

**OCEAN COUNTY VOCATIONAL-TECHNICAL
SCHOOL DISTRICT**

Toms River, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

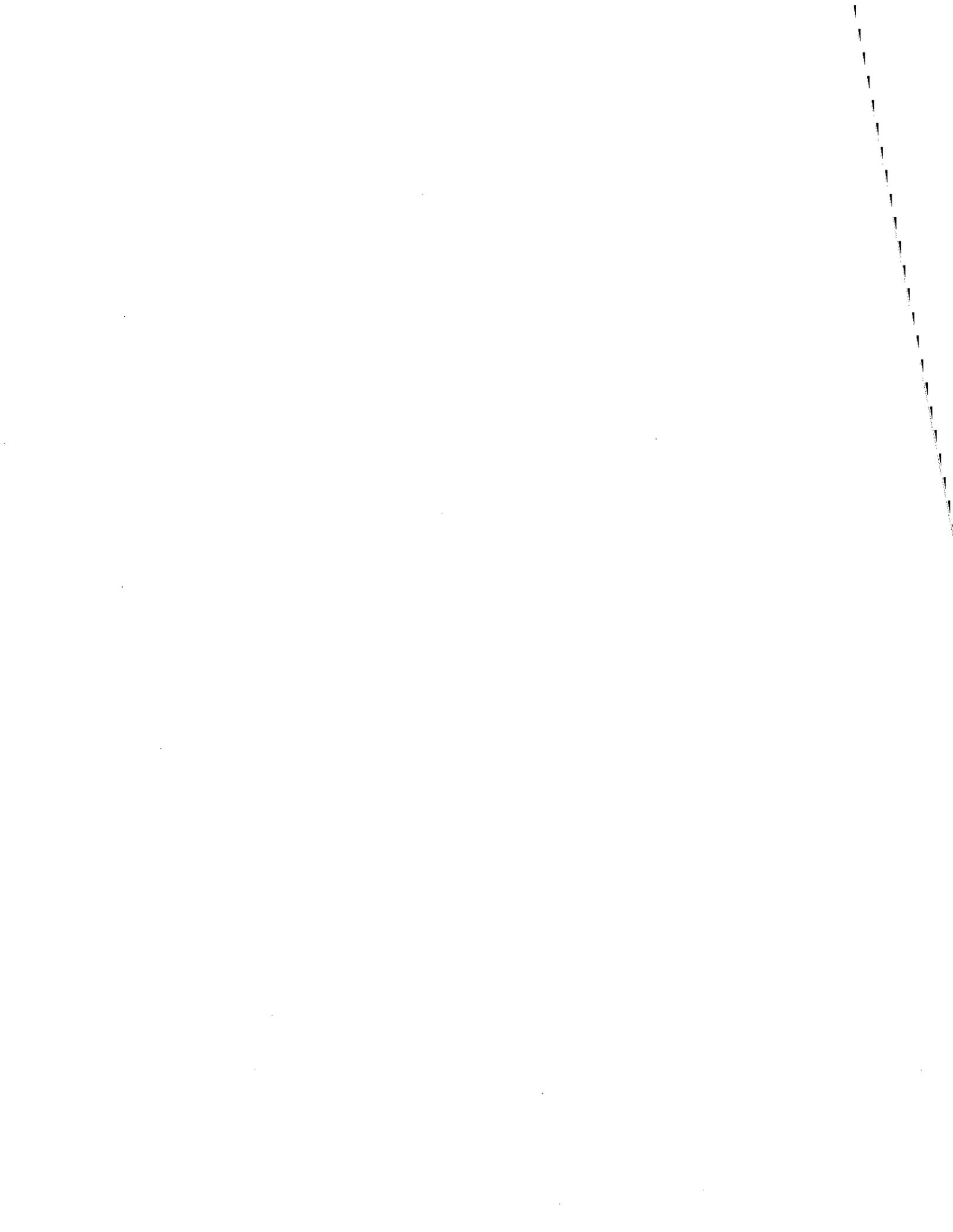
OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

TOMS RIVER, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

**Ocean County Vocational-Technical School District
Finance Department**



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INTRODUCTORY SECTION



Board of Education
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Frank J. Frazee, CPA
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Board of Education

Nina Anuario President
Stephen Scaturro Vice President
Dr. Dennis R. Cirone Member
Thomas J. Dowd Member
Maureen C. Stankowitz Member
Debra Ness Treasurer

September 7, 2012

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended by the Single Audit Act of 1986, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments" and State Treasury Circular Letter 04-04. 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 recommendation, are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** Ocean County Vocational-Technical School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB 23 and GASB 34. All funds and account groups of the District are included in this report. The Ocean County Vocational-Technical Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. There are also opportunities in these classes for adult learners. These include instruction for vocational education. The District completed the 2011-2012 fiscal year with an enrollment of 2,583 students, which is 93 students more than the previous year's enrollment. The following details include the changes in secondary/post secondary student enrollment each year over the last twelve years. These figures do not

include our adult evening division enrollment which averages approximately 2,400 students within three semesters.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	2,583	3.73%
2010-11	2,490	(1.97%)
2009-10	2,540	5.00%
2008-09	2,423	3.00%
2007-08	2,348	2.70%
2006-07	2,286	(6%)
2005-06	2,432	(3%)
2004-05	2,506	(1%)
2003-04	2,524	7%
2002-03	2,348	(3%)
2001-02	2,421	8.00%
2000-01	2,248	14.00%
1999-00	1,977	(9.00%)
1998-99	2,166	8.00%

- 2) ECONOMIC CONDITION AND OUTLOOK: The Ocean County Vocational-Technical Schools are located in Ocean County, New Jersey, which is situated in the center of the state.

The population in Ocean County has been increasing over the past few years with people relocating from New York and Philadelphia. Senior citizens are also attracted to the area's adult communities. Thus, in addition to the growing job market through business and industry, there is an even greater need for skilled individuals to work with health care service, construction related trades, service occupations and telecommunications.

It is the mission of the Ocean County Vocational Technical School to prepare students for job placement or further education leading to successful employment. Partnerships have been formed with business and colleges to improve education by keeping up with industry standards and advances in technology.

- 3) MAJOR INITIATIVES: Practical Nursing students who graduated in June 2011 recorded a 90.41% pass rate on the New Jersey Practical Nursing Licensing exam, far surpassing the 69% average pass rate for the state of New Jersey.

The OCVTS Marine Academy of Technology and Environmental Science (MATES) was recognized on the US News & World Report's 2011 list of top high schools in the country. The Marine Academy of Technology and Environmental Science received a bronze ranking. The criteria for ranking was based upon a school's ability to provide exemplary education to all students, using state proficiency standards as a benchmark, as well as an evaluation of college readiness performance based on Advanced Placement coursework data.

Students from all programs in the OCVTS Brick Center joined forces to support the annual "Feed the Need" community service project. The project, spearheaded by the Culinary Arts programs, prepared and distributed 1,500 Thanksgiving meals to needy families in Ocean County. Meals are distributed to local social service agencies identified by the Ocean County Hunger Relief program, such as the Division of Youth and Family Services (DYFS), Preferred Behavioral Health, and Dottie's House. Fundraising and food collections involve students and staff from throughout the OCVTS district as

well as many area businesses and the general public. A grant awarded to the project from the Ocean County Foundation for Vocational Technical Education helped purchase additional supplies.

OCVTS students from all six centers participated in the Regional SkillsUSA Competition, held at the OCVTS Brick Center. 147 OCVTS students advanced to state competition held in Somerset, New Jersey in May 2012. There, students earned 52 medals overall: 21 gold, 16 silver and 15 bronze. Gold medalists traveled to Kansas City, Missouri for the National SkillsUSA Conference in June. At the national level, one student earned a gold medal in the Heating, Ventilation and Air Conditioning competition area while six other placed in the top ten overall in their contest areas.

The OCVTS district continues to be involved and supports several leadership clubs such as SkillsUSA, FFA, FCCLA, and HOSA. Students throughout the district compete at the local, state and national levels.

Ocean County Vocational Technical School and the Ocean County Foundation for Vocational Technical Education held the 11th annual Acknowledging Excellence Dinner, honoring three successful OCVTS graduates, one retired OCVTS educator and one outstanding business partner. Since 1994 the Foundation has awarded \$426,000 in scholarships to OCVTS students and over \$470,000 in grants to teachers and programs.

Students from MATES competed in the New Jersey Envirothon Competition and placed First Overall for an unprecedented third year in a row. The competition is an environmentally-based academic challenge. The first place team qualified to travel to Pennsylvania for the National Canon Envirothon Competition.

Cosmetology students have recorded a 94% pass rate for the New Jersey State Cosmetology Licensing Exam, surpassing the state average.

OCVTS students received over \$5,234,576 in scholarships to continue their education.

1,128 OCVTS students successfully completed the School Counts Program, an initiative which works to link academic performance with employment opportunities. The program was developed by the Business Coalition for Educational Excellence by the New Jersey Chamber of Commerce.

OCVTS faculty prepares an individual professional development plan each year which focuses on improvement of content area knowledge and teaching skills. The district provides professional development to all staff in the areas of child development, child abuse, blood borne pathogens, alcohol and substance abuse, and technology skills.

During the 2011-2012 school year OCVTS touched the lives of over 4,900 Ocean County high school and adult learners.

- 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: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

- 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 approved by the Board of school estimate. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated 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 GASB. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements: Note 1.
- 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. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statement in relation to the prior year.
- 8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
- 10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman & Frenia, P.C. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended by the Single Audit Act of 1996, and the related OMB Circular A-133 and State Treasury Circular Letter 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and

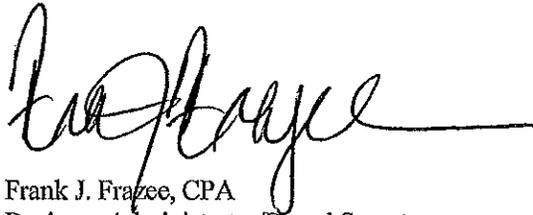
schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



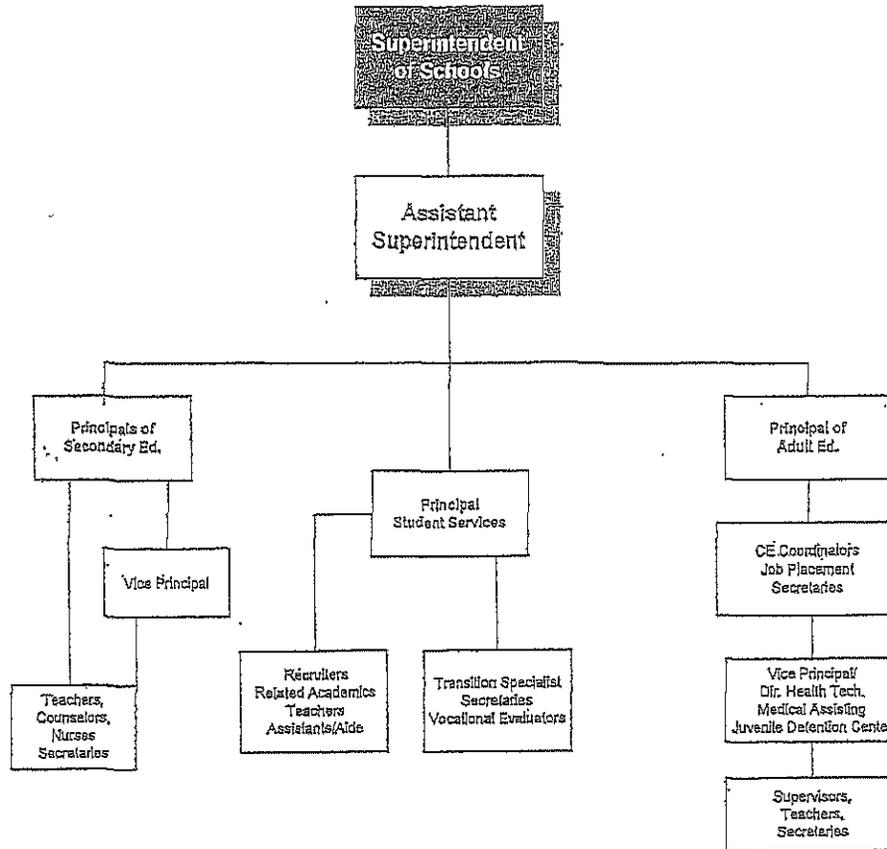
William P. Hoey, Jr.
Superintendent



Frank J. Frazee, CPA
Business Administrator/Board Secretary

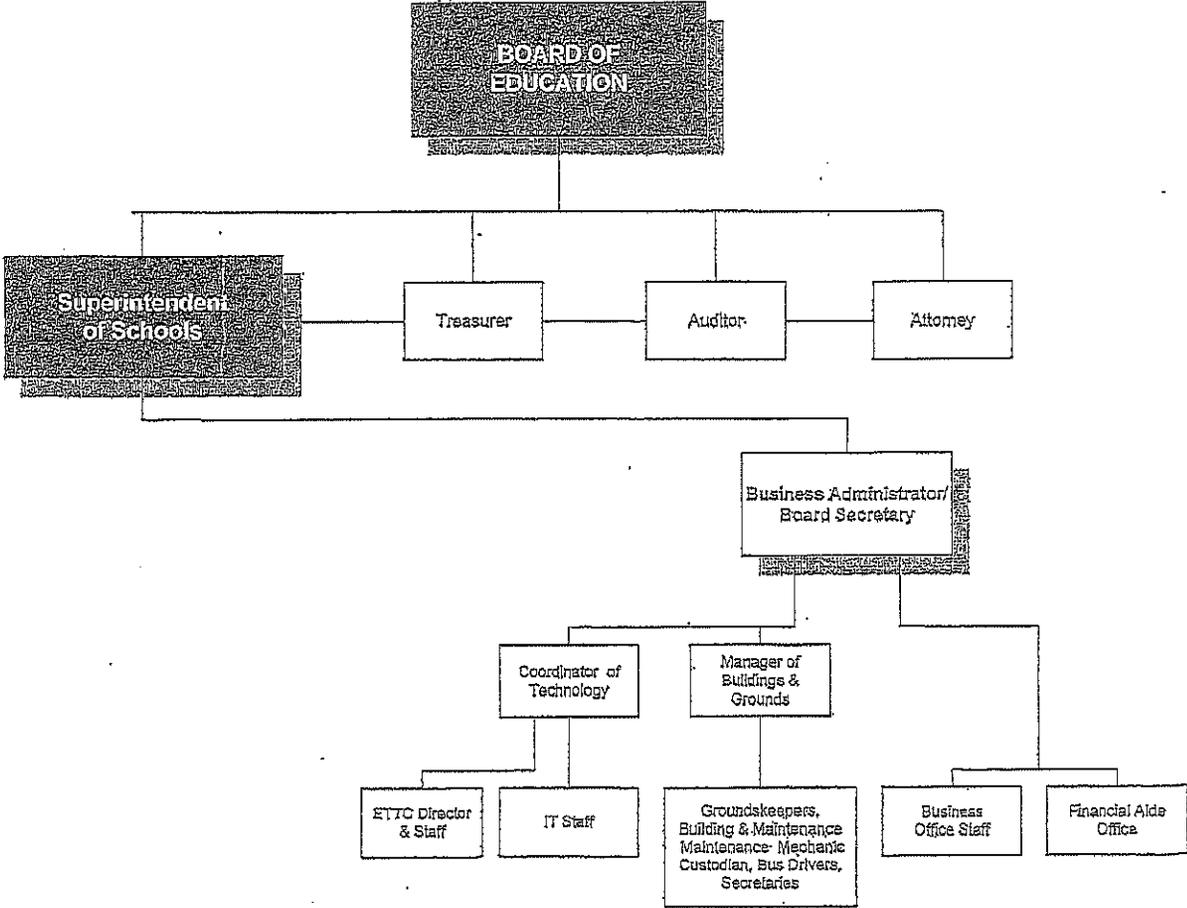
OCEAN COUNTY VOCATIONAL - TECHNICAL SCHOOLS

