

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BOARD OF EDUCATION

OF THE

MONMOUTH COUNTY VOCATIONAL SCHOOLS

(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)

NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

**Monmouth County Vocational Schools
Board of Education
Finance Department**

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)

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INTRODUCTORY SECTION

Monmouth County Vocational School District

Timothy M. McCorkell
Superintendent

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PO Box 5033
Freehold, NJ 07728-5033
732-431-7944
fax 732-409-6736

Anthony Schaible
Assistant Superintendent

Collette C. Flatt
*Business Administrator
Board Secretary*

December 19, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Monmouth County Vocational School District ("District") for the fiscal year ended June 30, 2012 is hereby submitted. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Monmouth County Vocational School District's Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation 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 general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the state Treasury OMB Circular Letter 04-04, 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:

Monmouth County Vocational School District is a component unit of Monmouth County within the criteria adopted by the GASB Statement No. 14. The State Department of Education requires the District's financial statements be reported separately. All funds and account groups of the District are included in this report. The Monmouth County Vocational School District's Board of Education and all of its schools constitute the District's reporting entity.

The District provides a full range of vocational-technical educational services appropriate to secondary students, special needs students, post-secondary students and part-time adult students throughout the Monmouth County area.

The District completed the 2011-2012 fiscal year with a total enrollment of 4,894 students. The following details the breakdown of the enrollment:

2011-2012 MCVSD ENROLLMENT

High School Programs

Shared Time

Vocational Programs	699
Career Center	500

Full Time

Academy of Allied Health & Science	276
Biotechnology High School	311
CLASS Academy	69
Communications High School	320
High Technology High School	278
KIVA High School	36
Marine Academy of Science & Technology	292

Total High School 2,781

Adult Programs

Evening School	925
Practical Nursing	53
Post Graduates	33
Post Secondary (Full Time)	117
Adult Basic Education Program	105

Total Adult Programs 1,233

Specialty Programs

Pre-Vocational Evaluation (Career Center)	450
Summer School - Vocational	52
Summer School – Career Academies	256
Registered Apprentices	122

Total Specialty Programs 880

GRAND TOTAL 4,894

2. ECONOMIC CONDITION AND OUTLOOK:

Monmouth County is located 47 miles south of New York City in Central New Jersey. It is 472 square miles. Its western borders are Mercer and Middlesex counties; on the south by Burlington and Ocean counties; on the east by the Atlantic Ocean; and on the north by the Raritan and Sandy Hook bays. The county is located within the New York City metropolitan region, which consists of southern Connecticut and New York State and Northeastern New Jersey.

Monmouth County is a desirable area to live in because of its easy access to all major modes of transportation. It is sandwiched between the major cities of New York City and Philadelphia. The beauty and diversity of the region are beyond compare, and of course the excellent school districts.

The leading trends that are evolving in Monmouth County in areas of income, employment, education and mobility are the following:

The median household income is based on the income distribution of all households, including those with no income. In Monmouth County, the median household income decreased from \$82,503 in 2008 to \$82,265 in 2011.

The recession has affected Monmouth County's unemployment rate from a five-year low in 2007 of 3.7 percent to an estimated high in 2011 of 10.9 percent.

Industrial markets are analyzed by the availability and leasing rate of industrial space. Monmouth County's total supply of leasable industrial space is limited, however for the fourth quarter 2009, CB Richard Ellis reported vacancies here were the second lowest reported in the twelve-market Central Jersey region; and the asking rent price was the highest within this study area.

The population of Monmouth County according to the 2010 census was estimated to be 631,020 people for 2011. The ratio of male to female persons is almost equal. Most of the population lives in owner occupied residence, and 85.1% of the population is white, 7.7% is black, and 5% is Asian. Other races make up the remaining population. Approximately 9.9% of the population identify themselves as Hispanic or Latino.

According to the 2008 American Community Survey, in Monmouth County almost 92% of our population over 25 years old, have obtained a high school degree or higher. In 2012, all five of the Monmouth County Vocational School District Career Academies were recognized in the *U.S. News and World Report's* list of "America's Best High Schools".

3. MAJOR INITIATIVES:

The following major initiatives took place during the 2011-2012 school year:

Old roofs were replaced with new roofs at Kiva High School and at our Culinary Education Center. We began to expand the parking lot at Communications High School, after having purchased adjacent property. The expansion included renovations to a storage garage on site. All of the windows and doors in our buildings have been numbered for emergency personnel to respond more quickly to comply with a directive issued by the Monmouth County Prosecutor.

We continue to implement the Long Range Facilities Plan.

The Monmouth County Vocational School District has formed innovative partnerships with neighboring districts and the County to share services in an effort to work together and reduce costs. These services include snow removal and food service agreements.

4. 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:

- a) The cost of a control should not exceed the benefits likely to be derived; and
- b) 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 guarantee compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5. 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. This budget is adopted for the General Fund, and the Special Revenue Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in Note 2 of the Notes to the Financial Statements. The District uses 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, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance including, but not limited to, general liability, automobile liability and comprehensive/collision, employee benefits liability, nurses' professional liability, workers' compensation, hazard and theft insurance on property and contents, board legal liability, student accident and fidelity bonds for the Treasurer and the Board Secretary/Business Administrator.

10. OTHER INFORMATION:

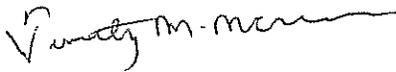
Independent Audit – State statutes require an annual audit by independent certified public accountants and public school accountants. The Board selected Gerard Stankiewicz, CPA, PSA of the accounting firm of Samuel Klein and Company, CPAs. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act, the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Monmouth County Vocational School District's Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

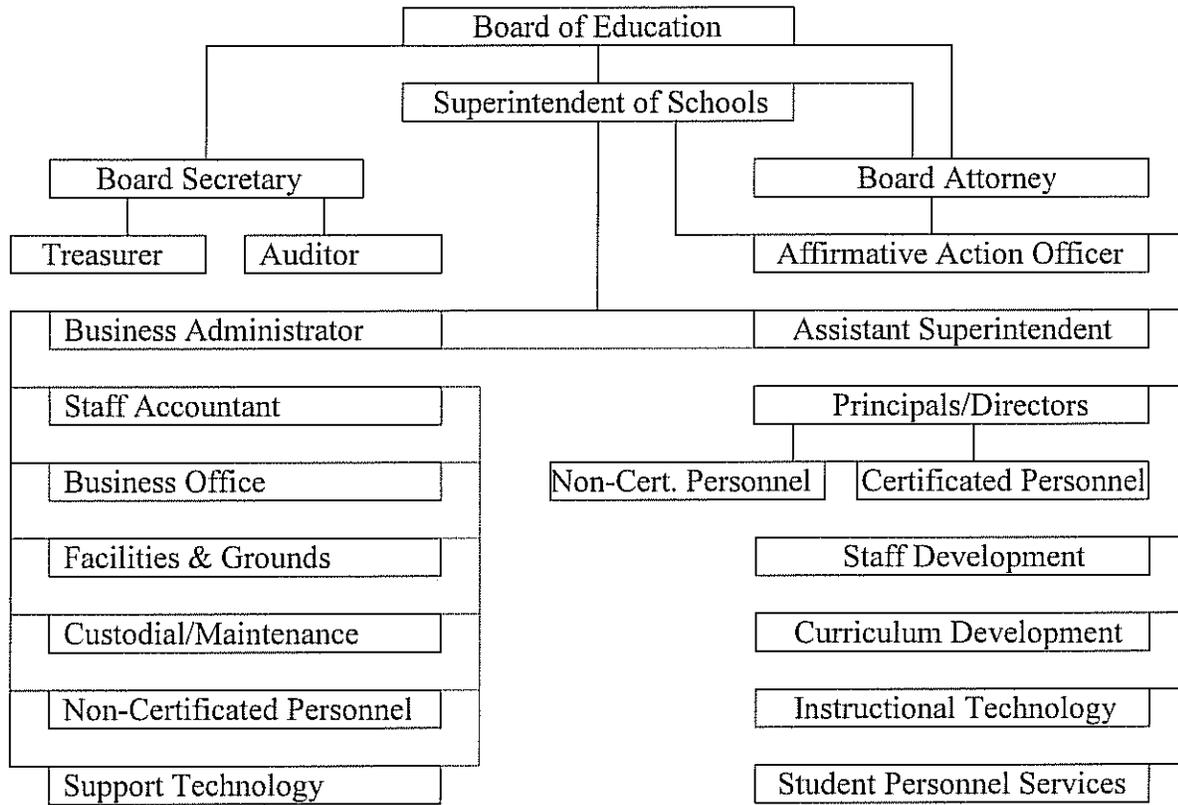


Mr. Timothy M. McCorkell
Superintendent



Ms. Collette C. Flatt
Business Administrator
Board Secretary

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT



_____ Line of Authority
 Line of Cooperation

Revised December 15, 2009

MONMOUTH COUNTY VOCATIONAL SCHOOLS
BOARD OF EDUCATION
MONMOUTH COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph A. Manfredi, President	2014
Brian D. McAndrew, Vice President	2015
Dennis Ingoglia	2012
Clement V. Sommers	2013
Joseph F. Passiment, Jr., Executive County Superintendent	

Other Officials

Timothy M. McCorkell, Superintendent
Collette C. Flatt, Business Administrator/Board Secretary
Elizabeth A. Briggs, Treasurer
Sanford D. Brown, Esq., Solicitor

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

ARCHITECTS

Focus Architecture
3 Tree Farm Road
Pennington, NJ 08534

GanFlec Architects and Engineers, Inc.
PO Box 67100
Harrisburg, PA 17106-7100

Kellenyi Johnson Wagner
21 Peters Place
Red Bank, NJ 07701-1792

Tetra Tech Architects and Engineers
Cornell Business and Technology Park
10 Brown Road
Ithaca, NY 14850

AUDIT FIRM

Gerard Stankiewicz, CPA, PSA
of
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36 West Main Street, Suite 303
Freehold, NJ 07728

ATTORNEY

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Ocean Township, NJ 07712

INSURANCE CONSULTANTS

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Lambertville, NJ 08530

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525 Route 33
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OFFICIAL DEPOSITORY

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72 West Main Street
Freehold, NJ 07728

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012, on our consideration of the Board of Education of the Monmouth County Vocational School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit

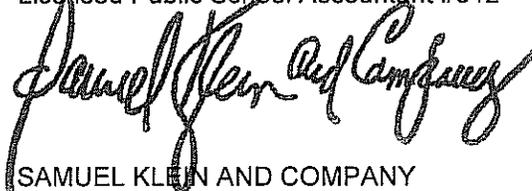
The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 15 and 46 through 55 are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monmouth County Vocational School District Board of Education's financial statements. The accompanying introductory section, other supplementary information such as the combining fund and individual financial fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in the relation to the financial statements taken as a whole. The introductory section, financial schedules and statistical tables have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular Letter 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 19, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Monmouth County Vocational School District Management Discussion and Analysis

The Management's Discussion and Analysis (MD&A) of the Monmouth County Vocational School District's Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2012. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "Basic Financial Statement-and Management's Discussion and Analysis-for State and Local Governments" issued in June 1999.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-12 fiscal year include the following:

As reported in the Statement of Activities in section A-2 the cost of all of the School Board's governmental and business-type activities this year, including a charge for depreciation of \$3,577,113 was \$43,462,584. Of this amount, \$355,460 was paid through various operating grants, contributions and charges for services. Consequently, the net expense of \$43,107,124 after taking into consideration these fees and subsidies, was paid by the County of Monmouth (county contributions and contributed capital), the State of New Jersey (state education aid and entitlement grants), restricted Federal aid, other LEA's (tuition), and from other miscellaneous revenue (interest, inkind fees and fund transfers).

Table I, below, takes the information from the Statement of Activities and rearranges it slightly in order to reflect comparative total revenues and expenditures for the past two (2) years.

Table I
Comparative Statement of Changes in Net Assets

	<u>2011-2012</u>	<u>2010-2011</u>
<u>Revenues</u>		
General Revenues:		
County Contribution	\$ 16,662,178	\$ 16,662,178
State Aid	11,040,102	10,033,900
Federal Aid	1,220,239	1,312,045
Miscellaneous Income	2,130,849	2,369,353
Tuition	11,856,348	12,359,675
County of Monmouth - Contributed Capital	1,530,865	2,743,232
Business Activities	31,050	36,010
Total Revenues	<u>\$ 44,471,631</u>	<u>\$ 45,516,393</u>
<u>Functions/Program Expenses</u>		
Instruction:		
Regular Vocational Programs	\$ 247,172	\$ 407,408
Special Vocational Programs	16,347,871	16,638,136
Support services:		
Student and Instruction Related Services	2,671,865	3,424,583
School Administrative Services	2,212,480	2,248,036
Other Administrative Services	1,707,042	1,036,928
Operation and Maintenance of Plant	4,709,288	5,122,373
Pupil Transportation	84,869	73,291
Unallocated Benefits	9,805,989	9,410,652
Special Schools	1,972,777	1,935,280
Unallocated Depreciation	3,577,113	2,105,051
Business-type Activities:		
Food Service	126,118	108,718
County Department of Corrections		6,315
Total Expenses	<u>\$ 43,462,584</u>	<u>\$ 42,516,771</u>
District-Wide Expenses	43,462,584	42,516,771
Net Change	\$ 1,009,047	\$ 2,999,622
Less: Other Non-Recurring Adjustments		
Capital Assets, Retired	-	(1,131,284)
Capital Assets, Adjustment	12,114,041	935,165
Long Term Debt, Opening Adjustment	-	(481,223)
Transfer to Contractor Retainage Payable	-	(64,786)
Change in Net Assets (A-2)	<u>\$ 13,123,088</u>	<u>\$ 2,257,494</u>

Refer to exhibits contained in other sections of the CAFR for clarification. State Aid includes on behalf payments for TPAF pension, medical and FICA.

USING THE ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. For the School Board's governmental activities, the financial statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, such as the School Board's General Fund, Special Revenue Fund and Capital Project Fund. The remaining statement, Statement of Fiduciary Net Assets, presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board's auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly presented. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allows the School Board to demonstrate its stewardship over and accountability for resources received from the County of Monmouth, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2012 it reported a combined net asset balance of \$80,290,133. The Reconciliation of the Statement of Revenue and Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

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

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally expended less than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecast very conservatively and expenditures are budgeted with worst-case scenarios in mind.

Of the 2011-12 closing fund balance of \$8,762,801 \$908,071 is restricted as a capital reserve, \$515,933 is committed for year-end encumbrances, \$1,246,387 is assigned-designated for the subsequent year's budget \$1,900,000 is restricted for maintenance reserve, \$1,359,545 is reserve for excess surplus (11-12), \$661,030 is excess surplus (10-11) designated for subsequent year expenditures and \$2,171,835 is unassigned which is within the limits permitted by law.

CAPITAL ASSETS

At June 30, 2012, the School Board had approximately \$116.9 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

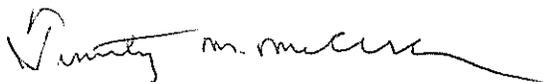
For the 2011-12 school year, the School Board was able to sustain its general fund budget through the county contribution (via the county regular tax levy), state education aid, tuition, and local revenue sources. This was accomplished through tightened spending. State Aid makes up approximately 27.03% of the general fund revenue, growing slightly from 24.27% last year. The remaining revenue is comprised of 39.77% county tax levy, 28.30% from tuition from other LEA's and 4.90% is from miscellaneous revenue, which among other things includes adult and post secondary tuition and bank interest.

The \$315,912 deficit in unrestricted net assets for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities (early retirement obligation and compensated absences), the School Board would have a deficit of \$315,912. There is no likelihood that all \$5.7 million in liabilities for compensated absences and early retirement obligations would come due in one year. The district also has \$908,071 in capital reserve monies as well as the fair market value of the capital assets.

At this time, the most important factor affecting the budget is the combined effects of the national and State economies and the State aid formula. The tax levy and tuition will be the areas that will need to absorb any increase in budget obligations. The effect of any decrease in future funding or enrollments may negatively impact revenue. The School Board anticipates maintaining the current level of enrollment for the 2012-13 fiscal year, but due to the elective nature of its programs the School Board cannot accurately forecast future enrollment.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Collette C. Flatt, School Business Administrator, 4000 Kozloski Road, P.O. Box 5033, Freehold, NJ, 07728-5033, (732) 431-7944.



