

**HUNTERDON COUNTY VOCATIONAL SCHOOL**  
**BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**HUNTERDON COUNTY VOCATIONAL SCHOOL  
BOARD OF EDUCATION  
FLEMINGTON, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Prepared by**

**HUNTERDON COUNTY VOCATIONAL SCHOOL  
BOARD OF EDUCATION  
DEPARTMENT OF ADMINISTRATION**

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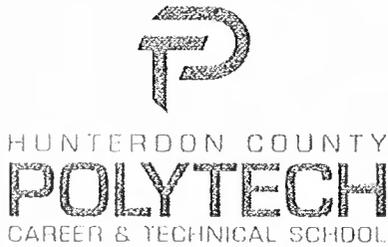
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**INTRODUCTORY SECTION**



**Kim Metz, Ed.D., Superintendent**  
**Susan Joyce, Business Administrator**  
**District Board Office**  
 8 Bartles Corner Road, Ste. 2  
 Flemington, NJ 08822  
 908-788-1119  
 908-806-4839 Fax

December 16, 2013

Honorable President and  
 Members of the Board of Education  
 Hunterdon County Vocational School District  
 8 Bartles Corner Road, Suite 2  
 Flemington, NJ 09822

Dear Board Members:

The comprehensive annual financial report of the Hunterdon County Vocational Board School District for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

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 8 Bartles Corner Rd., Ste. 2  
 Flemington, NJ 08822  
 908-788-1119 x 2008  
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Central Campus  
 10 Junction Rd.  
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 908-284-1444 x 2110  
 908-284-9824 Fax

Adult Education  
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 Flemington, NJ 08822  
 908-788-1119 x 2009  
 908-284-1391 Fax

1. **REPORTING ENTITY AND ITS SERVICES:** The Hunterdon County Vocational School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 14. All funds and account groups of the District are included in this report. The Hunterdon County Vocational Board of Education and all its schools constitute the District's entire reporting entity.

The District provides a full range of educational services appropriate to grade levels 10 through 12.

2. **GRANTS:** During the 2012-13 school year the District was successful in obtaining grants to develop and implement vocational programs and services. Grants included:

YTTW – Youth Transition to Work - \$135,000

The Youth Transitions to Work (YTTW) competitive grant opportunity was offered by the N.J. Department of Labor. As the lead agency, Polytech partnered with Morris County Vocational School to increase the number of graduating high school seniors in a US Department of Labor registered apprenticeship program in the areas of culinary arts and automotive. To register as an apprentice, students must obtain full-time employment for an employer in the field and attend a post-secondary education school for related instruction for a minimum of two years depending on the apprenticeable occupation. This grant program assisted fifteen students in becoming registered apprentices with the US Department of Labor, Bureau of Apprenticeship and Training.

Apprenticeship Coordinator (Hunterdon & Somerset)- \$25,000

A goal of the Apprenticeship Coordinator grants are to fund an apprenticeship coordinator in every county in New Jersey to promote apprenticeship opportunities. The coordinator's role is to promote the establishment of new apprenticeship programs, provide technical assistance to secondary schools, employers, unions and colleges seeking to establish linkages and provide information to Workforce Investment Boards, One-Stop Centers and other governmental agencies, community-based and faith-based organizations. Based on the success of previous years and interest, this year Polytech had the opportunity to be the lead agency for both Hunterdon and Somerset County Apprenticeship Coordinator grants. The county apprenticeship coordinator was successful in carrying out their role and to supervise, approve and coordinate delivery of related instruction, maintain records and participate in apprenticeship related activities and events for both counties.

Perkins Secondary- \$47,860

Perkins Secondary funds are used to enhance and expand secondary CTE programs. This year funds were used to improve the implementation of academics into the animal science and child development programs. Funds were also used to support High Schools That Work and Technology Centers That Work professional development activities and for promotional activities such as the development of video clips, implementation of information sessions and creating a counselor liaison group. A charging and fuel system equipment was also purchased for the automotive programs.

Perkins Post Secondary - \$99,502

Post Secondary Perkins grant funds are used to enhance and expand post-secondary CTE programs. This year grant funds were used for the continuation of building online instruction in order to develop blended learning programs in the areas of electrical, plumbing and water/wastewater. Funds were used to continue the development of a post-secondary veterinary assistant program with RVCC, the local community college, professional development activities to attend national conferences and for obtaining teacher industry recognized certifications. Several pieces of equipment were purchased for the culinary arts and automotive programs as well.

Four-Year Green Program of Study Pilot Program - \$6,000

The Four-Year Green Program of Study Pilot Program was a competitive grant that was offered by the N.J. Department of Education. NJ was one of five states to develop a Green Program of Study. Partnering with US Green Building Council NJ/EIRC and Sustainable Jersey Program, they continue to develop an Exploratory Program in Sustainable Design, Construction and Energy. Funds were used for professional development and implementation during this third year of the grant project.

No Child Left Behind Title II - \$3317

NCLB funds are used for professional development and teacher resources. This year grant funds were dedicated to professional development activities and teacher resources.

Workforce Investment Board - \$81,399

The Greater Raritan Workforce Investment Board had offered a Youth Services grant program. The goal of the program was to improve educational achievement with industry-based recognized credentials, prepare youth for employment, and provide mentoring, guidance and counseling support. The grant funds consisted of three components; a Hunterdon and Somerset Community Outreach Service Programs and a Youth Work Readiness/Subsidized Employment Program. Hunterdon County Polytech took on the role as Hunterdon County's community outreach services. An Outreach Community Specialist was employed to identify youth that were eligible for receiving services and meet a set of criteria. Once identified, the Youth Employment Services (YES) Program assessed the applicant's work readiness and develop an Individualized Services Strategy that included specific career goals and actions to be taken to meet the overall goals of the grant.

**3. INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (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 of periodic evaluation by the District management.

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

**4. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section. Budgetary controls are meant to be complex enough to maintain fiscal integrity and insure compliance, but permit the District to be flexible enough to meet the demands of a dynamic marketplace and changing district and community needs.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2013.

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

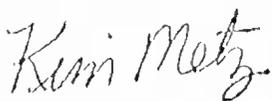
6. **CASH MANAGEMENT:** *The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements" Note 1. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.*

7. **RISK MANAGEMENT:** *The Board carried 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. Refer to the insurance schedule for more information.*

8. **INDEPENDENT AUDIT:** *State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., CPA, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.*

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

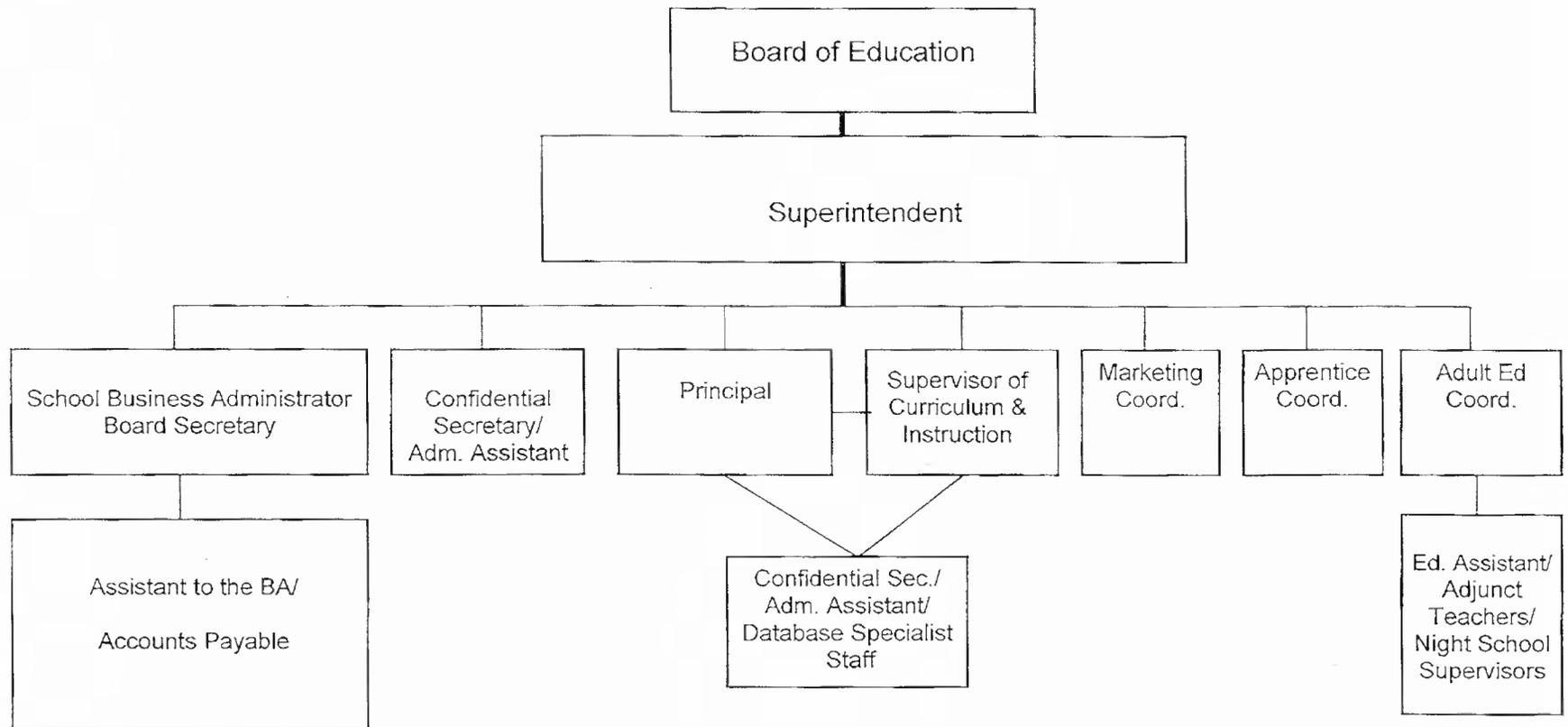
Respectfully submitted,



Dr. Kimberly Metz  
Superintendent



Susan Joyce  
Business Administrator/Board Secretary



**HUNTERDON COUNTY POLYTECH**  
**Organizational Chart — January 2014**

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
FLEMINGTON, NEW JERSEY 08822

ROSTER OF OFFICIALS  
JUNE 30, 2013

Members of the Board of Education

Elizabeth Martin	President	2014
Michael Yates	V. President	2012
Janice Kovach	Member	2013
Laurence Molloy	Member	2013
Gerald Vernotica, Acting County Superintendent	Member	

Other Officials

Dr. Kimberly Metz	Superintendent
Susan Joyce	Business Administrator/Board Secretary
Margaret Pasqua	Treasurer
The Vex Labor & Employment Law Firm	Solicitor
John King	Freeholder Liaison
William Mennan	Freeholder Liaison
Robert Walton	Freeholder Liaison

**HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
FLEMINGTON, NEW JERSEY 08822**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

William M. Colantano, Jr.  
100 Route 31 North  
Washington, NJ 07882-1530

**ATTORNEY**

The Vex Labor & Employment Law Firm  
Waterview Plaza  
2001 Route 46  
Suite 310  
Parsippany, NJ 07054

**OFFICIAL DEPOSITORY**

Investors Bank  
Three Bridges NJ 08887

**FINANCIAL SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

December 16, 2013

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

### **Report on the Financial Statements**

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 Hunterdon County Vocational School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **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 District, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

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

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 04-04 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 04-04 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

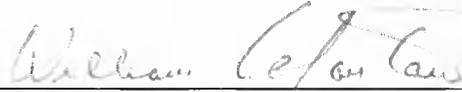
Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 04-04 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

  
William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

**REQUIRED SUPPLEMENTARY INFORMATION-PART I**

Hunterdon County Polytech Career Academy  
Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2013

**UNAUDITED**

The discussion and analysis of Hunterdon County Vocational School District's (DBA Hunterdon County Polytech and referred to in this document as Polytech) provides an overall narrative review to the School District's financial activities for the year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in the district's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the district's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

This discussion and analysis is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

Polytech was created by resolution of the Hunterdon County Board of Chosen Freeholders on May 12, 1992. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education consisting of five members. The Board of Education is responsible, among other things, for developing policy, adopting the budget, supervising committees and hiring the superintendent. The superintendent and business administrator are responsible for carrying out the policies of the Board of Education and overseeing the day-to-day operations of the District. The Board of Education is appointed by the Freeholders. It had been the custom that a representative from each sending school district is appointed, and serves a four-year term.

The 2012-2013 school year saw another decrease in enrollment from the 2011-2012 school year. Many have put continuous efforts on the part of Polytech to reach out to the community and sending districts and to inform the populace of the advantages of attending the county vocational school. As a result we are expecting the 2013-2014 school year enrollment to be the highest in Polytech history.

As a county vocational school, reorganization occurs the first week of November each year. Elizabeth Martin was elected as the incumbent President of the board and Michael Yates was elected Vice President. When Michael Yates' term expired this past year, he was re-appointed by the Freeholders.