Administrative Organization Chart (A)



OCEAN COUNTY VOCATIONAL - TECHNICAL SCHOOLS

Administrative Organization Chart (B)



OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
137 Bey Lea Road
Toms River, New Jersey 08753

ROSTER OF OFFICIALS
June 30, 2012

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Nina Anuario, President	2012
Stephen Scaturro	2013
Dennis R. Cirone	2015
Thomas Dowd, County Superintendent	By Statute
Maureen Stankowitz	2014

OTHER OFFICIALS

William P. Hoey, Jr., Superintendent
Nancy Weber-Loeffert, Assistant Superintendent
Frank J. Frazee, Business Administrator/Board Secretary
Debra L. Ness, Treasurer
Robert C. Shea, Esq., Solicitor

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
137 Bay Lea Road
Toms River, New Jersey 08753

CONSULTANTS AND ADVISORS

ARCHITECTS

Yezzi Associates
Toms River, New Jersey

AUDIT FIRM

Holman & Frenia, P. C.
Frank B. Holman, III
Toms River, New Jersey

ATTORNEY

R.C. Shea & Associates
Robert C. Shea, Esq.
Toms River, New Jersey

FISCAL AGENT

Frank Frazee, School Business Administrator/Board Secretary

OFFICIAL DEPOSITORIES

Wells Fargo
Toms River, New Jersey

TD Bank
Toms River, New Jersey

Ocean First
Toms River, New Jersey

Shore Community Bank
Toms River, New Jersey

FINANCIAL SECTION



Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Ocean County Vocational-Technical School District
County of Ocean
Toms River, New Jersey 08753

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 Ocean County Vocational-Technical School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2012, on our consideration of the Ocean County Vocational-Technical School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

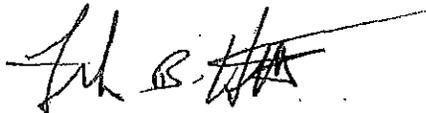
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 15 and 48 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ocean County Vocational-Technical School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal 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 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements and the accompanying schedule of expenditures of federal and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Frank B. Holman, III
Certified Public Accountant
Public School Accountant
No. 783

Toms River, New Jersey
September 07, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis



OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2012

UNAUDITED

The Management's Discussion and Analysis (MD&A) of the Ocean County Vocational Technical School'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 starting on Page 1 of the Introductory Section, and the School Board's financial statements found in the Financial Section starting on Page 16 and the notes thereto.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-12 and 2010-11 fiscal years include the following:

Net assets decreased by \$(601,937) for the year ending June 30, 2012 and decreased by \$(262,333) for the year ending June 30, 2011, respectively. The net increase (decrease) was composed of these elements:

	2012 Increase (Decrease)	2011 Increase (Decrease)
Invested in Capital Assets	\$ (705,913)	\$(1,122,537)
Unrestricted	(313,049)	620,735
Restricted	416,994	239,384
Restricted-Capital Projects	<u>31</u>	<u>85</u>
Total	<u>\$(601,937)</u>	<u>\$(262,333)</u>

The amount "invested in capital assets" (decreased) increased due to depreciation of \$1,263,188 and \$1,285,148 less the purchase of capital assets in the amount of \$565,718 and \$298,083 for the years ended June 30, 2012 and 2011 respectively.

Total assets (decreased) increased by \$(427,411) and \$86,549 and are attributed to the following elements:

	2012 Increase (Decrease)	2011 Increase (Decrease)
Cash & Cash Equivalents	\$ 492,872	\$1,254,724
Receivables	(214,370)	(172,973)
Capital assets, Net of Accumulated Depreciation	<u>(705,913)</u>	<u>(995,202)</u>
Total	<u>\$(427,411)</u>	<u>\$ 86,549</u>

The cash balance increased in 2011-12 and in 2010-11 due to increase in change of net assets for 2011-12 and for 2010-11. The receivable decreased in 2011-12 and 2010-11 due to grants being received prior to year end. The decrease in capital assets was due to various equipment purchases, depreciation and disposals in both years.

Total liabilities (decreased) increased by \$174,526 and \$348,882 due to the following items:

	2012 Increase (Decrease)	2011 Increase (Decrease)
Accounts Payable	\$ (241,984)	\$ 235,214
Deferred Revenue	(2,504)	37,021
Other Current Liabilities	(23,268)	(73,024)
Noncurrent Liabilities Due in More Than a Year	<u>442,282</u>	<u>149,671</u>
Total	<u>\$ 174,526</u>	<u>\$ 348,882</u>

In 2011-12 and 2010-11, the differences in the liability items are insignificant to the budget as a whole. The differences are due to timing issues.

As reported in the Statement of Activities on Page 17 the cost of all of the School Board's governmental activities, including a charge for depreciation of \$1,263,188 and \$1,285,148, was \$29,123,957 and \$27,824,104 for the years ended June 30, 2012 and 2011, respectively. Of this amount, \$1,026,990 and \$1,318,420 was paid through various federal, state and local entitlement grants (restricted) for fiscal years ended June 30, 2012 and 2011, respectively. Consequently, the net cost of \$28,096,967 and \$26,505,684, after taking into consideration these fees and subsidies, was paid by the County of Ocean (county tax aid), the State of New Jersey (state education aid and entitlement grants) and from other miscellaneous revenue for fiscal year ended June 30, 2012 and June 30, 2011, respectively.

Table I, below, takes the information from the Statement of Activities and rearranges them slightly in order to show total revenues for the year.

Table I
Changes in Net Assets
Year Ended June 30, 2012 and June 30, 2011

Revenues:	2012	2011
Program Revenues:		
Charges for Services	\$ 241,341	\$ 211,655
Federal, State & Local Aid-Restricted	1,032,524	1,323,718
General Revenues:		
County Tax Aid	17,364,646	17,364,646
Federal & State Aid	7,207,560	6,209,785
Interest Income	3,149	6,060
Miscellaneous Income	625,588	699,743
Tuition	<u>2,263,407</u>	<u>1,951,231</u>
 Total Revenues	 <u>28,738,215</u>	 <u>27,766,838</u>
 Functions/Program Expenses:		
Basic Skills/Remedial	2,627,618	2,590,278
Regular Vocational Programs-Instruction	5,447,967	5,355,192
Special Vocational Programs-Instruction	1,375,274	1,356,206
Sponsored Co curricular Activities	188,680	171,451
Attendance & Social Work	310,330	357,459
Health Services	405,925	364,831
Other Support Services-Student-Extraord		24,114
Other Support Services-Student-Regular	685,206	630,484
Other Support Services-Student-Special	312,962	292,004
Educational Media Services/School Library	202,003	150,544
Support Services - General Administration	672,234	714,140
Support Services - School Administration	1,604,942	1,562,722
Support Services – Central Services	598,095	589,559
Support Services – Information Technology	245,800	236,799
Required Maintenance for School Facilities	696,506	537,736
Operation & Maintenance of Plant	2,096,841	2,090,396
Care and Upkeep of Grounds	57,446	55,797
Security	175,402	23,772
Student Transportation Services	217,739	247,656
Unallocated Benefits-Employee Benefits	4,669,701	4,397,851
Unallocated Compensated Absences	442,282	149,671
Unallocated Depreciation	1,263,188	1,285,148
Special Schools	4,827,816	4,640,294
Food Service	<u>216,195</u>	<u>205,067</u>
 Total Expenses	 <u>29,340,152</u>	 <u>28,029,171</u>
 Decrease in Net Assets	 <u>\$ (601,937)</u>	 <u>\$ (262,333)</u>

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 (Pages 17 and 18) provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. The School Board's financial statements start on Page 16. For the School Board's governmental activities, these 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 stated. 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 statement allows the School Board to demonstrate its stewardship over and accountability for resources received from the County of Ocean, 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 fund balance of \$3,479,720, which is an increase of \$531,822. As the School Board completed the fiscal year ended June 30, 2011, it reported a combined balance of \$2,947,898, which is an increase of \$870,654. The Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities on Page 17 presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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 did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

In June 2012, the General Fund finished the fiscal year approximately \$706,333 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$2,612,137 better than expected. The expenditure situation represents unbudgeted TPAF and Social Security. Also, there are encumbrances of \$870,337 which represent expenditures that were transferred to the 2012-2013 school year. The revenue situation arose because of the unbudgeted TPAF and social security.

In June 2011, the General Fund finished the fiscal year approximately \$277,969 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$2,126,164 better than expected. The expenditure situation represents unbudgeted TPAF and Social Security. Also, there are encumbrances of \$844,026 which represent expenditures that were transferred to the 2010-2011 school year. The revenue situation arose because of the unbudgeted TPAF and social security.

CAPITAL ASSETS

At June 30, 2012 and June 30, 2011, the School Board had approximately \$22 million and 23 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. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table II below shows the net book value of capital assets at the end of the 2012 and 2011 fiscal years.

**Table II
Capital Assets**

	2012	2011
Land & Buildings	\$34,120,679	\$34,120,679
Machinery & Equipment	<u>11,757,582</u>	<u>11,283,956</u>
Total Capital Assets	\$45,878,261	\$45,404,635
Accumulated Depreciation	<u>(23,603,682)</u>	<u>(22,424,143)</u>
Total Capital Assets, Net of Depreciation	<u>\$22,274,579</u>	<u>\$22,980,492</u>

During the year 2012, there were fixed asset purchases of \$597,238 and disposals of \$39,963. The majority of these purchases were for machinery and equipment.

During the year 2011, there were fixed asset purchases of \$298,083 and disposals of \$69,708. The majority of these purchases were for machinery and equipment.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

For the 2011-2012 school year, the School Board was able to sustain its budget through the county aid levy, state education aid and local revenue sources. Approximately 34% of the School Board’s revenue is from federal, state and local aid (restricted and not restricted), while 66% of total revenue is from county tax levy.

The (\$143,886) 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 noncapital liabilities (compensated absences and the early retirement incentive loan), the School Board would be (\$143,886) deficiency. It would utilize the sale, at the fair market value, of the capital assets to pay all expenditures.

The freezing of state aid has had a negative impact on the district budget. The Ocean County Board of Chosen Freeholders has not increased contributions since the 2009-10 school year. Any future increases in enrollment will result in an additional burden on the County of Ocean for increased aid.

The School Board anticipates another increase in enrollment for the 2012-13 fiscal year, but due to the elective nature of its programs, the School Board cannot accurately forecast future enrollment.

If the School Board were to experience a significant decrease in enrollment with no appreciable increase in county tax aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) propose a tuition plan for the sending school districts, or (c) increase tuition and other related fees for adult students.

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 Frank J. Frazee, School Business Administrator, at the Ocean County Vocational Technical School's Board of Education's office, 137 Bey Lea Road, Toms River, New Jersey 08753, or e-mail at ffrazee@mail.ocvts.org.