Timothy M. McCorkell
Superintendent



Collette C. Flatt
Business Administrator/Board Secretary

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2012

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 6,378,930.48	\$ 56,101.96	\$ 6,435,032.44
Receivables - Net	1,483,653.83	807.00	1,484,460.83
Interfunds Receivable	11,446.54	2,985.18	14,431.72
Restricted Assets:			
Cash - Capital Reserve Account	908,070.79		908,070.79
Capital Assets, Net	<u>76,794,892.72</u>	<u>419,817.85</u>	<u>77,214,710.57</u>
Total Assets	<u>\$ 85,576,994.36</u>	<u>\$ 479,711.99</u>	<u>\$ 86,056,706.35</u>
 <u>LIABILITIES</u> 			
Interfunds Payable	\$ 2,985.18		\$ 2,985.18
Intergovernmental Accounts Payable	5,152.85		5,152.85
Deferred Revenue	11,162.61		11,162.61
General Long-Term Debt:			
Due Within One Year	565,523.00		565,523.00
Due Beyond One Year	<u>5,181,769.00</u>		<u>5,181,769.00</u>
Total Liabilities	<u>\$ 5,766,592.64</u>		<u>\$ 5,766,592.64</u>
 <u>NET ASSETS</u> 			
Invested in Capital Assets - Net of Related Debt	\$ 76,794,892.72	\$ 419,817.85	\$ 77,214,710.57
Capital Projects	908,070.79		908,070.79
Restricted	1,907,418.00		1,907,418.00
Other Purposes	515,932.46		515,932.46
Unrestricted	<u>(315,912.25)</u>	<u>59,894.14</u>	<u>(256,018.11)</u>
Total Net Assets	<u>\$ 79,810,401.72</u>	<u>\$ 479,711.99</u>	<u>\$ 80,290,113.71</u>

See accompanying notes to financial statements.

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
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
Governmental Activities:						
Instruction:						
Regular	\$ 247,171.63		\$ 238,046.53	\$ (9,125.10)		\$ (9,125.10)
Vocational Education	16,347,870.89			(16,347,870.89)		(16,347,870.89)
Support Services:						
Student and Instruction Related Services	2,671,865.18		59,822.38	(2,612,042.80)		(2,612,042.80)
Other Administrative Services	2,212,480.37			(2,212,480.37)		(2,212,480.37)
School Administrative Services	1,707,042.48			(1,707,042.48)		(1,707,042.48)
Plant Operations and Maintenance	4,709,287.57			(4,709,287.57)		(4,709,287.57)
Pupil Transportation	84,869.02			(84,869.02)		(84,869.02)
Special Schools	1,972,776.73			(1,972,776.73)		(1,972,776.73)
Unallocated Benefits	9,805,989.74		26,541.00	(9,779,448.74)		(9,779,448.74)
Unallocated Depreciation	3,577,112.83			(3,577,112.83)		(3,577,112.83)
Total Governmental Activities	\$ 43,336,466.44		\$ 324,409.91	\$ (43,012,056.53)		\$ (43,012,056.53)
Business-Type Activities:						
Food Service	\$ 126,117.82	\$ 12,474.29	\$ 18,576.04		\$ (95,067.49)	\$ (95,067.49)
Total Business-Type Activities	\$ 126,117.82	\$ 12,474.29	\$ 18,576.04		\$ (95,067.49)	\$ (95,067.49)
Total Primary Government	\$ 43,462,584.26	\$ 12,474.29	\$ 342,985.95	\$ (43,012,056.53)	\$ (95,067.49)	\$ (43,107,124.02)
General Revenues						
County Contribution:						
General Purposes				\$ 16,662,178.00		\$ 16,662,178.00
Contributed Capital				1,530,865.50		1,530,865.50
Tuition Received				11,856,348.20		11,856,348.20
Federal and State Aid				11,325,396.96		11,325,396.96
Misc Income				2,741,382.84		2,741,382.84
Transfers				(75,202.93)	\$ 75,202.93	
Total General Revenues				44,040,968.57	75,202.93	44,116,171.50
Excess of Revenue over Expense				\$ 1,028,912.04	\$ (19,864.56)	\$ 1,009,047.48
Fixed Assets, Net Adjustment				\$ 11,953,611.24	\$ 160,429.82	\$ 12,114,041.06
Change in Net Assets				\$ 12,982,523.28	\$ 140,565.26	\$ 13,123,088.54
Net Assets - Beginning				\$ 66,827,878.44	\$ 339,146.73	\$ 67,167,025.17
Net Assets - Ending				\$ 79,810,401.72	\$ 479,711.99	\$ 80,290,113.71

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 5,802,975.96	\$ 575,954.52	\$ 6,378,930.48
Intergovernmental Accounts Receivable	1,342,920.23	140,733.60	1,483,653.83
Interfunds Receivable	711,819.20		711,819.20
Restricted Cash and Cash Equivalents	<u>908,070.79</u>		<u>908,070.79</u>
Total Assets	<u>\$ 8,765,786.18</u>	<u>\$ 716,688.12</u>	<u>\$ 9,482,474.30</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Intergovernmental Accounts Payable		\$ 5,152.85	\$ 5,152.85
Interfunds Payable	\$ 2,985.18	700,372.66	703,357.84
Deferred Revenue		<u>11,162.61</u>	<u>11,162.61</u>
Total Liabilities	<u>\$ 2,985.18</u>	<u>\$ 716,688.12</u>	<u>\$ 719,673.30</u>
Fund Balances			
Committed for Year-End Encumbrances	\$ 515,932.46		\$ 515,932.46
Restricted - Capital Reserve Account	908,070.79		908,070.79
Restricted - Maintenance Reserve	1,900,000.00		1,900,000.00
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	661,030.94		661,030.94
Assigned - Designated for Subsequent Year's Expenditures	1,246,387.06		1,246,387.06
Restricted- Reserve for Excess Surplus	1,359,545.10		1,359,545.10
Unassigned	<u>2,171,834.65</u>		<u>2,171,834.65</u>
Total Fund Balances	<u>\$ 8,762,801.00</u>		<u>\$ 8,762,801.00</u>
Total Liabilities and Fund Balance	<u>\$ 8,765,786.18</u>	<u>\$ 716,688.12</u>	<u>\$ 9,482,474.30</u>
Total Fund Balances above			\$ 8,762,801.00
Amounts reported for <i>governmental activities</i> 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 governmental funds. The cost of capital assets is \$116,992,565.47 and the accumulated depreciation is \$40,197,672.75. (see Note 5)			
			76,794,892.72
Long-term liabilities, including compensated absence are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 6)			
			<u>(5,747,292.00)</u>
Net assets of governmental activities (A-1)			<u>\$ 79,810,401.72</u>

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Government Funds</u>
REVENUES			
Local sources:			
County Contribution	\$ 16,662,178.00		\$ 16,662,178.00
Tuition Charges	11,699,373.20		11,699,373.20
Non-Resident Fees	156,975.00		156,975.00
Miscellaneous	<u>2,054,411.47</u>	<u>\$ 76,437.00</u>	<u>2,130,848.47</u>
Total - Local Sources	\$ 30,572,937.67	\$ 76,437.00	\$ 30,649,374.67
State Sources	11,025,751.96	14,350.26	11,040,102.22
Federal Sources	<u>299,645.00</u>	<u>920,594.02</u>	<u>1,220,239.02</u>
Total Revenues	\$ <u>41,898,334.63</u>	\$ <u>1,011,381.28</u>	\$ <u>42,909,715.91</u>
EXPENDITURES			
Current:			
Regular Instruction	\$ 9,172.50	\$ 238,046.53	\$ 247,219.03
Vocational Education	16,351,005.64		16,351,005.64
Support Services and Undistributed Costs:			
Student and Instruction Related Services	2,612,555.14	59,822.38	2,672,377.52
School Administrative Services	2,212,904.62		2,212,904.62
Other Administrative Services	1,707,369.81		1,707,369.81
Plant Operations and Maintenance	4,710,190.59		4,710,190.59
Pupil Transportation	84,885.29		84,885.29
Employee Benefits	9,779,448.74	26,541.00	9,805,989.74
Special Schools	1,972,776.73		1,972,776.73
Capital Outlay	<u>58,719.00</u>	<u>686,971.37</u>	<u>745,690.37</u>
Total Expenditures	\$ <u>39,499,028.06</u>	\$ <u>1,011,381.28</u>	\$ <u>40,510,409.34</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ <u>2,399,306.57</u>	<u> </u>	\$ <u>2,399,306.57</u>
Other Financing Sources/(Uses):			
Transfer In/(Out)			
Food Service Fund	\$ (78,906.31)		(78,906.31)
Internal Service Fund	<u>3,703.38</u>		<u>3,703.38</u>
Total Other Financing Sources (Uses)	\$ <u>(75,202.93)</u>	<u> </u>	<u>(75,202.93)</u>
Net Change in Fund Balances	\$ 2,324,103.64		\$ 2,324,103.64
Fund Balance - July 1	<u>6,438,697.36</u>		<u>6,438,697.36</u>
Fund Balance - June 30	<u>\$ 8,762,801.00</u>		<u>\$ 8,762,801.00</u>

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 2,324,103.64

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	\$ 745,690.37	
Depreciation expense	(3,577,112.83)	
Capital Contribution from County of Monmouth	1,530,865.50	
Capital Assets, adjustments	<u>12,144,041.06</u>	10,843,484.10

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. (204,007.00)

Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. 159,507.80

Change in Net Assets of Governmental Activities (A-2) \$ 13,123,088.54

**FIDUCIARY FUND
AND
TRUST AND AGENCY FUND**

THESE SECTIONS HAVE ALREADY BEEN INCLUDED IN EXHIBITS

**G-1 THROUGH G-5
AND
H-1 THROUGH H6**

NOTES TO THE FINANCIAL STATEMENTS

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of officials appointed by the County Board of Chosen Freeholders (the "Freeholders") and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include public school vocational education for secondary, post-secondary and adult students in the County of Monmouth, New Jersey. The District also operates a Marine Academy of Science and Technology Program, Vocational Special Education Program, a Communications High School, a High-Tech High School and a Bio-Tech.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year.

GASB Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. In accordance with this statement the District is a component unit of the County of Monmouth; however, the financial statements of the District are not reported in the County's financial statements in accordance with reporting requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The 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 that provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county contributions, from business-type activities generally financed in whole or in part with fees charged to external parties.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

2. Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

B. Fund Accounting

The 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.

1. Governmental Funds

The District reports the following governmental funds:

General Fund – The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund – The District accounts for the proceeds of specific revenue sources (other than expendable trusts, major capital projects, enterprise or internal service funds) that are legally restricted to expenditures for specified purposes in the special revenue fund.

Capital Projects Fund – The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). A county vocational school district by statute does not raise money for capital improvements through issuance of debt (N.J.S.18A:54-31).

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs. A county vocational school district by statute does not raise money for capital improvements through issuance of debt (N.J.S. 18A:54-31).

2. Proprietary Fund

The District reports the following proprietary fund:

Enterprise Fund – The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

3. Fiduciary Funds

The District reports the following fiduciary funds:

Trust and Agency Funds – The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments or on behalf of other funds within the District.

Unemployment Compensation Trust Fund – The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Private-Purpose Trust Fund – The trust fund encompasses other trust fund arrangements for which principal and income benefit individuals outside of the school district. The District issued scholarships to students.

Agency Funds (Payroll, Student Activities Fund, Pell Grant Program, Stafford Loan Program and Contractor Retainage) – Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Assets.

2. 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. 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.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Ad Valorem (Property) Taxes are susceptible to accrual and 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 District records the entire approved tax levy – county contribution (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared each year in advance for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April or subject to certain criteria within the tax levy CAP automatically enacted without voter approval. In the case of the District, the budget is subject to approval by the County Board of School Estimate. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

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

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

The following presents a reconciliation of the General Fund revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General and Special Revenue Funds basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 41,985,789.63	\$ 1,011,381.28
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.	None	None
State aid payment recognized per GAAP standards in the current year previously recognized for budgetary purposes.	688,713.00	None
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).	\$ <u>(775,168.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>41,899,334.63</u>	\$ <u>1,011,381.28</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 39,449,028.06	\$ 1,011,381.28
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>39,449,028.06</u>	\$ <u>1,011,381.28</u>

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Encumbrances

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

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

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

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

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

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

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

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

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

2. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded in the enterprise funds. All expenses in the other funds are recorded as expenditures during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

3. Allowance for Uncollectible Accounts

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

4. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs.

5. Short-Term Interfund Receivables/Payables

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

6. Capital Assets

General capital assets 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 fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

6. Capital Assets (Continued)

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	40 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-20 years
Instructional Equipment	5-10 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

7. Compensated Absences

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

8. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable 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.

9. 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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

10. Deferred Revenue

Deferred revenue in the general and special revenue fund represent program revenues that have been received but not yet earned.

11. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

12. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for year end encumbrances.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

13. Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

14. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the capital projects fund. The liability, if any, is recorded as an accrued arbitrage rebate.

15. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

16. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were not allocated. Depreciation expense is included in the direct expense column of the Statement of Activities.

17. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

A. Deposits

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

B. Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

The District had no securities as of June 30, 2012 that would be considered investments as defined by GASB No. 3 as amended by GASB No. 40.

C. Detail of Cash

As of June 30, 2012 the District had funds in interest bearing checking account totaling \$9,818,225.75.

Reconciliation by Fund:	
Governmental	\$ 7,779,602.84
Fiduciary	<u>2,038,622.91</u>
	<u>\$ 9,818,225.75</u>

Risk Analysis – The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage ("GUDPA") as of June 30, 2012, which minimizes credit risk.

Allocation:	
Unrestricted - Net Assets	\$ 6,871,532.05
Restricted - Net Assets	908,070.79
Restricted - Fiduciary	<u>2,038,622.91</u>
	<u>\$ 9,818,225.75</u>

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2012 consisted of Federal source, State source, County source and other LEA's for tuitions. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund</u> <u>Financial</u> <u>Statements</u>	<u>Business</u> <u>Type</u> <u>Activities</u>
General Fund		
State Aid:		
TPAF - FICA reimbursement	\$ 68,875.83	
Tuition from Other LEA's	1,155,154.58	
County of Monmouth:		
Capital Projects	93,950.78	
Federal Sources:		
Navy Reimbursement	<u>24,939.04</u>	
	<u>\$ 1,342,920.23</u>	
Special Revenue Fund		
Federal Aid:		
Title I Part A	\$ 18,331.00	
Title II Part A	7,522.00	
Carl D. Perkins Secondary	108,344.00	
Carl D. Perkins Post Secondary Reserve	41.00	
State Aid:		
Apprenticeship Coordinator Program	3,408.60	
Local:		
Other	<u>3,087.00</u>	
	<u>\$ 140,733.60</u>	
	<u>\$ 1,483,653.83</u>	
Proprietary Fund:		
Enterprise Fund		
State Source		\$ 11.98
Federal Source		<u>795.11</u>
		<u>\$ 807.09</u>

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

5. CAPITAL ASSETS, NET

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

	Beginning Balance	Additions	Transfers (Retirements)	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 3,512,230.00		\$ (410,230.00)	\$ 3,102,000.00
Construction in Progress	13,057,767.42		(13,057,767.42)	
Total capital assets not being depreciated	<u>16,569,997.42</u>		<u>(13,467,997.42)</u>	<u>3,102,000.00</u>
Capital assets being depreciated:				
Building and Building Improvements	67,145,745.00	\$ 37,771,957.38		104,917,702.38
Machinery and Equipment	5,505,837.52	2,402,633.86	(665,682.29)	7,242,789.09
Site Improvements	1,112,000.00	618,074.00		1,730,074.00
Total at historical cost	<u>73,763,582.52</u>	<u>40,792,665.24</u>	<u>(665,682.29)</u>	<u>113,890,565.47</u>
Less accumulated depreciation for:				
Building and Building Improvements	(21,299,554.00)	(2,649,128.94)	12,302,740.43	(36,251,423.37)
Machinery and Equipment	(2,180,784.61)	(864,720.54)	295,471.43	(3,340,976.58)
Site Improvements	(512,771.25)	(63,263.35)	29,238.20	(605,272.80)
Total accumulated depreciation	<u>(23,993,109.86)</u>	<u>(3,577,112.83)</u>	<u>12,627,450.06</u>	<u>(40,197,672.75)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>49,770,472.66</u>	<u>37,215,552.41</u>	<u>11,961,767.77</u>	<u>73,692,892.72</u>
Governmental activities capital assets, net	<u>\$ 66,340,470.08</u>	<u>\$ 37,215,552.41</u>	<u>\$ (1,506,229.65)</u>	<u>\$ 76,794,892.72</u>
Business-Type Activities:				
Furniture, machinery and equipment	\$ 512,399.50	\$ 203,832.89		\$ 716,232.39
Less accumulated depreciation for:				
Furniture, machinery and equipment	(205,799.96)	(47,211.51)	43,403.07	(296,414.54)
Business type activities capital assets, net	<u>\$ 306,599.54</u>	<u>\$ 156,621.38</u>	<u>\$ 43,403.07</u>	<u>\$ 419,817.85</u>
Detail of additions				
Governmental Activities:				
General Fund		\$ 58,719.00		
Special Revenue Fund		686,871.37		
Capital Projects Fund		1,657,043.49		
		<u>\$ 2,402,633.86</u>		

There were adjustments made as a result of a detailed review as of June 30, 2012 to properly present the fixed assets .