The Board and the Hunterdon County Polytech Education Association have reached an agreement to replace a three year contract which expired June 30, 2012. There was no loss of school time or continuity due to labor disputes. There is a one-year agreement July 1, 2012 – June 30, 2012 and also a three-year agreement July 1, 2012 – June 30, 2015.

Kimberly Metz continued her efforts to inform the freeholders and the sending districts of the current status of Polytech and its vision for the future. There were meetings set up throughout the year with representatives from sending districts and with the freeholders to discuss the various objectives and encourage participation and dialogue among the parties involved.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2013 are as follows:

- General Revenues accounted for \$2,795,085 in revenue, or 51.61% of all revenues. Program specific revenues in the form of charges for services, (including tuition) and operating grants accounted for \$2,619,714 or 48.39% of total revenues of \$ 5,414,799.
- The school district has \$5,159,844 in expenses; only \$2,629,714 of these expenses was offset by program specific charges for services (including tuition), grants or contributions, with the remainder, primarily property taxes, supporting the programs.
- Among Governmental Funds, the General Fund had \$4,830,147 in revenues and \$4,329,344 in expenditures. The General Fund's balance increased by \$500,803 from the previous year.

### **Using this Comprehensive Annual Financial Report (C.A.F.R.)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can view the Polytech School District in the context of a financial whole, an entire operating entity.

The financial statements then proceed to provide an increasingly detailed look at specific financial entities. These financial statements are comprised of three elements: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Reporting the School District as a Whole**

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Polytech School District the General Fund is by far the most significant fund.

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks: 'How did we do financially during 2013?' The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in position. This change in net position is important because it tells the reader whether the financial position of the School District has or has not improved. Changes in the District's financial position may be the result of many factors, including the School District's property tax base, current laws in New Jersey restricting revenue growth, facility status, required educational programs and other factors.

The Statement of Net Position and Activities is separated into two distinct kinds of activities.

- Governmental Activities - All of the School Districts programs and services are reported here including, but not limited to, instruction, support services, facilities rents and related charges, and extracurricular activities.
- Business-Type Activities - This service is provided on a charge for goods or services basis, to recover all the expenses of the goods or services provided. The Special services enterprise fund is reported as a business activity.

## Reporting the School District's Most Significant Funds

### Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include the General Fund, and Special Revenue Fund.

#### Governmental Funds

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

#### Enterprise Fund

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

## The School District as a Whole

### Net Position

**Table I** provides a summary of the School Districts net position at June 30, 2013 with comparisons to June 30, 2012.

**Table 1**  
**Net Position**  
**For the Fiscal Year Ending June 30, 2013**

	6/30/13	6/30/12	Variance	
			Dollars	Percent
<b>Assets</b>				
Current & Other Assets	\$3,562,426	\$3,350,569	\$211,857	6.32%
Capital Assets	10,599,330	10,827,852	(228,522)	-2.11%
<b>Total Assets</b>	<b>14,161,756</b>	<b>14,178,421</b>	<b>(16,665)</b>	<b>-0.12%</b>
<b>Liabilities</b>				
Long Term Liabilities	330,345	327,508	2,837	0.87%
Other Liabilities	299,933	574,391	(274,458)	-47.78%
<b>Total Liabilities</b>	<b>630,278</b>	<b>901,899</b>	<b>(271,621)</b>	<b>-30.12%</b>
<b>Net Position</b>				
Net Investment in Capital Assets	10,599,330	10,827,852	(228,522)	-2.11%
Restricted	1,303,829	901,225	402,604	44.67%
Unrestricted	1,628,318	1,547,445	80,873	5.23%
	<b>\$13,531,477</b>	<b>\$13,276,522</b>	<b>\$254,955</b>	<b>1.92%</b>

### Memo

Current Assets and Unrestricted Net Position have increased. There was an increase in depreciation expense. There are outstanding receivables in grant funds for the audited year.

**Table 2** provides a summary of the District's changes in net position in fiscal year 2013 with comparisons to 2012.

**Table 2**  
**Changes in Net Position**

1,448,174	1,448,174	\$0	0.00%
1,238,248	1,196,567	\$41,681	3.48%
108,663	24,429	\$84,234	344.81%
<u>5,414,799</u>	<u>5,458,183</u>	<u>-43,384</u>	<u>-0.79%</u>
2,082,488	2,321,325	(238,837)	-10.29%
39,418	40,021	(603)	-1.51%
673,562	591,881	81,681	13.80%
637,242	575,863	61,379	10.66%
300,474	301,017	(543)	-0.18%
660,480	672,771	(12,291)	-1.83%
16,462	19,047	(2,585)	-13.57%
37,934	27,640	10,294	37.24%
477,368	471,636	5,732	1.22%
234,416	230,932	3,484	1.51%
<u>5,159,844</u>	<u>5,252,133</u>	<u>(92,289)</u>	<u>-1.76%</u>
<u>\$254,955</u>	<u>\$206,050</u>	<u>\$48,905</u>	<u>23.73%</u>

### Governmental Activities

County taxes made up 27.87% of revenues for Governmental Funds for fiscal year 2013. The district's total revenues for Governmental Funds were \$5,194,872 for the fiscal year ended June 30, 2013. Tuition revenue in a total amount of \$2,031,562 accounted for 39.11% of total revenues. The remaining revenues for Governmental Funds were from interest on investments, state aid, federal grants, and miscellaneous income.

### Business- Type Activities for Fiscal Year 2013

#### Special services

- Special services programs had Operating Revenues of \$219,927 and Operating Expenses of \$234,416, a difference of \$14,489.

### Governmental Activities

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

**Table 3**  
**Cost of Governmental Services**  
**For the Fiscal Year Ending June 30, 2013**

	6/30/13	6/30/12	6/30/13	6/30/12
Instruction	\$2,121,906	\$2,361,346	\$401,336	\$325,639
Support Services:				
Student & Instructional Staff	673,562	591,881	429,565	391,305
General & Business Administration	637,242	575,863	637,242	575,863
School Administration	300,474	301,017	300,474	301,017
Plant Operations & Maintenance	660,480	672,771	656,980	672,771
Pupil Transportation	16,462	19,047	16,462	19,047
Interest and Other Debt Charges	37,934	27,640	37,934	27,640
Adult Vocational	477,368	471,636	45,648	180,677
Special Services	234,416	230,932	14,489	(30,839)
	✓ \$5,159,844 ✓	\$5,252,133	\$2,540,130 ✓	\$2,463,120

- Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student including extracurricular activities.
- Pupils and instructional services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- General administration, school administration and business include expenses associated with administrative and financial supervision of the District.
- Maintenance and operation of facilities activities involve the rental of the facilities, cost of utilities, and maintaining equipment in effective working condition.
- Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.
- Pupil transportation includes activities involved with the conveyance of students to and from school activities and field trips.

### The District's Revenues

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. Revenues came primarily from four sources: tax levy, tuition, state aid, and federal and state grants. The major source of operating revenue, about 71.11% continues to be from local sources including tax levy, outside tuition, and miscellaneous revenues. State aid and federal aid represents about 28.89% of the total revenues.

The following schedule represents a summary of the revenues of the General and Special Revenue Funds for the fiscal year ended June 30, 2013.

Revenue	Amount	Percent <u>of Total</u>
Local Sources	\$3,693,962	71.11%
State Sources	1,458,565	28.08%
Federal Sources	<u>42,345</u>	0.81%
Total	\$5,194,872	100.00%

### The District's Expenditures

The following schedule represents a summary of General Fund and Special Revenue Fund, expenditures for the fiscal year ended June 30, 2013.

Expenditures	Amount	<u>Percent of Total</u>
Current:		
Instruction	\$1,423,839	30.33%
Undistributed Expenditures	2,690,980	57.33%
Capital Outlay	125,035	2.66%
Interest and Other Charges	37,934	0.81%
Adult Vocational	416,281	8.87%
	<hr/>	
Total	\$4,694,069	100.00%

### General Fund Budgeting Highlights

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

During the course of the fiscal year 2013, the School District amended its General Fund budget as needed to reflect the following:

- Successful recruitment efforts to accept out-of-county students and to increase enrollment in introductory classes, brought in unanticipated tuition revenues. As a result, tuition revenues exceeded budgeted revenues by approximately \$298,977. Overall revenues exceeded budgeted amounts by \$408,140.

The fiscal crisis that enveloped the nation has had a major impact on state funding. For the past several years the state has pushed the final state aid payment to the following fiscal year. This year the last two state aid payments were made in the following fiscal year. These last two payments are represented as a receivable on the books.

- Continued flat-funding by Hunterdon County and decreasing enrollments will make it more challenging to present a balanced budget without making program or staffing changes.

## Capital Assets

**Table 4** provides a summary of the School District's capital assets net of depreciation at 6/30/13 with a comparison to 6/30/12.

**Table 4**  
**Capital Assets at Year End**  
**(Net of Depreciation)**

	06/30/13	05/30/12	<u>Dollars</u>	<u>Percent</u>
Land	\$1,129,865	\$1,129,855		
Land Improvements	90,388	99,427	(\$9,039)	-9.09%
Building & Improvements	8,898,726	9,132,386	(233,660)	-2.56%
Machinery & Equipment	449,663	431,946	17,717	4.10%
Vehicles	30,698	34,238	(3,540)	-10.34%
Total	<u>\$10,599,340</u>	<u>\$10,827,852</u>	(\$228,512)	-2.11%

## For the Future

Space is still the dominant problem facing Polytech. Initiating new and emerging programs to meet the need of a changing economy present a tremendous challenge in terms of space and revenue. For the past five years, and again for the 2012-2013 school year, Polytech has kept the local tax levy flat. Additional space, programs, and personnel will require increased revenue in the coming years. A decision to move forward or to remain status quo is now reaching the critical point.

As the Freeholder board changes so does the perceived role of Hunterdon County Polytech change. Each new Freeholder board presents different challenges. There will be significant changes to the Freeholder board in 2013. Polytech board members and administration continue to move ahead for the betterment of vocational education in the county.

Polytech continues to stay abreast of all relevant technological changes occurring in the work place. Our goal is to keep our students current with these advances. Our students will be able to enter the workforce and/or continue their education with every advantage afforded by a first rate technological school.

**Contacting the School District**

This financial report is designed to provide our citizens, and taxpayers, with a general overview of the School District's finances and to show the School Districts accountability for the money it receives. If you have questions about this report or need additional information contact the Office of the School Business Administrator, Hunterdon County Polytech, 8 Bartles Corner Road - Suite 2, Flemington, New Jersey 08822.

## BASIC FINANCIAL STATEMENTS

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	Govern- mental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 1,455,180	\$ 438,510	\$ 1,893,690
Receivables-Net	233,275	21,631	254,906
Other Assets	10,000		10,000
Restricted Assets:			
Cash & Cash Equivalents	1,403,829		1,403,829
Capital Assets, Net (Note 3)			
Land	1,129,855		1,129,855
Other Capital Assets, Net of Depreciation	9,469,475		9,469,475
Total Assets	<u>13,701,614</u>	<u>460,141</u>	<u>14,161,755</u>
<b>LIABILITIES</b>			
Accounts Payable	143,012	20,922	163,934
Unearned Revenue	135,999		135,999
Compensated Absences Payable	330,345		330,345
Total Liabilities	<u>609,356</u>	<u>20,922</u>	<u>630,278</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	10,599,330		10,599,330
Restricted For:			
Capital Reserve	1,403,729		1,403,729
Maintenance Reserve	100		100
Unrestricted	<u>1,089,099</u>	<u>439,219</u>	<u>1,528,318</u>
<b>TOTAL NET POSITION</b>	<u>\$ 13,092,258</u>	<u>\$ 439,219</u>	<u>\$ 13,531,477</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Types Activities	Total
Government Activities:								
Instruction:								
Regular Vocational Instruction	\$ 1,399,858	\$ 682,630	\$ 1,599,842	\$ 120,728		\$ (361,918)		\$ (361,918)
Other Instruction	23,981	15,437				(39,418)		(39,418)
Support Services:								
Students & Instruction Related Services	521,564	151,998		243,997		(429,565)		(429,565)
General & Business Administrative Services	467,149	170,093				(637,242)		(637,242)
School Administrative Services	206,338	94,136				(300,474)		(300,474)
Plant Operations & Maintenance	609,790	50,690	3,500			(656,980)		(656,980)
Pupil Transportation	12,188	4,274				(16,462)		(16,462)
Interest and Other Debt Charges	37,934					(37,934)		(37,934)
Special Schools	416,281	61,087	431,720			(45,648)		(45,648)
Total Government Activities	3,695,083	1,230,345	2,035,062	364,725	\$ -	(2,525,641)	\$ -	(2,525,641)
Business-Type Activities:								
Special Services	234,416		219,927				(14,489)	(14,489)
Total Business-Type Activities	234,416	-	219,927	-	-	-	(14,489)	(14,489)
Total Primary Government	\$ 3,929,499	\$ 1,230,345	\$ 2,254,989	\$ 364,725	\$ -	(2,525,641)	(14,489)	(2,540,130)
			General Revenues					
			County Taxes Levied for General Purposes			1,448,174		1,448,174
			Federal & State Aid not Restricted			1,238,248		1,238,248
			Investment Earnings			11,310		11,310
			Miscellaneous Income			97,353		97,353
			Total General Revenues, & Special Items			2,795,085	-	2,795,085
			Change in Net Position			269,444	(14,489)	254,955
			Net Position-Beginning			12,822,814	453,708	13,276,522
			Net Position-Ending			\$ 13,092,258	\$ 439,219	\$ 13,531,477