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2012	JUNE 30, 2011
				(MEMORANDUM ONLY)
Cash & Cash Equivalents	\$3,598,871	55,665	3,654,536	3,161,695
Intergovernmental Accounts:				
Receivable Other	33,513	1,000	34,513	26,252
Receivable State	81,631	10	81,641	64,916
Receivable Federal	21,311	142	21,453	260,809
Restricted Assets:				
Capital Reserve Account - Cash	96,206		96,206	96,175
Capital Assets, Net (Note 6):	22,274,579		22,274,579	22,980,492
Total Assets	26,106,111	56,817	26,162,928	26,590,339
LIABILITIES				
Accounts Payable	197,692		197,692	439,676
Accrued Salaries & Wages	26,002		26,002	49,270
Deferred Revenue	128,118		128,118	130,622
Noncurrent Liabilities (Note 8):				
Due Beyond One Year	1,674,055		1,674,055	1,231,773
Total Liabilities	2,025,867		2,025,867	1,851,341
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	22,274,579		22,274,579	22,980,492
Restricted for:				
Other Purposes	1,853,345		1,853,345	1,436,351
Capital Projects	96,206		96,206	96,175
Unrestricted	(143,886)	56,817	(87,069)	225,980
Total Net Assets	\$24,080,244	56,817	24,137,061	24,738,998

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES	OPERATING	GOVERNMENTAL	BUSINESS-	TOTALS	
		FOR	GRANTS &			ACTIVITIES	TYPE
		SERVICES	CONTRIBUTIONS		ACTIVITIES	2012	2011
							(MEMORANDUM ONLY)
Governmental Activities:							
Current:							
Basic Skills/Remedial	\$2,627,618				(2,627,618)	(2,627,618)	(2,590,278)
Regular Vocational Programs - Instruction	5,447,967		773,398		(4,674,569)	(4,674,569)	(4,344,289)
Special Vocational Programs - Instruction	1,375,274				(1,375,274)	(1,375,274)	(1,356,206)
Sponsored Cocurricular Activities	188,680				(188,680)	(188,680)	(171,451)
Support Services & Undistributed Costs:							
Attendance & Social Work	310,330		253,592		(56,738)	(56,738)	(49,942)
Health Services	405,925				(405,925)	(405,925)	(364,831)
Other Support Services-Students-Extraordinary							(24,114)
Other Support Services - Student-Regular	685,206				(685,206)	(685,206)	(630,483)
Other Support Services - Student - Special	312,962				(312,962)	(312,962)	(292,004)
Educational Media Services/School Library	202,003				(202,003)	(202,003)	(150,544)
Support Services - General Administration	672,234				(672,234)	(672,234)	(714,141)
Support Services - School Administration	1,604,942				(1,604,942)	(1,604,942)	(1,562,722)
Support Services - Central Services	598,095				(598,095)	(598,095)	(589,559)
Support Services - Information Technology	245,800				(245,800)	(245,800)	(236,799)
Required Maintenance for School Facilities	696,506				(696,506)	(696,506)	(537,736)
Operation & Maintenance of Plant	2,096,841				(2,096,841)	(2,096,841)	(2,090,396)
Care and Upkeep of Grounds	57,446				(57,446)	(57,446)	(55,797)
Security	175,402				(175,402)	(175,402)	(23,772)
Student Transportation Services	217,739				(217,739)	(217,739)	(247,656)
Unallocated Benefits - Employee Benefits	4,669,701				(4,669,701)	(4,669,701)	(4,397,851)
Unallocated Compensated Absences	442,282				(442,282)	(442,282)	(149,671)
Unallocated Depreciation	1,263,188				(1,263,188)	(1,263,188)	(1,285,148)
Special Schools	4,827,816				(4,827,816)	(4,827,816)	(4,640,294)
Total Governmental Activities	29,123,957		1,026,990		(28,096,967)	(28,096,967)	(26,505,684)

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2012	JUNE 30, 2011
Business-Type Activities:							
Food Service	215,153	221,871	5,534		12,252	12,252	1,358
Enterprise Fund	1,042	19,470			18,428	18,428	10,528
Total Business-Type Activities	216,195	241,341	5,534		30,680	30,680	11,886
Total Primary Government	\$29,340,152	241,341	1,032,524	(28,096,967)	30,680	(28,066,287)	(26,493,798)
General Revenues:							
County Appropriation				17,364,646		17,364,646	17,364,646
Federal & State Aid Not Restricted				7,207,560		7,207,560	6,209,785
Tuition Received				2,263,407		2,263,407	1,951,231
Investment Earnings				3,149		3,149	6,060
Miscellaneous Income				625,588		625,588	699,743
Transfers				16,244	(16,244)		
Total General Revenues, Special Items, Extraordinary Items & Transfers				27,480,594	(16,244)	27,464,350	26,231,465
Change In Net Assets				(616,373)	14,436	(601,937)	(262,333)
Net Assets - Beginning				24,696,617	42,381	24,738,998	25,001,331
Net Assets - Ending				\$24,080,244	56,817	24,137,061	24,738,998

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

B. Fund Financial Statements

Governmental Funds

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS	
			JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Cash & Cash Equivalents	\$3,572,891	25,980	3,598,871	3,118,799
Cash - Capital Reserve Account	96,206		96,206	96,175
Interfund Receivable				188,289
Intergovernmental Accounts Receivable:				
Other	32,630	883	33,513	26,252
Federal	21,311		21,311	260,809
State	76,212	5,419	81,631	64,916
Total Assets	\$3,799,250	32,282	3,831,532	3,755,240
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$165,410	32,282	197,692	439,161
Interfund Payable				188,289
Accrued Salaries & Wages	26,002		26,002	49,270
Deferred Revenue	128,118		128,118	130,622
Total Liabilities	319,530	32,282	351,812	807,342
Fund Balances:				
Reserved for:				
Capital Reserve Account	96,206		96,206	96,175
Maintenance Reserve	686,610		686,610	586,610
Committed for:				
Other Purposes	603,602		603,602	494,285
Assigned for:				
Designated for Subsequent Year's Expenditures	900,000		900,000	500,000
Other Purposes	266,735		266,735	349,741
Unassigned:				
General Fund	926,567		926,567	921,087
Total Fund Balances	3,479,720		3,479,720	2,947,898
Total Liabilities & Fund Balances	\$3,799,250	32,282		

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$45,878,261 and the accumulated depreciation is \$23,603,682.

22,274,579 22,980,492

Noncurrent liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(1,674,055) (1,231,773)

Net Assets of Governmental Activities

\$24,080,244 24,696,617

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS	
			JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
REVENUES:				
County Appropriation	\$17,364,646		17,364,646	17,364,646
Tuition Charges	2,263,407		2,263,407	1,951,231
Interest Earnings	3,149		3,149	6,060
Miscellaneous	183,624	441,964	625,588	699,743
State Sources	7,144,797	107,277	7,252,074	6,593,729
Federal Sources	210,375	772,101	982,476	934,476
Total Revenues	<u>27,169,998</u>	<u>1,321,342</u>	<u>28,491,340</u>	<u>27,549,885</u>
EXPENDITURES:				
Current:				
Basic Skills/Remedial	2,627,618		2,627,618	2,590,278
Regular Vocational Programs - Instruction	4,674,569	773,398	5,447,967	5,355,192
Special Vocational Programs - Instruction	1,375,274		1,375,274	1,356,206
Sponsored Cocurricular Activities	188,680		188,680	171,451
Support Services & Undistributed Costs:				
Attendance & Social Work	56,738	253,592	310,330	357,459
Health Services	405,925		405,925	364,831
Other Support Services-Students-Extraordinary				24,114
Other Support Services - Student - Regular	685,206		685,206	630,483
Other Support Services - Student - Special	312,962		312,962	292,004
Educational Media Services/School Library	202,003		202,003	150,544
Support Services - General Administration	672,234		672,234	714,141
Support Services - School Administration	1,604,942		1,604,942	1,562,722
Support Services - Central Services	598,095		598,095	589,559
Support Services - Information Technology	245,800		245,800	236,799
Required Maintenance for School Facilities	696,506		696,506	537,736
Operation & Maintenance of Plant	2,056,878		2,056,878	2,031,914
Care and Upkeep of Grounds	57,446		57,446	55,797
Security	175,402		175,402	23,772
Student Transportation Services	217,739		217,739	247,656
Unallocated Benefits - Employee Benefits	4,669,701		4,669,701	4,397,851
Special Schools	4,827,816		4,827,816	4,640,294
Capital Outlay	302,886	294,352	597,238	348,428
Total Expenditures	<u>26,654,420</u>	<u>1,321,342</u>	<u>27,975,762</u>	<u>26,679,231</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>515,578</u>		<u>515,578</u>	<u>870,654</u>
Other Financing Sources/(Uses):				
Transfer from Enterprise Fund	<u>16,244</u>		<u>16,244</u>	
Other Financing Sources/(Uses)	<u>16,244</u>		<u>16,244</u>	
Net Change in Fund Balances	531,822		531,822	870,654
Fund Balance July 1	<u>2,947,898</u>		<u>2,947,898</u>	<u>2,077,244</u>
Fund Balance June 30	<u>\$3,479,720</u>	<u>-</u>	<u>3,479,720</u>	<u>2,947,898</u>

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$531,822
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation Expense	(1,263,188)
Capital Outlays	597,238
Adjustment in Capital Assets	(39,963)

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

Decrease in Compensated Absences Payable	(442,282)
Change in Net Assets of Governmental Activities	(\$616,373)

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

Proprietary Funds

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
 PROPRIETARY FUND
 COMBINING STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)

ASSETS	BUSINESS-TYPE ACTIVITIES		TOTALS	
	ENTERPRISE FUNDS		(MEMORANDUM ONLY)	
	FOOD SERVICE	ENTERPRISE FUND	JUNE 30, 2012	JUNE 30, 2011
Cash	\$26,709	28,956	55,665	42,896
Intergovernmental Accounts Receivable:				
State	10		10	
Federal	142		142	
Other Accounts Receivable	1,000		1,000	
Total Assets	27,861	28,956	56,817	42,896
LIABILITIES				
Accounts Payable				515
Total Liabilities				515
NET ASSETS				
Unrestricted	27,861	28,956	56,817	42,381
Total Net Assets	\$27,861	28,956	56,817	42,381

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES		TOTALS	
	ENTERPRISE FUND		(MEMORANDUM ONLY)	
	FOOD SERVICE	ENTERPRISE FUND	JUNE 30, 2012	JUNE 30, 2011
OPERATING REVENUES				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch & Breakfast Programs	\$38,997		38,997	42,937
Fees for Services	182,874	19,470	202,344	168,718
Total Operating Revenue	221,871	19,470	241,341	211,655
OPERATING EXPENSES				
Salaries & Wages	33,629		33,629	38,608
Supplies & Materials	181,524	1,042	182,566	166,459
Total Operating Expenses	215,153	1,042	216,195	205,067
Operating Income	6,718	18,428	25,146	6,588
Nonoperating Revenues/(Expenses):				
State Sources:				
State School Lunch Program	389		389	340
Federal Sources:				
National School Lunch Program	5,145		5,145	4,958
Transfer to General Fund		(16,244)	(16,244)	
Total Nonoperating Revenues/(Expenses)	5,534	(16,244)	(10,710)	5,298
Net Income	12,252	2,184	14,436	11,886
Total Net Assets - July 1	15,609	26,772	42,381	30,495
Total Net Assets - June 30	\$27,861	28,956	56,817	42,381

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	BUSINESS-TYPE ACTIVITIES			TOTALS (MEMORANDUM ONLY)
	ENTERPRISE FUND		JUNE 30, 2012	
	FOOD SERVICE FUND	ENTERPRISE FUND		
			JUNE 30, 2011	
Cash Flows From Operating Activities:				
Receipts from Customers	\$220,356	19,470	239,826	212,044
Payments to Suppliers	(215,153)	(1,042)	(216,195)	(205,067)
Net Cash Flows from Operating Activities	5,203	18,428	23,631	6,977
Cash Flows From Noncapital Financing Activities:				
State Sources	379		379	377
Transfer to General Fund		(16,244)	(16,244)	
Federal Sources	5,003		5,003	5,583
Net Cash Flows from Noncapital Financing Activities	5,382	(16,244)	(10,862)	5,960
Net Increase in Cash & Cash Equivalents	10,585	2,184	12,769	12,937
Balances - Beginning of Year	16,124	26,772	42,896	29,959
Balances - End of Year	\$26,709	28,956	55,665	42,896

Reconciliation of Operating Income to Net Cash Flows from Operating Activities:

Operating Income	\$6,718	18,428	25,146	6,588
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Increase in Accounts Receivable	(1,000)		(1,000)	
Increase/(Decrease) in Accounts Payable	(515)		(515)	389
Net Cash Flows from Operating Activities	\$5,203	18,428	23,631	6,977

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

Fiduciary Fund

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)

ASSETS	PRIVATE PURPOSE			TOTALS	
	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	AGENCY FUND	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Cash & Cash Equivalents	\$8,819	95,043	207,280	311,142	251,131
Total Assets	8,819	95,043	207,280	311,142	251,131
LIABILITIES					
Payroll Deductions & Withholdings			128,244	128,244	98,724
Due to Student Groups			79,036	79,036	87,849
Total Liabilities			207,280	207,280	186,573
NET ASSETS					
Reserved for Unemployment Claims		95,043		95,043	57,237
Reserved for Students	8,819			8,819	7,321
Total Net Assets	\$8,819	95,043	-	103,862	64,558

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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE		TOTALS	
	SCHOLARSHIP TRUST	UNEMPLOYMENT TRUST	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
ADDITIONS				
Contributions	\$31,193	71,751	102,944	112,080
Total Contributions	31,193	71,751	102,944	112,080
Interest Earnings	3	34	37	62
Total Interest Earnings	3	34	37	62
Total Additions	31,196	71,785	102,981	112,142
DEDUCTIONS				
Unemployment Claims		33,979	33,979	68,050
Scholarship Payments	29,698		29,698	41,889
Total Deductions	29,698	33,979	63,677	109,939
Change in Net Assets	1,498	37,806	39,304	2,203
Net Assets, July 1	7,321	57,237	64,558	62,355
Net Assets, June 30	\$8,819	95,043	103,862	64,558

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Ocean County Vocational-Technical School District (the District) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. The District was required to implement these standards for the fiscal year-ending June 30, 2004. As a result, the District has prepared required supplementary information titled *Management’s Discussion and Analysis*, which precedes the basic financial statements.

The District implemented these standards beginning with fiscal year-ending June 30, 2003. With the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management’s Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures*; Statement 44 – *Economic Condition Reporting – The Statistical Section*; Statement 45 – *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*; and Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2012 and for the year then ended with comparative totals as of and for the year ended June 30, 2011 (Memorandum Only).

A. Reporting Entity

The Ocean County Vocational-Technical School District is a Type I District located in the County of Ocean, State of New Jersey. As a Type I District, the School District functions independently through a Board of Education. The Board consists of appointed officials by the County 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 District provides a full range of educational services appropriate to grade levels 9 through 12. The Ocean County Vocational-Technical School District has an approximate enrollment at June 30, 2012 of 1,748 students.

The primary criterion for including activities within the District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

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

Based on the aforementioned criteria, the District has no component units. However, the Ocean County Vocational-Technical School District is a component unit of the County of Ocean as described in Governmental Accounting Standards Board Statement No. 14. These financial statements would be either blended or discreetly present as part of the County's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities.

B. District-Wide and Fund Financial Statements

The district-wide financial statements (the statement of net assets and the statement of activities) report information of all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these district-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Fund Accounting

The accounts of the Ocean County Vocational-Technical School District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the Ocean County Vocational-Technical School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

D. Fund Accounting (continued):

As required by the New Jersey Department of Education Ocean County Vocational-Technical School District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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).

Proprietary Fund

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

D. Fund Accounting (continued):

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

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

Food Service Fund:	
Equipment	5-15 Years

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment Trust Fund as a private purpose trust.