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

6. LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-Term Portion</u>
<u>Governmental Activities:</u>						
Compensated						
Absences Payable	\$ 5,016,472		\$ (127,392)	\$ 4,889,080	\$ 488,908	\$ 4,400,172
Unfunded Pension Liability *	934,827		(76,615)	858,212	76,616	781,596
	<u>\$ 5,951,299</u>	<u>\$</u>	<u>\$ (204,007)</u>	<u>\$ 5,747,292</u>	<u>\$ 565,524</u>	<u>\$ 5,181,768</u>

* Annual payment of \$76,615.00 through April 1, 2021 which was a result of an early retirement program offered by the State in 2001.

7. PENSION PLANS

Description of Plans: All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund that have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF): The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS): The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

7. PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions: The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements: The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium.

During the year ended June 30, 2012 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost</u>			<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
	<u>Normal</u>	<u>Accrued</u>	<u>Group Life Insurance</u>		
June 30, 2012	\$ 136,140	\$ 272,281	\$ 26,021	\$ 434,442	100%
June 30, 2011	145,392	231,673	28,638	405,703	100%
June 30, 2010	119,285	153,267	37,797	310,349	100%

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

7. PENSION PLANS (CONTINUED)

Contribution Requirements (Continued):

Three-Year Trend Information for TPAF (Paid on behalf of the District)

Year Funding	Pension					Post Retirement Medical	TPAF FICA
	Cost (APC)	APC Contributed	Normal & Accrued	NCGI Premium			
June 30, 2012	\$ None	100%	\$ 574,851	\$ 61,689	\$ 1,279,612	\$ 1,385,632	
June 30, 2011	None	100%	None	61,433	1,304,831	1,447,467	
June 30, 2010	None	100%	None	67,448	1,266,773	1,511,291	

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$636,540 to the TPAF for normal pension and insurance and \$1,279,612 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,385,632 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

8. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010 there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

9. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Assets in the current and long-term liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012 no liability existed for compensated absences in the proprietary fund types.

10. DEFERRED COMPENSATION

IRS Code Section 403(b)

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

Equitable Insurance Company
Syracusa

T-Rowe Price
Prudential

11. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
 (A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2012**

11. DEFINED CONTRIBUTION RETIREMENT PROGRAM (CONTINUED)

Description of System (Continued)

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

Contributions to the plan were as follows:

<u>Fiscal Year</u>	<u>Employer</u>	<u>Employee</u>
2012	\$ 6,226.32	\$ 17,975.35
2011	N/A	N/A
2010	N/A	N/A

12. INTERGOVERNMENTAL ACCOUNTS PAYABLE

In fiscal years prior to June 30, 2012 the District received various federal and state grants which were in excess of funds required. These amounts have been reflected on the District records as follows:

Special Revenue Fund	
Perkins Post Secondary - period ended June 30, 2010	\$ <u>5,152.85</u>

13. DEFERRED REVENUE

The District's Statement of Net Assets as of June 30, 2012 reflects revenues which were received; however, not recognized as revenue:

Special Revenue Fund	
Local Grants	\$ <u>11,162.61</u>

As detailed in the Business office.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

14. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Property and Liability Insurance: The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2012	\$ None	\$ 13.99	\$ 42,084.61	\$ 49,012.23	\$ 1,407.48
2011	None	47.41	56,575.38	101,558.18	8,321.11
2010	None	59.87	65,030.56	59,713.03	53,256.50

Health Benefits

The District has opted for the traditional premium based health benefits plan for its employees and the premium is paid monthly on a per employee basis.

15. INTERFUND BALANCES AND TRANSFERS

The interfund receivable/payable as of June 30, 2012 will be liquidated in the normal course of business in the succeeding year.

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ 711,819.20	\$ 2,985.18
Special Revenue Fund		700,372.66
	<u>711,819.20</u>	<u>703,357.84</u>
Business Type Activities:		
Enterprise Fund	2,985.18	
Other:		
Fiduciary Funds		11,446.54
	<u>\$ 714,804.38</u>	<u>\$ 714,804.38</u>

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

16. RESTRICTED – CAPITAL RESERVE ACCOUNT

A Capital Reserve Account was established by the Board by resolution from time to time for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. During the fiscal year ended June 30, 2012, the District had no interest earnings for the year bringing the total reserve to \$908,070.79.

Analysis of Capital Reserve activity since Inception:

Contributions from Board		
Prior to June 30, 2011	\$ 3,132,402.00	
During year ended June 30, 2012	<u>None</u>	\$ 3,132,402.00
Interest Earned		
Prior to June 30, 2011	\$ 219,514.03	
During year ended June 30, 2012	<u>None</u>	\$ 219,514.03
Less Withdrawals:		
Prior to June 30, 2011	\$ 2,443,845.24	
During year ended June 30, 2012	<u>None</u>	<u>\$ 2,443,845.24</u>
Balance June 30, 2012		<u>\$ 908,070.79</u>

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes approved by the Board of Estimate or by transfer by Board Resolution at year end, if any, Unanticipated Revenue or Unexpended Line Item Appropriation amounts, or both. A district may also appropriate additional amounts with express approval by the Board of School Estimate. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

17. FEDERAL LOAN PROGRAMS

A. Federal Family Education Loan (F.F.E.L.) Program – Stafford

The District assisted post secondary students in obtaining Stafford Loans under the Federal Family Education Loan Program to help defray tuition and related costs. The loans are made by lending institutions and guaranteed by State or regional guaranty agencies and underwritten by the Federal government. When loans are approved the proceeds are reviewed by the District and tuition is deducted by the District and the remaining proceeds are disbursed to the student. The receipts and disbursements relating to the Stafford Loans are reflected in the District's agency fund and the Schedule of Federal Financial Assistance.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

17. FEDERAL LOAN PROGRAMS (CONTINUED)

B. Pell Grant Program

The District assisted post secondary students in obtaining Pell Grants to help defray tuition and related costs. The grants are made by the U.S. Department of Education and proceeds are distributed directly to the District. The proceeds are reviewed by the District and tuition deducted, if applicable. Any remaining proceeds are then disbursed to the student. The receipts and disbursements relating to the Pell Grant Program are reflected in the District's agency fund and the Schedule of Federal Financial Assistance.

18. FUND BALANCE APPROPRIATED

General Fund - Of the \$8,762,801.00 General Fund fund balance at June 30, 2012, \$515,932.46 is committed for year-end encumbrances; \$908,070.79 is restricted for the Capital Reserve Account, \$1,900,000.00 is restricted for maintenance reserve, \$2,171,834.65 is unassigned, \$1,246,387.06 is designed for subsequent year expenditures, \$661,030.94 is reserve for excess surplus designated for subsequent year's expenditures and \$1,359,545.10 is excess surplus.

19. CONTINGENCIES AND COMMITMENTS

- A. **Grant Programs** – The school district participates in federal, state and locally assigned grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Pending Litigation** – As of the date of this report, in the opinion of the management, there was no litigation pending of which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District. There were several matters pending that are being handled by the Board's insurance carrier which should not have any adverse impact.
- C. **Contracts/Retainage Payable** – The District has established an escrow fund for the handling of all retainage due to the various contractors. The balance as of June 30, 2012 is \$268,748.25.
- D. **Due from County of Monmouth** – The District has incurred expenditures for its capital program which are funded by the County of Monmouth. The District in the normal course of business procures the services and as expenditures are incurred, reimbursement is sought and within a reasonable period of time, the funds are received. The balance due from the County as of June 30, 2012 is \$93,950.78. There are also commitments outstanding in the amount of \$492,531.05 as of June 30, 2012 resulting from District authorizations during the year which ultimately will upon properly completion be reimbursed by the county as well.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

20. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was excess fund balance At June 30, 2012 of \$661,030.94 as a result of the 2010-2011 school year and \$2,134,713.10 a result of 2011-2012.

21. ECONOMIC DEPENDENCY

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

22. RECONCILIATION OF FUND BALANCE – GENERAL FUND

The Surpluses are presented on a GAAP basis and reconciliation to the budget basis is follows:

	<u>Restricted</u>
	<u>Reserve for</u>
	<u>Excess Surplus</u>
Balance on a Budget Basis on the General Fund Budgetary Basic Comparison	\$ 2,134,713.10
Less: Allocation of state aid payment of not recognized on a GAAP basis	<u>(775,168.00)</u>
	<u>\$ 1,359,545.10</u>

23. SUBSEQUENT EVENT – IMPAIRMENT OF ASSETS

On October 29-30, 2012 Hurricane/Superstorm Sandy caused significant damage to one of the District's specialized schools of learning making it uninhabitable. The District obtained an alternate site for a temporary operation. It is anticipated the insurance proceeds and government reimbursements will be obtained to minimize the impact to the District.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**

GENERAL FUND

Exhibit C-1
Sheet 1 of 9

**BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Official Budget	Prior Year Encumbered	Original Budget	Transfers	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:							
Local Sources:							
County Tax Levy	\$ 16,662,178.00	\$	\$ 16,662,178.00	\$	\$ 16,662,178.00	\$ 16,662,178.00	\$
Tuition	12,109,500.00		12,109,500.00		12,109,500.00	11,699,373.20	(410,126.80)
Non-Resident Fees	140,000.00		140,000.00		140,000.00	156,975.00	16,975.00
Interest Earned on Capital Reserve Funds	0.00		0.00		0.00	0.00	
Other Restricted Miscellaneous Revenues	1,150,000.00		1,150,000.00		1,150,000.00	1,423,428.28	273,428.28
Miscellaneous	400,000.00		400,000.00		400,000.00	630,983.19	230,983.19
Total Local Sources	<u>30,461,678.00</u>	<u>0.00</u>	<u>30,461,678.00</u>	<u>0.00</u>	<u>30,461,678.00</u>	<u>30,572,937.67</u>	<u>111,259.67</u>
State Sources:							
Categorical Special Education Aid	1,225,520.00		1,225,520.00		1,225,520.00	1,225,520.00	
Equalization Aid	4,327,430.00		4,327,430.00		4,327,430.00	4,327,430.00	
Categorical Security Aid	188,210.00		188,210.00		188,210.00	188,210.00	
Adjustment Aid	1,658,070.00		1,658,070.00		1,658,070.00	2,069,263.00	411,193.00
Non-deducted:							
On-behalf TPAF Pension	0.00		0.00		0.00	636,540.00	636,540.00
On-behalf TPAF Post-Retirement Medical Contributions	0.00		0.00		0.00	1,279,612.00	1,279,612.00
Reimbursed TPAF Social Security Contributions	0.00		0.00		0.00	1,385,631.96	1,385,631.96
Total State Sources	<u>7,399,230.00</u>	<u>0.00</u>	<u>7,399,230.00</u>	<u>0.00</u>	<u>7,399,230.00</u>	<u>11,112,206.96</u>	<u>3,712,976.96</u>
Federal Sources:							
American Recovery and Reinvestment Act							
Education Jobs Fund	299,645.00		299,645.00		299,645.00	299,645.00	
Total Federal Sources	<u>299,645.00</u>	<u>0.00</u>	<u>299,645.00</u>	<u>0.00</u>	<u>299,645.00</u>	<u>299,645.00</u>	
Total Revenues	<u>38,160,553.00</u>	<u>0.00</u>	<u>38,160,553.00</u>	<u>0.00</u>	<u>38,160,553.00</u>	<u>41,984,789.63</u>	<u>3,824,236.63</u>
Expenditures:							
Current Expense:							
Instruction:							
Regular Programs - Home Instruction:	0.00		0.00	9,172.50	9,172.50	9,172.50	
Salaries of Teachers	0.00		0.00	0.00	0.00	9,172.50	
Total Regular Programs - Home Instruction	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>9,172.50</u>	<u>9,172.50</u>	<u>9,172.50</u>	

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit C-1
Sheet 2 of 9

	<u>Official Budget</u>	<u>Prior Year Encumbered</u>	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures (Continued):							
Current Expense (Continued):							
Instruction (Continued):							
Regular Vocational Programs - Instruction:							
Salaries of Teachers	\$ 50,000.00		\$ 12,259,692.00	\$ (85,200.01)	\$ 12,174,491.99	\$ 11,510,198.39	\$ 664,293.60
Other Salaries for Instruction	158,550.00		50,000.00		50,000.00	37,200.00	12,800.00
Purchased Professional - Educational Services	338,900.00		158,550.00		158,550.00	153,689.31	4,860.69
General Supplies	834,555.00	2,429.11	338,900.00	92,169.02	431,069.02	402,778.88	28,290.14
Textbooks	140,000.00		836,984.11	(3,500.00)	833,484.11	575,938.30	257,545.81
Other Objects	272,400.00		140,000.00	(5,837.75)	134,162.25	78,893.22	55,269.03
Total Regular Vocational Programs - Instruction	<u>14,004,097.00</u>	<u>2,429.11</u>	<u>14,006,526.11</u>	<u>(5,493.74)</u>	<u>14,001,032.37</u>	<u>12,945,914.23</u>	<u>1,055,118.14</u>
Special Vocational Programs - Instruction:							
Salaries of Teachers	3,132,395.00		3,132,395.00	(3,645.86)	3,128,749.14	3,037,634.20	91,114.94
Purchased Professional - Educational Services	10,800.00		10,800.00		10,800.00	470.41	10,329.59
Other Purchased Services	103,500.00		103,500.00	25,330.98	128,830.98	123,658.88	5,172.10
General Supplies	269,000.00	3,666.60	272,666.60	(3,906.31)	268,760.29	226,211.01	42,549.28
Textbooks	16,500.00		16,500.00		16,500.00	9,170.62	7,329.38
Other Objects	12,200.00		12,200.00	3,000.00	15,200.00	7,946.29	7,253.71
Total Special Vocational Programs - Instruction	<u>3,548,395.00</u>	<u>3,666.60</u>	<u>3,548,061.60</u>	<u>20,778.81</u>	<u>3,568,840.41</u>	<u>3,405,091.41</u>	<u>163,749.00</u>
Total Vocational Programs - Instruction	<u>17,548,492.00</u>	<u>6,095.71</u>	<u>17,554,587.71</u>	<u>15,285.07</u>	<u>17,569,872.78</u>	<u>16,351,095.64</u>	<u>1,218,867.14</u>
Total - Instruction	<u>17,548,492.00</u>	<u>6,095.71</u>	<u>17,554,587.71</u>	<u>24,457.57</u>	<u>17,579,045.28</u>	<u>16,360,178.14</u>	<u>1,218,867.14</u>
Undistributed Expenditures:							
Health Services:							
Salaries	396,506.00		396,506.00	29,234.20	425,740.20	418,094.20	7,646.00
Other Purchased Services	1,170.00		1,170.00	(417.00)	753.00	285.00	468.00
Supplies and Materials	13,350.00		13,350.00	3,694.88	17,044.88	17,020.04	24.84
Other Objects	350.00		350.00	685.91	1,035.91	954.11	81.80
Total Health Services	<u>411,376.00</u>	<u>0.00</u>	<u>411,376.00</u>	<u>33,197.99</u>	<u>444,573.99</u>	<u>436,353.35</u>	<u>8,220.64</u>