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

## **FUND FINANCIAL STATEMENTS**

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Govern- mental Funds
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 1,455,180			\$ 1,455,180
Receivables from Other Governments:				
State	9,957	\$ 137,849		147,806
Federal		3,317		3,317
Other	70,256	5,151		75,407
Other Receivables	495	6,250		6,745
Due from Other Funds	31,138			31,138
Security Deposit	10,000			10,000
Restricted Cash & Equivalents	1,403,829			1,403,829
<b>TOTAL ASSETS</b>	<b>\$ 2,980,855</b>	<b>\$ 152,567</b>	<b>\$ -</b>	<b>\$ 3,133,422</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 134,268	\$ 8,744		\$ 143,012
Due to Other Funds		31,138		31,138
Unearned Revenue	23,314	112,685		135,999
<b>Total Liabilities</b>	<b>157,582</b>	<b>152,567</b>	<b>\$ -</b>	<b>310,149</b>
<b>Fund Balances:</b>				
<b>Restricted Fund Balance:</b>				
<b>Excess Surplus:</b>				
Prior Year	527,837			527,837
Current Year	489,735			489,735
<b>Committed Fund Balance:</b>				
Capital Reserve Account	1,403,729			1,403,729
Maintenance Reserve Account	100			100
<b>Assigned Fund Balance:</b>				
Year-End Encumbrances	132,220			132,220
Designated for Subsequent Year's Expenditures	108,515			108,515
Unassigned Fund Balance	161,137			161,137
<b>Total Fund Balances</b>	<b>2,823,273</b>	<b>-</b>	<b>-</b>	<b>2,823,273</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,980,855</b>	<b>\$ 152,567</b>	<b>\$ -</b>	

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  
& therefore are not reported in the funds. The cost of the assets is  
and the accumulated depreciation is

\$ 13,412,707  
2,813,377

10,599,330

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

(330,345)

Net Assets of Governmental Activities

\$ 13,092,258

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Govern- mental Funds
<b>REVENUES</b>				
Local Sources:				
County Tax Levy	\$ 1,448,174			\$ 1,448,174
Tuition Charges-Other LEA's	1,599,842			1,599,842
Tuition Charges-Other	431,720			431,720
Interest Earned on Capital Reserve Funds	2,604			2,604
Interest on Investments	8,706			8,706
Miscellaneous	100,853	\$ 102,063		202,916
Total	3,591,899	102,063	\$ -	3,693,962
State Sources	1,238,248	220,317		1,458,565
Federal Sources		42,345		42,345
Total Revenues	4,830,147	364,725	-	5,194,872
<b>EXPENDITURES</b>				
Current:				
Instructional:				
Vocational Instruction	1,326,025	73,833		1,399,858
Other Instruction	23,981			23,981
Support Service & Undistributed Costs:				
Student & Instruction Related Services	286,526	235,038		521,564
General & Business Admin Services	467,149			467,149
School Administrative Services	206,338			206,338
Plant Operations & Maintenance	609,790			609,790
Pupil Transportation	12,188			12,188
Unallocated Benefits	836,332	12,619		848,951
Capital Outlay	81,800	43,235		125,035
Debt Service:				
Interest and Other Charges	37,934			37,934
Special Schools	416,281			416,281
Total Expenditures	4,304,344	364,725	-	4,669,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	525,803	-	-	525,803
Other Financing Sources (Uses):				
Operating Transfer In (Out)- Unemployment Compensation Fund	(25,000)	-	-	(25,000)
Net Change in Fund Balance	500,803	-	-	500,803
Fund Balances, July 1	2,322,470	-	-	2,322,470
Fund Balances, June 30	\$ 2,823,273	\$ -	\$ -	\$ 2,823,273

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Total Net Changes in Fund Balances-Governmental Fund (from B-2) \$ 500,803

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 expenses. This is the amount by which  
 depreciation exceeds capital outlays in the period:

Capital Outlays	\$ 125,035	
Depreciation Expense	<u>(353,557)</u>	(228,522)

In the statement of activities, compensated absences & early retirement  
 benefits 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.

(2,837)

Change in Net Position of Governmental Activities \$ 269,444

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
STATEMENT OF FUND NET POSITION  
ENTERPRISE FUND  
JUNE 30, 2013

	<u>Special Services</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 438,510
Accounts Receivable	21,631
Total Assets	<u>460,141</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	<u>20,922</u>
Total Liabilities	<u>20,922</u>
NET POSITION	
Unrestricted	<u>439,219</u>
TOTAL NET POSITION	<u>\$ 439,219</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Special Services</u>
Operating Revenues:	
Charges for Services:	
Program Fees	\$ 219,927
Total Operating Revenues	<u>219,927</u>
Operating Expenses:	
Salaries	218,122
Employee Benefits	12,374
Supplies and Materials	3,920
Total Operating Expenses	<u>234,416</u>
Change in Net Position	(14,489)
Net Position, Beginning	<u>453,708</u>
Net Position, Ending	<u>\$ 439,219</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Special Services</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 215,057
Payments to Vendors (Net)	(213,494)
Net Cash Provided by (Used For) Operating Activities	<u>1,563</u>
Cash and Cash Equivalents, July 1, 2012	<u>436,947</u>
Cash and Cash Equivalents, June 30, 2013	<u><u>\$ 438,510</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (14,489)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used) for Operating Activities:	
(Increase) Decrease in Accounts Receivable	(4,870)
Increase (Decrease) in Accounts Payable	<u>20,922</u>
Net Cash Provided by (Used For) Operating Activities	<u><u>\$ 1,563</u></u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY FUND NET POSITION  
JUNE 30, 2013

	Unemployment Compensation Fund	Awards Trust Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 71,638	\$ 23,118	\$ 169,320	\$ 23,130	\$ 287,206
Total Assets	71,638	23,118	169,320	23,130	287,206
<b>LIABILITIES</b>					
Accounts Payable	396				396
Payroll Deductions & Withholdings Due to Student Groups			169,320	23,130	192,450
Total Liabilities	396	-	169,320	23,130	192,846
<b>NET POSITION</b>					
Held in Trust for Unemployment Claims & Other Purposes	71,242	23,118	-	-	94,360
<b>TOTAL NET POSITION</b>	<b>\$ 71,242</b>	<b>\$ 23,118</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 94,360</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Fund	Awards Trust Fund	Total
ADDITIONS			
Contributions:			
Employee Withholdings	\$ 4,320		\$ 4,320
Other	5,149	\$ 1,354	6,503
Operating Transfer In	25,000		25,000
Investment Earnings-Interest	290	85	375
Total Additions	<u>34,759</u>	<u>1,439</u>	<u>36,198</u>
DEDUCTIONS			
Awards Paid		1,704	1,704
Unemployment Claims	39,850		39,850
Total Deductions	<u>39,850</u>	<u>1,704</u>	<u>41,554</u>
Change in Net Position	(5,091)	(265)	(5,356)
Net Position, Beginning of the Year	<u>76,333</u>	<u>23,383</u>	<u>99,716</u>
Net Position, End of the Year	<u>\$ 71,242</u>	<u>\$ 23,118</u>	<u>\$ 94,360</u>

**NOTES TO FINANCIAL STATEMENTS**

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Basic Financial Statements Include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

### A. Reporting Entity

The District is a component unit of the County of Hunterdon, established to function as an educational institution to provide vocational education to the students of Hunterdon County. The Board consists of five appointed officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The District had an approximate enrollment at June 30, 2013 of approximately 411 students.

### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a County is required to remit to its school district the entire tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all County taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the 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 noninstructional equipment which are classified in the Capital Outlay subfund.

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

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

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources 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 in the Special Revenue Fund.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from financing provided by the County of Hunterdon and State grants.

Additionally, the District reports the following fund types:

Proprietary Fund Types

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:

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Proprietary Fund Types (Cont'd)

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered 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 Special Services.

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

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

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other government's and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the "Benefit Reimbursement Method."

Student Activities Agency Fund – This fund is used to account for funds derived from activities of pupil organizations and accumulated for payment of student group activities.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types (Cont'd)

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

Awards Trust – This fund accounts for miscellaneous receipts and remittances for various awards with the District acting as a custodian of the funds.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and to the Board of School Estimate. 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2013 were insignificant.

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

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

E. 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 yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned 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.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

F. Tuition Receivable

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

G. Short-Term Interfund Receivables/Payables

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

H. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

I. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Building Improvements & Portable Classroom	45
Land Improvements	20
Maintenance Equipment	15
Furniture	20
Office Equipment	5-10
Computer Equipment	5-10
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Buses	08
Vehicles	08

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

J. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

K. Unearned Revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

L. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position.

Bonds issued on behalf of the school district are the responsibility of the County of Hunterdon and are reported in the County's financial statements.

M. Fund Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

M. Fund Balances-Governmental Funds (Cont'd)

- Committed—includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned—includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned—includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

N. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

O. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013  
 (Continued)

**NOTE 2. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

NJSA 17:9-41 e.t. 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 saving 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.

Deposits at June 30, 2013 appear in the financial statements as summarized below:

Cash		\$ <u>3,584,725</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 2,859,009
Enterprise Fund, Statement of Net Position	B-4	438,510
Fiduciary Funds, Statement of Net Position	B-7	<u>287,206</u>
Total Cash		\$ <u>3,584,725</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2013 is \$3,584,725 and the bank balance is \$3,602,248. Of the bank balance, \$250,000 is covered by federal depository insurance and \$3,352,248 is insured by GUDPA.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013  
 (Continued)

**NOTE 2. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)**

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
  - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
  - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2013, the district had no investments.

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated				
Land	\$ 1,129,855			\$ 1,129,855
Total	<u>1,129,855</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>1,129,855</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013  
 (Continued)

**NOTE 3. CAPITAL ASSETS** Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets, Being				
Depreciated:				
Building & Improvements	\$ 10,576,847	\$ 3,130		\$ 10,579,977
Land Improvements	180,777			180,777
Furniture & Equipment	1,319,043	121,905		1,440,948
Buses & Other Vehicles	81,150			81,150
Total	<u>12,157,817</u>	<u>125,035</u>	<u>\$ -0-</u>	<u>12,282,852</u>
Accumulated Depreciation:				
Building & Improvements	1,444,461	236,790		1,681,251
Land Improvements	81,350	9,039		90,389
Furniture & Equipment	887,097	104,188		991,285
Buses & Other Vehicles	46,912	3,540		50,452
Total	<u>2,459,820</u>	<u>353,557</u>	<u>-0-</u>	<u>2,813,377</u>
Total Capital Assets, Being Depreciated, Net	<u>9,697,997</u>	<u>(228,522)</u>	<u>-0-</u>	<u>9,469,475</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,827,852</u>	<u>\$ (228,522)</u>	<u>\$ -0-</u>	<u>\$ 10,599,330</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Other Instruction	\$ 2,755
Regular Vocational	160,798
Support Services:	
Student & Instruction	59,911
General & Business Admin	53,660
School Administration	23,701
Plant Maintenance	1,374
Pupil Transportation	3,541
Special Schools	47,817
Total Depreciation Expense, Governmental Activities	<u>\$ 353,557</u>

**NOTE 4. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2013 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Compensated Absences Payable	\$ 327,508	\$ 28,361	\$ 25,524	\$ 330,345	\$ 19,337
Total Governmental Activities Long-Term Liabilities	<u>\$ 327,508</u>	<u>\$ 28,361</u>	<u>\$ 25,524</u>	<u>\$ 330,345</u>	<u>\$ 19,337</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013  
(Continued)

**NOTE 5. PENSION PLANS**

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pension and Benefits. The Teachers' Pension and Annuity Fund retirement system 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 Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

C. Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2010) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp).

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
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 (Continued)

**NOTE 5. PENSION PLANS (Cont'd)**

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "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. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

Three Year Trend Information for TPAF (Paid On-Behalf of the District)

Year Funding	TPAF Retirement Benefit Costs	Percentage of APC Contributed
06/30/13	\$ 216,087	100%
06/30/12	164,622	100%
06/30/11	124,921	100%

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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(Continued)

**NOTE 5. PENSION PLANS (Cont'd)**

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/12	\$ 66,882	100%
06/30/12	50,190	100%
06/30/11	43,304	100%

During the year ended June 30, 2013, the State of New Jersey contributed \$114,673 to the TPAF for post-retirement medical benefits and \$5,069 for the non-contributory insurance premiums and \$96,345 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$97,255 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the general-purpose financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

**NOTE 6. POST-RETIREMENT BENEFITS**

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside 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, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2012, the State paid \$146.6 million toward Ch 126 benefits for 16,618 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

**Plan Description**-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013  
 (Continued)

**NOTE 6. POST-RETIREMENT BENEFITS (Cont'd)**

**Plan Description** (cont'd)

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.nj.gov/treasury/pensions/audit-rpts-2012/shbp-12.pdf](http://www.nj.gov/treasury/pensions/audit-rpts-2012/shbp-12.pdf)

**Funding Policy**-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

**NOTE 7. 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

VALIC  
 Met-Life  
 AXA Equitable

**NOTE 8. INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances as of June 30, 2013 were as follows:

	Receivable	Payable
General Fund	\$ 31,138	
Special Revenue Fund		\$ 31,138
	\$ 31,138	\$ 31,138

The interfund between the General and Special Revenue Funds represent a required loan due to a delay in receipt of grant funds.