Agency Funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The District currently maintains Payroll funds and Student Activity Funds as Agency Funds.

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

E. Basis of Accounting (continued):

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, 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.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose 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.

In its accounting and financial reporting, the Ocean County Vocational-Technical School 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 Ocean County Vocational-Technical School 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 private purpose 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.

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office and are approved by the County Superintendent. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control (continued):

of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

The following presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

**Notes to Required Supplementary Information.
Budgetary Comparison Schedule**

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$27,223,292	\$1,321,342
Difference – Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	482,688	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(535,982)</u>	<u> </u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$27,169,998</u>	<u>\$1,321,342</u>

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control (continued):

	General Fund	Special Revenue Fund
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows"		
from the budgetary comparison schedule	\$26,654,420	\$1,321,342
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized	_____	_____
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	 <u>\$26,654,420</u>	 <u>\$1,321,342</u>

G. 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 Ocean County Vocational-Technical School 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.

H. Cash and Cash Equivalents

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

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey School Districts.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

H. Cash and Cash Equivalents (continued):

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

I. Short-Term Interfund Receivables/Payables

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

J. Fixed Assets

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General fixed assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Machinery and Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

K. Compensated Absences

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

In the District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

L. Deferred Revenue

Deferred revenue in the general and special revenue fund represents cash, which has been received but not yet earned.

M. Long-term Obligations

In district-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

N. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

In accordance with State of New Jersey statutes, the fund balance to be utilized in the subsequent year budget is not legally restricted and therefore has been classified as fund balance designated for subsequent year's expenditures and is not reserved.

O. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2012 through September 7, 2012, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2012, and reported at fair value are as follows:

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 2. Cash and Cash Equivalents (continued):

Type	Carrying Value
Deposits:	
Demand Deposits	\$3,965,678
Money Market	<u>96,206</u>
Total Deposits & Investments	<u>\$4,061,884</u>
Reconciliation of Statements of Net Assets:	
Governmental Activities	\$3,695,077
Business-Type Activities	55,665
Fiduciary Fund	<u>311,142</u>
Total Cash and Cash Equivalents	<u>\$4,061,884</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$4,589,580 at June 30, 2012. Of the bank balance \$250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$4,339,580 was secured by a collateral pool held by the bank, but not in the District’s name, as required by New Jersey statutes.

Insured	\$ 250,000
Collateralized in the District’s Name Under GUDPA (See Note 3)	<u>4,339,580</u>
Total	<u>\$4,589,580</u>

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2012 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 4. Capital Reserve Account

A capital-reserve account was established by the Ocean County Vocational-Technical School District by inclusion of \$2,744,550 on June 30, 1994 for the accumulation of funds for use as capital outlay

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 4. Capital Reserve Account (continued):

expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2011	\$96,175
Interest Earnings	<u>31</u>
Ending Balance, June 30, 2012	<u>\$96,206</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects at June 30, 2012 is \$33,367,800. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

Note 5. Maintenance Reserve Account

A maintenance reserve account was established by the Ocean County Vocational-Technical School District by inclusion of \$86,610 on June 30, 2004 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A.18A:7G-9*) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C. 6A:23A-14.2*). EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 5. Maintenance Reserve Account (continued):

facility. Auditors and District staff should refer to the regulations, *N.J.A.C.6A:26A*, for further guidance. A separate line is provided in the Audsum for this reserve account.

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

Beginning Balance, July 1, 2011	\$586,610
Deposit:	
Resolution dated June 29, 2012	<u>100,000</u>
Ending Balance, June 30, 2012	<u>\$686,610</u>

Note 6. Fixed Assets

The following schedule is a summarization of the general fixed assets by source for the fiscal year ended June 30, 2012:

	June 30, 2011	Additions	Deletions	June 30, 2012
Building & Building Improvements	\$34,120,679			\$34,120,679
Machinery & Equipment	<u>11,283,956</u>	\$ 565,718	\$(92,092)	<u>11,757,582</u>
Subtotal	45,404,635	565,718	(92,092)	45,878,261
Accumulated Depreciation	<u>(22,424,143)</u>	<u>(1,263,188)</u>	83,649	<u>(23,603,682)</u>
Total	<u>\$22,980,492</u>	<u>\$(697,470)</u>	<u>\$(8,443)</u>	<u>\$22,274,579</u>

The District had no proprietary fund fixed assets at June 30, 2012.

Note 7. Capital Projects

During the 2011-2012 school year the District had no on-going capital projects.

Note 8. Noncurrent Liabilities

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

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 8. Noncurrent Liabilities (continued):

	June 30, 2011	Increased	June 30, 2012
Compensated Absences Payable	<u>\$1,231,773</u>	<u>\$442,282</u>	<u>\$1,674,055</u>

As of June 30, 2012, the School District had no authorized but not issued bonds.

Note 9. Pension Plans

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

Teachers’ Pension and Annuity Fund (TPAF) – The Teachers’ Pension and Annuity Fund was established in January 1955, under the provisions of *N.J.S.A.18A:66* to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers’ Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system’s other related noncontributing 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 in January 1955 under the provisions of *N.J.S.A.43:15A* to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees’ Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State 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.

Vesting and Benefit Provisions – The vesting and benefit provisions of 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 55 and are generally determined to be 1/55 of the final average salary for each year of service

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Note 9. Pension Plans (continued):

credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by $\frac{1}{2}$ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 9. Pension Plans (continued):

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$310,790	100%	\$ -0-
6/30/11	308,754	100%	-0-
6/30/10	209,285	100%	-0-

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$1,030,839	100%	\$ -0-
6/30/11	711,527	100%	-0-
6/30/10	680,706	100%	-0-

During the year ended June 30, 2012 the State of New Jersey contributed \$1,030,839 to the TPAF for normal post-retirement 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 \$773,845 for the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 10. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 10. Post-Retirement Benefits (continued):

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

Note 11. Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident 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 their 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 School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2011-2012	\$71,751	\$34	\$33,979	\$95,043
2010-2011	94,131	43	68,050	57,237
2009-2010	60,819	29	62,043	31,113

Note 12. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Note 12. Contingent Liabilities (continued):

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

Note 13. Economic Dependency

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

Note 14. Interfund Receivables and Payables

There were no interfund balances on the balance sheet at June 30, 2012:

Note 15. GASB #54 Fund Balance Disclosures

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Ocean County Vocational-Technical School District classifies governmental fund balances as follows:

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

General Fund – Of the \$3,479,720 General Fund fund balance at June 30, 2012, \$96,206 has been restricted for the Capital Reserve Account; \$686,610 has been reserved as maintenance reserve; \$603,602 has been committed for other purposes; \$900,000 is unreserved-designated for subsequent year's expenditures; \$266,735 has been assigned for other purposes and \$926,567 is unassigned.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 15. GASB #54 Fund Balance Disclosures (continued):

The Ocean County Vocational-Technical School District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the Ocean County Vocational-Technical School District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Note 16. Deferred Compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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.

AXA Equitable
Lincoln

Fidelity
American Express

Note 17. 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 vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2012 is \$1,674,055.

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.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 18. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by *P.L. 2004, c.73 (S1701)*, the designation for 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 balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District had no excess fund balance at June 30, 2012.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules



OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
County Appropriations	10-1200	\$17,364,646		17,364,646	17,364,646		17,364,646	17,364,646	17,364,646	
Tuition	10-1320	1,749,866		1,749,866	2,263,407	513,541	1,400,000	1,400,000	1,951,231	551,231
Interest Earned	10-1510	100,000		100,000	3,149	(96,851)			6,060	6,060
Miscellaneous	10-1790	50,000		50,000	183,624	133,624	150,000	150,000	245,610	95,610
Total Local Sources		19,264,512		19,264,512	19,814,826	550,314	18,914,646	18,914,646	19,567,547	652,901
State Sources:										
Categorical Special Education Aid	10-3132	643,874		643,874	643,874		643,874	643,874	643,874	
Equalization Aid	10-3176	2,094,077		2,094,077	2,094,077		2,094,077	2,094,077	2,094,077	
Categorical Security Aid	10-3177	126,787		126,787	126,787		126,787	126,787	126,787	
Adjustment Aid	10-3178	2,271,530		2,271,530	2,526,619	255,089	2,016,441	2,016,441	2,016,441	
Other State Aid	10-3190				2,050	2,050				
Nonbudgeted:										
TPAF Pension (On-Behalf)					1,030,839	1,030,839			711,527	711,527
Reimbursed TPAF Social Security Contributions					773,845	773,845			761,736	761,736
Total State Sources		5,136,268		5,136,268	7,198,091	2,061,823	4,881,179	4,881,179	6,354,442	1,473,263
Federal Sources:										
Educational Jobs Fund	18-4522	203,985	6,390	210,375	210,375					
Total Federal Sources		203,985	6,390	210,375	210,375					
Total Revenues		24,604,765	6,390	24,611,155	27,223,292	2,612,137	23,795,825	23,795,825	25,921,989	2,126,164
Expenditures:										
Current Expense:										
Basic Skills/Remedial - Instruction:										
Salaries of Teachers	11-140-100-101	2,725,879	(156,533)	2,569,346	2,569,346		2,614,561	(71,479)	2,543,082	2,540,582
General Supplies	11-140-100-610	65,125	3,954	69,079	53,214	15,865	62,875	(2,683)	60,192	43,982
Textbooks	11-140-100-640	10,000	(7,097)	2,903	2,903		10,000	(2,200)	7,800	4,844
Other Objects	11-140-100-800	2,500		2,500	2,155	345	2,500	(1,300)	1,200	870
Total Basic Skills/Remedial - Instruction		2,803,504	(159,676)	2,643,828	2,627,618	16,210	2,689,936	(77,662)	2,612,274	2,590,278
Regular Vocational Programs - Instruction:										
Salaries of Teachers	11-310-100-101	3,237,438	(10,200)	3,227,238	3,227,237	1	3,398,804	(252,650)	3,146,154	3,146,128
Other Salaries for Instruction	11-310-100-106	335,988	42,426	378,414	366,634	11,780	167,155	143,238	310,393	310,168
Purchased Professional & Educational Services	11-310-100-320	65,000	42,022	107,022	44,078	62,944	49,000	41,683	90,683	70,383

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Regular Vocational Programs - Instruction (continued):											
Purchased Technical Services	11-310-100-340	70,000	(200)	69,800	68,909	891	80,000	(18,191)	61,809	59,620	2,189
Travel	11-310-100-580	7,000	3,305	10,305	9,896	409		9,006	9,006	9,006	
General Supplies	11-310-100-610	587,942	446,902	1,034,844	845,607	189,237	556,037	325,182	881,219	633,145	248,074
Textbooks	11-310-100-640	125,000	(12,791)	112,209	112,208	1	130,000	31,275	161,275	115,839	45,436
Total Regular Vocational Programs - Instruction		4,428,368	511,464	4,939,832	4,674,569	265,263	4,380,996	279,543	4,660,539	4,344,289	316,250
Special Vocational Programs - Instruction:											
Salaries of Teachers	11-320-100-101	1,244,539	(39,404)	1,205,135	1,202,123	3,012	1,161,264	60,353	1,221,617	1,218,193	3,424
Other Salaries for Instruction	11-320-100-106	31,600	(6,190)	25,410	24,576	834	16,800	14,800	31,600	28,597	3,003
Purchased Technical Services	11-320-100-340	1,000	2,750	3,750	3,750			3,941	3,941	2,956	985
Travel	11-320-100-580	750	(460)	290	289	1		573	573	573	
General Supplies	11-320-100-610	141,087	2,019	143,106	141,032	2,074	125,762	(12,566)	113,196	97,132	16,064
Textbooks	11-320-100-640	7,600	(4,054)	3,546	3,504	42	7,600	2,502	10,102	8,755	1,347
Total Special Vocational Programs - Instruction		1,426,576	(45,339)	1,381,237	1,375,274	5,963	1,311,426	69,603	1,381,029	1,356,206	24,823
School Sponsored Cocurricular Activities:											
Other Objects	11-401-100-800	215,000	(10,877)	204,123	188,680	15,443	94,000	109,807	203,807	171,451	32,356
Total School Sponsored Cocurricular Activities		215,000	(10,877)	204,123	188,680	15,443	94,000	109,807	203,807	171,451	32,356
Total Instruction		8,873,448	295,572	9,169,020	8,866,141	302,879	8,476,358	381,291	8,857,649	8,462,224	395,425
Undistributed Expenditures:											
Attendance & Social Work:											
Salaries	11-000-211-100	51,034	5,704	56,738	56,738		42,935	7,007	49,942	49,942	
Total Attendance & Social Work		51,034	5,704	56,738	56,738		42,935	7,007	49,942	49,942	
Health Services:											
Salaries	11-000-213-100	397,713	(4,069)	393,644	393,644		360,985	(4,700)	356,285	356,080	205
Purchased Professional Services	11-000-213-300	4,540	502	5,042	5,040	2	4,200		4,200	4,110	90
Other Purchased Services	11-000-213-500		475	475	475						
Travel	11-000-213-580	250	(103)	147	147			232	232	139	93
Supplies and Materials	11-000-213-600	5,300	1,319	6,619	6,619		5,500	(998)	4,502	4,502	
Total Health Services		407,803	(1,876)	405,927	405,925	2	370,685	(5,466)	365,219	364,831	388
Other Support Services-Students-Extraordinary:											
Purchased Professional Services	11-000-217-300							24,169	24,169	24,114	55
Total Other Support Services-Students-Extraordinary								24,169	24,169	24,114	55