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Exhibit C-1
 Sheet 3 of 9

	Official Budget	Prior Year Encumbered	Original Budget	Transfers	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (Continued):							
Current Expense (Continued):							
Undistributed Expenditures (Continued):							
Other Support Students - Regular:							
Salaries of Other Professional Staff	\$ 1,196,222.00	\$	\$ 1,196,222.00	\$ (81,231.60)	\$ 1,114,990.40	\$ 1,087,523.91	\$ 27,466.49
Salaries of Secretarial and Clerical Assistants	28,458.00		28,458.00	441.93	28,899.93	28,899.93	
Other Salaries	88,740.00		88,740.00		88,740.00	88,500.00	240.00
Other Purchased Services	100,505.00	103.50	100,505.00	40,000.00	140,505.00	125,015.40	15,489.60
Supplies and Materials	27,485.00		27,485.50	7,118.41	34,706.91	34,621.89	85.02
Other Objects	4,400.00		4,400.00	(2,250.87)	2,149.13	526.88	1,622.25
Total Other Support Students - Regular	<u>1,445,810.00</u>	<u>103.50</u>	<u>1,445,913.50</u>	<u>(35,972.13)</u>	<u>1,409,991.37</u>	<u>1,365,088.01</u>	<u>44,903.36</u>
Other Support Services Students - Special:							
Salaries of Other Professional Staff	324,395.00		324,395.00	(412.40)	323,982.60	313,758.22	10,224.38
Other Purchased Services	850.00		850.00		850.00	26.04	823.96
Supplies and Materials	600.00		600.00		600.00	36.36	563.64
Other Objects	0.00		0.00		0.00	0.00	
Total Other Support Services Students - Special	<u>325,845.00</u>	<u>0.00</u>	<u>325,845.00</u>	<u>(412.40)</u>	<u>323,432.60</u>	<u>313,830.62</u>	<u>11,611.98</u>
Improvement of Instructional Services:							
Salaries of Supervisor of Instruction	76,500.00		76,500.00		76,500.00	76,500.00	
Salaries of Other Professional Staff	37,500.00		37,500.00		37,500.00	32,500.00	5,000.00
Salaries of Secretarial and Clerical Assistant	30,090.00		30,090.00		30,090.00	29,999.91	90.09
Other Purchased Services	500.00		500.00		500.00	0.00	500.00
Supplies and Materials	2,000.00		2,000.00		2,000.00	206.75	1,793.25
Other Objects	6,500.00		6,500.00	(1,200.00)	5,300.00	809.00	4,491.00
Total Improvement of Instructional Services	<u>153,090.00</u>	<u>0.00</u>	<u>153,090.00</u>	<u>(1,200.00)</u>	<u>151,890.00</u>	<u>140,015.66</u>	<u>11,874.34</u>
Educational Media Services/School Library:							
Salaries	114,102.00		114,102.00	0.30	114,102.30	113,364.84	737.46
Other Purchased Services	3,740.00		3,740.00		3,740.00	2,866.07	873.93
Supplies and Materials	11,200.00		11,200.00		11,200.00	4,300.53	6,899.47
Other Objects	725.00		725.00		725.00	0.00	725.00
Total Educational Media Services/School Library	<u>129,767.00</u>	<u>0.00</u>	<u>129,767.00</u>	<u>0.30</u>	<u>129,767.30</u>	<u>120,531.44</u>	<u>9,235.86</u>

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit C-1
Sheet 4 of 9

	Official Budget	Prior Year Encumbered	Original Budget	Transfers	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (Continued):							
Current Expense (Continued):							
Undistributed Expenditures (Continued):							
Instructional Staff Training Services:							
Salaries of Supervisor of Instruction	\$ 76,500.00	\$	\$ 76,500.00	\$	\$ 76,500.00	\$ 76,500.00	\$
Salaries of Other Professional Staff	105,264.00		105,264.00	1,230.86	106,494.86	104,389.86	2,105.00
Salaries of Secretarial and Clerical Assistants	30,090.00		30,090.00		30,090.00	30,000.04	89.96
Other Purchased Services	21,000.00	660.00	21,660.00		21,660.00	16,035.35	5,624.45
Supplies and Materials	2,500.00		2,500.00		2,500.00	569.61	1,930.39
Other Objects	18,000.00		18,000.00		18,000.00	9,231.00	8,749.00
Total Instructional Staff Training Services	<u>253,354.00</u>	<u>660.00</u>	<u>254,014.00</u>	<u>1,230.86</u>	<u>255,244.86</u>	<u>236,746.06</u>	<u>18,498.80</u>
Support Services General Administration:							
Salaries	365,778.00		365,778.00		365,778.00	356,172.05	9,605.95
Legal Services	60,000.00		60,000.00		60,000.00	48,410.43	11,589.57
Audit Fees	30,000.00		30,000.00		30,000.00	28,000.00	2,000.00
Other Purchased Professional Services	10,000.00		10,000.00	15,000.00	25,000.00	23,125.00	1,875.00
Purchased Technical Services	25,000.00		25,000.00	(15,000.00)	10,000.00	0.00	10,000.00
Communications/Telephone	200,000.00		200,000.00	10,000.00	210,000.00	127,503.58	82,496.42
BOE - Other Purchased Services	9,000.00		9,000.00		9,000.00	3,353.26	5,646.74
Other Purchased Services	46,500.00		46,500.00	(18,000.00)	28,500.00	13,910.93	14,589.07
General Supplies	12,500.00		12,500.00	1,806.12	14,306.12	14,154.33	151.79
Miscellaneous Expenditures	36,000.00		36,000.00	5,500.00	41,500.00	37,044.85	4,455.15
BOE - Membership Dues & Fees	22,000.00		22,000.00	(7,500.00)	14,500.00	255.47	14,244.53
Total Support Services General Administration	<u>816,778.00</u>	<u>0.00</u>	<u>816,778.00</u>	<u>(8,193.88)</u>	<u>808,584.12</u>	<u>651,929.90</u>	<u>156,654.22</u>
Support Services School Administration:							
Salaries of Principals/Assistant Principals	1,478,972.00		1,478,972.00	96.31	1,479,068.31	1,479,067.91	.40
Salaries of Secretarial and Clerical Assistants	685,947.00		685,947.00	(176.49)	685,770.51	658,939.44	26,831.07
Other Purchased Services	35,500.00	0.00	35,500.00	50.00	35,550.00	19,164.62	16,385.38
Supplies and Materials	63,500.00		63,500.00	3,150.00	66,650.00	42,529.09	24,120.91
Other Objects	11,450.00		11,450.00	1,816.92	13,266.92	13,203.56	63.36
Total Support Services School Administration	<u>2,275,369.00</u>	<u>0.00</u>	<u>2,275,369.00</u>	<u>4,936.74</u>	<u>2,280,305.74</u>	<u>2,212,904.62</u>	<u>67,401.12</u>

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit C-1

Sheet 5 of 9

	Official Budget	Prior Year Encumbered	Original Budget	Transfers	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (Continued):							
Current Expense (Continued):							
Undistributed Expenditures (Continued):							
Central Services							
Salaries	\$ 584,995.00	\$	\$ 584,995.00	\$ 8,475.79	\$ 593,470.79	\$ 592,715.12	\$ 755.67
Purchased Professional Services	8,000.00		8,000.00		8,000.00	2,125.00	5,875.00
Purchased Technical Services	2,000.00		2,000.00		2,000.00	0.00	2,000.00
Miscellaneous Purchased Services	72,000.00		72,000.00	8,866.70	80,866.70	69,396.31	11,470.39
Supplies and Materials	6,000.00		6,000.00	2,535.00	8,535.00	8,170.21	364.79
Miscellaneous Expenditures	12,000.00		12,000.00	6,687.74	18,687.74	18,665.24	22.50
	<u>684,995.00</u>	<u>0.00</u>	<u>684,995.00</u>	<u>26,565.23</u>	<u>711,560.23</u>	<u>691,071.88</u>	<u>20,488.35</u>
Administrative Information Technology							
Salaries	277,960.00		277,960.00	219.68	278,179.68	278,179.68	0.00
Other Purchased Services	74,000.00	4,537.00	74,000.00	1,000.00	75,000.00	73,922.20	1,077.80
Supplies and Materials	95,000.00		99,537.00	5,000.00	104,537.00	9,984.29	94,552.71
Other Objects	4,000.00		4,000.00	0.00	4,000.00	2,281.86	1,718.14
	<u>450,960.00</u>	<u>4,537.00</u>	<u>455,497.00</u>	<u>6,219.68</u>	<u>461,716.68</u>	<u>364,368.03</u>	<u>97,348.65</u>
Required Maintenance for School Facilities							
Cleaning, Repairing and Maintenance Services	718,000.00	8,204.00	736,204.00	(29,439.58)	696,764.42	532,700.66	164,063.76
General Supplies	81,750.00	107.00	81,857.00	17,931.77	99,808.77	98,633.52	1,175.25
Other Objects	7,900.00		7,900.00	7,125.00	15,025.00	13,156.88	1,868.12
	<u>807,650.00</u>	<u>8,311.00</u>	<u>815,961.00</u>	<u>(4,362.81)</u>	<u>811,598.19</u>	<u>644,491.06</u>	<u>167,107.13</u>
Other Operation and Maintenance of Plant							
Salaries	2,147,752.00		2,147,752.00	(112,483.57)	2,035,268.43	1,973,478.29	61,790.14
Purchased Professional and Technical Services	3,000.00		3,000.00		3,000.00	0.00	3,000.00
Cleaning, Repair and Maintenance Services	212,600.00		212,600.00	48,053.52	260,653.52	254,460.50	6,193.02
Rental of Land and Buildings Other than Lease Purchase	80,000.00		80,000.00		80,000.00	57,798.00	22,202.00
Other Purchased Property Servi (fuel 263-420)	98,600.00		98,600.00		98,600.00	89,168.63	9,431.37
Insurance	435,000.00		435,000.00		435,000.00	329,650.71	105,349.29
General Supplies	234,800.00		234,800.00	(18,951.77)	215,848.23	170,100.84	45,747.39
Energy (Heat and Electricity)	2,432,500.00		2,432,500.00	(175,000.00)	2,257,500.00	1,153,388.34	1,104,111.66
Other Objects	23,900.00		23,900.00	3,111.66	27,011.66	26,866.09	145.57
	<u>5,668,152.00</u>	<u>0.00</u>	<u>5,668,152.00</u>	<u>(255,270.16)</u>	<u>5,412,881.84</u>	<u>4,054,911.40</u>	<u>1,357,970.44</u>
Total Other Operation and Maintenance of Plant							
Care and Upkeep of Grounds	100,000.00		100,000.00	(33,269.41)	66,730.59	10,788.13	55,942.46
Other Purchased Services	100,000.00	0.00	100,000.00	(33,269.41)	66,730.59	10,788.13	55,942.46
Total Care and Upkeep of Grounds							

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit C-1

Sheet 6 of 9

	Official Budget	Prior Year Encumbered	Original Budget	Transfers	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (Continued):							
Current Expense (Continued):							
Undistributed Expenditures (Continued):							
Student Transportation Services:							
Contracted Services:							
Other Than Between Home and School - Vendors	\$ 148,940.00	\$ 0.00	\$ 148,940.00	\$ 0.00	\$ 148,940.00	\$ 84,885.29	\$ 64,054.71
Total Student Transportation Services	148,940.00	0.00	148,940.00	0.00	148,940.00	84,885.29	64,054.71
Employee Benefits:							
Social Security Contributions	450,000.00		450,000.00		450,000.00	388,000.56	61,999.44
TPAF Contributions - ERIP	76,615.00		76,615.00		76,615.00	76,452.61	162.39
Other Retirement Contributions - Regular	490,000.00		490,000.00	(10,000.00)	480,000.00	442,031.83	37,968.17
Other Retirement Contributions - ERJP	15,000.00		15,000.00		15,000.00	13,450.33	1,549.67
Other Retirement Contributions - DCRP	0.00		0.00		0.00	7,966.34	2,033.66
Unemployment Compensation	18,000.00		18,000.00		18,000.00	24,291.83	
Workmen's Compensation	366,917.00		366,917.00		360,623.17	238,879.29	
Health Benefits	5,491,537.00		5,491,537.00	(6,291.83)	5,057,593.61	89,772.60	121,745.88
Tuition Reimbursement	100,560.00		100,560.00	(0.35)	100,560.00	100,560.00	433,943.04
Other Employee Benefits	274,500.00		274,500.00		274,500.00	139,225.78	10,787.40
Total Employee Benefits	7,283,129.00	0.00	7,283,129.00	(0.35)	7,283,128.65	6,477,664.78	805,463.87
Non-budgeted:							
On-behalf TPAF Pension						636,540.00	(636,540.00)
On-behalf TPAF Post-Retirement Medical Contributions						1,279,612.00	(1,279,612.00)
Reimbursed TPAF Social Security Contributions					0.00	1,385,631.96	(1,385,631.96)
Total Non-budgeted	0.00	0.00	0.00	0.00	0.00	3,301,783.96	(3,301,783.96)
Total Undistributed Expenditures	20,955,215.00	13,611.50	20,968,826.50	(266,480.34)	20,702,346.16	21,107,354.19	(405,008.03)
Total Expenditures - Current Expense	38,503,707.00	19,707.21	38,523,414.21	(242,022.77)	38,281,391.44	37,467,532.33	813,859.11

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit C-1

Sheet 7 of 9

	Official Budget	Prior Year Encumbered	Original Budget	Transfers	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (Continued):							
Capital Outlay:							
Equipment:							
Undistributed Expenditures:							
Support Services - Instructional Staff	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Support Services - General Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipment - School Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipment - Business Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Custodial Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Special Schools (All Programs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facilities Acquisition and Construction Services:							
Other Purchased Professional and Technical Services	\$ 58,719.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Construction Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Objects	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land and Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditures - Capital Outlay	58,719.00	0.00	58,719.00	0.00	58,719.00	58,719.00	0.00
Post-Secondary Programs - Instruction:							
Salaries of Teachers	811,191.00	0.00	811,191.00	77,380.94	888,571.94	851,622.28	36,949.66
Purchased Professional and Technical Services	3,000.00	0.00	3,000.00	0.00	3,000.00	1,360.00	1,640.00
Other Purchased Services	49,600.00	0.00	49,600.00	(41,609.31)	49,600.00	37,886.27	11,713.73
General Supplies	234,800.00	0.00	234,800.00	(1,695.05)	193,190.69	180,036.29	13,164.40
Textbooks	5,000.00	0.00	5,000.00	3,304.95	3,304.95	3,304.95	0.00
Other Objects	7,500.00	0.00	7,500.00	8,308.00	15,808.00	10,712.03	5,095.97
Total Post-Secondary Programs - Instruction	1,111,091.00	0.00	1,111,091.00	42,384.58	1,153,475.58	1,084,911.82	68,563.76
Post-Secondary Programs - Support Services:							
Salaries	226,145.00	0.00	226,145.00	9,150.14	235,295.14	229,587.69	5,707.45
Personal Services - Employee Benefits	212,604.00	0.00	212,604.00	(27,000.27)	185,603.73	172,227.49	13,376.24
Other Purchased Services	38,000.00	0.00	38,000.00	0.00	38,000.00	24,459.25	13,540.75
Supplies and Materials	4,300.00	0.00	4,300.00	0.00	4,300.00	1,561.57	2,738.43
Other Objects	2,300.00	0.00	2,300.00	0.00	2,300.00	54.00	2,246.00
Total Post-Secondary Programs - Support Services	483,349.00	0.00	483,349.00	(17,850.13)	465,498.87	427,890.00	37,608.87
Total Post-Secondary Programs	1,594,440.00	0.00	1,594,440.00	24,534.45	1,618,974.45	1,512,801.82	106,172.63

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit C-1

Sheet 8 of 9

	Official Budget	Prior Year Encumbered	Original Budget	Transfers	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (Continued):							
Special Schools:							
Summer School - Instruction:							
Salaries of Teachers	\$ 58,359.00	\$	\$ 58,359.00	\$ 5,840.49	\$ 64,199.49	\$ 49,171.07	\$ 15,028.42
Other Salaries for Instruction	0.00		0.00	119,862.01	119,862.01	94,662.01	25,200.00
General Supplies	2,000.00	652.61	2,652.61	1,500.00	4,152.61	2,229.55	1,923.06
Other Objects	3,500.00		3,500.00	(3,500.00)	0.00	0.00	
Total Summer School - Instruction	<u>63,859.00</u>	<u>652.61</u>	<u>64,511.61</u>	<u>123,702.50</u>	<u>188,214.11</u>	<u>146,062.63</u>	<u>42,151.48</u>
Vocational Evening - Local - Instruction:							
Salaries of Teachers	110,000.00		110,000.00	5,449.50	115,449.50	115,449.50	
Other Purchased Services	1,800.00		1,800.00		1,800.00	1,650.00	150.00
General Supplies	11,000.00		11,000.00	2,176.33	13,176.33	13,176.33	
Textbooks	4,800.00		4,800.00	(1,192.76)	3,607.24	3,133.88	473.36
Other Objects	500.00		500.00		500.00	75.00	425.00
Total Vocational Evening - Local - Instruction	<u>128,100.00</u>	<u>0.00</u>	<u>128,100.00</u>	<u>6,433.07</u>	<u>134,533.07</u>	<u>133,484.71</u>	<u>1,048.36</u>

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)