**NOTE 9. CONTINGENT LIABILITIES**

In the opinion of management there are no matters pending that will have a material adverse effect on the financial position of the District.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013  
 (Continued)

**NOTE 10. 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, students accident and surety bonds. There was no significant reduction in insurance coverage from coverage in the prior year. The District did not have any insurance settlements, which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

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

Fiscal Year	District Contrib	Interest Earnings	Employee Contrib	Amount Reimbursed	Ending Balance
2011-2012	\$ 25,000	\$ 290	\$ 9,469	\$ 39,850	\$ 71,242
2011-2012	90,000	368	4,538	24,524	76,333
2010-2011	29,749	-0-	5,105	53,803	5,951

**NOTE 11. FUND BALANCES-BUDGETARY BASIS**

As described in Note 1 M-Fund Balance may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2013 and 2012 is as follows:

	2013	2012
Committed:		
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	\$ 1,403,729	\$ 901,125
Maintenance Reserve Account-Represents funds restricted for the required maintenance of a school facility	100	100
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage of expenditures (6% of expenditures). In accordance with State Statute the excess surplus is designated for utilization in succeeding years budgets	489,735	527,837
Excess Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	527,837	437,685
Assigned:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	132,220	165,262

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013  
(Continued)

**NOTE 11. FUND BALANCES-BUDGETARY BASIS (Cont'd)**

	2013	2012
Assigned: (cont'd)		
Designated Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	\$ 108,515	\$ 127,747
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	250,000	250,000
Total Fund Balance	\$ 2,912,136	\$ 2,409,756

**NOTE 12. LEGAL RESERVE ACCOUNTS**

A capital reserve account was established by the District in the year ended June 30, 1999 in the amount of \$157,789 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate 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 NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts.

The following schedule is a summarization of the Legal Reserve Accounts:

Capital Reserve Account

Fiscal Year	Transfers	District Contribution	Interest Earnings	Ending Balance
1998-1999		\$ 157,789	\$ 9,467	\$ 167,256
1999-2000			8,363	175,619
2000-2001			8,781	184,400
2001-2002		7,000	3,730	195,130
2002-2003			3,312	198,442
2003-2004			2,470	200,912
2004-2005			4,057	204,969
2005-2006			7,716	212,685
2006-2007			11,201	223,886
2007-2008		200,000	13,142	437,028
2008-2009	\$ 100,000	100,000	6,866	643,894
2009-2010			2,086	645,980
2010-2011			1,295	647,275
2011-2012		250,000	3,850	901,125
2012-2013		500,000	2,604	1,403,729

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013  
(Continued)

**NOTE 13. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 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 fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$489,735.

**NOTE 14. LEASE PAYABLE**

Effective July 1, 2005 the District entered into a five-year lease for 15,000 square feet of property located in the Bartles Corner Business Park, Raritan Township, NJ. The term of the lease was from July 1, 2004 to June 30, 2011 with an annual rental payment of \$172,500. The lease has been extended for an additional three years with an annual rental of \$189,750 with the right to extend the lease for additional two years. In addition to the annual rent the District is also responsible for a proportionate share of the real estate taxes and common area charges.

**NOTE 15: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

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

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections--2012--an amendment of GASB Statements No. 10 and No. 62". This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

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

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013  
(Continued)

**NOTE 15: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)**

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 16, 2013, is not anticipated to have any effect on the District's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No.70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the District's financial reporting.

**NOTE 16: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through December 16, 2013, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION-PART II**

**BUDGETARY COMPARISON SCHEDULES**

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
County Tax Levy	\$ 1,448,174		\$ 1,448,174	\$ 1,448,174	
Tuition from LEA's	1,521,585		1,521,585	1,599,842	\$ 78,257
Other Tuition	211,000		211,000	431,720	220,720
Interest Earned on Capital Reserve Funds	3,000		3,000	2,604	(396)
Interest Income				8,706	8,706
Miscellaneous				100,853	100,853
<b>Total</b>	<u>3,183,759</u>	<u>\$ -</u>	<u>3,183,759</u>	<u>3,591,899</u>	<u>408,140</u>
State Sources:					
Categorical Special Education Aid	134,025		134,025	134,025	
Equalization Aid	278,170		278,170	278,170	
Categorical Security Aid	17,462		17,462	17,462	
Adjustment Aid	496,826		496,826	496,826	
On-Behalf TPAF Pension Contributions				101,414	101,414
On-Behalf TPAF Post Retirement Medical Benefits				114,673	114,673
Reimbursed TPAF Social Security Contribution				97,255	97,255
<b>Total</b>	<u>926,483</u>	<u>-</u>	<u>926,483</u>	<u>1,239,825</u>	<u>313,342</u>
<b>TOTAL REVENUES</b>	<u>\$ 4,110,242</u>	<u>\$ -</u>	<u>\$ 4,110,242</u>	<u>\$ 4,831,724</u>	<u>\$ 721,482</u>
<b>EXPENDITURES</b>					
Current:					
Regular Vocational Program Instruction:					
Salaries of Teachers	\$ 1,061,075	\$ (37,605)	\$ 1,023,470	\$ 1,020,751	\$ 2,719
Other Salaries for Instruction	33,689		33,689	33,689	
Purchased Professional-Educational Services	14,655	(3,783)	10,872	3,327	7,545
Purchased Technical Services	60,800		60,800	54,034	6,766
Other Purchased Services	67,753	(23,346)	44,407	20,743	23,664
General Supplies	127,607	24,155	151,762	106,158	45,604
Textbooks	33,471	(5,276)	28,195	17,088	11,107
Other Objects	27,671	(4,368)	23,303	6,693	16,610
<b>Total</b>	<u>1,426,721</u>	<u>(50,223)</u>	<u>1,376,498</u>	<u>1,262,483</u>	<u>114,015</u>
Special Vocational Program Instruction:					
Salaries of Teachers	49,000	11,923	60,923	60,387	536
Other Purchased Services	145		145	20	125
General Supplies	3,826	2,631	6,457	2,995	3,462
Textbooks	1,200	(1,200)			
Other Objects	1,125	(985)	140	140	
<b>Total</b>	<u>55,296</u>	<u>12,369</u>	<u>67,665</u>	<u>63,542</u>	<u>4,123</u>
School Sponsored Co-Curricular Activities:					
Salaries	21,394		21,394	19,863	1,531
Purchased Services	2,300	(1,000)	1,300		1,300
Supplies and Materials		1,000	1,000		1,000
Other Objects	7,850		7,850	4,118	3,732
<b>Total</b>	<u>31,544</u>	<u>-</u>	<u>31,544</u>	<u>23,981</u>	<u>7,563</u>
<b>Total Instruction</b>	<u>\$ 1,513,561</u>	<u>\$ (37,854)</u>	<u>\$ 1,475,707</u>	<u>\$ 1,350,006</u>	<u>\$ 125,701</u>
Undistributed Expenditures-					
Attendance and Social Work:					
Salaries	\$ 67,901	\$ 16,266	\$ 84,167	\$ 84,167	
Purchased Professional and Technical Services	5,000	(5,000)			
Other Purchased Services	448		448	142	\$ 306
Supplies and Materials	3,197	(2,460)	737		737
Textbooks		500	500		500
Other Objects	17,500	(8,588)	8,912	8,716	196
<b>Total</b>	<u>94,046</u>	<u>718</u>	<u>94,764</u>	<u>93,025</u>	<u>1,739</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Health Services:					
Salaries	\$ 10,500		\$ 10,500		\$ 10,500
Purchased Professional and Technical Services	29,700		29,700	\$ 29,700	
Other Purchased Services	434	\$ (109)	325	84	241
Supplies and Materials	2,500	2,630	5,130	4,860	270
Other Objects	500	(500)			
Total	43,634	2,021	45,655	34,644	11,011
Guidance:					
Salaries of Other Professional Staff	41,808		41,808		41,808
Purchased Professional-Educational Services	1,825		1,825		1,825
Other Purchased Services	1,046		1,046	333	713
Supplies and Materials	1,750	(971)	779		779
Textbooks		250	250		250
Other Objects	500		500		500
Total	46,929	(721)	46,208	333	45,875
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	80,000	(3,852)	76,148	73,700	2,448
Salaries-Secretarial & Clerical Assistance	16,927	600	17,527	17,056	471
Other Purchased Professional and Technical Services	2,000		2,000	1,509	491
Other Purchased Services	7,845	(2,275)	5,570	1,780	3,790
Supplies and Materials	2,524	(750)	1,774	1,140	634
Other Objects	1,000	1,437	2,437	2,157	280
Total	110,296	(4,840)	105,456	97,342	8,114
Educational Media Service/School Library:					
Purchased Professional and Technical Services	58,300	2,859	61,159	61,156	3
Total	58,300	2,859	61,159	61,156	3
Instructional Staff Training Services:					
Supplies and Materials	500		500	26	474
Other Objects	1,500		1,500		1,500
Total	2,000	-	2,000	26	1,974
Support Services General Administration:					
Salaries	217,258	(26,500)	190,758	186,671	4,087
Legal Services	16,993	36,000	52,993	30,344	22,649
Audit Fees	35,000		35,000	17,500	17,500
Other Purchased Professional Services	12,595	(7,320)	5,275	3,990	1,285
Purchased Technical Services	1,500		1,500	1,171	329
Communications and Telephone	10,100	1,500	11,600	8,448	3,152
Board of Education Other Purchased Services	3,650	(722)	2,928	1,154	1,774
Miscellaneous Purchased Services	25,500	162	25,662	24,430	1,232
General Supplies	16,656	(500)	16,156	14,919	1,237
Board of Education In-House Training/Meeting Supplies	1,000	(500)	500	303	197
Judgement Against District	109,538	8,000	117,538		117,538
Miscellaneous Expenditures	11,550	2,000	13,550	13,382	168
Board of Education Membership Dues & Fees	500		500		500
Total	461,840	12,120	473,960	302,312	171,648
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Dir	115,002		115,002	114,167	835
Salaries of Other Professional Staff	41,000	(2,600)	38,400	32,229	6,171
Salaries of Secretarial and Clerical Assistants	13,219	5,941	19,160	19,160	
Other Salaries	3,000		3,000		3,000
Purchased Professional Technical Services	29,000	(19,725)	9,275	400	8,875
Other Purchased Services	15,565	20,960	36,525	32,071	4,454
Supplies and Materials	9,502	(959)	8,543	6,840	1,703
Other Objects	1,500	455	1,955	1,471	484
Total	227,788	4,072	231,860	206,338	25,522
Central Services:					
Salaries	153,370	(6,800)	146,570	131,697	14,873
Purchased Professional Services	19,000	5,873	24,873	24,873	
Purchased Technical Services	500		500	459	41
Miscellaneous Purchased Services	3,014	1,739	4,753	2,473	2,280
Supplies and Materials	4,242	602	4,844	4,260	584
Miscellaneous Expenditures	1,575		1,575	1,075	500
Total	181,701	1,414	183,115	164,837	18,278

