

# **Comprehensive Annual Financial Report**

**of the**

**Union County Vocational-Technical Schools**

**County of Union**

**Scotch Plains, New Jersey**

**For the Fiscal Year Ended June 30, 2014**

**Prepared by**

**Union County Vocational-Technical Schools, Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**



# UNION COUNTY VOCATIONAL - TECHNICAL SCHOOLS

1776 RARITAN ROAD SCOTCH PLAINS, NEW JERSEY 07076-2997  
(908)889-2900 Fax: (908)889-4336 Email: pcapodice@ucvts.tec.nj.us

*Mr. Peter A. Capodice*  
SUPERINTENDENT

November 25, 2014

Honorable President and  
Members of the Board of Education  
Union County Vocational-Technical Schools  
Scotch Plains, New Jersey 07076

Dear Board Members:

The comprehensive annual financial report of the Union County Vocational-Technical School (UCVTS) District (District) for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures rests with management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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, presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the State Treasury Circular Letter OMB 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** Effective this year, UCVTS District is no longer an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. The UCVTS Board of Education and all its schools are now considered fiscally dependent upon County Government and must now report under GASB Statement No. 34.

The District provides a full range of educational services appropriate to grade levels 9 through 12. The District completed the 2013-2014 fiscal year with an enrollment of 1,825 students. The following details the changes in the student enrollment of the District over the last ten years.

## Average Daily Enrollment

Fiscal Year	Student (6/30) Enrollment	Percent Change
2013-14	1825	-.7%
2012-13	1838	.8%
2011-12	1823	1.6%
2010-11	1795	6.7%
2009-10	1683	8.7%
2008-09	1549	7.0%
2007-08	1443	2.0%
2006-07	1414	7.0%
2005-06	1322	15.3%
2004-05	1147	3.1%
2003-04	1112	15.5%
2002-03	963	7.1%

During the course of the 2013-2014 school year, the district accepted its eighteenth freshman class for the Union County Magnet High School for Mathematics, Science, and Technology. There were 292 students enrolled in the Magnet High School.

In September 2013, the District accepted its thirteenth class of full-time vocational education students (UCTECH) and Academy for Information Technology students. In the 2013-2014 school year there were 263 students enrolled in the Academy for Information Technology and 309 in UCTECH.

In September 2013 the District accepted its eighth full-time class of freshman students in the Academy for Allied Health Sciences. In the 2013-2014 school year there were 260 students enrolled in the Academy for Allied Health Sciences.

Also, in September 2013 the District accepted its sixth class of freshman students in the Academy for Performing Arts. In the 2013-2014 school year there were a total of 186 students enrolled in the Academy for Performing Arts with the senior class of 44 students being housed and earning university freshman credits at Kean University.

2) **ECONOMIC CONDITION AND OUTLOOK:** The Union County area is experiencing the same struggles as the rest of the nation, a turndown in development and expansion. Any number of businesses starting or relocating to the area will result in an increase in the employment level which results in an increased tax base, both residential and industrial and an anticipated increase in annual daily enrollment. It is critical that Union County take steps to continue efforts for expansion.

3) **MAJOR INITIATIVES:** In the vast majority of our vocational-technical programs, students continue to score above the state and national averages on their important end of course assessments. Over 93% of our students taking these assessments during the 2013- 2014 school year finished at or above the national average. All of the districts full-time high schools were successful in meeting the standards of annual yearly progress (AYP).

4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in subsequent years. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

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

7) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. You should review in detail the Management's Discussion and Analysis for the Fiscal Year ended June 30, 2014, for Financial Summaries.

8) **DEBT ADMINISTRATION:** At June 30, 2014, the District had no outstanding debt.

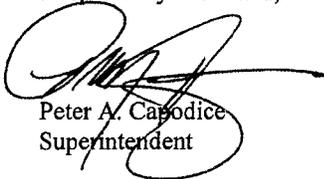
9) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under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

10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehension/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney and Company, CPA's, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget Circular A-133 and State Treasury Circular Letter OMB 04-04. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



Peter A. Capodice  
Superintendent



Sue Anne Marcello  
Sue Anne Marcello  
Board Secretary/School Business Administrator

PAC/pac  
Enclosure (1)

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
ROSTER OF OFFICIALS  
JUNE 30, 2014**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Jane Lorber	2017
Theodora Kulish	2016
Lawrence Caroselli	2014
Jean Perkins	2015
Dr. Kathleen C. Serafino	-

**Other Officials**

Peter A. Capodice, Superintendent

Sue Anne Marcello, Business Administrator/Board Secretary

Edward H. Mellage, Treasurer

Robert F. Varady, Esq., Board Attorney

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CONSULTANTS AND ADVISORS  
JUNE 30, 2014**

**Audit Firm**

Suplee, Clooney & Company  
Certified Public Accountants  
308 East Broad Street  
Westfield, New Jersey 07090-2122

**Architect**

Netta Architects  
1084 Route 22 West  
Mountainside, NJ 07092

**Official Depository**

Investors Bank  
437 Park Avenue  
Scotch Plains, NJ 07076

**Attorney**

Robert F. Varady, Esq.  
La Corte, Bundy, Varady & Kinsella  
989 Bonnel Court  
Union, NJ 07083

**Insurance Broker of Record**

Reliance Insurance Group, LLC  
1460 Route 9 North, Suite 310  
Woodbridge, NJ 07095



**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

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E-mail [info@scnco.com](mailto:info@scnco.com)

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Union County Vocational-Technical Schools  
County of Union  
Scotch Plains, New Jersey 07076

### **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 Union County Vocational-Technical Schools, County of Union, New Jersey as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District'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, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the provisions of U.S. Office of Management and Budget (OMB) *Circular A-133* "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey *OMB Circular 04-04* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

# SUPLEE, CLOONEY & COMPANY

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 District'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 District'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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Union County Vocational-Technical Schools, County of Union, New Jersey as of June 30, 2014, 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 in Exhibit C-1 through C-3 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.

# SUPLEE, CLOONEY & COMPANY

## *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union County Vocational-Technical Schools basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and by the State of New Jersey, Department of Education, Division of Finance 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 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2014 on our consideration of the Union County Vocational-Technical Schools internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Union County Vocational-Technical Schools internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

November 25, 2014

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

The discussion and analysis of Union County Vocational-Technical School (UCVTS) District's financial performance provides an overall review of the (UCVTS) District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) 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 in June 1999. Certain comparative information between the current year (2013-2014) and the prior year (2012-2013) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for Fiscal Year 2014 are as follows:

- In total, net position increased \$10,439,997.82 which represents a 14.7 percent increase from Fiscal Year 2013.
- General revenues accounted for \$22,138,069.77 in revenue or 63 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$12,919,303.43. Net investment in Capital assets increased by \$2,425,832.65.
- The School District had \$22,453,499.308 in expenses; only \$12,919,303.43 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily County tax levy and tuition) of \$22,138,069.77 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$34,701,975.77 in revenues and \$26,873,626.24 (net of capital leases) in expenditures. The General Fund's fund balance increased \$7,828,349.53 over Fiscal Year 2013. This increase was anticipated by the Board of Education.

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

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

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

The *Statement of Net 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. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of UCVTS District, the General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

**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 the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

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

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

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

**Fund Financial Statements**

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

**Governmental Funds**

The 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 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 the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net 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.

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for 2014 and 2013.

**Table 1  
Net Position**

<b>Assets</b>	<b>2014</b>	<b>2013</b>
Current and Other Assets	\$14,965,828.17	\$6,774,685.66
Capital Assets	<u>69,039,352.54</u>	<u>66,394,646.15</u>
 Total Assets	 <u>84,005,180.71</u>	 <u>73,169,331.81</u>
 <b>Liabilities</b>		
Long-Term Liabilities	1,028,311.20	1,463,278.39
Other Liabilities	<u>1,627,865.44</u>	<u>797,047.17</u>
 Total Liabilities	 <u>2,656,176.64</u>	 <u>2,260,325.56</u>
 <b>Net Position</b>		
Net Investment in Capital Assets	68,518,167.10	66,092,334.45
Restricted	12,732,562.48	4,856,932.25
Unrestricted	<u>98,274.49</u>	<u>(40,260.45)</u>
 <b>Total Net Position</b>	 <u><u>\$81,349,004.07</u></u>	 <u><u>\$70,909,006.25</u></u>

The District's combined net position were \$81,349,004.07 on June 30, 2014. This was an increase of 14 percent from the prior year.

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Table 2 shows changes in net position for fiscal year 2014 and 2013.

**Table 2  
Changes in Net Position**

<b>Revenues</b>	<b>2014</b>	<b>2013</b>
Program Revenues:		
Charges for Services	\$10,290,875.66	\$10,349,792.36
Operating Grants and Contributions	2,628,427.77	3,233,465.49
General Revenues:		
Property Taxes	4,418,689.00	4,332,048.00
Grants and Entitlements	17,457,228.55	7,479,111.00
Other	<u>262,152.22</u>	<u>245,156.21</u>
 Total Revenues	 <u>35,057,373.20</u>	 <u>25,639,573.06</u>
 <b>Program Expenses</b>		
Instruction	14,174,760.87	14,089,457.67
Support Services:		
Pupils and Instructional Staff	1,370,180.76	1,639,165.58
General and School Administration and Business Operations and		
Maintainance	7,770,091.37	7,624,784.23
Pupil Transportation	44,859.38	27,536.60
Business Type Activities	426,520.79	423,371.62
Other	<u>830,962.21</u>	<u>907,825.28</u>
 Total Expenses	 <u>24,617,375.38</u>	 <u>24,712,140.98</u>
 Change in Net Position	 <u><u>\$10,439,997.82</u></u>	 <u><u>\$927,432.08</u></u>

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Government Activities**

The unique nature of County property taxes in New Jersey creates the legal requirements to annually seek approval of the Union County Board of School Estimates for the School District operations. County property taxes made up 18 percent of revenues for governmental activities for the UCVTS District for fiscal year 2014. The District's total revenues were \$25,236,176.82 for the year ended June 30, 2014. Federal, state, local grants and aid accounted for another 34 percent of revenue and tuition accounted for another 39 percent of the revenue.