GENERAL FUND

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

Sheet 9 of 9

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Official Budget	Prior Year Encumbered	Original Budget	Transfers	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (Continued):							
Special Schools:							
Vocational Evening - Local - Support Services:							
Salaries	\$ 47,630.00	\$	\$ 47,630.00	\$ 81,974.32	\$ 129,604.32	\$ 129,603.88	\$.44
Personal Services - Employees Benefits	11,667.00		11,667.00	6,073.64	17,740.64	17,740.64	
Other Purchased Services	35,000.00		35,000.00	(3,787.59)	31,212.41	31,212.41	
Supplies and Materials	2,500.00		2,500.00	(799.36)	1,700.64	1,700.64	
Other Objects	1,000.00		1,000.00	(15.57)	984.43	1,700.00	814.43
Total Vocational Evening - Local - Support Services	<u>97,797.00</u>	<u>0.00</u>	<u>97,797.00</u>	<u>83,445.44</u>	<u>181,242.44</u>	<u>180,427.57</u>	<u>814.87</u>
Total Vocational Evening - Local	225,897.00	0.00	225,897.00	89,878.51	315,775.51	313,912.28	1,863.23
Total Special Schools	1,884,196.00	652.61	1,884,848.61	238,115.46	2,122,964.07	1,972,776.73	150,187.34
Total Expenditures	<u>40,446,622.00</u>	<u>20,359.82</u>	<u>40,466,981.82</u>	<u>(3,907.31)</u>	<u>40,463,074.51</u>	<u>39,499,028.06</u>	<u>964,046.45</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,286,069.00)	(20,359.82)	(2,306,428.82)	3,907.31	(2,302,521.51)	2,485,761.57	4,788,283.08
Other Financing Sources (Uses):							
Transfer to Food Service and Internal Service Funds	(75,000.00)		(75,000.00)	(3,906.31)	(78,906.31)	(78,906.31)	3,703.38
Transfer from Internal Service Fund	(75,000.00)	0.00	0.00	(3,906.31)	(78,906.31)	(75,202.93)	3,703.38
Total Other Financing Sources (Uses)	<u>(150,000.00)</u>	<u>0.00</u>	<u>(75,000.00)</u>	<u>(7,812.62)</u>	<u>(157,812.62)</u>	<u>(154,109.24)</u>	<u>3,703.38</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,361,069.00)	(20,359.82)	(2,381,428.82)	1.00	(2,381,427.82)	2,410,558.64	4,791,986.46
Fund Balances, July 1	7,127,410.36		7,127,410.36		7,127,410.36	7,127,410.36	
Fund Balances, June 30	<u>\$ 4,766,341.36</u>	<u>\$ (20,359.82)</u>	<u>\$ (2,381,428.82)</u>	<u>\$ 1.00</u>	<u>\$ 4,745,982.54</u>	<u>\$ 9,537,969.00</u>	<u>\$ 4,791,986.46</u>
Recapitulation:							
Committed for Year-end Encumbrances						\$ 515,932.46	
Assigned - Designated for subsequent year expenditures						835,194.06	
Assigned - Designated for subsequent year expenditures (Add'l State Aid 2010-2011)						411,193.00	
Restricted - Reserve for Excess Surplus - Designated for subsequent year expenditures						661,030.94	
Restricted - Capital Reserve						908,070.79	
Restricted - Maintenance Reserve						1,900,000.00	
Restricted - Reserve for Excess Surplus						2,134,713.10	
Unassigned						2,171,834.65	
Reconciliation to Governmental Funds Statements (GAAP):						9,537,969.00	
Last State Aid payments not recognized on GAAP Basis						(775,168.00)	
Current Year						8,762,801.00	
Fund Balance per Governmental Funds (GAAP)						<u>\$ 8,762,801.00</u>	

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)

Exhibit C-1a

GENERAL FUND
EDUCATION JOBS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Support services:			
Personal services - employee benefits	\$ <u>299,645.00</u>	\$ <u>299,645.00</u>	\$ <u>-</u>
Total Support Services	\$ <u>299,645.00</u>	\$ <u>299,645.00</u>	<u> </u>
Total Expenditures	\$ <u><u>299,645.00</u></u>	\$ <u><u>299,645.00</u></u>	\$ <u><u>-</u></u>

**MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)**

Exhibit C-2

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:				
Federal Aid	\$ 845,537.00	\$ 77,473.37	\$ 923,010.37	\$ 920,594.02
State Aid	14,426.00	21.00	14,447.00	14,350.26
Other Aid	94,865.92	26,253.11	121,119.03	76,437.00
Total Revenues	<u>\$ 954,828.92</u>	<u>\$ 103,747.48</u>	<u>\$ 1,058,576.40</u>	<u>\$ 1,011,381.28</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 203,272.50	\$ (51,231.50)	\$ 152,041.00	\$ 142,446.00
Other Purchased Services	1,500.00		1,500.00	
General Supplies	12,085.92	67,502.14	79,588.06	93,504.53
Textbooks	2,589.00		2,589.00	2,096.00
Other Objects	30,020.88	500.00	30,520.88	
Total Instruction	<u>249,468.30</u>	<u>16,770.64</u>	<u>266,238.94</u>	<u>238,046.53</u>
Support Services:				
Salaries of Supervisors	\$ 13,200.00		\$ 13,200.00	\$ 13,200.00
Personal Services - Employee Benefits	8,678.00	\$ 18,328.00	27,006.00	26,541.00
Purchased Professional/Technical Services	26,211.62	23,468.94	49,680.56	46,482.12
Travel	216.00	21.00	237.00	140.26
Supplies and Materials	9,570.50	6,000.00	15,570.50	
Total Support Services	<u>\$ 57,876.12</u>	<u>\$ 47,817.94</u>	<u>\$ 105,694.06</u>	<u>\$ 86,363.38</u>
Facilities Acquisition and Construction Services:				
Instructional Equipment	\$ 647,484.50	\$ 39,158.90	\$ 686,643.40	\$ 686,971.37
Total Facilities Acquisition and Construction Services	<u>\$ 647,484.50</u>	<u>\$ 39,158.90</u>	<u>\$ 686,643.40</u>	<u>\$ 686,971.37</u>
Total Expenditures	<u>\$ 954,828.92</u>	<u>\$ 103,747.48</u>	<u>\$ 1,058,576.40</u>	<u>\$ 1,011,381.28</u>

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
BUDGE-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 41,985,789.63	\$ 1,011,381.28
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.	None	None
State aid payment recognized per GAAP standards in the current year previously recognized for budgetary purposes.	688,713.00	None
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).	<u>(775,168.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 41,899,334.63</u>	<u>\$ 1,011,381.28</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 39,449,028.06	\$ 1,011,381.28
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 39,449,028.06</u>	<u>\$ 1,011,381.28</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Title II				I.D.E.A. Part B		Totals 2012
	Total Brought Forward (Exh. E-1a)	Part A 2011-2012	Part A 2010-2011	Regular 2011-2012	Regular Carryover	ARRA Carry Over	
REVENUES:							
State sources	\$ 14,350.26						\$ 14,350.26
Federal sources	563,669.91	\$ 39,843.00	\$ 1.00	\$ 285,908.01	\$ 5,218.75	\$ 5,953.35	920,594.02
Local sources	76,437.00						76,437.00
Total revenues	\$ 674,457.17	\$ 39,843.00	\$ 1.00	\$ 285,908.01	\$ 5,218.75	\$ 5,953.35	\$ 1,011,361.28
EXPENDITURES:							
Instruction:							
Salaries of teachers - 100	109,243.00	\$ 33,203.00					142,446.00
Supplies and materials	62,798.57		\$ 1.00	\$ 28,133.01		\$ 2,571.95	93,504.53
Textbooks	2,096.00						2,096.00
Total instruction	\$ 174,137.57	\$ 33,203.00	\$ 1.00	\$ 28,133.01		\$ 2,571.95	\$ 238,046.53
Support services:							
Salaries of supervisors of instruction	13,200.00						\$ 13,200.00
Personal services-employee benefits	\$ 19,901.00	\$ 6,640.00					26,541.00
Purchased professional/technical services	46,482.12						46,482.12
Travel	140.26						140.26
Total support services	\$ 79,723.38	\$ 6,640.00					\$ 86,363.38
Facilities acquisition and construction services:							
Instructional equipment	\$ 420,596.22			\$ 257,775.00	\$ 5,218.75	\$ 3,381.40	\$ 686,971.37
Total facilities acquisition and construction services	\$ 420,596.22			\$ 257,775.00	\$ 5,218.75	\$ 3,381.40	\$ 686,971.37
Total expenditures	\$ 674,457.17	\$ 39,843.00	\$ 1.00	\$ 285,908.01	\$ 5,218.75	\$ 5,953.35	\$ 1,011,361.28

BOARD OF EDUCATION
 MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
 (A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 SPECIAL REVENUE FUND - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Total Brought Forward (Exh. E-1b)	Title I	Perkins Secondary Federal	Perkins PS State	Totals Carried Forward Exhibit E-1
		Title I-A Part A			
REVENUES:					
State sources	\$ 14,350.26				\$ 14,350.26
Federal sources	\$ 102,287.00	\$ 102,287.00	\$ 387,750.91	\$ 93,632.00	\$ 583,669.91
Local sources	76,437.00				76,437.00
Total revenues	\$ 90,787.26	\$ 102,287.00	\$ 387,750.91	\$ 93,632.00	\$ 674,457.17
EXPENDITURES:					
Instruction:					
Salaries of teachers - 100	\$ 28,320.00	\$ 80,923.00			\$ 109,243.00
Supplies and materials	7,561.88		\$ 41,490.75	\$ 13,745.94	62,798.57
Textbooks	2,096.00				2,096.00
Total instruction	\$ 37,977.88	\$ 80,923.00	\$ 41,490.75	\$ 13,745.94	\$ 174,137.57
Support services:					
Salaries of supervisors of instruction	\$ 13,200.00				\$ 13,200.00
Personal services-employee benefits	3,717.00	\$ 16,184.00			\$ 19,901.00
Purchased professional/technical services	34,702.12	5,180.00	6,600.00		46,482.12
Travel	140.26				140.26
Total support services	\$ 51,759.38	\$ 21,364.00	\$ 6,600.00		\$ 79,723.38
Facilities acquisition and construction services:					
Instructional equipment	\$ 1,050.00		\$ 339,660.16	\$ 79,886.06	\$ 420,596.22
Total facilities acquisition and construction services	\$ 1,050.00		\$ 339,660.16	\$ 79,886.06	\$ 420,596.22
Total expenditures	\$ 90,787.26	\$ 102,287.00	\$ 387,750.91	\$ 93,632.00	\$ 674,457.17

BOARD OF EDUCATION
 MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
 (A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 SPECIAL REVENUE FUND - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Local				Safety Grant	Apprentice Coordinator 2011-2012	Totals Carried Forward Exhibit E-1a
	Brookdale Grant	KIVA Rain Garden	NEA Grant	Principal of The Year	Safety Grant	Apprentice Coordinator 2011-2012	Totals Carried Forward Exhibit E-1a
REVENUES:							
State sources							
Federal sources							
Local sources	\$ 38,619.00	\$ 2,065.88	\$ 1,000.00	\$ 50.00	\$ 34,702.12	\$ 14,350.26	\$ 14,350.26
Total revenues	\$ 38,619.00	\$ 2,065.88	\$ 1,000.00	\$ 50.00	\$ 34,702.12	\$ 14,350.26	\$ 90,787.26
EXPENDITURES:							
Instruction:							
Salaries of teachers - 100	\$ 28,320.00						\$ 28,320.00
Supplies and materials	5,496.00	\$ 2,065.88					7,561.88
Textbooks	2,096.00						2,096.00
Total instruction	\$ 35,912.00	\$ 2,065.88					\$ 37,977.88
Support services:							
Salaries of supervisors of instruction						\$ 13,200.00	\$ 13,200.00
Personal services-employee benefits	\$ 2,707.00					1,010.00	3,717.00
Purchased professional/technical services					\$ 34,702.12	140.26	34,702.12
Travel							140.26
Total support services	2,707.00				\$ 34,702.12	\$ 14,350.26	\$ 51,759.38
Facilities acquisition and construction services:							
Instructional equipment			\$ 1,000.00	\$ 50.00			\$ 1,050.00
Total facilities acquisition and construction services			\$ 1,000.00	50.00			\$ 1,050.00
Total expenditures	\$ 38,619.00	\$ 2,065.88	\$ 1,000.00	\$ 50.00	\$ 34,702.12	\$ 14,350.26	\$ 90,787.26

PROPRIETARY FUNDS

PROPRIETARY FUND –
ENTERPRISE FUND

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2012

<u>ASSETS</u>	<u>Food Service</u>
Current assets:	
Cash and cash equivalents	\$ 56,101.96
Accounts receivable:	
State	11.89
Federal	795.11
Interfund Receivable	<u>2,985.18</u>
Total current assets	<u>\$ 59,894.14</u>
<u>NON-CURRENT ASSETS</u>	
Furniture, machinery and equipment	\$ 716,232.39
Less: accumulated depreciation	<u>296,414.54</u>
Total non-current assets	<u>\$ 419,817.85</u>
Total assets	<u>\$ 479,711.99</u>
<u>NET ASSETS</u>	
Invested in capital assets net of related debt	\$ 419,817.85
Unrestricted	<u>59,894.14</u>
Total net assets	<u>\$ 479,711.99</u>

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>OPERATING REVENUES</u>	<u>Food Service</u>
Local Sources:	
Daily sales - non-reimbursable programs	\$ <u>12,474.29</u>
Total operating revenues	\$ <u>12,474.29</u>
 <u>OPERATING EXPENSES</u> 	
Cost of sales	\$ 78,906.31
Depreciation	<u>47,211.51</u>
Total operating expenses	\$ <u>126,117.82</u>
Operating income/(loss)	\$ <u>(113,643.53)</u>
 <u>NONOPERATING REVENUES</u> 	
State sources:	
State school lunch program	\$ 297.64
Federal sources:	
National school lunch program	12,471.68
National breakfast program	<u>5,806.72</u>
Total nonoperating revenues	\$ <u>18,576.04</u>
Income/(loss) before contributions and transfers	\$ (95,067.49)
Operating transfers:	
Inter fund - operating transfer in/(out)	<u>78,906.31</u>
	\$ (16,161.18)
Contributed Capital - Equipment, Net	<u>160,429.82</u>
Change in net assets	\$ 144,268.64
Total net assets - beginning	<u>335,443.35</u>
Total net assets - ending	\$ <u><u>479,711.99</u></u>

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 12,474.29
Payments to Suppliers	<u>(79,506.31)</u>
Net Cash Provided by/(Used for) Operating Activities	\$ <u>(67,032.02)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	\$ 300.66
Federal Sources	18,389.51
Transfer from General Fund	<u>75,000.00</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ <u>93,690.17</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ <u>26,658.15</u>
Balances - Beginning of Year	29,443.81
Balances - End of Year	\$ <u><u>56,101.96</u></u>
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</u>	
Operating Gain/(Loss)	\$ <u>(113,643.53)</u>
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:	
Depreciation	\$ 47,211.51
Change in Assets and Liabilities: (Decrease) in Accounts Payable	<u>(600.00)</u>
Total Adjustments	\$ <u>46,611.51</u>
Net Cash Provided by/(Used for) by Operating Activities	\$ <u><u>(67,032.02)</u></u>

**PROPRIETARY FUND –
INTERNAL SERVICE FUND**

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
PROPRIETARY FUNDS - INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CEASED OPERATIONS)

	<u>County Of Monmouth</u>	
	<u>Department of Human Services</u>	<u>Department of Corrections</u>
Operating transfers:		
Operating transfer out - general fund	\$ <u>3,400.03</u>	\$ <u>303.35</u>
Change in net assets	(3,400.03)	(303.35)
Total net assets - beginning	\$ <u>3,400.03</u>	\$ <u>303.35</u>
Total net assets - ending (ceased operations)	<u><u> </u></u>	<u><u> </u></u>

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
PROPRIETARY FUNDS - INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CEASED OPERATIONS)

	<u>County Of Monmouth</u>	
	<u>Department of Human Services</u>	<u>Department of Corrections</u>
<u>Cash Flows from Financing Activities</u>		
Transfer to General Fund	\$ <u>(3,400.03)</u>	\$ <u>(303.35)</u>
Net Cash Provided by/(Used for) Financing Activities	<u>(3,400.03)</u>	<u>(303.35)</u>
Balances - Beginning of Year	\$ <u>3,400.03</u>	\$ <u>303.35</u>
Balances - End of Year (ceased operations)	<u> </u>	<u> </u>

FIDUCIARY FUNDS

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
TRUST AND AGENCY FUNDS
JUNE 30, 2012

	Trust		Agency			Total		
	Unemployment Compensation	Contractor Retainage	Private Purpose	Trust Funds	Student Activity	F.F.E.L Program	Payroll Agency	Total Agency Funds
<u>ASSETS</u>								
Cash and Cash Equivalents	\$ 21,398.97	\$ 298,748.25	\$ 14,895.07	\$ 36,294.04	\$ 281,292.80	\$ 2,997.12	\$ 352,098.73	\$ 636,388.65
Total Assets	\$ 21,398.97	\$ 298,748.25	\$ 14,895.07	\$ 36,294.04	\$ 281,292.80	\$ 2,997.12	\$ 352,098.73	\$ 636,388.65
<u>LIABILITIES</u>								
Accounts Payable	\$ 11,542.07			\$ 11,542.07			\$ 352,098.73	\$ 352,098.73
Payable to Student Groups					\$ 281,292.80			281,292.80
Retainage Payable	8,449.42	\$ 298,748.25		8,449.42		\$ 2,997.12		2,997.12
Interfund Payable - General Fund								
Total Liabilities	\$ 19,991.49	\$ 298,748.25		\$ 19,991.49	\$ 281,292.80	\$ 2,997.12	\$ 352,098.73	\$ 636,388.65
<u>NET ASSETS</u>								
Held in Trust for Unemployment Claims and Other Purposes Unreserved	\$ 1,407.48			\$ 1,407.48				1,407.48
Total Net Assets	\$ 1,407.48		\$ 14,895.07	\$ 14,895.07	\$ 16,302.55			16,302.55