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	568,485	2,242	570,727	570,640	87	616,456	(47,416)	569,040	568,949	91
Salaries of Secretarial & Clerical Assistants	11-000-218-105	34,187		34,187	34,187		35,514	1,091	36,605	36,605	
Purchased Professional Services	11-000-218-320	20,000	16,381	36,381	16,381	20,000	20,000	15,000	35,000	20,000	15,000
Travel	11-000-218-580	3,000	(773)	2,227	2,227		7,500	(4,700)	2,800	2,744	56
Supplies & Materials	11-000-218-600	56,000	5,787	61,787	61,771	16	2,500	(300)	2,200	2,185	15
Total Other Support Services - Students - Regular		681,672	23,637	705,309	685,206	20,103	681,970	(36,325)	645,645	630,483	15,162
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	269,588	(32,094)	237,494	237,494		234,060	(36,003)	198,057	198,009	48
Salaries of Secretarial & Clerical Assistants	11-000-219-105	71,603	(2,106)	69,497	69,497		67,578	22,050	89,628	89,541	87
Supplies & Materials	11-000-219-600	6,375	(403)	5,972	5,971	1	7,375	(2,910)	4,465	4,454	11
Total Other Support Services - Students - Special Services		347,566	(34,603)	312,963	312,962	1	309,013	(16,863)	292,150	292,004	146
Educational Media Services/School Library:											
Supplies and Materials	11-000-222-600	123,000	184,644	307,644	202,003	105,641	116,750	35,059	151,809	150,544	1,265
Total Educational Media Services/School Library		123,000	184,644	307,644	202,003	105,641	116,750	35,059	151,809	150,544	1,265
Support Services - General Administration:											
Salaries	11-000-230-100	323,176	(37)	323,139	323,139		308,535	7,581	316,116	316,116	
Legal Services	11-000-230-331	70,000	(22,590)	47,410	47,410		57,000	22,675	79,675	75,448	4,227
Professional Services	11-000-230-339	40,000	15,496	55,496	23,137	32,359	60,000	(59,499)	501		501
Communications/Telephone	11-000-230-530	225,500	(137,490)	88,010	71,541	16,469	132,500	(1,601)	130,899	130,597	302
Travel	11-000-230-580	15,000	(7,240)	7,760	7,759	1	27,500	(23,236)	4,264	4,051	213
Other Purchased Services	11-000-230-590	151,400	(813)	150,587	150,586	1	140,461	(81)	140,380	139,514	866
General Supplies	11-000-230-610	19,000	(2,370)	16,630	16,238	392	34,000	(15,583)	18,417	16,608	1,809
Miscellaneous Expenditures	11-000-230-890	32,500	(18)	32,482	32,424	58	35,950	(4,100)	31,850	31,807	43
Total Support Services - General Administration		876,576	(155,062)	721,514	672,234	49,280	795,946	(73,844)	722,102	714,141	7,961

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OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Support Services - Central Services:											
Salaries	11-000-251-100	485,515	(3,000)	482,515	482,515		418,262	54,504	472,766	472,729	37
Purchased Professional Services	11-000-251-330	79,550	10,148	89,698	74,690	15,008	76,000	16,084	92,084	78,486	13,598
Purchased Technical Services	11-000-251-340	21,000	713	21,713	21,713		17,800	14,455	32,255	26,498	5,757
Travel	11-000-251-580	5,000	155	5,155	5,155		8,000	(2,812)	5,188	5,179	9
Supplies and Materials	11-000-251-600	5,500	3,816	9,316	9,316		7,500	(4,589)	2,911	2,883	28
Miscellaneous Expenditures	11-000-251-890	4,000	1,016	5,016	4,706	310	4,000	(200)	3,800	3,784	16
Total Support Services - Central Services		600,565	12,848	613,413	598,095	15,318	531,562	77,442	609,004	589,559	19,445
Support Services - School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	818,424	(6,982)	811,442	811,442		787,918	(47,880)	740,038	740,037	1
Salaries of Other Professional Staff	11-000-240-104	88,961	6,050	95,011	95,011		149,288	(62,072)	87,216	87,138	78
Salaries of Secretarial & Clerical Assistants	11-000-240-105	438,082	7,001	445,083	445,083		379,957	45,500	425,457	425,448	9
Other Salaries	11-000-240-110	104,000	(22,355)	81,645	81,623	22	78,600	(1,400)	77,200	77,012	188
Purchased Professional & Technical Services	11-000-240-300	40,000	(19,862)	20,138	20,138		75,000	(69,400)	5,600	5,498	102
Other Purchased Services	11-000-240-500	9,000	(105)	8,895	8,894	1	9,000	(4,100)	4,900	4,854	46
Travel	11-000-240-580	8,000	(4,947)	3,053	3,053		7,600	(1,637)	5,963	5,802	161
Supplies and Materials	11-000-240-600	166,100	(89,522)	76,578	76,578		254,100	(85,738)	168,362	147,246	21,116
Other Objects	11-000-240-800	72,000	(8,880)	63,120	63,120		74,100	(1,766)	72,334	69,687	2,647
Total Support Services - School Administration		1,744,567	(139,602)	1,604,965	1,604,942	23	1,815,563	(228,493)	1,587,070	1,562,722	24,348
Required Maintenance for School Facilities:											
Salaries	11-000-261-100	86,759	(13,909)	72,850	72,850		84,278	550	84,828	84,828	
Cleaning, Repair & Maintenance Services	11-000-261-420	355,500	305,596	661,096	594,099	66,997	361,783	182,627	544,410	412,694	131,716
General Supplies	11-000-261-610	18,000	67,125	85,125	29,557	55,568	17,000	23,278	40,278	40,214	64
Total Required Maintenance for School Facilities		460,259	358,812	819,071	696,506	122,565	463,061	206,455	669,516	537,736	131,780
Other Operation & Maintenance of Plant Services:											
Salaries	11-000-262-100	527,877	(6,021)	521,856	521,854	2	549,765	(33,248)	516,517	515,802	715
Cleaning, Repair & Maintenance Services	11-000-262-420	335,800	320,333	656,133	585,253	70,880	392,500	177,605	570,105	475,546	94,559
Rental of Land & Building	11-000-262-441	16,000	(8,336)	7,664	7,664		16,000	(7,300)	8,700	8,468	232
Other Purchased Property Services	11-000-262-490	48,900	2,308	51,208	45,761	5,447	41,400	13,879	55,279	55,133	146
Miscellaneous Purchased Services	11-000-262-590	2,000	(2,000)				1,500	300	1,800	1,800	
General Supplies	11-000-262-610	199,700	23,792	223,492	212,662	10,830	199,100	(7,603)	191,497	183,033	8,464

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Operation & Maintenance of Plant Services (continued):											
Energy (Heat & Electricity)	11-000-262-620	867,500	(180,633)	686,867	683,684	3,183	860,000	(67,349)	792,651	792,132	519
Total Other Operation & Maintenance of Plant Services		1,997,777	149,443	2,147,220	2,056,878	90,342	2,060,265	76,284	2,136,549	2,031,914	104,635
Care & Upkeep of Grounds:											
Salaries	11-000-263-100	57,282	164	57,446	57,446		55,798		55,798	55,797	1
Total Care & Upkeep of Grounds		57,282	164	57,446	57,446		55,798		55,798	55,797	1
Security:											
Cleaning, Repair & Maintenance Services	11-000-266-420	47,500	228,045	275,545	175,402	100,143	50,000	113,630	163,630	23,772	139,858
Total Security		47,500	228,045	275,545	175,402	100,143	50,000	113,630	163,630	23,772	139,858
Student Transportation Services:											
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-163	70,000	4,614	74,614	74,613	1	78,000	(7,907)	70,093	70,071	22
Cleaning, Repair & Maintenance Services	11-000-270-420	75,000	3,590	78,590	77,018	1,572	56,000	29,160	85,160	85,063	97
Miscellaneous Purchased Services - Transportation	11-000-270-593	51,000	15,108	66,108	66,108		63,500	29,034	92,534	92,522	12
Total Student Transportation Services		196,000	23,312	219,312	217,739	1,573	197,500	50,287	247,787	247,656	131
Support Services - Information Technology:											
Salaries	11-000-252-100	185,184	9,171	194,355	194,355		216,124	(34,960)	181,164	181,164	
Travel	11-000-252-580	2,000	(242)	1,758	1,758		2,000	400	2,400	2,350	50
Supplies, Textbooks, and Materials	11-000-252-600	40,000	9,768	49,768	49,687	81	29,000	25,868	54,868	53,285	1,583
Total Support Services - Information Technology		227,184	18,697	245,881	245,800	81	247,124	(8,692)	238,432	236,799	1,633
Unallocated Benefits Employee Benefits:											
Social Security Contributions	11-xxx-xxx-220	300,000	(59,038)	240,962	240,828	134	240,000	115,058	355,058	355,058	
Other Retirement Contributions - Regular	11-xxx-xxx-241	347,476	(36,686)	310,790	310,790		240,000	68,754	308,754	308,754	
Other Retirement Contributions - DCRP	11-xxx-xxx-249		5,000	5,000	4,297	703					
Workman's Compensation	11-xxx-xxx-260	165,000	(38,699)	126,301	126,166	135	145,000	19,998	164,998	164,998	
Health Benefits	11-xxx-xxx-270	2,224,267	(228,862)	1,995,405	1,979,623	15,782	2,347,500	(281,556)	2,065,944	1,907,523	158,421
Tuition Reimbursement	11-xxx-xxx-280	71,000	26,499	97,499	97,499		45,000	45,065	90,065	90,065	
Other Employee Benefits	11-xxx-xxx-290	98,524	7,290	105,814	105,814		215,000	(107,646)	107,354	98,190	9,164
Total Unallocated Benefits - Employee Benefits		3,206,267	(324,496)	2,881,771	2,865,017	16,754	3,232,500	(140,327)	3,092,173	2,924,588	167,585

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Nonbudgeted:											
TPAF Pension (On-Behalf)				1,030,839	(1,030,839)				711,527	(711,527)	
Reimbursed TPAF Social Security Contributions				773,845	(773,845)				761,736	(761,736)	
Total Undistributed Expenditures	11,025,052	349,667	11,374,719	12,657,577	(1,282,858)	10,970,672	80,323	11,050,995	11,909,865	(858,870)	
Total Expenditures - Current Expense	19,898,500	645,239	20,543,739	21,523,718	(979,979)	19,447,030	461,614	19,908,644	20,372,089	(463,445)	
Capital Outlay:											
Increase in Capital Reserve Capital Equipment:											
Regular Programs - Instruction:											
Regular Vocational Programs	12-310-100-730	90,000	74,535	164,535	98,937	65,598	25,000	33,963	58,963	31,582	27,381
Special Education - Instruction:											
Special Vocational Programs	12-xxx-100-730	68,510	4,101	72,611	72,215	396	10,000	(2,604)	7,396		7,396
Operation & Maintenance of Plant Services											
Required Maintenance for School Facilities	12-000-260-730		63,999	63,999	17,699	46,300		39,201	39,201	38,967	234
School Buses - Special	12-000-261-730	125,000	(104,491)	20,509	20,509	27,000	15,000	32,010	47,010	47,010	
Other Objects	12-000-270-734		89,001	89,001	62,001	27,000		20,667	20,667		20,667
	12-000-400-800	31,525		31,525	31,525		54,209		54,209	54,209	
Total Equipment		315,035	127,145	442,180	302,886	139,294	104,209	123,237	227,446	171,768	55,678
Total Capital Outlay		315,035	127,145	442,180	302,886	139,294	104,209	123,237	227,446	171,768	55,678
Special Schools:											
Post-Secondary Programs - Instruction:											
Salaries of Teachers	13-330-100-101	803,527	44,755	848,282	843,203	5,079	720,549	95,933	816,482	812,415	4,067
Other Salaries for Instruction	13-330-100-106	17,800		17,800	17,195	605	30,600	(14,287)	16,313	15,080	1,233
General Supplies	13-330-100-610	88,756	4,897	93,653	93,433	220	88,881	(481)	88,400	87,775	625
Textbooks	13-330-100-640	43,700	(14,474)	29,226	28,898	328	44,000	(16,324)	27,676	26,967	709
Total Post-Secondary Programs - Instruction		953,783	35,178	988,961	982,729	6,232	884,030	64,841	948,871	942,237	6,634
Post-Secondary Programs - Support Services:											
Salaries of Other Professional Staff	13-330-200-100	104,757		104,757	104,549	208	101,943	(25)	101,918	101,918	
General Supplies	13-330-200-600	3,500	(1,000)	2,500	831	1,669	4,500	(2,650)	1,850	1,849	1
Other Objects	13-330-200-800	5,500	17,848	23,348	3,973	19,375	15,800	11,805	27,605	24,704	2,901
Total Post-Secondary Programs - Support Services		113,757	16,848	130,605	109,353	21,252	122,243	9,130	131,373	128,471	2,902

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Post-Secondary Programs	1,067,540	52,026	1,119,566	1,092,082	27,484	1,006,273	73,971	1,080,244	1,070,708	9,536
Adult Education - Local - Support Services:										
Salaries of Teachers 13-602-200-100	7,800	408	8,208	8,208		7,200	494	7,694	7,694	
Total Adult Education - Local - Support Services	7,800	408	8,208	8,208		7,200	494	7,694	7,694	
Vocational Evening - Local - Instruction:										
Salaries of Teachers 13-629-100-101	260,000	7,086	267,086	267,086		253,000	(5,727)	247,273	241,649	5,624
General Supplies 13-629-100-610	50,000	733	50,733	50,228	505	49,413	4,900	54,313	48,582	5,731
Textbooks 13-629-100-640	4,000		4,000	3,516	484	15,000	(12,090)	2,910	2,200	710
Total Vocational Evening - Local - Instruction	314,000	7,819	321,819	320,830	989	317,413	(12,917)	304,496	292,431	12,065
Vocational Evening - Local - Support Services:										
Salaries 13-629-200-100	1,406,170	(12,604)	1,393,566	1,391,555	2,011	1,377,700	2,729	1,380,429	1,376,705	3,724
Personal Services - Employee Benefits 13-629-200-200	1,288,257	(23,777)	1,264,480	1,264,333	147	1,291,000	(102,904)	1,188,096	1,179,921	8,175
Purchased Professional & Technical Services 13-629-200-300	110,000	(4,160)	105,840	79,574	26,266	109,200	25,794	134,994	103,350	31,644
Other Purchased Services 13-629-200-500	156,163	(18,400)	137,763	127,187	10,576	126,100	16,257	142,357	132,726	9,631
Cleaning, Repair & Maintenance Services 13-629-200-xxx	155,900	108,031	263,931	229,444	34,487	156,200	16,161	172,361	143,363	28,998
Energy (Heat & Electricity) 13-629-200-xxx	291,500	(44,579)	246,921	233,213	13,708	295,500	(17,052)	278,448	262,387	16,061
Supplies and Materials 13-629-200-600	84,900	6,682	91,582	72,227	19,355	86,600	(16,511)	70,089	62,216	7,873
Other Objects 13-629-200-800	9,000	195	9,195	9,163	32	21,400	(10,516)	10,884	8,793	2,091
Total Vocational Evening - Local Support Services	3,501,890	11,388	3,513,278	3,406,696	106,582	3,463,700	(86,042)	3,377,658	3,269,461	108,197
Total Vocational Evening - Local	3,815,890	19,207	3,835,097	3,727,526	107,571	3,781,113	(98,959)	3,682,154	3,561,892	120,262