**Business-Type Activities**

Revenues for the District's business-type activities were comprised of charges for services. These services are included but are not limited to Food Service, and Materials for Resale. Following are some of our major business type activity results.

Overall business type expenditures exceeded revenues by \$71,123.36.

- Food service expenditures were \$64,732.88 more than revenues.
- Materials for resale revenues were \$6,390.48 more than expenditures. We purchase materials for our students and resell them at cost.

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

**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**

	<u>Total Cost of Services 2014</u>	<u>Total Cost of Services 2013</u>	<u>Net Cost of Services 2014</u>	<u>Net Cost of Services 2013</u>
Instruction	\$14,174,760.87	\$14,089,457.67	3,144,042.12	2,204,027.11
Support Services:				
Pupils and Instructional Staff	1,370,180.76	1,639,165.58	1,055,987.91	1,064,806.97
General and School Administration and Business and Maintenance	7,770,091.37	7,624,784.23	7,268,396.16	7,063,470.08
Pupil Transportation	44,859.38	27,536.60	44,859.38	27,536.60
Business Type Activities	426,520.79	423,371.62	71,123.36	19,975.58
Other	830,962.21	907,825.28	113,663.02	749,066.79
<b>Total Expenses</b>	<u>\$24,617,375.38</u>	<u>\$24,712,140.98</u>	<u>\$11,698,071.95</u>	<u>\$11,128,883.13</u>

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

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

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

Operation and maintenance of facilities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

“Other” includes special schools and unallocated depreciation.

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$34,701,975.77 and expenditures were \$27,284,988.80. The table below only includes revenues in the general fund and special revenue fund. Capital project funds are not included.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2014, and the amount and percentage of increase and decrease in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Inc/(Dec) FY 2013</u>	<u>Percent Inc/(Dec)</u>
County Levy	\$4,418,689.00	12.73%	\$86,641.00	2.00%
Tuition	10,039,751.42	28.93%	(12,192.56)	-0.12%
Other	12,010,369.22	34.61%	11,765,213.01	4799.07%
State Sources	7,445,704.60	21.46%	(493,857.80)	-6.22%
Federal Sources	<u>787,461.53</u>	<u>2.27%</u>	<u>(58,961.96)</u>	<u>-6.97%</u>
Total	<u>\$34,701,975.77</u>	<u>100.00%</u>	<u>\$11,286,841.69</u>	<u>32.53%</u>

The increase in local revenue was primarily due to an increase in County revenues.

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2014, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Inc/(Dec) FY 2013</u>	<u>Percent Inc/(Dec)</u>
Current:				
Instruction	10,191,008.19	37.35%	14,811.09	0.15%
Undistributed	11,650,658.68	42.70%	100,720.95	0.87%
Capital Outlay	5,002,461.86	18.33%	4,168,211.28	499.64%
Special Schools	<u>440,860.07</u>	<u>1.62%</u>	<u>(80,038.02)</u>	<u>-15.37%</u>
<b>Total</b>	<u><u>\$27,284,988.80</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 4,203,705.30</u></u>	<u><u>15.41%</u></u>

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts. Several of these revisions bear notation:

- The district utilized fund balance to increase security though out the campus by contracting with a security company for safety officers in each of its school buildings
- A substantial number of students throughout the district qualified for state and national competitions requiring additional field trip funding
- The district utilized fund balance to replace its large steel storage unit after the original one sustained a roof collapse under the weight of all that snow that occurred this past winter
- The district utilized county funded capital ordinance funds to begin construction on a two-story addition to its West Hall building that will consist of academic classrooms, computer labs and a fitness center

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Capital Assets**

At the end of the fiscal year 2014, the School District had \$69,039,352.54 invested in land, building, machinery and equipment, easements and construction in progress. Table 4 shows fiscal year 2014 balances compared to 2013.

**Table 4  
Capital Assets (Net of Depreciation) at June 30, 2014**

	<u>2014</u>	<u>2013</u>
Land	\$1,289,141.75	\$1,289,141.75
Construction in Progress	4,043,824.27	21,772,419.19
Site Improvements	337,158.09	368,653.77
Building and Building Improvements	56,000,360.60	35,450,865.48
Intangible Asset-Easement	4,006,944.37	4,173,611.05
Machinery and Equipment	<u>3,361,923.46</u>	<u>3,339,954.91</u>
<b>Total</b>	<u><u>\$69,039,352.54</u></u>	<u><u>\$66,394,646.15</u></u>

Overall capital assets increased \$2,644,706.39 from fiscal year 2013 to fiscal year 2014.

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**State of the District**

The Union County Vocational-Technical School District provides a full range of educational services appropriate to grade levels 9 through 12. The School District completed the 2013-2014 fiscal school year with an enrollment of 1,825 students, over a 64 percent growth in enrollment over the last ten years and an 18 percent increase in the last five years. In addition, the district continues to offer a wide range of evening programs to the residents of Union County.

During the course of the 2013-2014 school year, the District accepted its seventeenth freshman class for the Union County Magnet High School for Mathematics, Science, and Technology. There were 292 students enrolled in the Magnet High School.

In September 2013, the District accepted its twelfth class of full-time vocational education UC Tech and Academy for Information Technology students. During that school year there were 263 students enrolled in the Academy for Information Technology and 309 students in UC Tech.

In September 2013, the District accepted its ninth freshman class for the Academy for Allied Health Sciences and finished the school year with 260 students.

In September 2013, the district accepted its sixth class of full time students in our Academy for Performing Arts. There were 186 students enrolled in the program. This innovative program includes senior year students of the program being housed on the campus of Kean University in Union, NJ. These students take a full complement of college courses while completing their high school graduation requirements. In May 2014, we successfully graduated our third class of 44 students.

In the vast majority of our vocational-technical training programs, students continue to score above the state and national averages on their end of course assessments. Over ninety-three percent of the students taking these assessments during the 2013-2014 school year finished at or above the national average. All of the districts high schools were successful in meeting the standards of annual yearly progress (AYP)

The Union County Vocational-Technical School District is proud of the accomplishments of all its schools and programs and is extremely proud to announce its latest in a long line of awards. The Academy for the Performing Arts was awarded the Excellence in Action award which recognizes and honors superior Career Technical Education (CTE) programs which exemplify excellence in the implementation of Career Clusters, and have a meaningful impact on student achievement and success.

The Union County Vocational-Technical School District continues to commit itself to providing the highest level of educational programs while maintaining financial excellence. The School District's system for financial planning, budgeting and internal financial controls are well regarded. Finally, the District has continued to perform well financially even during these trying times.

Negotiated labor agreements with all of our unions expired on June 30, 2014 and we have successfully negotiated agreements that are mutually beneficial with two of our unions. We look forward to meeting with all the remaining two unions in order to achieve the same. The successful completion of negotiations will allow us to budget more accurately during this the life of the agreement and help us control operating expenditures.

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCOTCH PLAINS, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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We continue to make every effort to control both Health and Liability Insurance expenses. To date, in addition to having staff members contribute to their health benefit premiums, our enrollment in the State Health Benefits programs and a mix of Private Carriers has assisted the District in controlling medical, dental and prescription drug expenses. We have also been effective in controlling our Liability Insurance and Workers Compensation costs by enrolling in a Pooled Insurance Program.

In the future, we must continue to accept multiple proposals to ensure that we are getting the best possible coverage at the least possible expense.

**Contacting the School District's Financial Management Office**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Sue Anne Marcello, Business Administrator, Union County Vocational-Technical Schools, 1776 Raritan Road, Scotch Plains, NJ07076. Also, please visit our website to learn more about our School District [www.ucvts.tec.nj.us](http://www.ucvts.tec.nj.us).

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2014.