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Unemployment Compensation <u>Trust</u>	Private Purpose <u>Trust Fund</u>
<u>ADDITIONS</u>		
Contributions:		
Plan Members	\$ 42,084.61	
Contribution		\$ 13,500.00
Interest Earned	<u>13.99</u>	<u> </u>
Total Contributions	\$ <u>42,098.60</u>	\$ <u>13,500.00</u>
Total Additions	\$ <u>42,098.60</u>	\$ <u>13,500.00</u>
<u>DEDUCTIONS</u>		
Unemployment Claims	\$ 49,012.23	
Scholarships Awarded	<u> </u>	\$ <u>17,500.00</u>
Total Deductions	\$ <u>49,012.23</u>	\$ <u>17,500.00</u>
Change in Net Assets	\$ (6,913.63)	\$ (4,000.00)
Total Net Assets - Beginning of the Year	<u>8,321.11</u>	<u>18,895.07</u>
Total Net Assets - Ending of the Year	\$ <u><u>1,407.48</u></u>	\$ <u><u>14,895.07</u></u>

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
Schools:				
Academy of Allied Health and Science	\$ 9,705.99	\$ 45,410.36	\$ 45,263.25	\$ 9,853.10
Adult High School	1,010.69	10.00		1,020.69
Career Center	30,865.18	70,123.09	73,361.42	27,626.85
Communications High School	28,148.48	89,597.28	88,773.72	28,972.04
High Technology High School	64,377.53	100,805.81	99,930.45	65,252.89
Biotechnology High School	20,210.80	73,195.49	71,765.62	21,640.67
Kiva High School	459.78	2,353.09	2,110.41	702.46
Marine Academy of Science and Technology	55,409.59	132,668.63	123,376.33	64,701.89
CLASS Academy	297.76	416.00	382.88	330.88
Culinary Education Center	50,182.87	22,974.26	16,015.73	57,141.40
South (Shared Time) Schools	3,213.08	19,239.60	18,402.75	4,049.93
Total All Schools	\$ 263,881.75	\$ 556,793.61	\$ 539,382.56	\$ 281,292.80

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
PAYROLL AGENCY AND NET FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 325,194.79	\$ 27,508,292.98	\$ 27,481,389.04	\$ 352,098.73
Total Assets	<u>\$ 325,194.79</u>	<u>\$ 27,508,292.98</u>	<u>\$ 27,481,389.04</u>	<u>\$ 352,098.73</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 325,194.79	\$ 352,098.73	\$ 325,194.79	\$ 352,098.73
Payroll Deductions and Withholdings		12,061,789.15	12,061,789.15	
Net Pay		<u>15,094,405.10</u>	<u>15,094,405.10</u>	
Total Liabilities	<u>\$ 325,194.79</u>	<u>\$ 27,508,292.98</u>	<u>\$ 27,481,389.04</u>	<u>\$ 352,098.73</u>

**BOARD OF EDUCATION
 MONMOUTH COUNTY VOCATIOANL SCHOOL DISTRICT
 (A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
 GRANT/LOAN PROGRAM
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>ASSETS</u>				
Stafford Loans	\$ 3,967.89	\$ 174,780.00	\$ 175,750.77	\$ 2,997.12
Pell Grant	<u>266.41</u>	<u>203,323.77</u>	<u>203,590.18</u>	<u> </u>
Total Assets	<u>\$ 4,234.30</u>	<u>\$ 378,103.77</u>	<u>\$ 379,340.95</u>	<u>\$ 2,997.12</u>
Interfund Payable - General Fund	<u>\$ 4,234.30</u>	<u>\$ 378,103.77</u>	<u>\$ 379,340.95</u>	<u>\$ 2,997.12</u>
Total Liabilities	<u>\$ 4,234.30</u>	<u>\$ 378,103.77</u>	<u>\$ 379,340.95</u>	<u>\$ 2,997.12</u>

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIOANL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
CONTRACTOR RETAINAGE PAYABLE
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>ASSETS</u>				
Cash	\$ <u>324,210.55</u>	\$ <u>101,001.27</u>	\$ <u>126,463.57</u>	\$ <u>298,748.25</u>
Total Assets	\$ <u><u>324,210.55</u></u>	\$ <u><u>101,001.27</u></u>	\$ <u><u>126,463.57</u></u>	\$ <u><u>298,748.25</u></u>
Retainage Payable	\$ <u>324,210.55</u>	\$ <u>101,001.27</u>	\$ <u>126,463.57</u>	\$ <u>298,748.25</u>
Total Liabilities	\$ <u><u>324,210.55</u></u>	\$ <u><u>101,001.27</u></u>	\$ <u><u>126,463.57</u></u>	\$ <u><u>298,748.25</u></u>

STATISTICAL TABLES (SECTION)
(UNAUDITED)

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
 Net Assets by Component,
 Last Ten (10) Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 43,777,776	\$ 43,850,885	\$ 57,368,203	\$ 60,787,594	\$ 69,432,150	\$ 61,412,235	\$ 61,505,647	\$ 65,187,913	\$ 66,340,470	\$ 76,794,893
Restricted	1,227,072	1,464,264	3,163,938	1,234,859	1,244,496	1,250,295	905,071	907,071	908,071	3,331,421
Unrestricted	(3,729,923)	(2,054,404)	(1,459,919)	(1,401,945)	(2,772,210)	(2,290,818)	(3,228,125)	(1,222,295)	(420,663)	(315,912)
Total governmental activities net assets	\$ 41,274,925	\$ 43,260,745	\$ 59,063,222	\$ 60,620,508	\$ 57,904,436	\$ 60,371,712	\$ 59,182,593	\$ 64,852,689	\$ 66,827,878	\$ 79,810,402
Business-type activities										
Invested in capital assets, net of related debt	\$ 179,522	\$ 156,251	\$ 135,914	\$ 119,290	\$ 102,666	\$ 86,042	\$ 69,418	\$ 53,139	\$ 306,599	\$ 419,818
Unrestricted	46,917	23,035	3,736	-	-	-	3,400	3,703	32,547	59,894
Total business-type activities net assets	\$ 226,439	\$ 179,286	\$ 139,650	\$ 119,290	\$ 102,666	\$ 86,042	\$ 72,818	\$ 56,842	\$ 339,146	\$ 479,712
District-wide										
Invested in capital assets, net of related debt	\$ 43,957,298	\$ 44,007,136	\$ 57,494,117	\$ 60,906,883	\$ 59,534,816	\$ 61,498,277	\$ 61,575,065	\$ 65,221,052	\$ 66,647,070	\$ 77,214,711
Restricted	1,227,072	1,464,264	3,163,938	1,234,859	1,244,496	1,250,295	905,071	907,071	908,071	3,331,421
Unrestricted	(3,683,007)	(2,031,369)	(1,455,183)	(1,401,945)	(2,772,210)	(2,290,818)	(3,224,725)	(1,218,591)	(388,116)	(256,018)
Total district net assets	\$ 41,501,363	\$ 43,440,031	\$ 59,202,872	\$ 60,739,797	\$ 58,007,102	\$ 60,457,754	\$ 59,255,411	\$ 64,909,531	\$ 67,167,025	\$ 80,290,114

Note: The numbers in this report have been rounded
 Source: CAFR Schedule A-1

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
Changes in Net Assets, Last Ten (10) Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,969	\$ 6,647	\$ 3,228	\$ 6,140	\$ 5,077	\$ 1,287	\$ 6,317	\$ 502,748	\$ 407,408	\$ 247,172
Vocational	14,792,346	15,015,869	14,032,396	14,963,817	16,148,954	16,672,634	17,264,345	17,285,093	16,638,136	16,347,871
Support Services:										
Student & instruction related services	2,786,220	2,781,078	2,681,313	2,810,857	2,760,390	2,873,513	3,120,614	2,985,042	2,776,614	2,871,865
General administrative services	687,059	660,508	631,391	643,148	585,087	673,800	636,557	644,532	650,587	1,157,041
School administrative services	2,093,166	2,138,394	2,143,365	2,185,287	2,176,845	2,233,984	2,264,349	2,155,948	2,248,036	1,707,042
Central services	583,403	611,097	524,909	538,637	561,960	666,273	719,377	758,226	640,326	691,072
Administrative information technology			284,289	236,704	294,835	277,850	278,393	289,777	393,385	364,368
Plant operations and maintenance	3,584,265	3,678,397	3,711,790	4,309,070	4,707,342	4,883,362	5,094,700	5,294,252	5,122,373	4,709,288
Pupil transportation	124,607	105,828	103,391	113,584	127,799	121,922	120,723	97,605	73,291	84,869
Unallocated benefits	5,209,609	5,902,025	7,260,591	7,457,697	9,359,858	9,514,225	8,689,937	9,151,843	9,410,652	9,805,990
Special Schools	2,446,087	2,366,217	2,341,201	2,328,094	2,475,369	2,284,254	2,373,226	2,468,950	1,935,280	1,972,777
Unallocated depreciation	309,091	309,091	2,058,340	2,055,141	2,253,159	2,341,362	2,462,650	784,264	2,105,051	3,577,112
Total governmental activities expenses	32,619,812	33,575,351	35,776,204	37,650,376	41,456,475	42,516,506	43,031,188	42,418,264	42,401,739	43,336,466
Business-type activities:										
Food service	108,495	103,768	99,527	87,922	89,214	99,201	106,607	96,836	108,718	126,116
NJ Dept of Corr. & County Youth Detention Ctr.	309,440	329,954	271,445	243,879	195,332	6,676	16,017	4,878	6,315	6,315
Total business-type activities expense	500,264	440,942	366,972	331,801	284,546	112,528	141,803	101,714	115,033	126,116
Total district expenses	\$ 33,120,076	\$ 34,016,293	\$ 36,143,176	\$ 37,982,177	\$ 41,741,021	\$ 42,629,034	\$ 43,172,991	\$ 42,519,998	\$ 42,516,772	\$ 43,462,584
Program Revenues										
Governmental activities:										
Charges for services:										
Special Schools	\$ 901,732	\$ 1,004,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	2,762,624	4,446,202	4,327,284	2,985,639	4,133,394	4,081,578	3,312,374	4,320,341	3,294,317	324,410
Total governmental activities program revenues	3,664,356	5,450,831	4,327,284	2,985,639	4,133,394	4,081,578	3,312,374	4,320,341	3,294,317	324,410

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
Changes in Net Assets, Last Ten (10) Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services	\$ 14,830	\$ 13,127	\$ 11,672	\$ 28,280	\$ 14,230	\$ 12,509	\$ 12,992	\$ 14,856	\$ 12,825	\$ 12,474
Food service	279,440	306,072	252,147	222,489	195,332	6,676	16,017	5,181	6,314	-
NJ Dept of Corrections & County Youth Detention	14,253	420	-	-	-	-	-	-	-	-
EITC	-	-	-	-	-	6,651	22,580	-	-	-
County Department of Human Services	11,047	10,707	8,389	16,019	16,019	24,275	23,301	23,030	16,870	19,576
Operating grants and contributions	319,570	330,326	272,206	250,779	225,581	50,111	74,890	43,067	38,009	31,050
Total business-type activities program revenues	\$ 3,983,926	\$ 5,781,157	\$ 4,599,492	\$ 3,236,418	\$ 4,356,975	\$ 4,131,689	\$ 3,387,264	\$ 4,363,408	\$ 3,330,325	\$ 3,554,260
Net (Expense)/Revenue	\$ (28,955,456)	\$ (28,124,520)	\$ (31,446,919)	\$ (34,664,737)	\$ (37,323,081)	\$ (38,434,928)	\$ (39,718,814)	\$ (38,097,943)	\$ (39,107,422)	\$ (43,012,056)
Governmental activities	(180,694)	(110,615)	(94,765)	(81,021)	(56,965)	(62,416)	(66,914)	(58,647)	(79,024)	(95,067)
Business-type activities	\$ (29,136,150)	\$ (28,235,135)	\$ (31,543,684)	\$ (34,745,758)	\$ (37,380,046)	\$ (38,497,344)	\$ (39,785,728)	\$ (38,156,590)	\$ (39,186,446)	\$ (43,107,123)
Total district-wide net expense										
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,355,120	\$ 10,855,120	\$ 11,855,120	\$ 12,855,120	\$ 13,605,120	\$ 14,605,120	\$ 15,405,120	\$ 16,021,325	\$ 16,662,178	\$ 16,662,178
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
State Aid - Unrestricted	7,122,057	6,088,714	6,338,806	7,865,498	7,932,978	8,702,622	8,827,904	7,904,874	-	-
Federal & State Aid - Restricted	670,623	1,059,127	5,913,036	2,622,227	678,225	535,550	613,393	1,091,021	8,119,741	11,325,397
Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Tuition received	9,405,429	10,320,257	11,539,023	10,323,584	11,005,310	11,634,325	11,865,042	12,091,295	12,359,675	11,856,348
Investment earnings	36,537	24,428	86,020	-	-	-	-	-	-	-
Miscellaneous income	376,551	274,949	316,800	1,720,753	1,252,564	1,835,305	1,787,515	1,827,053	2,301,240	2,741,383
County Contributed Capital	-	1,541,208	11,257,719	895,502	175,152	3,635,075	93,412	4,875,132	2,743,232	1,530,866
Fixed Assets Restatement	-	-	-	-	-	-	-	-	-	-
Transfers	(125,865)	(63,462)	(55,129)	(60,661)	(42,341)	(45,792)	(53,690)	(42,671)	(75,000)	(75,203)
Total governmental activities	26,840,452	30,110,341	47,251,395	36,222,023	34,507,008	40,902,205	38,529,696	43,768,039	41,082,610	55,594,580
Business-type activities:										
Fixed Assets Restatement	-	-	-	-	-	-	-	-	-	-
Transfers	125,865	63,462	55,129	60,661	42,341	45,792	53,690	42,671	75,000	160,430
Total business-type activities	125,865	63,462	55,129	60,661	42,341	45,792	53,690	42,671	75,000	75,203
Total district-wide	\$ 26,966,317	\$ 30,173,803	\$ 47,306,524	\$ 36,282,684	\$ 34,549,349	\$ 40,947,997	\$ 38,583,386	\$ 43,810,710	\$ 41,157,610	\$ 56,230,212
Change in Net Assets										
Governmental activities	\$ (2,115,004)	\$ 1,985,821	\$ 15,802,476	\$ 1,557,286	\$ (2,716,073)	\$ 2,467,277	\$ (1,189,118)	\$ 5,670,096	\$ 1,975,189	\$ 12,962,525
Business-type activities	(34,829)	(47,153)	(39,636)	(20,360)	(16,624)	(13,224)	(13,224)	(15,976)	282,304	140,565
Total district	\$ (2,159,833)	\$ 1,938,668	\$ 15,762,840	\$ 1,536,926	\$ (2,732,697)	\$ 2,454,053	\$ (1,202,342)	\$ 5,654,121	\$ 2,257,493	\$ 13,123,090

The J-2 is a ten year schedule. Districts are not required to report years prior to the implementation date of Statement 44. Monmouth County Vocational School District implemented GASB 34 in 6/30/03 and is reporting retroactively.
Source: CAFR Schedule A-2

Note: The numbers in this report have been rounded

Monmouth County Vocational School District
 Fund Balances, Governmental Funds,
 Last Ten (10) Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 2,158,952	\$ 2,757,703	\$ 3,954,239	\$ 4,110,201	\$ 3,453,980	\$ 3,973,650	\$ 3,747,916	\$ 3,776,435	\$ 4,211,817	\$ 6,590,966
Unreserved	722,290	1,229,535	1,424,923	1,485,642	662,494	715,281	1,268,588	1,381,942	2,226,880	2,171,835
Total general fund	\$ 2,881,243	\$ 3,987,239	\$ 5,379,162	\$ 5,595,843	\$ 4,136,474	\$ 4,688,932	\$ 5,036,504	\$ 5,158,377	\$ 6,438,697	\$ 8,762,801
All Other Governmental Funds										
Reserved	\$ 94,173	\$ 239,992	\$ 1,936,706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:	(1,210)	-	-	(279,344)	(626,895)	(373,132)	-	-	-	-
Special revenue fund										
Capital projects fund										
Debt service fund										
Permanent fund										
Total all other governmental funds	\$ 92,963	\$ 239,992	\$ 1,936,706	\$ (279,344)	\$ (626,895)	\$ (373,132)	\$ -	\$ -	\$ -	\$ -

The J-3 is a ten year schedule. Districts are not required by GASB to report years prior to the implementation date of Statement 44. Monmouth County Vocational School District implemented GASB 34 in 6/30/03 and is reporting retroactively.

