17.259	WIA Youth Activities: Youth One Stop Career Center

Dollar threshold used to determine Type A programs \$300,000.00

Auditee qualified as low-risk auditee?   X   yes      no



**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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***Section 2- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

None

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

None

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**FINANCIAL STATEMENT FINDINGS**

None

**FEDERAL AWARDS**

None

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None