## **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.

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2014

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$	\$ 672,037.68	\$ 672,037.68
Receivables, net	14,200,846.10	16,644.30	14,217,490.40
Inventory		1,328.10	1,328.10
Interfund receivable	74,971.99		74,971.99
<b>Capital assets:</b>			
Land and construction in progress	5,332,966.02		5,332,966.02
Other capital assets, net of accumulated depreciation	<u>63,706,386.52</u>		<u>63,706,386.52</u>
<b>Total assets</b>	<b>83,315,170.63</b>	<b>690,010.08</b>	<b>84,005,180.71</b>
<b>LIABILITIES:</b>			
Cash overdraft	758,173.53		758,173.53
Accounts payable	188,710.23		188,710.23
Interfunds payable		61,886.70	61,886.70
Unearned revenue	19,290.81	249.93	19,540.74
<b>Noncurrent liabilities:</b>			
<b>Due within one year:</b>			
Bonds and capital leases payable	257,224.24		257,224.24
<b>Due beyond one year:</b>			
Compensated absences payable	685,648.00		685,648.00
Bonds and capital leases payable	<u>684,993.20</u>		<u>684,993.20</u>
<b>Total liabilities</b>	<b>2,594,040.01</b>	<b>62,136.63</b>	<b>2,656,176.64</b>
<b>NET POSITION:</b>			
Net Investment in capital assets	68,518,167.10		68,518,167.10
<b>Restricted for:</b>			
Capital projects	10,892,144.91		10,892,144.91
Other purposes	1,840,417.57		1,840,417.57
Unrestricted (deficit)	<u>(529,598.96)</u>	<u>627,873.45</u>	<u>98,274.49</u>
<b>Total net position</b>	<b>\$ <u>80,721,130.62</u> \$</b>	<b>\$ <u>627,873.45</u> \$</b>	<b>\$ <u>81,349,004.07</u></b>

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

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
STATEMENT OF ACTIVITIES  
JUNE 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Vocational - regular	\$ 8,995,404.29	\$ 3,626,134.71	\$ 8,613,111.40	\$ 1,199,156.00	\$ (2,809,271.60)		\$ (2,809,271.60)
Vocational - special	1,013,169.80	289,430.56	870,600.00	329,933.66	(102,066.70)		(102,066.70)
School-sponsored cocurricular activities	225,733.49	24,888.02		17,917.69	(232,703.82)		(232,703.82)
Support services:							
Student and instruction related services	1,067,593.72	302,587.04		314,192.85	(1,055,987.91)		(1,055,987.91)
General administrative services	306,976.62	395,405.02		53,753.06	(648,628.58)		(648,628.58)
School administrative services	734,751.67	407,360.07		179,176.86	(962,934.88)		(962,934.88)
Central services	601,586.47	206,443.12		143,341.49	(664,688.10)		(664,688.10)
Plant operations and maintenance	3,461,086.36	1,656,482.04		125,423.80	(4,992,144.60)		(4,992,144.60)
Pupil transportation	44,859.38				(44,859.38)		(44,859.38)
Unallocated benefits	5,126,118.46	(5,126,118.46)					
Special schools	434,324.07	380,023.57	556,040.02	161,259.17	(97,048.45)		(97,048.45)
Interest on long-term debt	15,374.18				(15,374.18)		(15,374.18)
Unallocated depreciation	2,163,876.08	(2,162,635.69)			(1,240.39)		(1,240.39)
Total governmental activities	<u>24,190,854.59</u>		<u>10,039,751.42</u>	<u>2,524,154.58</u>	<u>(11,626,948.59)</u>		<u>(11,626,948.59)</u>
Business-type activities							
Materials for resale	42,563.48		36,173.00			(6,390.48)	(6,390.48)
Food service	383,957.31		214,951.24	104,273.19		(64,732.88)	(64,732.88)
Total business-type activities	<u>426,520.79</u>		<u>251,124.24</u>	<u>104,273.19</u>		<u>(71,123.36)</u>	<u>(71,123.36)</u>
Total primary government	\$ <u>24,617,375.38</u>	\$	\$ <u>10,290,875.66</u>	\$ <u>2,628,427.77</u>	\$ <u>(11,626,948.59)</u>	\$ <u>(71,123.36)</u>	\$ <u>(11,698,071.95)</u>
General revenues:							
Taxes:							
Property taxes				\$ 4,418,689.00			\$ 4,418,689.00
Federal and state aid not restricted				5,633,936.00			5,633,936.00
Federal and state aid restricted				81,292.55			81,292.55
County of Union				11,742,000.00			11,742,000.00
Miscellaneous income				262,152.22			262,152.22
Total general revenues, transfers and special items				<u>22,138,069.77</u>			<u>22,138,069.77</u>
Change in net assets				10,511,121.18		(71,123.36)	10,439,997.82
Net position - beginning				70,210,009.44		698,996.81	70,909,006.25
Net position - ending				\$ <u>80,721,130.62</u>	\$	<u>627,873.45</u>	\$ <u>81,349,004.07</u>

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

## **MAJOR FUND FINANCIAL STATEMENTS**

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



UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>				
Local sources:				
County tax levy	\$ 4,418,689.00	\$	\$	4,418,689.00
County of Union			11,742,000.00	11,742,000.00
Tuition from LEA	9,511,200.00			9,511,200.00
Other tuition	528,551.42			528,551.42
Miscellaneous	<u>262,152.22</u>	<u>6,217.00</u>		<u>268,369.22</u>
Total - local sources	<u>14,720,592.64</u>	<u>6,217.00</u>	<u>11,742,000.00</u>	<u>26,468,809.64</u>
State sources	7,425,704.60	20,000.00		7,445,704.60
Federal sources		<u>787,461.53</u>		<u>787,461.53</u>
Total revenues	<u>22,146,297.24</u>	<u>813,678.53</u>	<u>11,742,000.00</u>	<u>34,701,975.77</u>
<b>EXPENDITURES:</b>				
Current expense:				
Regular vocational programs - instruction	8,579,368.14	357,024.76		8,936,392.90
Special vocational programs - instruction	808,659.94	204,509.86		1,013,169.80
School sponsored cocurricular activities-instruction	241,445.49			241,445.49
Support services:				
Student and instruction related services	921,841.36	170,851.36		1,092,692.72
General administrative services	428,283.62			428,283.62
School administrative services	809,359.67			809,359.67
Central services and admin tech.	606,467.47			606,467.47
Plant operations and maintenance	3,462,877.36			3,462,877.36
Pupil transportation	44,859.38			44,859.38
Unallocated benefits	5,206,118.46			5,206,118.46
Special schools	440,860.07			440,860.07
Capital outlay	<u>2,307,696.39</u>	<u>81,292.55</u>	<u>2,613,472.92</u>	<u>5,002,461.86</u>
Total expenditures	<u>23,857,837.35</u>	<u>813,678.53</u>	<u>2,613,472.92</u>	<u>27,284,988.80</u>
Excess (deficiency) of revenues over (under) expenditures	(1,711,540.11)		9,128,527.08	7,416,986.97
Other financing sources (uses):				
Capital leases (non-budgeted)	<u>411,362.56</u>			<u>411,362.56</u>
Total other financing sources (uses)	<u>411,362.56</u>			<u>411,362.56</u>
Net change in fund balances	(1,300,177.55)		9,128,527.08	7,828,349.53
Fund balances, June 30, 2013	<u>3,717,676.16</u>		<u>1,763,617.83</u>	<u>5,481,293.99</u>
Fund balances, June 30, 2014	<u>\$ 2,417,498.61</u>	<u>\$</u>	<u>\$ 10,892,144.91</u>	<u>\$ 13,309,643.52</u>

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

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
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, 2014

Total net change in fund balances - governmental funds (from B-2) \$ 7,828,349.53

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation expense	\$	(2,163,876.08)	
Capital outlays		5,002,461.86	
Less: Capital outlays not capitalized		(193,879.39)	
			2,644,706.39

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Payment of capital lease payable	141,456.82
Payment of pension costs payable	80,000.00

Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Capital lease proceeds	(411,362.56)
------------------------	--------------

In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In 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 (+).

		227,971.00	
Change in net position of governmental activities	\$	10,511,121.18	

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

**OTHER FUNDS**

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2014

	<u>ELECTRONIC TECHNOLOGY TRAINING CENTER (MAJOR)</u>	<u>MATERIALS FOR RESALE FUND (NON-MAJOR)</u>	<u>FOOD SERVICE FUND (NON-MAJOR)</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 394,442.72	\$ 299,439.48	
Intergovernmental receivables:			
State			500.55
Federal			14,854.85
Inventories			1,328.10
Total current assets	<u>394,442.72</u>	<u>299,439.48</u>	<u>17,972.40</u>
Total assets	\$ <u><u>394,442.72</u></u>	\$ <u><u>299,439.48</u></u>	\$ <u><u>17,972.40</u></u>
<b>LIABILITIES:</b>			
Current liabilities:			
Interfund payable	\$	\$ 5,000.00	\$ 56,886.70
Cash overdraft			21,844.52
Unearned revenue			249.93
Total current liabilities		<u>5,000.00</u>	<u>78,981.15</u>
Total liabilities		<u>5,000.00</u>	<u>78,981.15</u>
<b>NET POSITION:</b>			
Unassigned	<u>394,442.72</u>	<u>294,439.48</u>	<u>(61,008.75)</u>
Total net position	\$ <u><u>394,442.72</u></u>	\$ <u><u>294,439.48</u></u>	\$ <u><u>(61,008.75)</u></u>

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

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ELECTRONIC TECHNOLOGY TRAINING CENTER (MAJOR)	MATERIALS FOR RESALE FUND (NON-MAJOR)	FOOD SERVICE FUND (NON-MAJOR)
OPERATING REVENUES:			
Charges for services:			
Daily sales - reimbursable programs	\$	\$	\$ 208,845.87
Daily sales - non-reimbursable programs			6,105.37
Miscellaneous		36,173.00	
Total operating revenues		36,173.00	214,951.24
OPERATING EXPENSES:			
Cost of sales			146,518.19
Salaries			139,686.49
Employee benefits			57,295.50
Cleaning, repairs & maintenance			572.89
Supplies and materials		42,563.48	18,653.39
Management fee			13,184.00
Miscellaneous			8,046.85
Total operating expenses		42,563.48	383,957.31
Operating income (loss)		(6,390.48)	(169,006.07)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program			2,867.05
Federal Sources:			
National School Breakfast Program			5,156.42
National School Lunch Program			76,638.36
National Food Distribution Commodities			18,322.46
Dowling Subsidy			1,288.90
Total nonoperating revenues (expenses)			104,273.19
Income (loss) before contributions & transfers		(6,390.48)	(64,732.88)
Change in net position		(6,390.48)	(64,732.88)
Total net position - beginning	394,442.72	300,829.96	3,724.13
Total net position - ending	\$ 394,442.72	\$ 294,439.48	\$ (61,008.75)