Note: The numbers in this report have been rounded

Monmouth County Vocational School District
 Changes in Fund Balances, Governmental Funds,
 Last Ten (10) Fiscal Years
 (modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 9,355,120	\$ 10,655,120	\$ 11,855,120	\$ 12,855,120	\$ 13,605,120	\$ 14,605,120	\$ 15,405,120	\$ 16,021,325	\$ 16,662,178	\$ 16,662,178
Tuition charges	9,238,207	10,177,907	10,424,995	10,183,073	10,936,070	11,542,575	11,895,382	11,939,270	12,210,925	11,599,373
Non-Resident Fees	167,221	142,350	138,775	140,511	106,795	94,400	117,250	152,025	148,750	156,975
Interest earnings	44,590	26,565	88,990	230,445	238,638	162,840	45,205	2,000	1,000	2,130,848
Miscellaneous	1,270,229	1,277,441	1,289,160	1,528,250	921,479	1,653,363	1,758,718	1,864,989	2,301,141	2,130,848
State sources	9,241,247	10,367,065	15,580,961	12,241,293	11,375,354	12,839,402	12,086,790	10,859,663	10,039,900	11,040,102
Federal sources	1,314,055	1,256,978	998,099	914,788	1,007,344	732,212	1,023,348	2,417,648	1,312,045	1,220,239
Total revenues	30,630,671	34,083,426	40,376,089	38,093,477	38,190,800	41,650,912	42,241,814	43,255,920	42,669,939	42,909,716
Expenditures										
Instruction										
Regular instruction	\$ 3,959	\$ 6,847	\$ 3,228	\$ 8,140	\$ 5,077	\$ 1,287	\$ 6,317	\$ 4,032	\$ 406,380	\$ 247,219
Vocational education	13,135,733	13,712,363	14,032,396	14,859,737	16,148,954	16,672,634	17,264,345	17,783,809	16,596,145	16,351,005
Support Services:										
Student & instruction related services	2,785,381	2,780,239	2,681,313	2,810,657	2,760,390	2,873,513	3,120,614	2,885,042	2,765,353	2,672,378
General administration	627,952	601,401	631,390	643,148	565,086	673,800	636,557	644,532	650,587	651,930
School administrative services	2,059,792	2,075,991	2,143,365	2,185,287	2,176,645	2,233,984	2,264,349	2,155,948	2,242,363	2,212,905
Central services	583,403	611,097	524,909	538,837	561,960	668,274	719,377	758,226	640,926	691,072
Admin. Information technology	-	-	284,289	235,704	294,856	277,650	278,393	289,777	393,385	364,368
Plant operations and maintenance	3,574,225	3,668,357	3,711,790	4,309,070	4,707,343	4,883,382	5,094,700	5,294,252	5,118,834	4,710,191
Pupil transportation	124,607	105,828	103,391	113,594	127,799	121,922	120,723	97,605	73,106	84,865
Other Support Services	-	-	-	-	-	-	-	-	-	-
Employee Benefits	5,288,668	5,981,094	6,467,112	7,305,618	9,389,358	9,451,608	8,598,995	9,565,278	9,410,652	9,805,990
Special Schools	2,446,087	2,366,217	2,341,201	2,328,094	2,475,369	2,254,254	2,373,226	2,468,950	1,935,280	1,972,777
Capital outlay	910,960	1,478,663	13,442,475	4,340,724	897,715	764,731	990,078	1,043,974	1,016,622	745,690
Total expenditures	31,540,767	33,388,096	46,366,860	39,679,800	40,130,631	40,877,239	41,467,676	43,091,424	41,249,633	40,510,410
Excess (Deficiency) of revenues over (under) expenditures	(910,096)	695,339	(5,990,770)	(1,586,323)	(1,939,731)	773,673	774,136	164,495	1,420,106	2,399,306
Other Financing sources (uses)										
County of Monmouth Local Match	-	621,148	9,134,536	(352,385)	175,152	78,339	257,000			
Transfers in	-	50,173	-	-	(42,341)	(45,792)	(400,517)	(42,671)	(138,786)	(75,203)
Transfers out	(125,865)	(153,635)	(65,129)	(60,661)	(42,341)	(45,792)	(400,517)	(42,671)	(138,786)	(75,203)
Total other financing sources (uses)	(125,865)	557,686	9,079,407	(413,046)	132,811	32,547	(63,433)	(42,671)	(138,786)	(75,203)
Net change in fund balances	\$ (1,035,961)	\$ 1,253,025	\$ 3,088,637	\$ (1,999,370)	\$ (1,806,820)	\$ 805,220	\$ 720,705	\$ 121,824	\$ 1,280,321	\$ 2,324,104
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with the year end June 30, 2005.
 Prior to 2005, Central Services and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Note: The numbers in this report have been rounded

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten (10) Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ended June 30,	Rentals	Adult Tuition and fees	Interest	Prior Year Refunds	Textbook and Course		Total
					Tool Sale	Miscellaneous	
2003		927,031	36,060	57,647	9,633	244,454	1,274,825
2004		968,614	24,428	61,077	16,952	258,073	1,329,144
2005		975,433	86,020	91,150	17,742	195,788	1,366,133
2006		1,043,302	222,818	80,653	17,722	348,631	1,713,126
2007		1,146,069	238,638	109,725	15,839	233,601	1,743,872
2008		1,220,790	182,840	105,273	17,489	308,916	1,835,308
2009		1,292,604	43,603	136,415	18,826	294,464	1,785,912
2010		1,492,566	18,961	122,011	20,699	281,636	1,935,873
2011		1,478,495	6,552	253,713	18,952	475,316	2,233,028
2012		1,574,579	430	173,067	9,283	201,874	1,959,233

Source: District records

Note: The numbers in this report have been rounded

Source: District Records

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years

As of July 1,	Population ^a	Personal Income (thousands of dollars) ^b	County Wide Per Capita Personal Income ^c	Average County Unemployment Rate ^d
2002	630,570	27,001,637,970	42,821	5.30%
2003	636,097	46,412,817,605	72,965	5.30%
2004	639,978	28,843,168,482	45,069	4.20%
2005	641,823	30,611,106,162	47,694	4.20%
2006	641,205	32,981,661,585	51,437	4.10%
2007	641,205	35,138,675,205	54,801	3.70%
2008	642,448	36,462,136,240	56,755	4.90%
2009	644,105	36,556,179,275	56,755	8.50%
2010	630,380	35,777,216,900	56,755	9.50%
2011	630,920	35,934,048,600	56,955 ***	8.64%

Source:

^a Population information provided by the US Bureau of Economic Analysis

^b Personal income has been estimated based upon the county population and per capita personal income presented

^c Per capita data provided by the NJ Dept of Labor and Workforce Development

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

*** Latest available data

Note: The numbers in this report have been rounded

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	-	-	-	-	-	-	-	-	-	-
Regular	-	-	-	-	-	-	-	-	-	-
Special education	-	-	-	-	-	-	-	-	-	-
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	210	212	207	217	221	227	234	242	241	217
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	34	33	35	32	31	33	31	35	33	32
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	34	34	35	36	34	34	34	41	34	33
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	7	7	7	7	8	8	8	8	8	8
Administrative Information Technology	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	35	35	35	35	38	38	37	37	39	39
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	25	25	25	22	22	21	19	-	6	13
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	351	352	350	355	360	367	369	369	367	348

Source: District Personnel Records
 Note: The numbers in this report have been rounded

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School & Post Secondary	Secondary				
2003	2,129	30,629,806	14,887	-0.92%	210.00	16.2	1828.5	1,708	12.53%	93.41%	
2004	2,230	31,909,424	13,636	-8.40%	212.00	16.5	2072.7	1,933	13.36%	93.26%	
2005	2,242	32,924,384	15,465	13.41%	207.00	16.8	2143.7	2,000	3.43%	93.30%	
2006	2,269	35,339,077	15,990	3.39%	217.00	17.0	1982.3	1,855	-7.53%	93.58%	
2007	2,301	39,838,610	15,100	-5.57%	233.50	10.0	2267.5	2,132	14.39%	94.02%	
2008	2,372	40,967,452	15,172	0.48%	255.00	9.0	2328.7	2,204	2.70%	94.65%	
2009	2,418	41,504,994	14,697	-3.13%	246.00	10.0	2094.3	1,978	-10.07%	94.45%	
2010	2,478	43,062,455	16,314	11.00%	270.00	10.0	2172.0	2,022	3.71%	93.09%	
2011	2,505	40,233,011	16,061 *	-1.55%	249.00	10.0	2144.1	2,015	-1.28%	93.96%	
2012	2,206	39,764,719	16,106 *	0.28%	217.00	10.0	2144.1	2,015	0.00%	93.98%	

Sources: District records

Note: Enrollment based on annual October district count. Includes secondary and post-secondary students. Excludes Adult High School.

- a Operating expenditures equal total expenditures (B-2) less capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
 In 04-05, State excluded Post Secondary students from register report but asked for data as an addendum.
- d In 05-06, State reports excluded Post Secondary students.
 In 06-07, State reports included Post Secondary students.
 In 07-08, State reports included Post Secondary students.
 In 08-09, ADE/ADA calculations exclude Post Secondary students.
 In 09-10, ADE/ADA calculations exclude Post Secondary students.
 Meaningful comparisons are only valid when two years of consistent data are published.
- e Cost per pupil calculation includes expenses for Adult High School and Evening School, but these students are not included from the enrollment figures.
- f Some numbers in this report have been rounded (* = estimated)

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Academy of Allied Health & Science (in 1997, District totally renovated existing 16,000 sq. ft. shared time building and added 25,000 sq. ft.)	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000
Square Feet	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000
Enrollment	270	279	284	277	285	282	283	288	284	281
Health & Science Annex (Built in 1989. Purchased in 2000. Has housed Central Office/Tech Group/LPN/Shared Time/Swing space for Biotech & CLASS)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Square Feet	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Enrollment							*CLASS only	*66	71	80
Biotechnology High School (2006)				72,238	72,238	72,238	72,238	72,238	72,238	72,238
Square Feet				72,238	72,238	72,238	72,238	72,238	72,238	72,238
Enrollment				60	123	196	271	301	309	314
Career Center (Built in 1981. Renovated and added classroom wing in September 2009)	49,927	49,927	49,927	49,927	49,927	49,927	49,927	61,742	61,742	61,742
Square Feet	49,927	49,927	49,927	49,927	49,927	49,927	49,927	61,742	61,742	61,742
Enrollment	265	265	266	264	254	214	233	475	492	489
Communications High School (In 2000, District totally renovated existing 20,667 sq. ft. shared time building and added 44,833 sq. ft.)	65,500	65,500	65,500	65,500	65,500	65,500	65,500	65,500	65,500	65,500
Square Feet	65,500	65,500	65,500	65,500	65,500	65,500	65,500	65,500	65,500	65,500
Enrollment	209	271	289	295	302	307	293	283	293	323
High Technology High School (Built in 1991. Additions in 1994, 2000, and 2011.)	52,260	52,260	52,260	52,260	52,260	52,260	52,260	52,260	60,300	60,300
Square Feet	52,260	52,260	52,260	52,260	52,260	52,260	52,260	52,260	60,300	60,300
Enrollment	248	251	257	264	262	254	254	258	268	283
KIVA High School (In 1994, District totally renovated existing 17,000 sq. ft. shared time building and added a new wing.)	22,017	22,017	22,017	22,017	22,017	22,017	22,017	22,017	27,873	27,873
Square Feet	22,017	22,017	22,017	22,017	22,017	22,017	22,017	22,017	27,873	27,873
Enrollment	69	69	65	63	56	61	52	50	45	35
Long Branch Vocational Building (Built 1964. Completely renovated and space added in 2009)	22,536	22,536	22,536	22,536	22,536	22,536	28,676	28,676	28,676	28,676
Square Feet	22,536	22,536	22,536	22,536	22,536	22,536	28,676	28,676	28,676	28,676
Enrollment	80	80	73	79	79	70	-	-	-	91
Marine Academy of Science & Technology (In 1991 through 2000, District renovated 12 historical buildings in the Ft. Hancock section of Sandy Hook.)	25,000	25,000	25,000	25,000	25,000	25,000	31,572	31,572	31,572	31,572
Square Feet	25,000	25,000	25,000	25,000	25,000	25,000	31,572	31,572	31,572	31,572
Enrollment	268	273	277	278	270	270	273	276	291	295

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
SHARED TIME VOCATIONAL SITES										
Aberdeen Vocational Building (1977) Square Feet	14,325	14,325	14,325	14,325	14,325	14,325	14,325	14,325	14,325	14,325
Culinary Education Center (1967) Square Feet	20,802	20,802	20,802	20,802	20,802	20,802	20,802	20,802	20,802	20,802
Freehold Building (1971; Renovation and addition completed 2010) Square Feet	17,600	17,600	17,600	17,600	17,600	17,600	17,600	19,913	19,913	19,913
Hazlet Vocational Building (1967) Square Feet	19,650	19,650	19,650	19,650	19,650	19,650	19,650	19,650	19,650	19,650
Keypoint Vocational Building (1969) Square Feet	13,756	13,756	13,756	13,756	13,756	13,756	13,756	13,756	13,756	13,756
Middletown Vocational Building (1965) Square Feet	20,053	20,053	20,053	20,053	20,053	20,053	20,053	20,053	20,053	20,053
Shared Time Enrollment (Full Time Equivalent) Enrollment	376	405	407	412	407	383	371	392	366	350
Post Secondary Enrollment (AAHS Annex, Culinary Ed. Center, & Shared Time buildings) Enrollment	345	337	324	277	263	292	295	321	332	361
Adult High School (Enrolled throughout the District) Enrollment	512	509	556	579	510	322	314	347	141	0
Number of Buildings/Campuses at June 30, 2012										
Secondary Vocational = 9										
Adult Evening=1										
Adult High School=1										
Post Secondary=1										

Source: District records, ASSA
 Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions. Enrollment is based on the School Register Report or the annual October district count.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

School Facilities	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Academy of Allied Health & Science	\$ 52,229	\$ 33,504	\$ 60,392	\$ 23,572	\$ 87,936	\$ 53,142	\$ 25,498	\$ 58,858	\$ 41,928	\$ 57,144
Academy of Allied Health & Science Annex	-	-	28,851	25,724	48,243	40,370	27,418	23,957	29,186	20,670
Biotechnology High School	-	-	-	7,141	12,117	28,248	34,893	68,486	76,571	41,120
Career Center	53,637	58,771	39,509	55,054	62,158	32,504	45,998	37,463	54,925	67,237
Communications High School	39,460	32,788	50,669	60,436	88,608	45,267	96,060	127,938	56,954	75,841
High Technology High School	46,128	41,669	24,502	24,756	93,817	13,222	34,426	66,835	48,264	47,430
KIVA High School	37,830	36,157	31,180	41,788	42,007	44,816	46,865	31,687	44,511	56,201
Long Branch Building	21,534	13,646	23,793	9,814	5,252	20,533	899	12,050	18,314	10,944
Marine Academy of Science & Technology	54,093	41,763	49,908	63,216	122,398	62,217	125,924	127,094	98,460	119,403
SHARED TIME										
Aberdeen Vocational Building	6,611	5,376	10,900	3,490	5,450	19,281	9,517	7,350	6,689	5,200
Culinary Education Center	44,081	58,258	36,147	40,853	50,068	48,085	65,749	59,878	71,808	77,390
Freehold Vocational Building	16,467	16,940	14,703	9,693	17,498	1,364	9,229	8,100	15,232	14,998
Hazlet Vocational Building	4,348	9,498	2,711	15,149	5,352	3,894	9,641	41,972	30,534	22,601
Keyport Vocational Building	6,781	5,324	7,107	12,768	15,578	4,328	3,949	11,067	6,330	7,968
Middletown Vocational Building	29,027	7,340	2,269	18,567	18,154	10,349	22,096	25,972	10,357	8,158
Totals	412,226	361,034	382,641	412,021	674,636	427,640	558,152	708,707	609,964	632,305

* 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

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
Insurance Schedule - June 30, 2012
New Jersey School Boards Association Insurance Group - Commercial Package Policy Property