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Required Maintenance for School Facilities:					
Salaries	\$ 25,000		\$ 25,000	\$ 17,694	\$ 7,306
Cleaning, Repair and Maintenance Services	46,224		46,224	21,991	24,233
Total	<u>71,224</u>	\$ -	<u>71,224</u>	<u>39,685</u>	<u>31,539</u>
Custodial Services:					
Salaries	92,596		92,596	81,575	11,021
Cleaning, Repair and Maintenance Services	110,013		110,013	52,801	57,212
Rental of Land & Bldg Othr Than Lease Purch	256,700		256,700	255,013	1,687
Other Purchased Property Services	5,448		5,448	4,654	794
Insurance	10,000	6,020	16,020	12,519	3,501
General Supplies	24,967		24,967	19,101	5,866
Energy (Natural Gas)	73,000		73,000	47,651	25,349
Energy (Electricity)	165,258		165,258	91,905	73,353
Energy (Oil)	5,000		5,000	4,886	114
Total	<u>742,982</u>	<u>6,020</u>	<u>749,002</u>	<u>570,105</u>	<u>178,897</u>
Student Transportation Services:					
Sal for Pupil Trans (Other than Betw Home & Sch)	8,000		8,000	4,101	3,899
Cleaning, Repair and Maintenance	3,000		3,000	1,170	1,830
Contract Svc (Oth than Betw Home & Sch)-Vend	10,618		10,618	6,651	3,967
General Supplies	2,650		2,650	241	2,409
Other Objects	1,000		1,000	25	975
Total	<u>25,268</u>	<u>-</u>	<u>25,268</u>	<u>12,188</u>	<u>13,080</u>
Allocated Employee Benefits:					
Vocational Programs:					
Social Security Contributions	25,325		25,325	18,043	7,282
Other Retirement Contributions-PERS	6,148		6,148	5,576	572
Unemployment Compensation	25,000	(25,000)			
Workmen's Compensation	16,000		16,000	13,962	2,038
Health Benefits	314,500	(2,068)	312,432	260,934	51,498
Tuition Reimbursement	26,000		26,000	577	25,423
Other Employee Benefits	15,674		15,674	14,656	1,018
Total	<u>428,647</u>	<u>(27,068)</u>	<u>401,579</u>	<u>313,748</u>	<u>87,831</u>
Attendance and Social Work Services:					
Social Security Contributions	1,997		1,997	1,845	152
Other Retirement Contributions-PERS	3,627		3,627	3,261	366
Workmen's Compensation	1,250		1,250	1,089	161
Health Benefits	14,500	6,826	21,326	20,985	341
Total	<u>21,374</u>	<u>6,826</u>	<u>28,200</u>	<u>27,180</u>	<u>1,020</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Allocated Employee Benefits: (cont'd)					
Guidance:					
Workmen's Compensation	\$ 550		\$ 550	\$ 480	\$ 70
Total	550	\$ -	550	480	70
Improvement of Instructional Services:					
Social Security Contributions	1,295	1,500	2,795	1,947	848
Other Retirement Contributions-PERS	484		484	435	49
Workmen's Compensation	1,250		1,250	1,090	160
Health Benefits	16,000	(1,500)	14,500	12,432	2,068
Tuition Reimbursement	3,500	3,940	7,440	7,440	
Total	22,529	3,940	26,469	23,344	3,125
Support Services-General Administration:					
Social Security Contributions	6,325	(2,000)	4,325	4,200	125
Other Retirement Contributions-PERS	9,074		9,074	8,160	914
Workmen's Compensation	2,600		2,600	2,269	331
Health Benefits	36,500	(1,640)	34,860	31,915	2,945
Tuition Reimbursement	6,000	(6,000)			
Total	60,499	(9,640)	50,859	46,544	4,315
Support Services-School Administration:					
Social Security Contributions	3,770	(396)	3,374	3,374	
Other Retirement Contributions-PERS	7,615	(500)	7,115	6,847	268
Workmen's Compensation	1,400		1,400	1,222	178
Health Benefits	39,500	(8,330)	31,170	28,587	2,583
Tuition Reimbursement	4,000	(3,645)	355		355
Total	56,285	(12,871)	43,414	40,030	3,384
Support Services-Central Services:					
Social Security Contributions	4,885	3,000	7,885	7,561	324
Other Retirement Contributions-PERS	6,950	6,800	13,750	9,061	4,689
Workmen's Compensation	1,600		1,600	1,396	204
Health Benefits	12,000	(7,091)	4,909	4,900	9
Other Employee Benefits	5,000	(1,123)	3,877		3,877
Total	30,435	1,586	32,021	22,918	9,103
Operation and Maintenance of Plant Services:					
Social Security Contributions	9,800	(2,200)	7,600	7,594	6
Other Retirement Contributions-PERS	13,833	(800)	13,033	12,440	593
Workmen's Compensation	5,000	(280)	4,720	4,363	357
Health Benefits	24,000	280	24,280	23,816	464
Total	52,633	(3,000)	49,633	48,213	1,420
Transportation Services:					
Social Security Contributions	918		918	358	560
Other Retirement Contributions-PERS	1,200		1,200		1,200
Workmen's Compensation	200		200	175	25
Total	2,318	-	2,318	533	1,785
Total Allocated Benefits	675,270	(40,227)	635,043	522,990	112,053
On-Behalf TPAF Pension Contributions				101,414	(101,414)
On-Behalf TPAF Post Retirement Medical Benefits				114,673	(114,673)
Reimbursed TPAF Social Security Contribution				97,255	(97,255)
Total	-	-	-	313,342	(313,342)
Total Undistributed Expenditures	\$ 2,741,278	\$ (16,564)	\$ 2,724,714	\$ 2,418,323	\$ 306,391
TOTAL CURRENT	\$ 4,254,839	\$ (54,418)	\$ 4,200,421	\$ 3,768,329	\$ 432,092

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
Equipment:					
Vocational Programs-Regular	\$ 64,324	\$ 20,943	\$ 85,267	\$ 58,115	\$ 27,152
School Administration	23,685		23,685	23,685	
Special Schools (All Programs)		4,500	4,500		4,500
Total	<u>88,009</u>	<u>25,443</u>	<u>113,452</u>	<u>81,800</u>	<u>31,652</u>
Facilities Acquisition & Construction Services:					
Assessment for Debt Service on SDA Funding	37,934		37,934	37,934	
Total	<u>37,934</u>	<u>-</u>	<u>37,934</u>	<u>37,934</u>	<u>-</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>\$ 125,943</u>	<u>\$ 25,443</u>	<u>\$ 151,386</u>	<u>\$ 119,734</u>	<u>\$ 31,652</u>
<b>SPECIAL SCHOOLS</b>					
Vocational Evening Instruction:					
Salaries of Teachers	\$ 171,225	\$ (2,442)	\$ 168,783	\$ 166,357	\$ 2,426
Purchased Professional and Technical Services	3,600	5,000	8,600	5,774	2,826
Other Purchased Services	500		500	235	265
General Supplies	37,507	17,228	54,735	32,742	21,993
Textbooks	10,000	4,000	14,000	12,397	1,603
Total	<u>222,832</u>	<u>23,786</u>	<u>246,618</u>	<u>217,505</u>	<u>29,113</u>
Vocational Evening-Support Services:					
Salaries	86,200	(6,711)	79,489	76,354	3,135
Employee Benefits	84,923	(7,286)	77,637	72,361	5,276
Purchased Professional and Technical Services	1,000		1,000	570	430
Other Purchased Services	45,700	(3,639)	42,061	38,546	3,515
Supplies and Materials	15,000	(2,000)	13,000	9,866	3,134
Other Objects	1,500	(175)	1,325	1,079	246
Total	<u>234,323</u>	<u>(19,811)</u>	<u>214,512</u>	<u>198,776</u>	<u>15,736</u>
<b>TOTAL SPECIAL SCHOOLS</b>	<u>\$ 457,155</u>	<u>\$ 3,975</u>	<u>\$ 461,130</u>	<u>\$ 416,281</u>	<u>\$ 44,849</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 4,837,937</u>	<u>\$ (25,000)</u>	<u>\$ 4,812,937</u>	<u>\$ 4,304,344</u>	<u>\$ 508,593</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (727,695)	\$ 25,000	\$ (702,695)	\$ 527,380	\$ 1,230,075
Other Financing Sources (Uses):					
Operating Transfer Out-Unemployment Fund	-	(25,000)	(25,000)	(25,000)	-
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(727,695)	-	(727,695)	502,380	1,230,075
Fund Balances, July 1	<u>2,409,756</u>	<u>-</u>	<u>2,409,756</u>	<u>2,409,756</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 1,682,061</u>	<u>\$ -</u>	<u>\$ 1,682,061</u>	<u>\$ 2,912,136</u>	<u>\$ 1,230,075</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	\$ (165,262)		\$ (165,262)	\$ (165,262)	
Increase in Capital Reserve	3,000	\$ 500,000	503,000	502,604	\$ (396)
Budgeted Fund Balance	<u>(565,433)</u>	<u>(500,000)</u>	<u>(1,065,433)</u>	<u>165,038</u>	<u>1,230,471</u>
TOTAL	<u>\$ (727,695)</u>	<u>\$ -</u>	<u>\$ (727,695)</u>	<u>\$ 502,380</u>	<u>\$ 1,230,075</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:					
Excess Surplus:					
Prior Year-Designated for 2013-2014 Budget				\$ 527,837	
Current Year-Designated for 2014-2015 Budget				<u>489,735</u>	
					\$ 1,017,572
Committed Fund Balance:					
Capital Reserve				1,403,729	
Maintenance Reserve				<u>100</u>	
					1,403,829
Assigned Fund Balance:					
Year-End Encumbrances				132,220	
Designated for Subsequent Year's Expenditures				<u>108,515</u>	
					240,735
Unassigned Fund Balance					<u>250,000</u>
					2,912,136
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis					<u>(88,863)</u>
Fund Balance Per Governmental Funds (GAAP)					<u>\$ 2,823,273</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(NOT APPLICABLE TO THIS REPORT)

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 106,399	\$ 1,328	\$ 107,727	\$ 102,459	\$ (5,268)
State Sources	166,000	152,398	318,398	251,443	(66,955)
Federal Sources	150,679	(99,394)	51,285	48,859	(2,426)
TOTAL REVENUES	<u>\$ 423,078</u>	<u>\$ 54,332</u>	<u>\$ 477,410</u>	<u>\$ 402,761</u>	<u>\$ (74,649)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 116,679	\$ (5,819)	\$ 110,860	\$ 82,212	\$ 28,648
General Supplies	13,853	4,600	18,453	13,323	5,130
Totals	<u>130,532</u>	<u>(1,219)</u>	<u>129,313</u>	<u>95,535</u>	<u>33,778</u>
Support Services:					
Salaries	125,470	38,088	163,558	155,348	8,210
Personal Services Employee Benefits	15,512	2,286	17,798	14,664	3,134
Other Purchased Professional Services	37,804		37,804	37,804	
Travel	15,938	6,497	22,435	19,034	3,401
Other Purchased Services	14,901	1,999	16,900	11,123	5,777
Supplies and Materials	39,016	5,999	45,015	24,666	20,349
Other Objects	670	682	1,352	1,352	
Total	<u>249,311</u>	<u>55,551</u>	<u>304,862</u>	<u>263,991</u>	<u>40,871</u>
Capital Outlay:					
Instructional Equipment	43,235	-	43,235	43,235	-
TOTAL EXPENDITURES	<u>\$ 423,078</u>	<u>\$ 54,332</u>	<u>\$ 477,410</u>	<u>\$ 402,761</u>	<u>\$ 74,649</u>

**NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION**

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 4,831,724	\$ 402,761
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances Current Year		(38,036)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	87,286	
State Aid Receivable Current Year	<u>(88,863)</u>	
Total Revenues (GAAP Basis)	<u>\$ 4,830,147</u>	<u>\$ 364,725</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 4,304,344	\$ 402,761
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding Encumbrances Current Year		<u>(38,036)</u>
Total Expenditures (GAAP Basis)	<u>\$ 4,304,344</u>	<u>\$ 364,725</u>

**OTHER SUPPLEMENTAL INFORMATION**

**SCHOOL LEVEL SCHEDULES**

(NOT APPLICABLE TO THIS REPORT)

**SPECIAL REVENUE FUND**

**DETAIL STATEMENTS**

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINED SCHEDULE OF REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Four Year Green Program	Apprenticeship Program	Shared Time Vocational	Perkins Post Secondary	Perkins Secondary	Youth Transitions to Work	NCLB IIA	Local Grants	Totals
<b>REVENUES</b>									
Local Sources								\$ 102,459	\$ 102,459
State Sources	\$ 5,334	\$ 25,000	\$ 4,296	\$ 99,502		\$ 117,311			251,443
Federal Sources					\$ 47,860		\$ 999		48,859
<b>TOTAL REVENUES</b>	<b>\$ 5,334</b>	<b>\$ 25,000</b>	<b>\$ 4,296</b>	<b>\$ 99,502</b>	<b>\$ 47,860</b>	<b>\$ 117,311</b>	<b>\$ 999</b>	<b>\$ 102,459</b>	<b>\$ 402,761</b>
<b>EXPENDITURES</b>									
Instruction:									
Salaries				\$ 3,780		\$ 78,432			\$ 82,212
General Supplies	\$ 341			8,537	\$ 4,345	100			13,323
<b>Totals</b>	<b>341</b>	<b>\$ -</b>	<b>\$ -</b>	<b>12,317</b>	<b>4,345</b>	<b>78,532</b>	<b>\$ -</b>	<b>\$ -</b>	<b>95,535</b>
Support Services:									
Salaries	3,758	21,200		19,599	16,613	13,130		81,048	155,348
Personal Services Employee Benefits	287	1,072		258	1,285	6,206		5,556	14,664
Other Purchased Professional Services				29,800	8,004				37,804
Travel	198	1,508	4,296	1,205	7,129	3,798		900	19,034
Other Purchased Services				1,188	2,384	3,890	103	3,558	11,123
Supplies and Materials		618				11,755	896	11,397	24,666
Other Objects	750	602							1,352
<b>Total</b>	<b>4,993</b>	<b>25,000</b>	<b>4,296</b>	<b>52,050</b>	<b>35,415</b>	<b>38,779</b>	<b>999</b>	<b>102,459</b>	<b>263,991</b>
Capital Outlay:									
Instructional Equipment				35,135	8,100				43,235
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,135</b>	<b>8,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,235</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,334</b>	<b>\$ 25,000</b>	<b>\$ 4,296</b>	<b>\$ 99,502</b>	<b>\$ 47,860</b>	<b>\$ 117,311</b>	<b>\$ 999</b>	<b>\$ 102,459</b>	<b>\$ 402,761</b>