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

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ELECTRONIC TECHNOLOGY TRAINING CENTER (MAJOR)	MATERIALS FOR RESALE FUND (NON-MAJOR)	FOOD SERVICE FUND (NON-MAJOR)
Cash flows from operating activities:			
Receipts from customers	\$	\$ 36,173.00	\$ 214,951.24
Payments to employees			(139,686.49)
Payments to employees benefits			(57,295.50)
Payments to suppliers		(42,563.48)	(167,594.69)
Net cash provided by (used for) operating activities		(6,390.48)	(149,625.44)
Cash flows from noncapital financing activities:			
State Sources			2,926.57
Federal Sources			82,921.56
Net cash provided by noncapital financing activities:			85,848.13
Net decrease in cash and cash equivalents		(6,390.48)	(63,777.31)
Cash and cash equivalents, July 1, 2013	394,442.72	305,829.96	41,932.79
Cash and cash equivalents, June 30, 2014	\$ 394,442.72	\$ 299,439.48	\$ (21,844.52)
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$	\$ (6,390.48)	\$ (169,006.07)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Federal commodities			18,322.46
Change in assets and liabilities:			
(Increase)/Decrease in inventories			891.88
Increase/(Decrease) in unearned revenue			166.29
			19,380.63
Net cash provided by (used for) operating activities	\$	\$ (6,390.48)	\$ (149,625.44)

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

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>PRIVATE PURPOSE SCHOLARSHIP FUND</u>	<u>AGENCY FUNDS</u>
ASSETS:		
Cash and cash equivalents	\$ 15,850.62	\$ 409,624.72
Interfunds Receivable		<u>170.14</u>
Total Assets	<u>\$ 15,850.62</u>	<u>\$ 409,794.86</u>
LIABILITIES:		
Interfund payable	\$ 8,093.43	\$ 5,162.00
Due to student groups		196,850.25
Payroll deductions payable		<u>207,782.61</u>
Total liabilities	<u>\$ 8,093.43</u>	<u>\$ 409,794.86</u>
NET POSITION:		
Held in trust for scholarships	<u>\$ 7,757.19</u>	

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

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

		<u>PRIVATE PURPOSE SCHOLARSHIP FUND</u>
DEDUCTIONS:		
Disbursements	\$	8,093.43
Total deductions		<u>8,093.43</u>
Change in net position		(8,093.43)
Net position beginning of year		<u>15,850.62</u>
Net position end of year	\$	<u><u>7,757.19</u></u>

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

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

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

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

**Reporting Entity**

The Union County Vocational-Technical Schools is a Type I District located in Union County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Union County Vocational-Technical School consists of five (5) members; four (4) members are appointed by the Union County Board of Chosen Freeholders and one (1) statutory member, who is the Union County Superintendent of Schools. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include a Vocational-Technical school, Magnet High School, Academy for Information Technology, Academy for Performing Arts and Academy for Allied Health Services located in the Township of Scotch Plains. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Basis of Presentation, Basis of Accounting**

The District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

**Basis of Presentation**

*District-wide Statements:* The Statement of Net Position and the Statement of Activities display information about the District as a whole. 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 generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Governmental Fund Types**

**General Fund** - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for acquisition of facilities and/or equipment which are classified in the Capital Outlay sub-fund.

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

**Special Revenue Fund** - The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are restricted or committed to expenditures for specified purposes.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Projects Funds** - The capital projects fund is used to account for and report all financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities or other capital assets.

**Proprietary Fund**

**Enterprise Fund** - The enterprise fund accounts for all revenues and expenses pertaining to the cafeteria operation, material for resale operation and the electronics technology training center operation. 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.

**Fiduciary Fund Types**

**Agency Funds**-The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

**Payroll and Student Activities Funds (Agency)**- These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**Federal Funds** - This agency fund is used to account for receipts for Pell Grants and Guaranteed Student Loans.

**Vocational Scholarship Fund** - This expendable trust is used to account for donations received that are for student scholarships.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting - Measurement Focus**

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

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem Property Taxes are susceptible to accrual since, under New Jersey State Statute, a county is required to remit to its school district the entire balance of taxes in the amount 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 monies under the established payment schedule and the unpaid amount is considered to be an "intergovernmental receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Account Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 superintendent of schools' office and approved by the Board of School Estimates. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of deferred state aid payments 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 records.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrance Accounting**

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

Open encumbrances in the special revenue fund and capital projects 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.

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

The District has established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994 are recorded at actual cost. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated fixed assets are valued at their estimated fair market value on the date received. The cost of normal repairs and maintenance are not capitalized. Interest is not capitalized on Capital Assets.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method and the half-year convention over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
School buildings	45
Building improvements	20
Electrical/plumbing	30
Vehicles	6-8
Easements	30
Office and computer equipment	5-20
Instructional equipment	5-20
Grounds equipment	5-15
Food service equipment	7-20

**Compensated Absences**

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

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

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (Continued)**

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

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

**Unearned Revenue**

Unearned revenue in the general, special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under Generally Accepted Accounting Principles.

**Accrued Liabilities and Long-Term Obligations**

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

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. In compliance with GASB 63, the Statement of Net Assets has been renamed the Statement of Net Position. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balance**

The District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the new standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – 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. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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. The District reports amounts Designated for Subsequent Year's Expenditures as Committed Fund Balance.

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. The District reports Year End Encumbrances as Assigned Fund Balance.

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.

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

**Revenues - Exchange and Non-Exchange Transactions**

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

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues - Exchange and Non-Exchange Transactions (continued)**

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

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

**Proprietary Funds Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service and charges for the summer enrichment program. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Management Estimates**

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

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allocation of Indirect Expenses**

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

**Extraordinary and Special Items**

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

**Recent Accounting Pronouncements**

On July 1 2013 the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB No. 65"). This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The District considers petty cash, change funds, cash in banks, certificates of deposits, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at fair value.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits.

Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), 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 the deposits to the governmental unit.

The Union County Vocational-Technical Schools had the following cash and cash equivalents at June 30, 2014:

<b>Fund Type:</b>	<b><u>Bank</u></b>	<b>Reconciling Items:</b>		<b>Reconciled</b>
	<b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b>
Governmental	\$479,457.46	\$0.00	\$1,237,630.99	(\$758,173.53)
Proprietary	672,037.68	0.00	0.00	672,037.68
Fiduciary	526,173.06	66.00	100,763.72	425,475.34
	<u>\$1,677,668.20</u>	<u>\$66.00</u>	<u>\$1,338,394.71</u>	<u>\$339,339.49</u>

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2014, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$276,992.39 was covered by Federal Depository Insurance and \$1,400,675.81 was covered under the provisions of NJGUDPA.

**Investments**

The purchases of investments by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The District had no investments outstanding at June 30, 2014.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital Assets not being depreciated				
Sites	\$1,289,141.75			1,289,141.75
Construction in Progress	21,772,419.19	\$3,746,502.99	(\$21,475,097.91)	4,043,824.27
Total Capital Assets not being depreciated	<u>\$23,061,560.94</u>	<u>\$3,746,502.99</u>	<u>(\$21,475,097.91)</u>	<u>\$5,332,966.02</u>
Capital Assets being depreciated				
Site Improvements	979,578.74			979,578.74
Intangible Assets	5,000,000.00			5,000,000.00
Building & Building Improvements	50,270,565.28	381,271.18	21,475,097.91	72,126,934.37
Machinery & Equipment	8,237,827.63	680,808.30	(9,000.00)	8,909,635.93
Total Capital Assets being depreciated	<u>64,487,971.65</u>	<u>1,062,079.48</u>	<u>21,466,097.91</u>	<u>87,016,149.04</u>
Totals at historical cost	<u>87,549,532.59</u>	<u>4,808,582.47</u>	<u>(9,000.00)</u>	<u>92,349,115.06</u>
Total Gross assets (Memo only)	<u>87,549,532.59</u>	<u>4,808,582.47</u>	<u>(9,000.00)</u>	<u>92,349,115.06</u>
Less: Accumulated Depreciation for:				
Site Improvements	(610,924.97)	(31,495.68)		(642,420.65)
Intangible Assets	(826,388.95)	(166,666.68)		(993,055.63)
Building & Building Improvements	(14,819,699.80)	(1,306,873.97)		(16,126,573.77)
Machinery & Equipment	(4,897,872.72)	(658,839.75)	9,000.00	(5,547,712.47)
Total depreciation	<u>(21,154,886.44)</u>	<u>(2,163,876.08)</u>	<u>9,000.00</u>	<u>(23,309,762.52)</u>
Total capital assets being depreciated net of accumulated depreciation	<u>66,394,646.15</u>	<u>2,644,706.39</u>		<u>69,039,352.54</u>
Governmental activities capital assets, net	<u>\$66,394,646.15</u>	<u>\$2,644,706.39</u>		<u>\$69,039,352.54</u>

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to governmental expenses as follows:

Instruction:	
Regular Instruction	\$876,166.62
Special Instruction	12,084.12
Support Services:	
Student & Instruction related services	352.56
General administration	11,350.32
School administration	55,349.52
Central Services	7,338.84
Plant operations & maintenance	1,198,657.75
Special Schools	1,335.96
Direct Expense of various functions	<u>1,240.39</u>
	<u><u>\$2,163,876.08</u></u>