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
EDUCATION JOBS FUND PROGRAM -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Federal Sources:						
Educational Jobs Fund	18-4522	\$203,985	6,390	210,375	210,375	
Total Federal Sources		203,985	6,390	210,375	210,375	
Total Revenues		203,985	6,390	210,375	210,375	
Expenditures:						
Current Expense:						
Regular Vocational Programs - Instruction:						
Salaries of Teachers	18-310-100-101	203,985	6,390	210,375	210,375	
Total Regular Vocational Programs - Instruction		203,985	6,390	210,375	210,375	
Total Expenditures		203,985	6,390	210,375	210,375	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures			-	-	-	-

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
Local Sources	\$462,570	(20,606)	441,964	441,964		493,000	(38,867)	454,133	454,133	
State Sources	83,454	23,823	107,277	107,277			106,471	106,471	106,471	
Federal Sources	929,271	(157,170)	772,101	772,101		660,000	274,476	934,476	934,476	
Total Revenues	1,475,295	(153,953)	1,321,342	1,321,342		1,153,000	342,080	1,495,080	1,495,080	
Expenditures:										
Instruction:										
Salaries of Teachers	608,126	(55,478)	552,648	552,648		601,024	(51,393)	549,631	549,631	
Other Salaries for Instruction		11,604	11,604	11,604			11,956	11,956	11,956	
Purchased Professional & Technical Services	645,754	(618,532)	27,222	27,222		2,600	24,607	27,207	27,207	
General Supplies	37,303	144,621	181,924	181,924		391,534	30,575	422,109	422,109	
Total Instruction	1,291,183	(517,785)	773,398	773,398		995,158	15,745	1,010,903	1,010,903	
Support Services:										
Salaries - Program Director	20,000	6,898	26,898	26,898		20,000	48,029	68,029	68,029	
Salaries of Secretarial & Clerical Assistants	32,695	490	33,185	33,185		31,976	192	32,168	32,168	
Personal Services - Employee Benefits	74,111	35,589	109,700	109,700			100,568	100,568	100,568	
Purchased Professional & Technical Services	29,350	17,348	46,698	46,698			59,624	59,624	59,624	
Travel	800	(744)	56	56			227	227	227	
Miscellaneous Purchased Services	1,300	314	1,614	1,614			858	858	858	
Supplies & Materials	5,856	9,585	15,441	15,441		7,025	19,018	26,043	26,043	
Miscellaneous	20,000		20,000	20,000			20,000	20,000	20,000	
Total Support Services	184,112	69,480	253,592	253,592		59,001	248,516	307,517	307,517	
Facilities Acquisition & Construction Services:										
Instructional Equipment		294,352	294,352	294,352		98,841	77,819	176,660	176,660	
Total Facilities Acquisition & Construction Services		294,352	294,352	294,352		98,841	77,819	176,660	176,660	
Total Expenditures	1,475,295	(153,953)	1,321,342	1,321,342		1,153,000	342,080	1,495,080	1,495,080	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-		-	-	-	-	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION



**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" From the Budgetary Comparison Schedule (C-Series)	\$27,223,292	1,321,342
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	482,688	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(535,982)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$27,169,998</u>	<u>1,321,342</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$26,654,420</u>	<u>1,321,342</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$26,654,420</u>	<u>1,321,342</u>

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	APPRENTICE COORDINATOR	COUNTY FOUNDATION FOR VOC'L EDUCATION	OCEAN COUNTY JUVENILE DETENTION CENTER	SAFETY GRANT
Revenues:				
State Sources	\$13,297			
Federal Sources				
Other Sources		7,266	426,767	6,331
Total Revenues	\$13,297	7,266	426,767	6,331
Expenditures:				
Instruction:				
Salaries of Teachers			267,778	
Other Salaries for Instruction	\$10,504			
Purchased Professional & Technical Services				
General Supplies			1,351	
Total Instruction	10,504		269,129	
Support Services:				
Salaries of Supervisors of Instruction			26,898	
Salaries of Secretarial & Clerical Assistants			33,185	
Personal Services - Employee Benefits			72,859	
Purchased Professional & Technical Services				
Travel			56	
Miscellaneous Purchased Services	440		1,174	
Supplies & Materials	2,353	3,291	3,466	6,331
Miscellaneous			20,000	
Total Support Services	2,793	3,291	157,638	6,331
Facilities Acquisition & Construction Services:				
Instructional Equipment		3,975		
Total Facilities Acquisition & Construction Services		3,975		
Total Expenditures	\$13,297	7,266	426,767	6,331

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	CARL D. PERKINS GRANT SECONDARY	CARL D. PERKINS GRANT SECONDARY RESERVE	CARL D. PERKINS GRANT POST- SECONDARY	N.C.L.B./IMPROVING AMERICA'S SCHOOLS	
				TITLE I	TITLE II-A
Revenues:					
State Sources			93,980		
Federal Sources	\$372,043	59,486		161,382	18,861
Other Sources					
Total Revenues	\$372,043	59,486	93,980	161,382	18,861
Expenditures:					
Instruction:					
Salaries of Teachers				134,485	
Other Salaries for Instruction					
Purchased Professional & Technical Services	\$1,375	22,207	3,640		
General Supplies	127,158	10,222	42,693		
Total Instruction	128,533	32,429	46,333	134,485	
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Secretarial & Clerical Assistants					
Personal Services - Employee Benefits				26,897	
Purchased Professional & Technical Services		27,057	780		18,861
Travel					
Miscellaneous Purchased Services					
Supplies & Materials					
Miscellaneous					
Total Support Services		27,057	780	26,897	18,861
Facilities Acquisition & Construction Services:					
Instructional Equipment	243,510		46,867		
Total Facilities Acquisition & Construction Services	243,510		46,867		
Total Expenditures	\$372,043	59,486	93,980	161,382	18,861

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	STEM GRANT	I.D.E.A. PART B	I.D.E.A. PART B C/O
Revenues:			
State Sources			
Federal Sources		157,829	2,500
Other Sources	\$1,600		
Total Revenues	\$1,600	157,829	2,500
Expenditures:			
Instruction:			
Salaries of Teachers		147,885	2,500
Other Salaries for Instruction	\$1,100		
Purchased Professional & Technical Services			
General Supplies	500		
Total Instruction	1,600	147,885	2,500
Support Services:			
Salaries of Supervisors of Instruction			
Salaries of Secretarial & Clerical Assistants			
Personal Services - Employee Benefits		9,944	
Purchased Professional & Technical Services			
Travel			
Miscellaneous Purchased Services			
Supplies & Materials			
Miscellaneous			
Total Support Services		9,944	
Facilities Acquisition & Construction Services:			
Instructional Equipment			
Total Facilities Acquisition & Construction Services			
Total Expenditures	\$1,600	157,829	2,500

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	2012	2011
Revenues:		
State Sources	\$107,277	106,471
Federal Sources	772,101	934,476
Other Sources	441,964	454,133
	<hr/>	<hr/>
Total Revenues	<u>\$1,321,342</u>	<u>1,495,080</u>
Expenditures:		
Instruction:		
Salaries of Teachers	\$552,648	549,631
Other Salaries for Instruction	11,604	11,956
Purchased Professional & Technical Services	27,222	27,207
General Supplies	181,924	422,109
	<hr/>	<hr/>
Total Instruction	<u>773,398</u>	<u>1,010,903</u>
Support Services:		
Salaries of Supervisors of Instruction	26,898	68,029
Salaries of Secretarial & Clerical Assistants	33,185	32,168
Personal Services - Employee Benefits	109,700	100,568
Purchased Professional & Technical Services	46,698	59,624
Travel	56	227
Miscellaneous Purchased Services	1,614	858
Supplies & Materials	15,441	26,043
Miscellaneous	20,000	20,000
	<hr/>	<hr/>
Total Support Services	<u>253,592</u>	<u>307,517</u>
Facilities Acquisition & Construction Services:		
Instructional Equipment	294,352	176,660
	<hr/>	<hr/>
Total Facilities Acquisition & Construction Services	<u>294,352</u>	<u>176,660</u>
Total Expenditures	<u>\$1,321,342</u>	<u>1,495,080</u>

F. Capital Projects Fund

Not Applicable

G. Proprietary Funds

Enterprise Funds

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	FOOD SERVICE FUND	ENTERPRISE FUND	2012	2011
Cash	\$26,709	28,956	55,665	42,896
Intergovernmental Accounts Receivable:				
State	10		10	
Federal	142		142	
Other Accounts Receivable	1,000		1,000	
Total Assets	27,861	28,956	56,817	42,896
LIABILITIES				
Accounts Payable				515
Total Liabilities				515
NET ASSETS				
Unrestricted	27,861	28,956	56,817	42,381
Total Net Assets	\$27,861	28,956	56,817	42,381

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	FOOD SERVICE FUND	ENTERPRISE FUND	2012	2011
OPERATING REVENUES				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch & Breakfast Programs	\$38,997		38,997	42,937
Fees for Services	182,874	19,470	202,344	168,718
Total Operating Revenue	221,871	19,470	241,341	211,655
OPERATING EXPENSES				
Salaries & Wages	33,629		33,629	38,608
Supplies & Materials	181,524	1,042	182,566	166,459
Total Operating Expenses	215,153	1,042	216,195	205,067
Operating Income	6,718	18,428	25,146	6,588
Nonoperating Revenues/(Expenses):				
State Sources:				
State School Lunch Program	389		389	340
Federal Sources:				
National School Lunch Program	5,145		5,145	4,958
Transfer to General Fund		(16,244)	(16,244)	
Total Nonoperating Revenues/(Expenses)	5,534	(16,244)	(10,710)	5,298
Net Income	12,252	2,184	14,436	11,886
Net Assets - July 1	15,609	26,772	42,381	30,495
Net Assets - June 30	\$27,861	28,956	56,817	42,381

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 SCHEDULE OF CASH FLOWS
 AS OF JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES		2012	2011
	ENTERPRISE FUND			
	FOOD SERVICE FUND	ENTERPRISE FUND		
Cash Flows From Operating Activities:				
Receipts from Customers	\$220,356	19,470	239,826	212,044
Payments to Suppliers	(215,153)	(1,042)	(216,195)	(205,067)
Net Cash Flows from Operating Activities	<u>5,203</u>	<u>18,428</u>	<u>23,631</u>	<u>6,977</u>
Cash Flows From Noncapital Financing Activities:				
State Sources	379		379	377
Transfer to General Fund		(16,244)	(16,244)	
Federal Sources	5,003		5,003	5,583
Net Cash Flows from Noncapital Financing Activities	<u>5,382</u>	<u>(16,244)</u>	<u>(10,862)</u>	<u>5,960</u>
Net Increase in Cash & Cash Equivalents	10,585	2,184	12,769	12,937
Balances - Beginning of Year	<u>16,124</u>	<u>26,772</u>	<u>42,896</u>	<u>29,959</u>
Balances - End of Year	<u>\$26,709</u>	<u>28,956</u>	<u>55,665</u>	<u>42,896</u>

Reconciliation of Operating Income to Net Cash Flows from Operating Activities:

Operating Income	\$6,718	18,428	25,146	6,588
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Increase in Accounts Receivable	(1,000)		(1,000)	
Increase/(Decrease) in Accounts Payable	(515)		(515)	389
Total Adjustments	<u>(1,515)</u>		<u>(1,515)</u>	<u>389</u>
Net Cash Flows from Operating Activities	<u>\$5,203</u>	<u>18,428</u>	<u>23,631</u>	<u>6,977</u>

Internal Service Fund

Not Applicable

H. Fiduciary Fund

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ASSETS	PRIVATE PURPOSE		AGENCY		2012	2011
	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$8,819	95,043	79,036	128,244	311,142	251,131
Total Assets	8,819	95,043	79,036	128,244	311,142	251,131
LIABILITIES						
Payroll Deductions & Withholdings				128,244	128,244	98,724
Due to Student Groups			79,036		79,036	87,849
Total Liabilities			79,036	128,244	207,280	186,573
NET ASSETS						
Reserved for Unemployment Claims		95,043			95,043	57,237
Reserved for Students	8,819				8,819	7,321
Total Net Assets	\$8,819	95,043	-	-	103,862	64,558

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	<u>PRIVATE PURPOSE</u>		2012	2011
	SCHOLARSHIP	UNEMPLOYMENT TRUST		
OPERATING REVENUES:				
Local Sources:				
Contributions	\$31,193	71,751	102,944	112,080
Interest on Investments	3	34	37	62
Total Operating Revenues	<u>31,196</u>	<u>71,785</u>	<u>102,981</u>	<u>112,142</u>
OPERATING EXPENSES:				
Unemployment Compensation		33,979	33,979	68,050
Scholarship Payments	29,698		29,698	41,889
Total Operating Expenses	<u>29,698</u>	<u>33,979</u>	<u>63,677</u>	<u>109,939</u>
Excess/(Deficit) of Revenue	1,498	37,806	39,304	2,203
Net Assets, July 1	<u>7,321</u>	<u>57,237</u>	<u>64,558</u>	<u>62,355</u>
Net Assets, June 30	<u>\$8,819</u>	<u>95,043</u>	<u>103,862</u>	<u>64,558</u>

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BALANCE JULY 1, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2012
Vocational Schools:				
Brick	\$6,908	6,095	7,467	5,536
Jackson	4,488	10,906	10,039	5,355
Ocean	1,375	2,609	2,802	1,182
Toms River	12,650	4,908	3,862	13,696
MATES	25,746	38,566	50,151	14,161
NLC	29,753	58,761	56,284	32,230
Adult Education	356			356
Miscellaneous	6,573	32	85	6,520
Total All Schools	<u>\$87,849</u>	<u>121,877</u>	<u>130,690</u>	<u>79,036</u>