## **CAPITAL PROJECTS FUND**

### **DETAIL STATEMENTS**

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

(NOT APPLICABLE TO THIS REPORT)

**PROPRIETARY FUND**

**DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the district's board is that the costs of providing goods or services be financed through user charges

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
STATEMENT OF FUND NET POSITION  
ENTERPRISE FUND  
JUNE 30, 2013

	<u>Special Services</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 438,510
Accounts Receivable	21,631
Total Assets	<u>460,141</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	<u>20,922</u>
Total Liabilities	<u>20,922</u>
NET POSITION	
Unrestricted	<u>439,219</u>
TOTAL NET POSITION	<u>\$ 439,219</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Special Services</u>
Operating Revenues:	
Charges for Services:	
Program Fees	\$ 219,927
Total Operating Revenues	<u>219,927</u>
Operating Expenses:	
Salaries	218,122
Employee Benefits	12,374
Supplies and Materials	3,920
Total Operating Expenses	<u>234,416</u>
Change in Net Position	(14,489)
Net Position, Beginning	<u>453,708</u>
Net Position, Ending	<u><u>\$ 439,219</u></u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
STATEMENT OF FUND CASH FLOWS  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Special Services</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 215,057
Payments to Vendors (Net)	<u>(213,494)</u>
Net Cash Provided by (Used For) Operating Activities	1,563
Cash and Cash Equivalents, July 1, 2012	<u>436,947</u>
Cash and Cash Equivalents, June 30, 2013	<u>\$ 438,510</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (14,489)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used) for Operating Activities:	
(Increase) Decrease in Accounts Receivable	(4,870)
Increase (Decrease) in Accounts Payable	<u>20,922</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ 1,563</u>

**FIDUCIARY FUND**

**DETAIL STATEMENTS**

Fiduciary Fund are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY FUND NET POSITION  
 JUNE 30, 2013

	Unemployment Compensation Fund	Awards Trust Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 71,638	\$ 23,118	\$ 169,320	\$ 23,130	\$ 287,206
Total Assets	71,638	23,118	169,320	23,130	287,206
<b>LIABILITIES</b>					
Accounts Payable	396				396
Payroll Deductions & Withholdings				23,130	23,130
Due to Student Groups			169,320		169,320
Total Liabilities	396	-	169,320	23,130	192,846
<b>NET POSITION</b>					
Held in Trust for Unemployment Claims & Other Purposes	71,242	23,118	-	-	94,360
<b>TOTAL NET POSITION</b>	<b>\$ 71,242</b>	<b>\$ 23,118</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 94,360</b>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Fund	Awards Trust Fund	Total
ADDITIONS			
Contributions:			
Employee Withholdings	\$ 4,320		\$ 4,320
Other	5,149	\$ 1,354	6,503
Operating Transfer In	25,000		25,000
Investment Earnings-Interest	290	85	375
Total Additions	<u>34,759</u>	<u>1,439</u>	<u>36,198</u>
DEDUCTIONS			
Awards Paid		1,704	1,704
Unemployment Claims	39,850		39,850
Total Deductions	<u>39,850</u>	<u>1,704</u>	<u>41,554</u>
Change in Net Position	(5,091)	(265)	(5,356)
Net Position, Beginning of the Year	<u>76,333</u>	<u>23,383</u>	<u>99,716</u>
Net Position, End of the Year	<u>\$ 71,242</u>	<u>\$ 23,118</u>	<u>\$ 94,360</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 STUDENT ACTIVITY AGENCY FUND  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance 07/01/12	Additions	Deletions	Balance 06/30/13
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 188,915	\$ 109,857	\$ 129,453	\$ 169,320
<b>TOTAL ASSETS</b>	<b>\$ 188,915</b>	<b>\$ 109,857</b>	<b>\$ 129,453</b>	<b>\$ 169,320</b>
<b>LIABILITIES</b>				
Hunterdon Central Campus	\$ 46,328	\$ 27,530	\$ 36,702	\$ 37,156
Bartle's Corner Campus	101,877	60,706	60,335	102,248
Culinary Arts	40,710	20,120	32,416	28,414
Marketing Account		1,502		1,502
<b>TOTAL LIABILITIES</b>	<b>\$ 188,915</b>	<b>\$ 109,857</b>	<b>\$ 129,453</b>	<b>\$ 169,320</b>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance 07/01/12	Additions	Deletions	Balance 06/30/13
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 1,810	\$ 4,103,473	\$ 4,082,153	\$ 23,130
<b>TOTAL ASSETS</b>	<u>\$ 1,810</u>	<u>\$ 4,103,473</u>	<u>\$ 4,082,153</u>	<u>\$ 23,130</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 1,810	\$ 2,570,891	\$ 2,570,888	\$ 1,813
Summer Pay		24,006	3,910	20,096
Flexible Spending		3,854	2,180	1,674
Net Payroll		<u>1,504,722</u>	<u>1,505,175</u>	<u>(453)</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,810</u>	<u>\$ 4,103,473</u>	<u>\$ 4,082,153</u>	<u>\$ 23,130</u>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

(NOT APPLICABLE TO THIS REPORT)

**STATISTICAL SECTION**

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
These Schedules Contain Trend Information to Help the Reader Understand how the District's Financial Performance and Well Being have Changed Over Time.	J-1 to J-5
<b>REVENUE CAPACITY</b>	
This Schedule Contains Trend Information to Help the Reader Assess the District's most Significant Local Revenue Sources, the Property Tax.	J-6
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
This Schedule Offers Demographic and Economic Indicators to Help the Reader Understand the Environment Within Which the District's Financial Activities Take Place.	J-7
<b>OPERATING INFORMATION</b>	
These Schedules Contain Service and Infrastructure Data to Help the Reader Understand how the Information in the District's Financial Report Relates to the Services the District Provides and the Activities it Performs.	J-8 to J-10