**NOTE 4: LONG-TERM LIABILITIES**

Bonds are issued by the District pursuant to the provisions of Title 18A - Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Statutorily, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

The following is a summary of changes in liabilities that affect other long-term obligations for the year ended June 30, 2014:

	Pension Costs <u>Payable</u>	Compensated Absences <u>Payable</u>	Capital Lease/ Lease Purchase <u>Agreements</u>	<u>Total</u>
Balance June 30, 2013	\$450,000.00	\$913,619.00	\$302,311.70	\$1,665,930.70
Additions			<u>411,362.56</u>	<u>411,362.56</u>
	450,000.00	913,619.00	713,674.26	2,077,293.26
Deletions	<u>80,000.00</u>	<u>227,971.00</u>	<u>141,456.82</u>	<u>449,427.82</u>
Balance June 30, 2014	<u>\$370,000.00</u>	<u>\$685,648.00</u>	<u>\$572,217.44</u>	<u>\$1,627,865.44</u>
Amounts due within one year	<u>\$85,000.00</u>		<u>\$172,224.24</u>	<u>257,224.24</u>

**Capital Leases Payable:**

The District has entered into various lease agreements for copiers as outlined in Schedule I-2. The following is a schedule of the future minimum lease payments under capital lease, and the present value of the net minimum lease payments at June 30, 2014:

<u>Year</u>	<u>Amount</u>
2015	191,681.00
2016	132,894.00
2017	129,984.00
2018	96,904.00
2019	<u>67,716.00</u>
Total Minimum Lease Payments	619,179.00
Less: Amounts Representing Interest	<u>46,961.56</u>
Present Value of Minimum Lease Payments	<u>\$572,217.44</u>

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 5: PENSION PLANS**

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

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

**Defined Contribution Retirement Program (DCRP)** The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Significant Legislation**

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Pension Plan Design Changes**

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 5: PENSION PLANS (CONTINUED)**

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

**Contribution Requirements** The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 5: PENSION PLANS (CONTINUED)**

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts.

<u>Year</u> <u>June 30,</u>	<u>Three-Year Trend Information for PERS</u>		<u>Net Pension</u> <u>Obligation</u>
	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	
2014	\$144,516.00	100.00%	\$144,516.00
2013	\$133,952.00	100.00%	\$133,952.00
2012	\$171,875.00	100.00%	\$171,875.00

During the fiscal years ended June 30, 2014, 2013 and 2012, the State of New Jersey contributed \$412,587.00, \$617,301.00 and \$287,453.00 respectively to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2014, 2013 and 2012, the State of New Jersey reimbursed the District \$702,694.60 \$689,381.40 and \$683,441.74 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 6: OTHER POST-RETIREMENT BENEFITS**

For eligible retired employees, the School District participates in 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 N.J.S.A. 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.

The State Health Benefits Commission is the executive body established by 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, P.O. Box 295, Trenton, NJ 08625-0295.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)**

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2014, 2013 and 2012 were \$676,487, \$698,011, and \$577,856, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 7: LITIGATION**

The District, based upon the opinions of the District attorney, there is no litigation, pending claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

**NOTE 8: INVENTORY**

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food and Supplies	<u>\$1,328.10</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 9: CONTINGENCIES**

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2013-2014 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit.

Findings and questioned costs, if any, relative to federal awards and state financial assistance programs are disclosed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The District's management does not believe such an audit would result in material amounts of disallowed costs.

**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 coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**New Jersey Unemployment Compensation Insurance**

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Liability Method". Under this plan, the District is required to calculate and pay the amount required on a quarterly basis based upon rates as determined by the New Jersey Department of Labor.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 11: COMPENSATED ABSENCES**

Tenured teachers are entitled to up to 15 sick days per year and upon retirement or termination of employment (with proper notice if by employee) shall be paid an amount of money calculated at the rate of thirty dollars per day for each day of accumulated sick leave at the time of retirement or termination up to a maximum of two hundred twenty five days. If a teacher, as of June 30, 1993, has accumulated more than the aforesaid amount of sick days, the same, to the amount accumulated, shall be the teacher's entitlement unless the same are subsequently utilized which then results in a lesser number which would be the teacher's entitlement. For a teacher's last year of employment, he/she shall receive thirty dollars per sick day for each month worked and fifteen dollars per sick day for the remaining months. Smaller bargaining units of the District are also entitled to compensation for unused sick days based on their bargaining agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absence balance is not considered material to the applicable fund total liabilities, and is therefore not shown separately for the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2014 no liability existed for compensated absences in the proprietary fund types.

**NOTE 12: FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$2,417,498.61 in General Fund Balance at June 30, 2014, \$384,111.54 has been assigned for encumbrances, \$-0- is restricted for excess surplus in accordance with N.J.S.A. 18A:7F7 and \$405,968.89 of the total restricted for excess surplus has been appropriated in the budget for the fiscal year ended June 30, 2015; \$1,000,337.03 has been restricted in the Capital Reserve Account; \$50,000.11 has been assigned for subsequent years expenditures and \$577,081.04 is unassigned.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 13: CALCULATION OF EXCESS SURPLUS-BUDGETARY BASIS**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to 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.

General Fund Expenditures	
Fiscal Year Ended June 30, 2014	\$ 23,857,837.35
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	(1,791,768.60)
Assets Acquired Under Capital Leases	<u>(411,362.56)</u>
Adjusted General Fund Expenditures	\$ <u>21,654,706.19</u>
Excess Surplus Percentage	
6% of Adjusted 2013-14 General Fund Expenditures	\$ <u>1,299,282.37</u>
Greater of 6% or \$250,000.00	1,299,282.37
Maximum Unassigned Fund Balance	<u>1,299,282.37</u>
Actual Unassigned	
General Fund Balance	<u>1,181,354.88</u>
Excess Surplus	\$ <u><u>0.00</u></u>

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 14: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Union County Vocational-Technical Schools by inclusion of \$500,001.00 during fiscal year 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013  
to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	\$2,500,337.03
Withdrawals	
Transfer per Board Resolution	500,000.00
Local Share	<u>1,000,000.00</u>
Total withdrawals	<u>1,500,000.00</u>
Ending balance, June 30, 2014	<u><u>\$1,000,337.03</u></u>

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 15: INTERFUNDS RECEIVABLE AND PAYABLE**

The following interfund balances remained on the balance sheet at June 30, 2014:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 901,739.67	\$
Special Revenue Fund		210,513.80
Capital Projects Fund		616,253.88
Proprietary Fund		61,886.70
Fiduciary Fund	<u>170.14</u>	<u>13,255.43</u>
	<u>\$ 901,909.81</u>	<u>\$ 901,909.81</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between the funds were returned.

**NOTE 16: DEFERRED COMPENSATION**

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

AXA Equitable  
Valic  
Lincoln Investments  
Lincoln National Life Insurances  
Fidelity Investments

**NOTE 17: COMMITMENTS**

The District has active construction projects as of June 30, 2014 relating to approved projects, which include additions and renovations at various schools. At June 30, 2014, the District's commitments with contractors amounted to \$1,763,617.83, which is reported as a restricted for capital projects on the balance sheet in the capital projects fund.

**Union County Vocational-Technical Schools**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 18: SUBSEQUENT EVENTS**

The District has evaluated subsequent events occurring after the financial statement date through November 25, 2014 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION – Part II**

**BUDGETARY COMPARISON SCHEDULES**

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local sources					
County tax levy	\$ 4,418,689.00	\$	\$ 4,418,689.00	\$ 4,418,689.00	\$
Tuition from LEA's	9,764,000.00		9,764,000.00	9,511,200.00	(252,800.00)
Other tuition	687,500.00		687,500.00	528,551.42	(158,948.58)
Unrestricted Miscellaneous Revenue	400,000.00		400,000.00	262,152.22	(137,847.78)
	<u>15,270,189.00</u>		<u>15,270,189.00</u>	<u>14,720,592.64</u>	<u>(549,596.36)</u>
Total revenues-local sources					
State sources					
Categorical Special Education Aid	946,786.00		946,786.00	946,786.00	
Equalization Aid	4,643,708.00		4,643,708.00	4,643,708.00	
Categorical Security Aid	43,442.00		43,442.00	43,442.00	
On-behalf TPAF pension (non-budgeted)				412,587.00	412,587.00
On-behalf TPAF post retirement medical (non-budgeted)				676,487.00	676,487.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				702,694.60	702,694.60
	<u>5,633,936.00</u>		<u>5,633,936.00</u>	<u>7,425,704.60</u>	<u>1,791,768.60</u>
Total - state sources					
Total revenues	<u>20,904,125.00</u>		<u>20,904,125.00</u>	<u>22,146,297.24</u>	<u>1,242,172.24</u>
GENERAL CURRENT EXPENSE:					
Regular Vocational Programs-Instruction					
Salaries of Teachers	7,416,984.00	(200,000.00)	7,216,984.00	7,181,534.13	35,449.87
Purchased Instructional Serv	525,000.00	(144,245.00)	380,755.00	379,520.00	1,235.00
Other Purchased Services (400-500 series)	160,000.00		160,000.00	158,963.15	1,036.85
General Supplies	600,000.02	98,000.00	698,000.02	689,784.07	8,215.95
Textbooks	237,320.17		237,320.17	154,253.98	83,066.19
Other Objects	15,500.00		15,500.00	15,312.81	187.19
Total Regular Vocational Programs-Instruction	<u>8,954,804.19</u>	<u>(246,245.00)</u>	<u>8,708,559.19</u>	<u>8,579,368.14</u>	<u>129,191.05</u>