EXHIBIT H-4

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
PAYROLL AGENCY FUND AND PAYROLL FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ASSETS	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
Cash & Cash Equivalents	\$91,646	16,997,442	16,960,844	128,244
Total Assets	<u>\$91,646</u>	<u>16,997,442</u>	<u>16,960,844</u>	<u>128,244</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$91,646	16,997,442	16,960,844	128,244
Total Liabilities	<u>\$91,646</u>	<u>16,997,442</u>	<u>16,960,844</u>	<u>128,244</u>

EXHIBIT H-5

**PELL GRANT AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ASSETS	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
Cash & Cash Equivalents	\$ -	1,278,709	1,278,709	\$ -
Total Assets	<u>\$ -</u>	<u>1,278,709</u>	<u>1,278,709</u>	<u>\$ -</u>
LIABILITIES				
Due to Recipients	\$ -	1,278,709	1,278,709	\$ -
Total Liabilities	<u>\$ -</u>	<u>1,278,709</u>	<u>1,278,709</u>	<u>\$ -</u>



I. Long-Term Debt

Not Applicable



STATISTICAL SECTION (Unaudited)

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:										
Invested in Capital Assets,										
Net of, Related Debt	\$22,274,579	22,980,492	23,975,694	23,848,359	24,072,363	23,498,661	21,527,317	13,038,932	11,629,270	11,588,595
Restricted	1,949,551	1,532,526	1,293,057	1,674,325	1,320,744	2,395,408	4,503,522	12,589,581	11,196,364	3,525,944
Unrestricted	(143,886)	183,599	(297,915)	(237,804)	314,813	87,927	(4,269)	(28,566)	(225,616)	(224,730)
Total Governmental Activities										
Net Assets	<u>\$24,080,244</u>	<u>24,696,617</u>	<u>24,970,836</u>	<u>25,284,880</u>	<u>25,707,920</u>	<u>25,981,996</u>	<u>26,026,570</u>	<u>25,599,947</u>	<u>22,600,018</u>	<u>14,889,809</u>
Business-Type Activities:										
Unrestricted	\$56,817	42,381	30,495	22,721	22,713	21,675	5,899	57,534	7,227	3,711
Total Business-Type Activities										
Net Assets	<u>\$56,817</u>	<u>42,381</u>	<u>30,495</u>	<u>22,721</u>	<u>22,713</u>	<u>21,675</u>	<u>5,899</u>	<u>57,534</u>	<u>7,227</u>	<u>3,711</u>
District-Wide:										
Invested in Capital Assets,										
Net of, Related Debt	\$22,274,579	22,980,492	23,975,694	23,848,359	24,072,363	23,498,661	21,527,317	13,038,932	11,629,270	11,588,595
Restricted	1,949,551	1,532,526	1,293,057	1,674,325	1,320,744	2,395,408	4,503,522	12,589,581	11,196,364	3,525,944
Unrestricted	(87,069)	225,980	(267,420)	(215,083)	337,526	109,602	1,630	28,968	(218,389)	(221,019)
Total District Net Assets	<u>\$24,137,061</u>	<u>24,738,998</u>	<u>25,001,331</u>	<u>25,307,601</u>	<u>25,730,633</u>	<u>26,003,671</u>	<u>26,032,469</u>	<u>25,657,481</u>	<u>22,607,245</u>	<u>14,893,520</u>

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental Activities										
Instruction:										
Regular	(\$2,627,618)	(\$2,590,278)	(2,713,141)	(2,663,650)	(2,381,141)	(2,127,538)	(1,789,546)	(1,503,416)	(1,180,494)	(966,910)
Special Education	(1,375,274)	(1,356,206)	(1,525,494)	(1,472,442)	(1,266,441)	(1,200,688)	(1,169,431)	(1,099,961)	(1,049,691)	(989,167)
Other Special Education	(188,680)	(171,451)	(206,896)	(190,380)	(211,993)	(185,773)	(141,818)	(134,079)	(112,553)	(78,008)
Vocational	(5,447,967)	(5,355,192)	(5,809,188)	(5,091,878)	(4,860,667)	(4,636,374)	(4,523,274)	(4,687,412)	(4,584,970)	(4,086,340)
Support Services:										
School Administrative Services	(1,604,942)	(1,562,722)	(1,989,968)	(1,876,217)	(2,249,726)	(2,262,927)	(2,165,683)	(2,258,608)	(2,201,792)	(2,170,449)
General & Business Administrative Services	(1,516,129)	(1,540,499)	(1,582,146)	(1,505,196)	(1,528,959)	(1,499,679)	(1,284,371)	(1,260,766)	(680,205)	(799,126)
Plant Operations & Maintenance	(3,026,195)	(2,707,701)	(2,736,206)	(2,955,482)	(2,296,575)	(2,062,181)	(1,680,400)	(1,486,979)	(1,751,206)	(1,496,154)
Pupil Transportation	(217,739)	(247,656)	(276,162)	(249,708)	(187,089)	(189,943)	(159,108)	(118,689)	(109,170)	(104,067)
Business & Other Support Services	(7,028,409)	(6,366,957)	(5,843,482)	(5,423,635)	(5,910,327)	(5,649,113)	(4,801,557)	(4,353,296)	(4,467,975)	(3,934,624)
Special Schools	(4,827,816)	(4,640,294)	(4,853,142)	(4,491,531)	(4,533,579)	(4,378,610)	(4,197,593)	(4,095,340)	(3,816,953)	(3,883,287)
Unallocated Depreciation	(1,263,188)	(1,285,148)	(1,241,986)	(1,198,970)	(1,387,452)	(780,397)	(944,399)	(1,084,588)	(900,260)	(899,902)
Total Governmental Activities Expenses	(29,123,957)	(27,824,104)	(28,777,811)	(27,119,089)	(26,813,949)	(24,973,223)	(22,857,180)	(22,083,134)	(20,855,269)	(19,408,034)
Business-Type Activities:										
Food Service	(215,153)	(203,052)	(206,214)	(200,872)	(189,913)	(123,954)	(9,139)	(7,261)	(5,407)	(2,653)
Enterprise Fund	(1,042)	(2,015)			(3,696)	(15,858)	(79,715)	(225,915)	(129,383)	(97,746)
Total Business-Type Activities Expense	(216,195)	(205,067)	(206,214)	(200,872)	(193,609)	(139,812)	(88,854)	(233,176)	(134,790)	(100,399)
Total District Expenses	(\$29,340,152)	(28,029,171)	(28,984,025)	(27,319,961)	(27,007,558)	(25,113,035)	(22,946,034)	(22,316,310)	(20,990,059)	(19,508,433)

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$1,026,990	1,318,420	1,397,276	1,022,482	986,682	919,213	925,498	1,128,169	1,140,721	1,008,386
Total Governmental Activities Program Revenues	1,026,990	1,318,420	1,397,276	1,022,482	986,682	919,213	925,498	1,128,169	1,140,721	1,008,386
Business-Type Activities:										
Charges for Services:										
Food Service	227,405	204,410	213,988	200,880	194,597	125,018	8,960	7,723	5,744	2,607
Enterprise Fund	19,470	12,543			50	30,570	28,259	275,760	129,562	78,418
Total Business Type Activities Program Revenues	246,875	216,953	213,988	200,880	194,647	155,588	37,219	283,483	135,306	81,025
Total District Program Revenues	\$1,273,865	1,535,373	1,611,264	1,223,362	1,181,329	1,074,801	962,717	1,411,652	1,276,027	1,089,411
Net/(Expense)/Revenue:										
Governmental Activities	(\$28,096,967)	(26,505,684)	(27,380,535)	(26,096,607)	(25,827,267)	(24,054,010)	(21,931,682)	(20,954,965)	(19,714,548)	(18,399,648)
Business-Type Activities	30,680	11,886	7,774	8	1,038	15,776	(51,635)	50,307	516	(19,374)
Total District-Wide Net Expense	(\$28,066,287)	(26,493,798)	(27,372,761)	(26,096,599)	(25,826,229)	(24,038,234)	(21,983,317)	(20,904,658)	(19,714,032)	(18,419,022)

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
County Appropriation	\$17,364,646	17,364,646	17,364,646	16,777,436	15,651,381	14,228,528	13,247,618	12,266,313	11,253,498	10,333,488
County Appropriation- Capital Project					18,983			2,848,242	3,740,000	
Unrestricted Grants & Contributions	7,207,560	6,209,785	7,361,438	6,881,334	7,811,845	7,672,270	6,856,761	6,549,907	10,520,822	6,247,466
Tuition	2,263,407	1,951,231	1,657,083	1,316,804	1,196,693	1,094,074	909,035	995,952	875,235	893,338
Miscellaneous Income	628,737	705,803	683,324	697,993	874,289	1,014,564	1,344,891	1,294,480	1,035,202	436,391
Transfers	16,244									
Total Governmental Activities	27,480,594	26,231,465	27,066,491	25,673,567	25,553,191	24,009,436	22,358,305	23,954,894	27,424,757	17,910,683
Business-Type Activities:										
Transfers	(16,244)									
Total Business-Type Activities	(16,244)									
Total District-Wide	\$27,464,350	26,231,465	27,066,491	25,673,567	25,553,191	24,009,436	22,358,305	23,954,894	27,424,757	17,910,683
Change in Net Assets:										
Governmental Activities	(\$616,373)	(274,219)	(314,044)	(423,040)	(274,076)	(44,574)	426,623	2,999,929	7,710,209	(488,965)
Business-Type Activities	14,436	11,886	7,774	8	1,038	15,776	(51,635)	50307	516	(19374)
Total District	(\$601,937)	(262,333)	(306,270)	(423,032)	(273,038)	(28,798)	374,988	3,050,236	7,710,725	(508,339)

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2011	2010	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Reserved	\$2,553,153	2,026,811	743,057	1,674,325	1,416,913	1,340,025	1,653,636	1,292,576	1,179,919	3,525,944
Unreserved	926,567	921,087	1,334,187	847,158	1,024,341	1,027,322	926,917	869,507	709,707	660,063
Total General Fund	\$3,479,720	2,947,898	2,077,244	2,521,483	2,441,254	2,367,347	2,580,553	2,162,083	1,889,626	4,186,007
All Other Governmental Funds										
Reserved	\$ -				343,007	1,149,976	1,582,440			
Unreserved, Reported in:										
Special Revenue Fund					(1,626)	(1,626)	(1,626)	(1,626)	(1,626)	
Capital Projects Fund					5,202		1,398,227	11,390,993	10,103,055	
Total All Other Governmental Funds	\$ -	-	-	-	346,583	1,148,350	2,979,041	11,389,367	10,101,429	-

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
County Appropriation	\$17,364,646	17,364,646	17,364,646	16,777,436	15,670,364	14,228,528	13,247,618	15,114,555	14,993,498	10,333,488
Tuition Charges	2,263,407	1,951,231	1,657,083	1,316,804	1,196,693	1,094,074	909,035	995,952	875,235	893,338
Interest Earnings	3,149	6,060	7,978	41,726	205,283	340,435	315,028	155,761	65,482	82,600
Miscellaneous	625,588	699,743	675,346	656,267	669,006	674,129	1,029,863	699,933	969,720	749,653
State Sources	7,252,074	6,593,729	7,260,420	7,299,959	8,179,000	7,913,031	7,173,839	6,996,691	10,912,513	6,089,727
Federal Sources	982,476	934,476	1,498,294	603,857	619,527	678,452	608,420	606,464	749,030	770,263
Total Revenue	28,491,340	27,549,885	28,463,767	26,696,049	26,539,873	24,928,649	23,283,803	24,569,356	28,565,478	18,919,069
Expenditures										
Instruction:										
Regular Instruction	2,627,618	2,590,278	2,713,141	2,663,650	2,381,141	2,127,538	1,789,546	1,503,416	1,180,494	966,910
Special Education Instruction	1,375,274	1,356,206	1,525,494	1,472,442	1,266,441	1,200,688	1,169,431	1,099,961	1,049,691	989,167
Other Special Instruction	188,680	171,451	206,896	190,380	211,993	185,773	141,818	134,079	112,553	78,008
Vocational Education	5,447,967	5,355,192	5,809,188	5,091,878	4,860,667	4,636,374	4,523,274	4,687,412	4,584,970	4,086,340
Support Services:										
Student & Instruction Related Services	716,255	722,290	774,732	714,968	702,086	724,475	731,683	668,550	630,657	546,817
School Administrative Services	1,604,942	1,562,722	1,989,968	1,876,217	1,961,556	1,936,714	1,768,336	1,844,387	1,840,852	1,749,720
General & Business Administration Services	1,872,405	1,811,286	1,605,576	1,627,972	1,523,444	1,502,387	1,284,371	1,260,766	1,040,430	1,209,052
Plant Operations & Maintenance	2,986,232	2,649,219	2,736,206	2,955,482	2,296,575	2,062,181	1,680,400	1,486,979	1,751,206	1,496,154
Pupil Transportation	217,739	247,656	276,162	249,708	187,089	189,943	159,108	118,689	109,170	104,067
Other Support Services	5,513,596	5,224,209	5,048,180	4,653,209	5,382,008	5,276,122	4,397,315	4,053,918	3,702,519	3,392,135
Special Schools	4,827,816	4,640,294	4,853,142	4,491,531	4,533,579	4,378,610	4,197,593	4,095,340	3,816,953	3,883,287
Capital Outlay	597,238	348,428	1,369,321	974,966	1,961,154	2,751,741	9,432,784	2,009,250	940,935	1,725,601
Total Expenditures	27,975,762	26,679,231	28,908,006	26,962,403	27,267,733	26,972,546	31,275,659	22,962,747	20,760,430	20,227,258
Excess (Deficiency) of Revenues Over/(Under) Expenditures	515,578	870,654	(444,239)	(266,354)	(727,860)	(2,043,897)	(7,991,856)	1,606,609	7,805,048	(1,308,189)
Other Financing Sources/(Uses):										
Transfers In	16,244									
Total Other Financing Sources/(Uses)	16,244									
Net Change in Fund Balances	\$531,822	870,654	(444,239)	(266,354)	(727,860)	(2,043,897)	(7,991,856)	1,606,609	7,805,048	(1,308,189)