Sources: Unless Otherwise noted, the Information in these Schedules is Derived from the Comprehensive Annual Financial Reports (CAFR) for the Relevant Year. The District Implemented GASB Statement 34 in the Fiscal Year Ending June 30, 2003; Schedules Presenting District-Wide Information Include Information Beginning in That Year.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>GOVERNMENT ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 968,269	\$ 5,546,596	\$ 9,766,483	\$ 11,910,784	\$ 11,789,666	\$ 11,575,589	\$ 11,364,335	\$ 11,064,040	\$ 10,827,852	\$ 10,599,330
Restricted	201,012	205,069	212,785	256,907	561,260	672,875	675,039	647,375	901,225	1,403,829
Unrestricted	1,455,153	1,036,078	1,034,149	1,237,659	893,493	682,463	515,299	936,188	1,093,737	1,089,099
<b>TOTAL GOVERNMENTAL ACTIVITIES NET ASSET</b>	<b>\$ 2,624,434</b>	<b>\$ 6,787,743</b>	<b>\$ 11,013,417</b>	<b>\$ 13,405,350</b>	<b>\$ 13,244,419</b>	<b>\$ 12,930,927</b>	<b>\$ 12,554,673</b>	<b>\$ 12,647,603</b>	<b>\$ 12,822,814</b>	<b>\$ 13,092,258</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Unrestricted	\$ 131,972	\$ 151,650	\$ 259,868	\$ 333,752	\$ 419,139	\$ 482,313	\$ 440,945	\$ 422,869	\$ 453,708	\$ 439,219
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 131,972</b>	<b>\$ 151,650</b>	<b>\$ 259,868</b>	<b>\$ 333,752</b>	<b>\$ 419,139</b>	<b>\$ 482,313</b>	<b>\$ 440,945</b>	<b>\$ 422,869</b>	<b>\$ 453,708</b>	<b>\$ 439,219</b>
<b>DISTRICT-WIDE</b>										
Net Investment in Capital Assets	\$ 968,269	\$ 5,546,596	\$ 9,766,483	\$ 11,910,784	\$ 11,789,666	\$ 11,575,589	\$ 11,364,335	\$ 11,064,040	\$ 10,827,852	\$ 10,599,330
Restricted	201,012	205,069	212,785	256,907	561,260	672,875	675,039	647,375	901,225	1,403,829
Unrestricted	1,587,125	1,187,728	1,294,017	1,571,411	1,312,632	1,164,776	956,244	1,359,057	1,547,445	1,528,318
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 2,756,406</b>	<b>\$ 6,939,393</b>	<b>\$ 11,273,285</b>	<b>\$ 13,739,102</b>	<b>\$ 13,663,558</b>	<b>\$ 13,413,240</b>	<b>\$ 12,995,618</b>	<b>\$ 13,070,472</b>	<b>\$ 13,276,522</b>	<b>\$ 13,531,477</b>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental Activities:										
Instruction:										
Regular	\$ 66,282									
Vocational Education	2,004,880	\$ 2,098,880	\$ 2,056,319	\$ 2,416,327	\$ 2,225,999	\$ 2,251,446	\$ 2,218,999	\$ 2,221,863	\$ 2,321,325	\$ 2,082,488
Other Instruction	28,317	21,405	24,213	37,523	36,138	51,363	23,223	25,204	40,021	39,418
Support Services:										
Student & Instruction Related Services	176,790	526,284	556,338	463,269	642,065	809,308	828,593	656,797	591,881	673,562
General & Business Administrative Services	563,958	510,821	521,219	542,377	588,508	653,357	607,792	587,085	575,863	637,242
School Administration	482,375	134,111	132,685	155,777	284,535	185,964	199,553	210,065	301,017	300,474
Plant Operations & Maintenance	916,289	884,432	893,101	700,407	788,016	720,901	753,658	681,217	672,771	660,480
Pupil Transportation	23,765	22,272	25,097	23,649	24,772	29,424	24,533	24,497	19,047	16,462
Interest and Other Debt Charges								47,529	27,640	37,934
Special Schools	410,286	534,145	461,432	658,567	495,097	513,559	460,587	425,601	471,636	477,368
Total Governmental Activities Expenses	<u>4,672,942</u>	<u>4,732,350</u>	<u>4,670,404</u>	<u>4,997,896</u>	<u>5,085,130</u>	<u>5,215,322</u>	<u>5,116,938</u>	<u>4,879,858</u>	<u>5,021,201</u>	<u>4,925,428</u>
Business-Type Activities:										
Special Services	376,870	376,940	347,371	232,076	236,055	253,086	48,608	265,846	230,932	234,416
Child Care	193,873	217,366	200,976							
Total Business-Type Activities	<u>570,743</u>	<u>594,306</u>	<u>548,347</u>	<u>232,076</u>	<u>236,055</u>	<u>253,086</u>	<u>48,608</u>	<u>265,846</u>	<u>230,932</u>	<u>234,416</u>
TOTAL DISTRICT EXPENSES	<u>\$ 5,243,685</u>	<u>\$ 5,326,656</u>	<u>\$ 5,218,751</u>	<u>\$ 5,229,972</u>	<u>\$ 5,321,185</u>	<u>\$ 5,468,408</u>	<u>\$ 5,165,546</u>	<u>\$ 5,145,704</u>	<u>\$ 5,252,133</u>	<u>\$ 5,159,844</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services	\$ 1,670,337	\$ 1,720,577	\$ 1,652,403	\$ 1,791,494	\$ 1,707,986	\$ 1,649,513	\$ 1,817,082	\$ 2,112,051	\$ 2,186,689	\$ 2,035,062
Operating Grants & Contributions	207,178	245,858	216,660	359,475	283,552	506,749	494,030	323,628	340,553	364,725
<b>Total Governmental Activities Program Revenues</b>	<b>1,877,515</b>	<b>1,966,435</b>	<b>1,869,063</b>	<b>2,150,969</b>	<b>1,991,538</b>	<b>2,156,262</b>	<b>2,311,112</b>	<b>2,435,679</b>	<b>2,527,242</b>	<b>2,399,787</b>
Business-Type Activities:										
Charges for Services:										
Special Services	412,234	420,634	424,664	305,475	321,442	316,260	7,240	247,770	261,771	219,927
Child Care	175,169	191,790	188,035							
<b>Total Business-Type Activities Program Revenues</b>	<b>587,403</b>	<b>612,424</b>	<b>612,699</b>	<b>305,475</b>	<b>321,442</b>	<b>316,260</b>	<b>7,240</b>	<b>247,770</b>	<b>261,771</b>	<b>219,927</b>
<b>TOTAL DISTRICT-PROGRAM REVENUES</b>	<b>\$ 2,464,918</b>	<b>\$ 2,578,859</b>	<b>\$ 2,481,762</b>	<b>\$ 2,456,444</b>	<b>\$ 2,312,980</b>	<b>\$ 2,472,522</b>	<b>\$ 2,318,352</b>	<b>\$ 2,683,449</b>	<b>\$ 2,789,013</b>	<b>\$ 2,619,714</b>
<b>NET (EXPENSE) REVENUES</b>										
Governmental Activities	\$ (2,795,427)	\$ (2,765,915)	\$ (2,801,341)	\$ (2,846,927)	\$ (3,093,592)	\$ (3,059,060)	\$ (2,805,826)	\$ (2,444,179)	\$ (2,493,959)	\$ (2,525,641)
Business-Type Activities	16,660	18,118	64,352	73,399	85,387	63,174	(41,368)	(18,076)	30,839	(14,489)
<b>TOTAL DISTRICT-WIDE NET EXPENSES</b>	<b>\$ (2,778,767)</b>	<b>\$ (2,747,797)</b>	<b>\$ (2,736,989)</b>	<b>\$ (2,773,528)</b>	<b>\$ (3,008,205)</b>	<b>\$ (2,995,886)</b>	<b>\$ (2,847,194)</b>	<b>\$ (2,462,255)</b>	<b>\$ (2,463,120)</b>	<b>\$ (2,540,130)</b>
<b>GENERAL REVENUES &amp; OTHER CHANGES IN NET POSITION</b>										
Governmental Activities:										
County Taxes Levied for General Purposes	\$ 3,503,670	\$ 1,177,252	\$ 1,500,000	\$ 1,349,206	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174
Unrestricted Grants & Contributions	1,136,756	1,164,226	1,225,367	1,361,649	1,396,206	1,245,821	950,744	1,076,462	1,196,567	1,238,248
County of Hunterdon Contribution-Financing of Capital Projects		4,519,423	2,016,803					(14,819)		
Capital Grant-Unallocated	28,009	21,920	1,999,690	2,362,338						
Investment Earnings	19,747	41,915	81,924	135,935	78,553	20,417	6,954	2,803	17,472	11,310
Miscellaneous Income	617	4,488	2,281	29,668	9,728	31,156	23,700	24,489	6,957	97,353
Gain (Loss) Sale of Capital Assets			13,901							
Forgiveness of Debt			(42,018)							
Operating Transfers				64						
<b>Total Governmental Activities</b>	<b>4,688,799</b>	<b>6,929,224</b>	<b>6,797,948</b>	<b>5,238,860</b>	<b>2,932,661</b>	<b>2,745,568</b>	<b>2,429,572</b>	<b>2,537,109</b>	<b>2,669,170</b>	<b>2,795,085</b>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)  
 (Continued)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL REVENUES & OTHER CHANGES IN NET POSITION (Cont'd)										
Business-Type Activities:										
Investment Earnings	\$ 732	\$ 1,560	\$ 1,848	\$ 549						
Miscellaneous Income			42,018							
Forgiveness of Debt				(64)						
Operating Transfers										
Total Business-Type Activities	<u>732</u>	<u>1,560</u>	<u>43,866</u>	<u>485</u>	<u>\$ -</u>					
TOTAL DISTRICT-WIDE	<u>\$ 4,689,531</u>	<u>\$ 6,930,784</u>	<u>\$ 6,841,814</u>	<u>\$ 5,239,345</u>	<u>\$ 2,932,661</u>	<u>\$ 2,745,568</u>	<u>\$ 2,429,572</u>	<u>\$ 2,537,109</u>	<u>\$ 2,669,170</u>	<u>\$ 2,795,085</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 1,893,372	\$ 4,163,309	\$ 3,996,607	\$ 2,391,933	\$ (160,931)	\$ (313,492)	\$ (376,254)	\$ 92,930	\$ 175,211	\$ 269,444
Business-Type Activities	<u>17,392</u>	<u>19,678</u>	<u>108,218</u>	<u>73,884</u>	<u>85,387</u>	<u>63,174</u>	<u>(41,368)</u>	<u>(18,076)</u>	<u>30,839</u>	<u>(14,489)</u>
TOTAL DISTRICT	<u>\$ 1,910,764</u>	<u>\$ 4,182,987</u>	<u>\$ 4,104,825</u>	<u>\$ 2,465,817</u>	<u>\$ (75,544)</u>	<u>\$ (250,318)</u>	<u>\$ (417,622)</u>	<u>\$ 74,854</u>	<u>\$ 206,050</u>	<u>\$ 254,955</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Restricted	\$ 132,437	\$ 457,950	\$ 803,153	\$ 770,181	\$ 541,133	\$ 454,099	\$ 450,479	\$ 662,877	\$ 965,522	\$ 1,017,572
Committed	201,012	205,069	212,785	223,986	537,128	643,994	646,080	647,375	901,225	1,403,829
Assigned	1,417,940	763,429	476,352	657,552	475,586	418,133	240,213	379,383	293,009	240,735
Unassigned	248,825	208,398	198,577	200,466	209,848	151,863	146,711	174,075	162,714	161,137
Total General Fund	<u>\$ 2,000,214</u>	<u>\$ 1,634,846</u>	<u>\$ 1,690,867</u>	<u>\$ 1,852,185</u>	<u>\$ 1,763,695</u>	<u>\$ 1,668,089</u>	<u>\$ 1,483,483</u>	<u>\$ 1,863,710</u>	<u>\$ 2,322,470</u>	<u>\$ 2,823,273</u>
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund		\$ 21,931	\$ 31	\$ 32,921	\$ 28,178	\$ 29,061	\$ 28,959			
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ 21,931</u>	<u>\$ 31</u>	<u>\$ 32,921</u>	<u>\$ 28,178</u>	<u>\$ 29,061</u>	<u>\$ 28,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues:</b>										
County Tax Levy	\$ 3,503,670	\$ 1,177,252	\$ 1,500,000	\$ 1,349,206	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174
Tuition Charges	1,670,337	1,720,577	1,652,403	1,791,494	1,707,986	1,649,513	1,817,082	2,112,051	2,186,689	2,031,562
Interest Earnings	19,747	41,915	81,924	135,935	78,553	20,417	6,954	2,803	17,472	11,310
Miscellaneous	809	6,987	16,804	35,527	15,728	46,156	29,700	29,349	8,952	202,916
State Sources	1,157,106	1,190,482	1,249,644	1,383,689	1,447,192	1,286,592	1,003,063	1,198,220	1,421,405	1,458,565
Federal Sources	214,645	217,103	192,178	331,640	226,566	465,978	435,711	197,010	113,720	42,345
<b>Total Revenues</b>	<b>6,566,314</b>	<b>4,354,316</b>	<b>4,692,953</b>	<b>5,027,491</b>	<b>4,924,199</b>	<b>4,916,830</b>	<b>4,740,684</b>	<b>4,987,607</b>	<b>5,196,412</b>	<b>5,194,872</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	46,276									
Vocational Education	1,417,633	1,461,882	1,390,213	1,469,699	1,365,014	1,344,510	1,371,507	1,420,374	1,444,486	1,326,025
Other Instruction	28,107	20,326	22,927	34,886	32,636	44,064	20,963	24,573	36,104	23,981
<b>Support Services:</b>										
Student & Instruction Related Services	48,781	271,248	317,169	208,810	309,144	369,656	358,572	291,255	273,859	286,526
General Administration	321,392	285,458	285,751	266,235	290,320	348,459	302,552	306,637	279,922	302,312
School Administration Services	412,506	106,787	104,158	112,318	198,591	136,062	149,449	152,417	184,756	206,338
Central Services / Business	124,570	105,194	123,199	135,631	150,292	144,255	154,283	144,336	148,640	164,837
Plant Operations & Maintenance	902,932	877,138	875,987	672,265	755,309	686,789	712,615	638,323	625,950	609,790
Pupil Transportation	17,360	15,387	18,507	20,035	22,203	23,926	18,977	17,504	14,470	12,188
Employee Benefits	559,096	535,427	497,518	619,025	607,083	534,013	607,212	619,517	604,741	547,990
On-Behalf TPAF Pension & Soc Sec Contributions	176,091	174,947	234,649	370,931	377,254	267,295	251,384	241,494	271,816	313,342
Special Schools-Vocational Evening	322,841	461,884	411,096	584,714	427,359	451,658	409,053	370,636	406,267	416,281
Capital Outlay	747,178	158,137	88,657	20,582	189,887	143,866	74,795	9,135	78,448	81,800
Capital Projects		4,519,423	4,046,816	2,321,015	8,788	10,251		14,162		
Interest and Other Charges								47,529	27,640	37,934
Special Revenue Funds	234,677	245,858	216,660	359,475	283,552	506,749	494,030	323,628	340,553	364,725
<b>Total Expenditures</b>	<b>5,359,440</b>	<b>9,239,096</b>	<b>8,633,307</b>	<b>7,195,621</b>	<b>5,017,432</b>	<b>5,011,553</b>	<b>4,925,392</b>	<b>4,621,520</b>	<b>4,737,652</b>	<b>4,694,069</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	1,206,874	(4,884,780)	(3,940,354)	(2,168,130)	(93,233)	(94,723)	(184,708)	366,087	458,760	500,803
<b>Other Financing Sources (Uses):</b>										
State Sources-Capital Projects		21,920	1,999,690	2,362,338						
County of Hunterdon-Financing of Capital Projects		4,519,423	2,016,803					(14,819)		
Forgiveness of Debt-Child Care			(42,018)							
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>4,541,343</b>	<b>3,974,475</b>	<b>2,362,338</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,819)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,206,874</b>	<b>\$ (343,437)</b>	<b>\$ 34,121</b>	<b>\$ 194,208</b>	<b>\$ (93,233)</b>	<b>\$ (94,723)</b>	<b>\$ (184,708)</b>	<b>\$ 351,268</b>	<b>\$ 458,760</b>	<b>\$ 500,803</b>
<b>Total non-capital expenditures</b>	<b>\$ 4,612,262</b>	<b>\$ 4,561,536</b>	<b>\$ 4,497,834</b>	<b>\$ 4,854,024</b>	<b>\$ 4,818,757</b>	<b>\$ 4,857,436</b>	<b>\$ 4,850,597</b>	<b>\$ 4,550,694</b>	<b>\$ 4,631,564</b>	<b>\$ 4,574,335</b>

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.  
 Central Service account classifications was added beginning with year end June 30, 2005.  
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Tuition	\$ 1,670,337	\$ 1,720,577	\$ 1,652,403	\$ 1,791,494	\$ 1,707,986	\$ 1,649,513	\$ 1,817,082	\$ 2,112,051	\$ 2,186,689	\$ 2,031,562
Interest Income	19,747	41,904	73,501	116,040	74,508	20,237	6,876	2,781	17,472	11,310
Prior Year Refunds	614	249		2,946	712	18,189	1,941	23,980	6,322	96
Prior Year Refunds-E Rate					4,339	3,070	4,465			6,050
Miscellaneous	1,923	90	28	85					266	
Insurance-Return of Surplus							1,394			
Energy Audit							11,170			
Sale of Surplus Equipment			14,318		2,000	3,500				1,100
Sale of Scrap Metal						1,944				
Fund 20 Adjustment						1,092	281	193		
Accounts Payable Canceled		244	2,253	23,961	2,036	3,361	4,449	91		89,755
Payroll Agency Excess	500									
Old Outstanding Checks Canceled		4,870		2,740	157					352
Close Out Old Payroll Account					484					
Use of Facilities								225		3,500
New Jersey Anti Bullying Aid									369	
Prior Year Differences	(2,420)	(965)								
Annual Totals	<u>\$ 1,690,701</u>	<u>\$ 1,766,969</u>	<u>\$ 1,742,503</u>	<u>\$ 1,937,266</u>	<u>\$ 1,792,222</u>	<u>\$ 1,700,906</u>	<u>\$ 1,847,658</u>	<u>\$ 2,139,321</u>	<u>\$ 2,211,118</u>	<u>\$ 2,143,725</u>

Source: District Records

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 COUNTY OF HUNTERDON  
 LAST TEN FISCAL YEARS

ASSESSMENT YEAR	NET ASSESSED VALUES	ESTIMATED FULL CASH VALUATIONS	PERCENTAGE OF NET ASSESSED TO ESTIMATED FULL CASH VALUATIONS
2004	\$ 15,981,609,220	\$ 18,586,831,045	85.98%
2005	17,298,026,128	20,975,934,572	82.47%
2006	18,480,246,735	23,201,714,812	79.65%
2007	21,326,236,051	25,463,161,653	83.75%
2008	21,503,544,053	25,037,350,092	85.89%
2009	21,247,162,048	24,133,730,532	88.04%
2010	20,942,758,664	23,830,261,322	87.88%
2011	20,609,364,312	22,905,127,300	89.98%
2012	20,189,729,633	21,861,660,765	92.35%
2013	19,761,317,631	21,222,096,541	93.12%

Source: Abstract of Ratables, County Board of Taxation

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 COUNTY OF HUNTERDON  
 LAST TEN FISCAL YEARS

Year	Population ( a )	Personal Income ( b )	Per Capita Personal Income ( c )	Unemployment Rate ( d )
2004	128,170	\$ 7,710,579,030	\$ 60,159	3.2%
2005	128,734	7,708,591,920	59,880	3.0%
2006	129,354	8,367,392,844	64,686	3.3%
2007	129,655	8,866,846,140	68,388	2.9%
2008	129,806	9,056,175,202	69,767	3.8%
2009	130,034	8,551,686,010	65,765	6.8%
2010	128,354	8,606,520,762	67,053	7.0%
2011	128,038	8,669,452,980	67,710	6.9%
2012	127,050	N/A	N/A	7.1%
2013	N/A	N/A	N/A	N/A