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Special Vocational Programs-Instruction					
Salaries of Teachers	\$ 985,000.00	\$	\$ 985,000.00	\$ 714,327.04	\$ 270,672.96
General Supplies	105,000.00		105,000.00	90,681.67	14,318.33
Textbooks	10,000.00		10,000.00	1,537.98	8,462.02
Other Objects	5,000.00		5,000.00	2,113.25	2,886.75
Total Special Vocational Programs-Instruction	1,105,000.00		1,105,000.00	808,659.94	296,340.06
School Sponsored Cocurricular Activities-Instruction					
Salaries	160,000.00	34,000.00	194,000.00	193,989.43	10.57
Supplies and Materials	25,000.00		25,000.00	18,322.63	6,677.37
Other Objects	2,658.96	40,000.00	42,658.96	29,133.43	13,525.53
Total School Sponsored Cocurricular Activities-Instruction	187,658.96	74,000.00	261,658.96	241,445.49	20,213.47
TOTAL VOCATIONAL PROGRAMS	10,247,463.15	(172,245.00)	10,075,218.15	9,629,473.57	445,744.58
UNDISTRIBUTED EXPENSES					
Health services					
Supplies		9,245.00	9,245.00	9,088.00	157.00
Total Health Services		9,245.00	9,245.00	9,088.00	157.00
Other support services-students - Regular					
Salaries of other professional staff	575,000.00	25,000.00	600,000.00	599,846.22	153.78
Supplies and materials	10,000.00		10,000.00	4,057.53	5,942.47
Other objects	15,000.00		15,000.00	5,440.00	9,560.00
Total other support services-students - Regular	600,000.00	25,000.00	625,000.00	609,343.75	15,656.25
Other support services-students - Special					
Salaries of other professional staff	254,000.00	(50,000.00)	204,000.00	187,022.05	16,977.95
Child Study Team - Purchased Services	30,000.00	50,000.00	80,000.00	78,287.35	1,712.65
Supplies and Materials	2,500.00		2,500.00	1,837.73	662.27
Other Objects	10,000.00		10,000.00	4,010.71	5,989.29
Total other support services-students - Special	296,500.00	(50,000.00)	296,500.00	271,157.84	25,342.16
Improvement of Instructional Services					
Salaries of other professional staff	25,000.00		25,000.00	15,354.00	9,646.00
Total Improvement of Instructional Services	25,000.00		25,000.00	15,354.00	9,646.00

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Instructional Staff Training Services					
Salaries of other professional staff	\$ 25,000.00	\$ (70.00)	\$ 24,930.00	\$ 5,217.08	\$ 19,712.92
Other purchased prof. and tech services	5,000.00	9,070.00	14,070.00	5,065.60	9,004.40
Other purchased services	10,000.00		10,000.00	6,615.09	3,384.91
Total Instructional Staff Training Services	<u>40,000.00</u>	<u>9,000.00</u>	<u>49,000.00</u>	<u>16,897.77</u>	<u>32,102.23</u>
Support services general administration					
Salaries	250,000.00	125.00	250,125.00	250,124.76	0.24
Legal services	60,000.00		60,000.00	30,760.11	29,239.89
Audit Fees	32,000.00		32,000.00	26,675.00	5,325.00
Communications/telephone	155,000.00	(225.00)	154,775.00	93,534.28	61,240.72
Misc. Purchased Services	4,000.00	100.00	4,100.00	4,067.08	32.92
General Supplies	20,000.00		20,000.00	6,900.50	13,099.50
Miscellaneous Expenditures	20,300.00		20,300.00	16,221.89	4,078.11
Total support services general administration	<u>541,300.00</u>	<u></u>	<u>541,300.00</u>	<u>428,283.62</u>	<u>113,016.38</u>
Support services school administration					
Salaries of principals/asst. principals	554,000.00		554,000.00	464,632.36	89,367.64
Salaries of professional staff	3,000.00		3,000.00	3,000.00	
Salaries of secretarial and clerical assistants	265,000.00		265,000.00	255,184.77	9,815.23
Other Salaries	30,000.00		30,000.00	27,070.76	2,929.24
Other Purchased Services	28,500.00	3,000.00	31,500.00	29,313.07	2,186.93
Supplies and Materials	20,864.85	(3,000.00)	17,864.85	17,108.71	756.14
Other Objects	25,000.00	(9,000.00)	16,000.00	13,050.00	2,950.00
Total support services school administration	<u>926,364.85</u>	<u>(9,000.00)</u>	<u>917,364.85</u>	<u>809,359.67</u>	<u>108,005.18</u>
Central Services					
Miscellaneous Expenses					
Salaries	500,000.00		500,000.00	428,399.06	71,600.94
Purchasing Services	32,000.00	500.00	32,500.00	32,498.87	1.13
Supplies and Materials	10,700.00		10,700.00	5,873.65	4,826.35
Miscellaneous Expenses	80,000.00	(500.00)	79,500.00	72,375.89	7,124.11
Total Central Services	<u>622,700.00</u>	<u></u>	<u>622,700.00</u>	<u>539,147.47</u>	<u>83,552.53</u>
Admin Info Technology					
Salaries	67,500.00		67,500.00	67,320.00	180.00
Total Admin Info Technology	<u>67,500.00</u>	<u></u>	<u>67,500.00</u>	<u>67,320.00</u>	<u>180.00</u>

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Allowance for maintenance for school facilities					
Salaries	\$ 120,000.00	\$ 25.00	\$ 120,025.00	\$ 120,023.16	\$ 1.84
Cleaning, repair and maintenance services	670,000.00	34,000.00	704,000.00	666,813.81	37,186.19
General Supplies	185,000.00		185,000.00	180,531.09	4,468.91
Total allowance for maintenance for school facilities	<u>975,000.00</u>	<u>34,025.00</u>	<u>1,009,025.00</u>	<u>967,368.06</u>	<u>41,656.94</u>
Other operation and maintenance of plant					
Salaries	322,000.00	(25.00)	321,975.00	318,665.70	3,309.30
Purchased Professional and Technical Services	140,000.00	63,000.00	203,000.00	202,266.82	733.18
Cleaning, repair and maintenance services	370,000.00	43,000.00	413,000.00	412,527.95	472.05
Other purchased property services	60,000.00		60,000.00	48,750.18	11,249.82
Insurance	160,000.00		160,000.00	127,804.00	32,196.00
Energy (Heat and Electricity)	1,500,000.00	(74,000.00)	1,426,000.00	1,385,494.65	40,505.35
Total other operation and maintenance of plant	<u>2,552,000.00</u>	<u>31,975.00</u>	<u>2,583,975.00</u>	<u>2,495,509.30</u>	<u>88,465.70</u>
TOTAL OPERATION & MAINTENANCE OF PLANT SERVICE	<u>3,527,000.00</u>	<u>66,000.00</u>	<u>3,593,000.00</u>	<u>3,462,877.36</u>	<u>130,122.64</u>
Student transportation services					
Cleaning, repair and maintenance services	5,000.00		5,000.00	25.00	4,975.00
Other Contracted Services	60,000.00		60,000.00	44,834.38	15,165.62
Transportation Supplies	5,000.00		5,000.00		5,000.00
Total student transportation services	<u>70,000.00</u>		<u>70,000.00</u>	<u>44,859.38</u>	<u>25,140.62</u>
Unallocated Benefits - Employee Benefits					
Social Security	240,000.00	(16,638.37)	223,361.63	184,649.43	38,712.20
TPAF Contribution - ERIP	120,000.00		120,000.00	107,009.48	12,990.52
Other Retirement Contributions - Regular	150,000.00	10,920.00	160,920.00	145,465.40	15,454.60
Unemployment Compensation	40,000.00	5,718.37	45,718.37	45,718.37	
Workmen's Compensation	120,000.00		120,000.00	115,320.00	4,680.00
Health Benefits	2,590,141.00	(11,685.15)	2,578,455.85	2,578,255.01	200.84
Tuition Reimbursement	60,000.00		60,000.00	59,059.98	940.02
Other Employee Benefits	100,000.00	83,685.15	183,685.15	178,872.19	4,812.96
Total Unallocated Benefits - Employee Benefits	<u>3,420,141.00</u>	<u>72,000.00</u>	<u>3,492,141.00</u>	<u>3,414,349.86</u>	<u>77,791.14</u>

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Total undistributed expenses	10,136,505.85	172,245.00	10,308,750.85	9,688,038.72	620,712.13
On-behalf TPAF pension (non-budgeted)				412,587.00	(412,587.00)
On-behalf TPAF post retirement medical (non-budgeted)				676,487.00	(676,487.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				702,694.60	(702,694.60)
Total On-behalf TPAF contributions				1,791,768.60	(1,791,768.60)
TOTAL EXPENDITURES - CURRENT EXPENSE	20,383,969.00	0.00	20,383,969.00	21,109,280.89	(725,311.89)
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services					
Construction Services	1,000,000.00	1,175,009.00	2,175,009.00	1,850,186.83	324,822.17
Debt Service - SDA Funding	71,156.00	(25,009.00)	46,147.00	46,147.00	
Total Facilities Acquisition and Construction Services	1,071,156.00	1,150,000.00	2,221,156.00	1,896,333.83	324,822.17
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures					
Assets acquired under capital leases (non-budgeted)				411,362.56	(411,362.56)
TOTAL CAPITAL OUTLAY	1,071,156.00	1,150,000.00	2,221,156.00	2,307,696.39	(86,540.39)
SPECIAL SCHOOLS:					
Accredited Evening/Adult H.S./Post-Grad - Instruction					
Salaries of Teachers	340,000.00		340,000.00	251,858.12	88,141.88
Supplies and Materials	36,008.50		36,008.50	15,200.59	20,807.91
Textbooks	15,000.00		15,000.00		15,000.00
Other Objects	5,000.00		5,000.00	3,741.28	1,258.72
Total Accredited Evening/Adult H.S./Post-Grad - Instruction	396,008.50		396,008.50	270,799.99	125,208.51
Accredited Evening/Adult H.S./Post-Grad - Support Services					
Salaries	165,000.00		165,000.00	138,435.09	26,564.91
Supplies and Materials	10,000.00	(600.00)	9,400.00	964.82	8,435.18
Other Objects	10,000.00	600.00	10,600.00	10,552.74	47.26
Total Accredited Evening/Adult H.S./Post-Grad - Support Services	185,000.00		185,000.00	149,952.65	35,047.35
Total Accredited Evening/Adult H.S./Post-Grad	581,008.50		581,008.50	420,752.64	160,255.86