PROPERTY			
BLANKET REAL & PERSONAL PROPERTY	\$	300,000,000	per occurrence
BLANKET EXTRA EXPENSE		50,000,000	
BLANKET VALUABLE PAPERS AND RECORDS		10,000,000	
CONTINGENT LIABILITY			
DEMOLITION COST/INCREASED COST CONSTR.		10,000,000	per occurrence
FIRE DEPARTMENT SERVICE CHARGE		10,000	
ARSON REWARD		10,000	
POLLUTANT CLEANUP AND REMOVAL		250,000	
SUBLIMITS:			
FLOOD	DEPENDENT ON ZONE	10,000,000	per occurrence/annual aggregate
EARTHQUAKE		50,000,000	annual aggregate
		1,000,000	per occurrence
TERRORISM		1,000,000	annual aggregate
DEDUCTIBLE REAL PERSONAL/EXTRA EXP/PAPERS		5,000	per occurrence
FLOOD		500,000	per building contents
FLOOD DEDUCTIBLE	DEPENDENT ON ZONE	10,000	per occurrence
ELECTRONIC DATA PROCESSING			
BLANKET HARDWARE/SOFTWARE		5,000,000	per occurrence
BLANKET EXTRA EXPENSE		included	
COVERAGE EXTENSIONS:			
TRANSIT		25,000	
LOSS OF INCOME		10,000	
TERRORISM	INCLUDED IN PROPERTY		
DEDUCTIBLE		1,000	per occurrence
FLOOD		1,000,000	per occurrence
FLOOD DEDUCTIBLE	DEPENDENT ON ZONE	500,000	per building contents
		10,000	per member/per occurrence
BOILER & MACHINERY			
COMBINED SINGLE LIMIT PER ACCIDENT FOR PROPERTY DAMAGE AND EXTRA EXPENSE		100,000,000	
SUBLIMITS:			
PROPERTY DAMAGE		included	
OFF PREMISES		100,000	
BUSINESS INCOME		included	
EXTRA EXPENSE		10,000,000	
SERVICE INTERRUPTION		10,000,000	
PERISHABLE GOODS		500,000	
DATA RESTORATION		100,000	
CONTINGENT BUSINESS INCOME		100,000	
DEMOLITION		1,000,000	
ORDINANCE OR LAW		1,000,000	
EXPEDITING EXPENSES		500,000	
EXTRA EXPENSES HAZMAT CLEANUP		500,000	
NEWLY ACQUIRED LOCATIONS		25,000	
TERRORISM		included	
DEDUCTIBLES:			
PER ACCIDENT PROPERTY DAMAGE		5,000	
12 HOURS PER ACCIDENT FOR BUSINESS INTERRUPTION/EXTRA EXPENSE			
CRIME COVERAGE			
PUBLIC EMPLOYEE W/FAITHFUL PERFORMANCE		100,000	
THEFT/DISAPPEARANCE OF MONEY & SECURITIES		10,000	
COMPUTER FRAUD		25,000	
DEDUCTIBLE-COMPUTER FRAUD		500	
BOARD SECRETARY BOND		100,000	PER OCCURANCE
BOARD TREASURER BOND		300,000	

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
Insurance Schedule - June 30, 2012
New Jersey School Boards Association Insurance Group - Commercial Package Policy Property

DEDUCTIBLE - BOARD SECRETARY	\$	500		
DEDUCTIBLE - BOARD TREASURER		1,000		
COMPREHENSIVE GENERAL LIABILITY				
BODILY INJURY AND PROPERTY DAMAGE		16,000,000	combined single limit	
BODILY INJURY FROM PRODUCTS & OPERATIONS		16,000,000	annual occurrence	
SEXUAL ABUSE		16,000,000	per occurrence	-
		17,000,000	annual pool aggregate	
PERSONAL INJURY & ADVERTISING INJURY		16,000,000	annual occurrence	
		16,000,000	per occurrence	-
EMPLOYEE BENEFIT LIABILITY		16,000,000	per occurrence/annual aggregate	
		1,000	per claim deductible	
PREMISES MEDICAL PAYMENTS		10,000	per accident	-
		5,000	limit per person	-
TERRORISM		1,000,000	per occurrence/annual aggregate	-
				-
AUTOMOBILE				-
LIABILITY - ALL OWNED AUTOS				
COMBINED SINGLE LIMITS FOR BODILY INJURY & PROPERTY DAMAGE		16,000,000	per accident	-
UNINSURED/UNDERINSURED MOTORISTS		1,000,000	private passenger vehicles	
UNINSURED/UNDERINSURED MOTORISTS			all other vehicles	
		15,000	bodily injury per person	-
		30,000	bodily injury per accident	-
		5,000	property damage per vehicle	-
PERSONAL INJURY PROTECTION		250,000	including pedestrians	
MEDICAL PAYMENTS		10,000	for private passengers cars	
		5,000	for all other vehicles	-
TERRORISM		1,000,000	per occurrence/annual aggregate	
PHYSICAL DAMAGE (SCHEDULED VEHICLES ONLY)				
COMPREHENSIVE		1,000	deductible	
COLLISION		1,000	deductible	-
HIRED CAR PHYSICAL DAMAGE (75,000 LIMIT)		1,000	deductible	
REPLACEMENT COST			not covered	-
GARAGE KEEPERS IS INCLUDED				
FEDERAL INSURANCE CO. (CHUBB) - TEMPORARY TOTAL DISABILITY EXCESS WORKERS COMP.				-
MAXIMUM BENEFIT		1,000	per week	
MAXIMUM PERIOD		51	weeks	-
NJ SCHOOL BOARDS ASSOC. INSURANCE GROUP-WORKERS COMPENSATION				
LEGAL REQUIREMENTS				
ZURICH INSURANCE COMPANY - ENVIRONMENTAL RESPONSE				
COMPENSATION AND LIABILITY INSURANCE				
LIMIT OF LIABILITY		1,000,000	per incident	
RETENTION AMOUNT		25,000	per incident	
GREAT AMERICAN INSURANCE COMPANY OF NEW YORK - HULL POLICY				
HULL		179,000		
HULL P & I		1,000,000		
MUTUAL MARINE OFFICE, INC. - EXCESS INDEMNITY FOR VESSEL				
EXCESS PROTECTION & INDEMNITY/EXCESS COLLUSION LIABILITY		20,000,000		
NJ SCHOOL BOARDS ASSOCIATION INSURANCE GROUP- SCHOOL LEADERS				
ERRORS AND OMISSIONS				
COVERAGE A				
LIMIT OF LIABILITY		16,000,000	each policy period	
DEDUCTIBLE		5,000	each claim	
COVERAGE B				
LIMIT OF LIABILITY		100,000	each claim	
		300,000	each policy period	
DEDUCTIBLE		5,000	each claim	

SINGLE AUDIT SECTION

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

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

We have audited the financial statements of the Board of Education of the Monmouth County Vocational School District, a component unit of the County of Monmouth, County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Monmouth County Vocational School District's basic 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 basic 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 the required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

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



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 19, 2012

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

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

Compliance

We have audited the compliance of the Monmouth County Vocational Board of Education, a component unit of the County of Monmouth, in the County of Monmouth, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012. The Monmouth County Vocational Board of Education's major federal and state programs are identified in the Summary of Auditor's Results Section of the Accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Monmouth County Vocational Board of Education's management. Our responsibility is to express an opinion on the Monmouth County Vocational Board of Education's compliance based on our audit.

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

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL OR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04 (CONTINUED)

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

Internal Control Over Compliance

The management of the Monmouth County Vocational Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Monmouth County Vocational Board of Education's internal control over compliance with requirements that could have a direct and material effect on its major federal or state programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and 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 Monmouth County Vocational 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 program will not be prevented, or detected and corrected, on a timely basis.

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

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL OR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04 (CONTINUED)

This report is intended for the information and use of the Board of Education of the Monmouth County Vocational and its management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN & COMPANY

Freehold, New Jersey
December 19, 2012

**BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		June 30, 2011		Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2012	
			From	To	Due to Grantor	Deferred Revenue					(Accounts Receivable)	Due to Grantor
U.S. Department of Education: General Fund:												
Education Jobs Fund	84.410	\$ 299,645	7/1/2011	6/30/2012			\$ 299,645	\$ (299,645)				
Total General Fund							\$ 299,645	\$ (299,645)				
U.S. Department of Education												
Passed - Through State Department of Education:												
Special Revenue Fund:												
Title I Part A	84.010	146,064	9/1/2005	8/31/2007	\$ 15,398.00					\$ (15,398.00)		
Title I Part A	84.010A	105,052	9/1/2010	8/31/2011		\$ (27,197.63)	\$ 24,620.63	\$ (102,287.00)	\$ 2,577.00		\$ (18,331.00)	
Title I Part A	84.010A	102,532	9/1/2011	8/31/2012		(230.00)	230.00					
ARRA Title I Part A Recovery Act	84.389	33,748	9/1/2009	8/31/2011								
ARRA IDEA Part B Recovery Act	84.391	448,756	9/1/2009	8/31/2011		(27,424.95)	33,379.00	(5,953.35)	(0.70)			
IDEA	84.027	271,020	9/1/2010	8/31/2011		(106,762.85)	111,891.95	(5,218.75)	(0.25)			
IDEA	84.027	265,944	8/1/2011	8/31/2012			285,908.00	(285,908.01)	0.01			
Title II Part A	84.367	41,789	6/1/2011	8/31/2012			32,321.00	(39,843.00)			(7,522.00)	
Title II Part A	84.367	45,007	9/1/2010	8/31/2011		(13,125.00)	11,467.00	(1.00)	1,659.00			
Carl D. Perkins Secondary	84.048	492,605	7/1/2009	6/30/2010		\$ 5,152.85					\$ 5,152.85	
Carl D. Perkins Secondary	84.048	492,661	7/1/2010	6/30/2011		(128,990.27)	128,961.00	9.27				
Carl D. Perkins Secondary	84.048	287,355	7/1/2011	6/30/2012			188,721.00	(287,064.80)	(0.10)		(108,344.00)	
Carl D. Perkins Secondary Reserve	84.048	92,180	7/1/2011	6/30/2012			90,645.00	(90,686.01)	0.01		(41.00)	
Carl D. Perkins Post Secondary	84.048	78,554	7/1/2009	6/30/2010	1,364.07					(1,304.07)		
Carl D. Perkins Post Secondary	84.048	83,454	7/1/2010	6/30/2011		(15,087.20)	15,098.00	(0.80)				
Carl D. Perkins Post Secondary	84.048	61,851	7/1/2010	6/30/2011		(46,669.66)	48,670.00	(0.32)				
Carl D. Perkins Post Secondary	84.048	93,990	7/1/2011	6/30/2012			93,632.00	(93,632.00)				
Total Special Revenue Fund						\$ 15,702.07	\$ 5,152.85	\$ (367,457.68)	\$ 4,243.12	\$ (16,702.07)	\$ (134,236.00)	\$ 5,152.85

See accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		June 30, 2011		Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2012	
			From	To	Due to Grantor	Deferred Revenue					(Accounts Receivable)	Due to Grantor
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
School Breakfast Program	10.553	5,806.72	7/1/2011	- 6/30/2012	\$	5,541.79	\$ (5,806.72)					\$ (264.93)
School Breakfast Program	10.553	5,140.24	7/1/2010	- 6/30/2011		316.72	(316.72)					
National School Lunch Program	10.555	12,471.68	7/1/2011	- 6/30/2012		11,941.50	(12,471.68)					(530.18)
National School Lunch Program	10.555	11,471.42	7/1/2010	- 6/30/2011		589.50	(589.50)					
Total Enterprise Fund					\$	18,389.51	\$ (19,278.40)					\$ (795.11)
Trust and Agency fund												
Title IV Student Financial Aid:												
Pell Grant Program	84.053	203,590.18	9/1/2011	- 8/31/2012		203,590.18	(203,590.18)					
Federal Family Education Loan Program:												
Stafford Loans	84.032	175,750.77	9/1/2011	- 8/31/2012		175,750.77	(175,750.77)					
Total Trust and Agency Fund					\$	379,340.95	\$ (379,340.95)					
Total Federal Financial Assistance					\$	16,702.07	\$ (368,403.90)	\$ 1,846,986.04	\$ 4,243.12	\$ (16,702.07)	\$ (135,033.11)	\$ 5,452.85

(1) Equals inventory.

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2011		Carryover/ (Walkover) Amount	Cash Received	Budgetary (Expenditures)	Adjustments	Balance, June 30, 2012		Cumulative Total
				(Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Due to Grantor	
State Department of Education: General Fund:												
Special Education Categorical Aid	12-495-034-5120-089	\$ 1,225,520	7/1/2011 - 6/30/2012			\$	1,225,520.00	\$ (1,225,520.00)			\$	1,225,520.00
Equalization Aid	12-495-034-5120-078	4,327,430	7/1/2011 - 6/30/2012				4,327,430.00	(4,327,430.00)				4,327,430.00
Security Aid	12-495-034-5120-084	188,210	7/1/2011 - 6/30/2012				188,210.00	(188,210.00)				188,210.00
Adjustment Aid	12-495-034-5120-085	2,069,263	7/1/2011 - 6/30/2012				2,069,263.00	(1,659,070.00)				1,659,070.00
Teacher's Pension and Annuity Fund - Pension	11-495-034-5095-005	636,540	7/1/2011 - 6/30/2012				636,540.00	(636,540.00)				636,540.00
Teacher's Pension and Annuity Fund - Post Retirement Medical Reimbursed TPAF Social Security Contributions	11-495-034-5095-001	1,279,612	7/1/2011 - 6/30/2012				1,279,612.00	(1,279,612.00)				1,279,612.00
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	1,385,632	7/1/2011 - 6/30/2012				1,316,755.13	(1,385,531.96)		\$ (68,776.83)		1,385,531.96
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	1,447,467	7/1/2010 - 6/30/2011				71,675.56					
Total General Fund							\$ 11,115,005.69	\$ (10,701,013.96)		\$ (68,876.83)		\$ 10,701,013.96

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION
MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2011		Carryover Due to Grantor	Cash Received	Budgetary (Expenditures)	Adjustments	Balance June 30, 2012		MEMO	
				(Accounts Receivable)	(Accounts Receivable)					Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
Special Revenue Fund:													
Apprenticeship Coordinator Program	01-10-0113	\$ 14,447	7/1/2011 - 6/30/2012			\$	10,841.66	(14,350.26)		\$ (3,408.60)		\$	14,350.26
Apprenticeship Coordinator Program	01-11-0113	16,280	7/1/2010 - 6/30/2011				1,125.00						
Total Special Revenue Fund						\$	12,066.66	(14,350.26)		\$ (3,408.60)		\$	14,350.26
Debt Service Aid Paid Directly to County of Monmouth:													
Debt Service Aid Type I	11-495-034-5120-01	\$ 1,034,952	7/1/2011 - 6/30/2012			\$	1,034,952.00	(1,034,952.00)				\$	1,034,952.00
Total Debt Service Fund						\$	1,034,952.00	(1,034,952.00)				\$	1,034,952.00
State Department of Agriculture Enterprise Fund:													
State School Lunch Program	11-100-010-3350-023	\$ 297.64	7/1/2011 - 6/30/2012			\$	285.75	(297.64)		\$ (11.89)		\$	297.64
State School Lunch Program	11-100-010-3350-023	258.05	7/1/2010 - 6/30/2011				14.91						
Total Enterprise Fund						\$	300.66	(297.64)		\$ (11.89)		\$	297.64
Total State Financial Assistance						\$	12,162,025.01	(11,750,613.86)		\$ (72,297.32)		\$	11,750,613.86
Reconciliation to B-1													

See Accompanying Notes to Schedules of Financial Assistance.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

1. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations* and New Jersey OMB's Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A.18A:22-4.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) (of twenty (20)) 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 last state aid payment in the current budget year, consistent with N.J.S.A.18A:22-4.2.

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$86,455.00 for the general fund. See *Note 1* (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 299,645.00	\$ 11,025,751.96	\$ 11,325,396.96
Special Revenue	920,594.02	14,350.26	934,944.28
Food Service	18,278.40	297.64	18,576.04
Trust and Agency -			-
Pell	203,590.18		203,590.18
Stafford	<u>175,750.77</u>		<u>175,750.77</u>
	<u>\$ 1,617,858.37</u>	<u>\$ 11,040,399.86</u>	<u>\$ 12,658,258.23</u>

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.

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no federal or state loans outstanding.

6. OTHER

There were no revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contribution and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified, dated
December 19, 2012

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? yes X no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified, dated
December 19, 2012

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.048</u>	<u>Carl D. Perkins Secondary and Post Secondary</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee? X yes no

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

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

State Financial Assistance

Dollar threshold used to distinguish between type A and type B Programs: \$352,518.42

1. Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: Unqualified, dated
December 19, 2012

Internal Control over major programs:

1. Material weakness(es) identified? Yes X no

2. Significant deficiency(ies) identified that are not considered to be material weakness(es): yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? yes X no

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program</u>
<u>12-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>12-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>12-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>12-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security</u>

Section II - Schedule of Financial Statement Findings
 None

Section III - Schedule of State Financial Assistance Findings and Questioned Costs
 None

MONMOUTH COUNTY VOCATIONAL SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MONMOUTH)
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FOR THE YEAR ENDED JUNE 30, 2011:

There were no findings for the year ended June 30, 2011.