Sources:

- ( a ) Population Information Provided by the NJ Dept of Labor and Workforce Development
- ( b ) Personal Income has Been Estimated Based Upon the County Population and Per Capita Personal Income Presented
- ( c ) Per Capita Personal Income by County Estimated Based Upon the 2010 Census Published by the US Bureau of Economic Analysis.
- ( d ) Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	24.4	22.8	21.1	22.8	20.0	23.0	24.0	21.0	17.7	17.0
Support Services:										
Student & Inst Related Services	1.0	1.0	4.3	3.8	4.1	5.2	5.0	2.9	3.6	3.6
General Administration	2.0	2.0	1.8	2.8	1.9	2.0	2.2	2.3	1.8	1.8
School Administration Services	7.6	6.0	1.1	1.1	2.2	1.2	3.0	1.5	1.9	1.9
Central Services / Business	0.6		1.8	1.8	2.2	2.2	2.7	2.1	2.1	2.1
Other Support Staff	2.3	5.3	1.9	3.1	2.0	2.4	2.5	2.1	2.6	2.6
Plant Operations & Maintenance		1.3	1.0	1.2	1.2	1.4	2.4	2.5	2.5	2.5
Pupil Transportation	0.4	0.4	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
<b>Total</b>	<u>38.3</u>	<u>38.8</u>	<u>33.2</u>	<u>36.8</u>	<u>33.8</u>	<u>37.6</u>	<u>41.9</u>	<u>34.5</u>	<u>32.3</u>	<u>31.6</u>

Sources: District Personnel Records

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

Fiscal Year	Average Daily Enrollment	Operating Expenditures ( a )	Cost Per Pupil	Percentage Change	Full Time Teaching Staff	Teacher Ratio	Average Daily Enrollment (ADE) ( b )	Average Daily Attendance (ADA) ( b )	% Change in Average Daily Enrollment	Student Attendance Percentage
2004	482.1	\$ 4,289,421	\$ 8,897	16.71%	20.0	1 to 24.11	482.1	452.7	-5.69%	93.90%
2005	505.3	4,099,652	8,113	-8.81%	19.0	1 to 26.59	505.3	473.7	4.81%	93.75%
2006	490.5	4,086,738	8,332	2.69%	19.0	1 to 25.82	490.5	475.1	-2.93%	96.86%
2007	487.7	4,269,310	8,754	5.07%	21.0	1 to 23.23	487.7	458.9	-0.57%	94.09%
2008	373.0	4,391,398	11,773	34.49%	17.0	1 to 21.95	373.0	350.9	-23.52%	94.08%
2009	507.1	4,405,776	8,688	-26.20%	20.0	1 to 25.36	507.1	473.0	35.95%	93.28%
2010	545.1	4,441,544	8,148	-6.22%	24.0	1 to 21.53	545.5	516.7	7.57%	94.72%
2011	503.8	4,180,058	8,297	1.83%	21.0	1 to 23.99	503.8	476.5	-7.64%	94.58%
2012	443.6	4,225,297	9,525	14.80%	17.7	1 to 25.07	443.6	416.8	-11.95%	93.96%
2013	411.0	4,158,054	10,117	6.21%	17.0	1 to 24.18	411.0	381.3	-7.35%	92.77%

Source: District Records

( a ) Operating Expenditures Equal Total Expenditures Less Vocational Evening School, Capital Expenditures and Debt Service.

( b ) Average Daily Enrollment and Average Daily Attendance are Obtained from the School Register Summary (SRS).

SCHOOL BUILDING INFORMATION	YEAR	SQUARE FEET
Hunterdon Central Building	2006	22,612
Culinary Arts Building	2007	7,021
Building Trades Building	2007	10,927

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2013  
(UNAUDITED)

	<u>Coverage</u>
School Package Policy-School Alliance Insurance Fund:	
Property Coverage (Group Policy Maximum)	\$ 250,000,000
General Liability	5,000,000
Excess Liability	5,000,000
Workers Compensation	5,000,000
Premise Pollution Liability	1,000,000
Crime & Fidelity	500,000
Student Accident-Monumental Life Insurance Co	1,000,000
Public Employees' Faithful Performance-Selective Insurance:	
Treasurer of School Monies Bond	175,000
Business Administrator's Bond	142,000
School Leaders Professional Liability-School Alliance Insurance Fund	5,000,000
Beautician Liability-Arch Insurance Company:	
Each Incident	1,000,000
Aggregate	1,000,000
Health Care Facility Liability-Princeton Insurance Co.:	
Each Incident	1,000,000
Aggregate	3,000,000

Source: District Records

**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

December 16, 2013

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Hunterdon County Vocational School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated December 16, 2013.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board of Education's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's financial statements are free from 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.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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## INDEPENDENT AUDITOR'S REPORT

December 16, 2013

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

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Hunterdon County Vocational School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2013. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Board of Education's compliance.

## **Opinion on Each Major Federal and State Program**

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

## **Report on Internal Control Over Compliance**

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133  
and Expenditures of State Financial Assistance Required by NJ OMB 04-04**

We have audited the financial statements of the District as of and for the year ended June 30, 2013, and have issued our report thereon dated December 16, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2012		Cash Received	Budgetary Expenditure	Adjustment	Repay of Prior Year Balance	Balance June 30, 2013			
					(Acct Rec) Unearned Rev	Carryover Amount					Accounts Receivable	Unearned Revenue	Due to Grantor	
US Department of Education Passed Through State Department of Education: General Revenue Fund: Education Jobs Fund	84.410A	ARRA-230811	\$ 35,576	8/10/10-9/30/2012	\$ (35,576)		\$ 35,576							
Total General Revenue Fund					(35,576)	\$ -	35,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund: NCLB Title II PartA	84.367A	NCLB-230812	3,052	9/01/2011-8/31/2012	(3,052)		3,052							
NCLB Title II PartA	84.367A	NCLB-230813	3,317	9/01/2012-8/31/2013				999			(3,317)	2,318		
Carl D Perkins: Secondary	84.048A	PERK-230813	30,501	7/01/2012-6/30/2013			30,501	30,501						
Secondary-Reserve	84.048A	PERK-230813	17,359	7/01/2012-6/30/2013			17,359	17,359						
Secondary-Reserve	84.048A	PERK-230811	17,515	7/01/2010-6/30/2011	107							107		
Secondary	84.048A	PERK-230812	23,985	7/01/2011-6/30/2012	(11,496)		11,496							
Learn & Serve America-School Based Program	94.004	07-CJ10 D02	39,000	10/01/2007-9/30/2008	414								414	
Learn & Serve America-School Based Program	94.004	08-CJ11 D02	25,000	10/01/2008-9/30/2009	1,716								1,716	
Total Special Revenue Fund					(12,311)	-	62,408	48,859	-	-	(3,317)	4,555	-	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (47,887)	\$ -	\$ 97,984	\$ 48,859	\$ -	\$ -	\$ (3,317)	\$ 4,555	\$ -	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULE OF FINANCIAL ASSISTANCE

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2012 (Acct Rec) Unearned Rev	Cash Received	Budgetary Expenditure	Repay Balances/ Adjustment	Balance June 30, 2013			MEMO	
								Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
General Fund:												
Security Aid	13-495-034 5120-084	\$ 17,462	7/01/2012- 6/30/2013		\$ 15,787	\$ 17,462		\$ (1,675)			\$ (1,675)	\$ 17,462
Security Aid	12-495-034 5120-084	18,255	7/01/2011- 6/30/2012	\$ (1,770)	1,770							
Special Education Aid	13-495-034 5120-089	134,025	7/01/2012- 6/30/2013		121,170	134,025		(12,855)			(12,855)	134,025
Special Education Aid	12-495-034 5120-089	129,627	7/01/2011- 6/30/2012	(12,564)	12,564							
Adjustment Aid	13-495-034 5120-085	496,826	7/01/2012- 6/30/2013		449,173	496,826		(47,653)			(47,653)	496,826
Adjustment Aid	12-495-034 5120-085	475,691	7/01/2011- 6/30/2012	(46,107)	46,107							
Equalization Aid	13-495-034 5120-078	278,170	7/01/2012- 6/30/2013		251,490	278,170		(26,680)			(26,680)	278,170
Equalization Aid	12-495-034 5120-078	276,963	7/01/2011- 6/30/2012	(26,845)	26,845							
Reimbursed TPAF Social Security Contribution	13-495-034 5095-002	97,255	7/01/2012- 6/30/2013		87,298	97,255		(9,957)			(9,957)	97,255
On-Behalf TPAF Pension Contribution- Normal Costs and Accrued Liability	13-495-034 5095-006	96,345	7/01/2012- 6/30/2013		96,345	96,345						96,345
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	13-495-034 5095-007	5,069	7/01/2012- 6/30/2013		5,069	5,069						5,069
On-Behalf TPAF Pension Contribution- Post Retirement Medical	13-495-034 5095-001	114,673	7/01/2012- 6/30/2013		114,673	114,673						114,673
Total General Fund				(87,286)	1,228,291	1,239,825	\$ -	(98,820)	\$ -	\$ -	(98,820)	1,239,825

SEE ACCOMPANYING NOTES TO SCHEDULE OF FINANCIAL ASSISTANCE

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance	Cash Received	Budgetary Expenditure	Repay Balances/ Adjustment	Balance June 30, 2013			MEMO	
				6/30/2012 (Acct Rec) Unearned Rev				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
Special Revenue Fund:												
Apprenticeship Coordinator	04-000-26	\$ 15,766	7/01/2003-6/30/2004	\$ 706					\$ 706			\$ 15,060
Apprenticeship Coordinator	01-12-0110	11,937	7/01/2011-6/30/2012	(4,187)	\$ 4,187							
Apprenticeship Coordinator-Somerset County	13-100-034	15,000	7/01/2012-6/30/2013		8,049	\$ 15,000		\$ (6,951)			\$ (6,951)	15,000
Apprenticeship Coordinator-Hunterdon County	13-100-034	10,000	7/01/2012-6/30/2013		8,181	10,000		(1,819)			(1,819)	10,000
Teacher Quality Mentoring	08-495-034	2,484	7/01/2007-6/30/2008	141					141			2,343
Perkins Postsecondary	13-100-034	99,502	7/01/2012-6/30/2013		99,502	99,502						99,502
Shared-Time Vocational School Initiative Cooperative Agreement	08-100-034	30,000	7/01/2007-6/30/2008	62					62			29,938
Shared-Time Vocational School Initiative Cooperative Agreement	12-100-034	15,000	7/01/2011-6/30/2012		4,296	4,296						15,000
Four Year Green Program of Study	13AG85G0	6,000	2/01/13-1/31/2014					(6,000)	6,000		(6,000)	
Four Year Green Program of Study	12AG85G0	6,000	2/1/2012-1/31/2013	2,092	3,242	5,334						6,000
Youth Transitions to Work Partnership Program (Dept of Labor and Workforce Development)	WDP 05-13-007	135,000	12/1/2012-8/31/2013		11,921	77,084		(123,079)	57,916		(123,079)	77,084
Youth Transitions to Work Partnership Program (Dept of Labor and Workforce Development)	WDP 05-12-007	160,000	11/1/2011-9/30/2012	(35,834)	76,061	40,227						116,656
NJ Character Education	06-495-034	4,000	7/01/2005-6/30/2006	1,182					1,182			
Total Special Revenue Fund				(35,838)	215,439	251,443	\$ -	(137,849)	66,007	\$ -	\$ (137,849)	386,583
TOTAL STATE FINANCIAL ASSISTANCE				\$ (123,124)	\$ 1,443,730	\$ 1,491,268	\$ -	\$ (236,669)	\$ 66,007	\$ -	\$ (236,669)	\$ 1,626,408

SEE ACCOMPANYING NOTES TO SCHEDULE OF FINANCIAL ASSISTANCE

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2013

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 (C) and (D) to the Board's financial statements.

**NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison schedules 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 PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,577) for the general fund and (\$37,640) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,238,248	\$ 1,238,248
Special Revenue Fund	\$ 42,345	220,317	262,662
	<u>\$ 42,345</u>	<u>\$ 1,458,565</u>	<u>\$ 1,500,910</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2013  
(Continued)

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

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, 2013. TPAF Social Security Contribution 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, 2013.



HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs: \_\_\_\_\_

Auditee qualified as a low-risk auditee  X  Yes   No

State Awards

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs:  \$300,000

Auditee Qualified as low-risk auditee  X  Yes   No

Type of Auditor's Report Issued on Compliance  
for Major Programs:  Unmodified

Internal Control Over Major Programs:

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

2. Reportable conditions identified  
that are not considered to be material  
weaknesses?   Yes  X  No

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with NJ OMB  
Circular Letter 04-04?   Yes  X  No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
13-495-034-5120-078	\$ 278,170	Equalization Aid
13-495-034-5120-085	496,286	Adjustment Aid
13-495-034-5120-089	134,025	Special Education Aid

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2013.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2013.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

K-7

There were no prior year findings or questioned costs.