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TOTAL
2012	\$3,149	183,624	186,773
2011	6,060	245,610	251,670
2010	7,978	191,553	199,531
2009	41,726	219,714	261,440
2008	205,283	202,268	407,551
2007	340,435	209,255	549,690
2006	315,028	385,761	700,789
2005	141,384	277,955	419,339
2004	65,482	570,069	635,551
2003	82,600	353,791	436,391
Total	<u>\$1,209,125</u>	<u>2,839,600</u>	<u>4,048,725</u>

Source: District records

EXHIBITS 6 THROUGH 13 ARE NOT APPLICABLE

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PER CAPITA	
		PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2012	N/A	N/A	N/A
2011	579,369	N/A	10.0%
2010	* 577,624	40,291	10.1%
2009	573,678	39,331	9.7%
2008	539,662	40,975	6.0%
2007	565,525	39,214	4.5%
2006	561,748	36,773	5.0%
2005	556,525	34,497	4.5%
2004	551,798	33,567	5.1%
2003	545,479	33,029	5.7%
2002	536,601	32,576	4.6%

Source:

* 2010 Census

^a Population information provided by the NJ Dept of Labor and Workforce Development^b Per Capita Provided by the NJ Dept of Labor and Workforce Development^c Unemployment data provided by the NJ Dept of Labor and Workforce Development

EXHIBIT J-15 NOT APPLICABLE

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Vocational	131	131	132	130	120	126	119	118	106	104
Support Services:										
Student & Instruction Related										
Services	22	21	23	23	26	23	25	22	21	20
School Administrative Services	35	34	36	36	36	35	35	32	34	36
General & Business Administrative										
Services	4	4	5	5	5	5	5	5	5	5
Plant Operations & Maintenance	21	22	27	25	28	27	24	27	29	28
Business & Other Support Services	18	17	18	18	16	16	16	16	15	15
Total	231	229	241	237	231	232	224	220	210	208

Source: District Personnel Records

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/ TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						SENIOR SCHOOL				
2012	1,748	\$27,378,524	15,663	1.24%	13	13	1,662	1,565	10%	94.16%
2011	1,702	26,330,803	15,471	-2.08%	13	13	1,525	1,428	-5.28%	93.64%
2010	1,743	27,538,685	15,800	-1.57%	13	13	1,604	1,496	6.91%	93.27%
2009	1,619	25,987,436	16,052	-2.13%	14	14	1,507	1,404	4.13%	93.17%
2008	1,543	25,306,579	16,401	6.04%	13	13	1,451	1,356	4.23%	93.45%
2007	1,566	24,220,805	15,467	5.22%	14	14	1,396	1,301	-2.05%	93.19%
2006	1,423	20,917,377	14,699	16.53%	14	14	1,423	1,315	-15.59%	92.41%
2005	1,661	20,953,497	12,614	-18.78%	13	13	1,661	1,528	32.46%	91.96%
2004	1,276	19,819,495	15,531	-4.77%	21	21	1,276	1,186	13.44%	92.96%
2003	1,134	18,501,657	16,310	14.87%	19	19	1,134	1,054	-9.00%	92.95%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
High School:										
Brick Center (1972):										
Square Feet	85,870	85,870	85,870	85,870	85,870	85,870	85,870	85,870	85,870	85,870
Capacity (Students)	894	894	894	894	894	894	894	894	894	894
Enrollment	833	804	807	795	788	766	795	826	970	768
Jackson Center (1974):										
Square Feet	51,300	51,300	51,300	51,300	51,300	51,300	51,300	51,300	51,300	51,300
Capacity (Students)	454	454	454	454	454	454	454	454	454	454
Enrollment	348	358	339	366	281	279	295	327	397	378
Toms River Center (1975):										
Square Feet	56,725	56,725	56,725	56,725	56,725	56,725	56,725	56,725	56,725	56,725
Capacity (Students)	554	554	554	554	554	554	554	554	554	554
Enrollment	599	574	596	526	549	593	452	422	517	432
Waretown (1974):										
Square Feet	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Capacity (Students)	260	260	260	260	260	260	260	260	260	260
Enrollment	256	229	278	261	202	230	246	283	370	370
NLC (1994):										
Square Feet	61,506	61,506	61,506	61,506	61,506	61,506	61,506	61,506	61,506	61,506
Capacity (Students)	340	340	340	340	340	340	340	340	340	340
Enrollment	298	293	321	279	275	235	384	444	604	566
MATES (2006):										
Square Feet - 51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598	51,598
Capacity (Students)	250	250	250	250	250	250	250	250	250	250
Enrollment	249	232	220	227	205	183				

Number of Schools at June 30, 2012:
Senior High School = 6
Other = 6

Source: District Facilities Office

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

SCHOOL FACILITIES	PROJECT #	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Brick Center	Required Maintenance	\$178,991	138,190	137,560	174,708	119,474	56,569	49,216	36,341	48,312	55,514
Jackson Center	Required Maintenance	109,836	84,798	84,412	107,207	73,314	19,864	30,194	24,178	15,224	31,607
Toms River Center	Required Maintenance	117,972	91,080	90,665	115,148	78,745	56,159	32,435	22,145	37,110	18,553
Ocean Center (Waretown)	Required Maintenance	48,816	37,688	37,516	47,648	32,584	9,285	13,419	26,914	23,042	6,760
Navy Lakehurst Center	Required Maintenance	107,157	82,730	82,353	104,592	71,526	52,403	20,524	5,392	35,900	42,015
Administration Building	Required Maintenance	11,960	9,234	9,192	11,674	7,983	23,606	3,289	7,459	2,823	4,993
Building 33-NAES	Required Maintenance	10,723	8,278	8,242	10,467	7,158	5,401	2,950	10,427	1,198	2,820
Building 487A-NAES	Required Maintenance						10,505	6,260	9,741	3,872	4,715
Student Services Center	Required Maintenance	6,102	4,711	4,690	5,956	4,073	1,445	1,679	6,916	947	6,872
Wet Lab/Bus Depot	Required Maintenance							448	1,507	132	324
MATES	Required Maintenance	104,950	81,027	80,657	102,438	70,053	38,224				
Total		\$696,507	537,736	535,287	679,838	464,910	273,461	160,414	151,020	168,560	174,173

* 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

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012**

	COVERAGE	DEDUCTIBLE
School Package Policy (1):		
Building & Contents (All Locations)	\$75,325,696	5,000
Limits of Liability per Occurrence		
Boiler & Machinery	100,000,000	5,000
Employee Dishonesty	100,000	1,000
General Automobile Liability	16,000,000	1,000
School Board Legal Liability	16,000,000	
Employers Liability	16,000,000	
Professional Liability	6,000,000	
EDP	3,000,000	
Pollution Liability	2,000,000	10,000
 Workers' Compensation (1)	 2,000,000	
 Compulsory Student Accident Insurance (2)	 5,000,000	
 Volunteer Accident Coverage (3)	 500,000	
 Surety Bonds (4)		
Treasurer	225,000	N/A
Board Secretary	100,000	N/A

- (1) NJSBAIG
(2) National Union Fire Insurance Company of Pittsburgh, PA
(3) QBE Insurance Co.
(4) Hanoover Insurance Company

Source: District records

SINGLE AUDIT SECTION



Certified Public Accountants & Consultants

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Ocean County Vocational-Technical School District
County of Ocean
Toms River, New Jersey 08753

We have audited the financial statements of the Board of Education of the Ocean County Vocational-Technical School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated September 07, 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, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

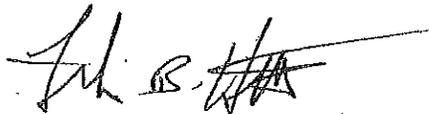
As part of obtaining reasonable assurance about whether the Ocean County Vocational-Technical School District's financial statements are free of material misstatement, we performed tests of its compliance

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

This report is intended solely for the information of the audit committee, management, the Ocean County Vocational-Technical School District, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "F. B. Holman, III", with a long horizontal line extending to the right.

Frank B. Holman, III
Certified Public Accountant
Public School Accountant
No. 783

Toms River, New Jersey
September 07, 2012



Certified Public Accountants & Consultants

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Ocean County Vocational-Technical School District
County of Ocean
Toms River, New Jersey 08753

Compliance

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

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

In our opinion, the Ocean County Vocational-Technical School District, County of Ocean, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2012. The results of our auditing

procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

Internal Control Over Compliance

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the 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 be material weaknesses, as defined above.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Frank B. Holman, III
Certified Public Accountant
Public School Accountant
No. 783

Toms River, New Jersey
September 07, 2012

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES	DEFERRED REVENUE/ (ACCOUNTS RECEIVABLE) AT JUNE 30, 2012	DUE TO GRANTOR AT JUNE 30, 2012
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:								
National School Lunch Program	10.555	\$5,145	7/1/11-6/30/12		5,004	(5,145)	(141)	
Total U.S. Department of Agriculture					5,004	(5,145)	(141)	
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:								
General Fund:								
Education Jobs Fund	84.410	210,375	7/1/11-6/30/12		189,064	(210,375)	(21,311)	
Total General Fund					189,064	(210,375)	(21,311)	
Special Revenue Fund:								
No Child Left Behind:								
Title I	84.010A	185,882	9/1/10-8/31/11	(\$58,753)	58,753			
Title I	84.010A	161,382	9/1/11-8/31/12		161,382	(161,382)		
Title II-A	84.367	29,042	9/1/10-8/31/11	(840)	840			
Title II-A	84.367	18,861	9/1/11-8/31/12		18,861	(18,861)		
Title II-D	84.318	308	9/1/10-8/31/11	(308)	308			
Vocational Education:								
Perkins Grant - Secondary	84.038	486,976	9/1/10-8/31/11	(139,519)	139,519			
Perkins Grant - Secondary	84.038	372,043	9/1/11-8/31/12		372,043	(372,043)		
Perkins Grant - Secondary Reserve	84.038	83,107	9/1/10-8/31/11	(22,841)	22,841			
Perkins Grant - Secondary Reserve	84.038	59,536	9/1/11-8/31/12		59,486	(59,486)		
IDEA, Part B	84.027	151,739	9/1/10-8/31/11	(38,548)	41,048	(2,500)		
IDEA, Part B	84.027	157,829	9/1/11-8/31/12		157,829	(157,829)		
Total Special Revenue Fund				(260,809)	1,032,910	(772,101)		
Fiduciary Fund:								
Pell Grant	84.063	1,278,709	7/1/11-6/30/12		1,278,709	(1,278,709)		
Total Fiduciary Fund					1,278,709	(1,278,709)		
Total U.S. Department of Education				(260,809)	2,500,683	(2,261,185)	(21,311)	
Total Federal Financial Assistance				(\$260,809)	2,505,687	(2,266,330)	(21,452)	-

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		JUNE 30, 2012		MEMO	
				JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES	DEFERRED REVENUE/ (ACCOUNTS RECEIVABLE)	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:									
General Fund:									
Categorical Special Education Aid	12-495-034-5120-089	\$643,874	7/1/11-6/30/12		643,874	(643,874)		(64,387)	\$643,874
Equalization Aid	12-495-034-5120-078	2,094,077	7/1/11-6/30/12		2,094,077	(2,094,077)		(209,408)	2,094,077
Categorical Security Aid	12-495-034-5120-084	126,787	7/1/11-6/30/12		126,787	(126,787)		(12,679)	126,787
Adjustment Aid	12-495-034-5120-085	2,526,619	7/1/11-6/30/12		2,526,619	(2,526,619)		(249,508)	2,526,619
Anti-Bullying Bill of Rights Act	N/A	2,050	7/1/11-6/30/12		2,050	(2,050)			2,050
On-Behalf TPAF Pension Contribution (Non-Budgeted)	12-495-034-5095-001	1,030,839	7/1/11-6/30/12		1,030,839	(1,030,839)			1,030,839
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	11-495-034-5095-002	761,736	7/1/10-6/30/11	(\$37,313)	37,313				
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	12-495-034-5095-002	773,845	7/1/11-6/30/12		697,633	(773,845)	(76,212)		773,845
Total General Fund				(37,313)	7,159,192	(7,198,091)	(76,212)	(535,982)	7,198,091
Special Revenue Fund:									
Apprentice Coordinator Grant	WDP 01-11-0115	15,220	9/1/10-8/31/11	(5,989)	5,989				
Apprentice Coordinator Grant	WDP 01-12-0115	13,297	9/1/11-8/31/12		7,878	(13,297)	(5,419)		13,297
Perkins Grant - Post Secondary	2011	83,454	7/1/10-6/30/11	(21,613)	21,613				
Perkins Grant - Post Secondary	2012	93,980	7/1/11-6/30/12		93,980	(93,980)			93,980
Total Special Revenue Fund				(27,602)	129,460	(107,277)	(5,419)		107,277
State Department of Agriculture:									
Enterprise Fund:									
National School Lunch Program (State Share)	12-100-010-3350-023	389	7/1/11-6/30/12		379	(389)	(10)		389
Total Enterprise Fund					379	(389)	(10)		389
Total State Financial Assistance				(\$64,915)	7,289,031	(7,305,757)	(81,641)	(535,982)	7,305,757

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012

Note 1. General

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

Note 2. Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements.

Note 3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas 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:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$53,294) for the General Fund and \$0 for the Special Revenue Fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2012

Note 3. Relationship to Basic Financial Statements (continued):

	Federal	State	Total
General Fund	\$ 210,375	7,144,797	\$7,355,172
Special Revenue Fund	772,101	107,277	879,378
Enterprise Fund	5,145	389	5,534
Fiduciary Fund	<u>1,278,709</u>		<u>1,278,709</u>
Total Financial Assistance	<u>\$2,266,330</u>	<u>\$7,252,463</u>	<u>\$9,518,793</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. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

6. Federal and State Loans Outstanding

Ocean County Vocational-Technical School District had no loan balances outstanding at June 30, 2012.

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & 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:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Control deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with 510(A) of Circular A-133?	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.063	Pell Grant
84.038	Federal Perkins Loan
84.410	Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

Section I – Summary of Auditor’s Results (continued)

Financial Statements

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Control deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial statements noted?	None Reported

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Control deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
12-495-034-5120-089	Categorical Special Education Aid
12-495-034-5120-078	Equalization Aid
12-495-034-5120-084	Categorical Security Aid
12-495-034-5120-085	Adjustment Aid
12-495-034-5095-002	Reimbursed TPAF Social Security Contribution

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

No Current Year Findings

**OCEAN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2012**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, USOMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

No Prior Audit Findings