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Vocational evening - local - instruction					
Salaries	\$ 40,000.00	\$	\$ 40,000.00	\$ 19,924.00	\$ 20,076.00
General supplies	5,000.00		5,000.00	183.43	4,816.57
Total vocational evening - local - instruction	45,000.00		45,000.00	20,107.43	24,892.57
Vocational evening - local - support services					
General administration					
Salaries	10,000.00		10,000.00		10,000.00
Total vocational evening - local - support services	10,000.00		10,000.00		10,000.00
Total vocational evening - local	55,000.00		55,000.00	20,107.43	34,892.57
TOTAL SPECIAL SCHOOLS	636,008.50		636,008.50	440,860.07	195,148.43
TOTAL GENERAL FUND	22,091,133.50	1,150,000.00	23,241,133.50	23,857,837.35	(616,703.85)
Excess (deficiency) of revenues over (under) expenditures	(1,187,008.50)	(1,150,000.00)	(2,337,008.50)	(1,711,540.11)	1,858,876.09
Other financing sources (uses)					
Capital leases (non-budgeted)				411,362.56	(411,362.56)
Total other financing sources (uses)				411,362.56	(411,362.56)

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,187,008.50)	\$ (1,150,000.00)	\$ (2,337,008.50)	\$ (1,300,177.55)	\$ 1,447,513.53
Fund balances, June 30, 2013	4,276,463.16		4,276,463.16	4,276,463.16	
Fund balances, June 30, 2014	\$ 3,089,454.66	\$ (1,150,000.00)	\$ 1,939,454.66	\$ 2,976,285.61	\$ 1,447,513.53
Recapitulation:					
Assigned - year-end encumbrances				\$ 384,111.54	
Restricted - capital reserve				1,000,337.03	
Restricted - excess surplus - designated for subsequent year's expenditures				405,968.89	
Committed - designated for subsequent years expenditures				50,000.11	
Unassigned fund balance				1,135,868.04	
				\$ 2,976,285.61	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment not recognized on GAAP basis				(558,787.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,417,498.61	

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
State sources	\$	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$
Federal sources	600,000.00	296,782.22	896,782.22	853,064.12	(43,718.10)
Local sources		6,217.00	6,217.00	6,217.00	
<b>Total revenues</b>	<b>600,000.00</b>	<b>322,999.22</b>	<b>922,999.22</b>	<b>879,281.12</b>	<b>(43,718.10)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	600,000.00	(323,680.12)	276,319.88	259,104.38	17,215.50
Other purchased services		52,629.88	52,629.88	51,964.38	665.50
General supplies		271,017.81	271,017.81	261,001.39	10,016.42
Other objects		30,546.03	30,546.03	27,017.53	3,528.50
<b>Total instruction</b>	<b>600,000.00</b>	<b>30,513.60</b>	<b>630,513.60</b>	<b>599,087.68</b>	<b>31,425.92</b>
Support services:					
Salaries of program directors		29,024.89	29,024.89	29,024.89	
Salaries of other professional staff		1,523.00	1,523.00	1,523.00	
Salaries of secretarial and clerical assistant		5,960.96	5,960.96	5,960.96	
Personal services - employee benefits		69,702.39	69,702.39	66,756.21	2,946.18
Purchased professional - educational services		31,893.00	31,893.00	31,893.00	
Travel		971.32	971.32	971.32	
Other purchased services		10,520.00	10,520.00	10,520.00	
Supplies and materials		6,473.37	6,473.37	6,473.37	
Other objects		12,171.00	12,171.00	2,825.00	9,346.00
<b>Total support services</b>		<b>168,239.93</b>	<b>168,239.93</b>	<b>155,947.75</b>	<b>12,292.18</b>
Facilities acquisition and construction services:					
Instructional equipment		119,808.17	119,808.17	119,808.17	
Non-instructional equipment		4,437.52	4,437.52	4,437.52	
<b>Total facilities acquisition and construction services</b>		<b>124,245.69</b>	<b>124,245.69</b>	<b>124,245.69</b>	
<b>Total expenditures</b>	<b>600,000.00</b>	<b>322,999.22</b>	<b>922,999.22</b>	<b>879,281.12</b>	<b>43,718.10</b>
Excess (deficiency) of revenues over (under) expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$22,146,297.24	\$879,281.12
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment is recognized as revenue for GAAP Statements in in the current year, previously recognized for budgetary purposes.	558,787.00	
State aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(558,787.00)	
Adjust for encumbrances:		
Add prior year encumbrances		11,330.80
Less prior year encumbrances canceled		(10.00)
Less current year encumbrances		(76,923.39)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$22,146,297.24	\$813,678.53
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$23,857,837.35	\$879,281.12
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes but in the year the supplies are received for <i>financial reporting</i> purposes.		
Adjust for encumbrances:		
Add prior year encumbrances		11,330.80
Less prior year encumbrances canceled		(10.00)
Less current year encumbrances		(76,923.39)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$23,857,837.35	\$813,678.53

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	CASE GRANT	APPRENTICE COORDINATOR	FY2013 TITLE I	FY2014 TITLE I	TITLE II FY2013	ANTI BULLYING
REVENUES:						
State sources	\$	\$ 20,000.00			\$	
Federal sources			\$ 1,383.93	\$ 132,421.00	\$ 11,342.00	
Local sources	5,000.00					1,217.00
<b>Total revenues</b>	<u>5,000.00</u>	<u>20,000.00</u>	<u>1,383.93</u>	<u>132,421.00</u>	<u>11,342.00</u>	<u>1,217.00</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers				105,576.65	9,922.00	
Other purchased services						
General supplies	1,278.68			2,561.35	662.00	
Other objects						
<b>Total instruction</b>	<u>1,278.68</u>			<u>108,138.00</u>	<u>10,584.00</u>	
Support services:						
Salaries of program directors		10,773.04				
Salaries of other professional staff			306.00			1,217.00
Salaries of secretarial and clerical assistant		5,960.96				
Personal services - employee benefits		475.00	18.21	24,283.00	758.00	
Purchased professional - technical services						
Travel	971.32					
Other purchased services						
Supplies and materials		2,716.00	1,059.72			
Other objects	2,750.00	75.00				
Miscellaneous expenditures						
<b>Total support services</b>	<u>3,721.32</u>	<u>20,000.00</u>	<u>1,383.93</u>	<u>24,283.00</u>	<u>758.00</u>	<u>1,217.00</u>
Facilities acquisition and construction service:						
Instructional equipment						
Noninstructional equipment						
<b>Total facilities acquisition and construction service</b>						
<b>Total expenditures</b>	<u>\$ 5,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 1,383.93</u>	<u>\$ 132,421.00</u>	<u>\$ 11,342.00</u>	<u>\$ 1,217.00</u>

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	PERKINS VOCATIONAL EDUCATION SECONDARY	FY2014 PERKINS POST - SECONDARY	FY2013 IDEA	IDEA	TOTAL
<b>REVENUES:</b>					
State sources	\$	\$	\$	\$	20,000.00
Federal sources	347,353.00	150,087.00	3,113.19	207,364.00	853,064.12
Local sources					6,217.00
<b>Total revenues</b>	<u>347,353.00</u>	<u>150,087.00</u>	<u>3,113.19</u>	<u>207,364.00</u>	<u>879,281.12</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of teachers	29,773.73			113,832.00	259,104.38
Other purchased services	51,964.38				51,964.38
General supplies	165,696.48	67,451.86	437.54	22,913.48	261,001.39
Other objects	25,067.53	1,950.00			27,017.53
<b>Total instruction</b>	<u>272,502.12</u>	<u>69,401.86</u>	<u>437.54</u>	<u>136,745.48</u>	<u>599,087.68</u>
<b>Support services:</b>					
Salaries of program directors	10,750.00	7,501.85			29,024.89
Salaries of other professional staff					1,523.00
Salaries of secretarial and clerical assistant					5,960.96
Personal services - employee benefits	5,952.00	104.00	578.00	34,588.00	66,756.21
Purchased professional - technical services			300.00	31,593.00	31,893.00
Travel					971.32
Other purchased services	10,520.00				10,520.00
Supplies and materials		900.00	1,797.65		6,473.37
Other objects					2,825.00
Miscellaneous expenditures					
<b>Total support services</b>	<u>27,222.00</u>	<u>8,505.85</u>	<u>2,675.65</u>	<u>66,181.00</u>	<u>155,947.75</u>
<b>Facilities acquisition and construction services:</b>					
Instructional equipment	47,628.88	72,179.29			119,808.17
Noninstructional equipment				4,437.52	4,437.52
<b>Total facilities acquisition and construction services.</b>	<u>47,628.88</u>	<u>72,179.29</u>		<u>4,437.52</u>	<u>124,245.69</u>
<b>Total expenditures</b>	<u>\$ 347,353.00</u>	<u>\$ 150,087.00</u>	<u>\$ 3,113.19</u>	<u>\$ 207,364.00</u>	<u>\$ 879,281.12</u>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**



UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
IMPROVEMENT TO UNION COUNTY VOCATIONAL SCHOOL-APA/KEAN EASEMENT  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
County of Union Capital Ordinances	\$ 20,000,000.00	\$ _____	\$ 20,000,000.00	\$ 20,000,000.00
Total Revenue	<u>20,000,000.00</u>	<u>_____</u>	<u>20,000,000.00</u>	<u>20,000,000.00</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	1,499,415.42	584.58	1,500,000.00	1,500,000.00
Construction Services	13,500,000.00		13,500,000.00	13,500,000.00
Other Objects	<u>5,000,000.00</u>	<u>_____</u>	<u>5,000,000.00</u>	<u>5,000,000.00</u>
Total Expenditures	<u>19,999,415.42</u>	<u>584.58</u>	<u>20,000,000.00</u>	<u>20,000,000.00</u>
Excess (Deficiency) of Revenues (under) Expenditures	\$ <u>584.58</u>	\$ <u>(584.58)</u>	\$ <u>0.00</u>	\$ _____

Additional Project Information

County Ordinance Number	669
Grant date	N/A
County Authorization Date	6/26/2009
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	20,000,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	20,000,000.00
Percentage Increase over Original Authorized Costs	
Percentage Completion	100.00%
Original Completion Date	6/1/2010
Revised Completion Date	6/1/2014

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS RENOVATIONS AND IMPROVEMENTS TO UNION COUNTY VOCATIONAL SCHOOL  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources:				
County of Union Capital Ordinances	\$ _____	\$ 1,442,000.00	\$ 1,442,000.00	\$ 1,442,000.00
Total Revenue	_____	1,442,000.00	1,442,000.00	1,442,000.00
Expenditures and Other Financing Uses:				
Construction Services		63,566.93	63,566.93	942,000.00
Equipment Purchases	_____	24,069.76	24,069.76	200,000.00
Total Expenditures	_____	87,636.69	87,636.69	1,142,000.00
Excess (Deficiency) of Revenues (under) Expenditures	\$ _____	\$ 1,354,363.31	\$ 1,354,363.31	\$ _____

Additional Project Information

County Ordinance Number	752CC
Grant date	N/A
County Authorization Date	
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	
Additional Authorized Cost	-0-
Revised Authorized Cost	1,142,000.00
Percentage Increase over Original Authorized Costs	N/A
Percentage Completion	8.00%
Original Completion Date	11/15
Revised Completion Date	11/15

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
CONSTRUCTION OF ADDITION AND RENOVATION OF WEST HALL  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources:				
County of Union Capital Ordinances	\$ <u>850,000.00</u>	\$ <u>10,300,000.00</u>	\$ <u>11,150,000.00</u>	\$ <u>11,150,000.00</u>
Total Revenue	<u>850,000.00</u>	<u>10,300,000.00</u>	<u>11,150,000.00</u>	<u>11,150,000.00</u>
Expenditures and Other Financing Uses:				
Purchased Profession and Technical Services	297,901.28	759,116.19	1,057,017.47	1,150,000.00
Construction Services	<u>                    </u>	<u>1,148,307.83</u>	<u>1,148,307.83</u>	<u>10,000,000.00</u>
Total Expenditures	<u>297,901.28</u>	<u>1,907,424.02</u>	<u>2,205,325.30</u>	<u>11,150,000.00</u>
Excess (Deficiency) of Revenues (under) Expenditures	\$ <u><u>552,098.72</u></u>	\$ <u><u>8,392,575.98</u></u>	\$ <u><u>8,944,674.70</u></u>	\$ <u><u>                    </u></u>

Additional Project Information

County Ordinance Number	920/752BB
Grant date	N/A
County Authorization Date	11/29/2012
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	11,150,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	11,150,000.00
Percentage Increase over Original Authorized Costs	N/A
Percentage Completion	20.00%
Original Completion Date	11/15
Revised Completion Date	11/15

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS ACQUISITIONS AND IMPROVEMENT TO UNION COUNTY VOCATIONAL SCHOOL  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
<b>Revenues and Other Financing Sources</b>				
County of Union Capital Ordinances	\$ 1,600,000.00	\$ _____	\$ 1,600,000.00	\$ 1,600,000.00
Total Revenue	<u>1,600,000.00</u>	<u>_____</u>	<u>1,600,000.00</u>	<u>1,600,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Profession and Technical Services		3,109.50	3,109.50	3,109.50
Construction Services	1,111,629.55		1,111,629.55	1,111,629.55
Equipment Purchases	<u>485,260.95</u>	<u>_____</u>	<u>485,260.95</u>	<u>485,260.95</u>
Total Expenditures	<u>1,596,890.50</u>	<u>3,109.50</u>	<u>1,600,000.00</u>	<u>1,600,000.00</u>
<b>Excess (Deficiency) of Revenues</b>				
(under) Expenditures	\$ <u>3,109.50</u>	\$ <u>(3,109.50)</u>	\$ _____	\$ _____
<u>Additional Project Information</u>				
County Ordinance Number	671			
Grant date	N/A			
County Authorization Date	10/9/2008			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	1,600,000.00			
Additional Authorized Cost	1,600,000.00			
Revised Authorized Cost	1,600,000.00			
Percentage Increase over Original Authorized Costs	100.00%			
Percentage Completion	100.00%			
Original Completion Date	6/14			
Revised Completion Date	6/14			

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS IMPROVEMENTS TO UNION COUNTY VOCATIONAL SCHOOL  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources:				
County of Union Capital Ordinances	\$ <u>15,000.00</u>	\$ _____	\$ <u>15,000.00</u>	\$ <u>15,000.00</u>
Total Revenue	<u>15,000.00</u>	_____	<u>15,000.00</u>	<u>15,000.00</u>
Expenditures and Other Financing Uses:				
Construction Services	<u>13,196.25</u>	_____	<u>13,196.25</u>	<u>15,000.00</u>
Total Expenditures	<u>13,196.25</u>	_____	<u>13,196.25</u>	<u>15,000.00</u>
Excess (Deficiency) of Revenues (under) Expenditures	\$ <u><u>1,803.75</u></u>	\$ <u>_____</u>	\$ <u><u>1,803.75</u></u>	\$ <u>_____</u>

Additional Project Information

County Ordinance Number	555
Grant date	N/A
County Authorization Date	2/23/2012
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	15,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	15,000.00
Percentage Increase over Original Authorized Costs	N/A
Percentage Completion	88.00%
Original Completion Date	12/13
Revised Completion Date	12/13

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS ACQUISITIONS AND IMPROVEMENT TO UNION COUNTY VOCATIONAL SCHOOL  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
<b>Revenues and Other Financing Sources:</b>				
County of Union Capital Ordinances	\$ 1,082,626.44	\$ _____	\$ 1,082,626.44	\$ 1,082,626.44
<b>Total Revenue</b>	<u>1,082,626.44</u>	<u>_____</u>	<u>1,082,626.44</u>	<u>1,082,626.44</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Profession and Technical Services	2,920.00		2,920.00	2,920.00
Construction Services	435,806.44	7,000.00	442,806.44	442,806.44
Equipment Purchases	<u>636,900.00</u>	<u>_____</u>	<u>636,900.00</u>	<u>636,900.00</u>
<b>Total Expenditures</b>	<u>1,075,626.44</u>	<u>7,000.00</u>	<u>1,082,626.44</u>	<u>1,082,626.44</u>
Excess (Deficiency) of Revenues (under) Expenditures	\$ <u>7,000.00</u>	\$ <u>(7,000.00)</u>	<u>_____</u>	\$ <u>_____</u>
<b><u>Additional Project Information</u></b>				
County Ordinance Number	632			
Grant date	N/A			
County Authorization Date	7/20/2006			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	1,300,000.00			
Additional Authorized Cost	(217,373.56)			
Revised Authorized Cost	1,082,626.44			
Percentage Increase over Original Authorized Costs	-16.72%			
Percentage Completion	100.00%			
Original Completion Date	11/06			
Revised Completion Date	6/14			

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS ACQUISITIONS AND IMPROVEMENT TO UNION COUNTY VOCATIONAL SCHOOL  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources:				
County of Union Capital Ordinances	\$ 2,360,860.10	\$ _____	\$ 2,360,860.10	\$ 2,360,860.10
<b>Total Revenue</b>	<u>2,360,860.10</u>	<u>_____</u>	<u>2,360,860.10</u>	<u>2,360,860.10</u>
Expenditures and Other Financing Uses:				
Purchased Profession and Technical Services		17,539.69	17,539.69	17,539.69
Construction Services	1,417,080.40		1,417,080.40	1,417,080.40
Equipment Purchases	926,240.01		926,240.01	926,240.01
<b>Total Expenditures</b>	<u>2,343,320.41</u>	<u>17,539.69</u>	<u>2,360,860.10</u>	<u>2,360,860.10</u>
Excess (Deficiency) of Revenues (under) Expenditures	\$ <u>17,539.69</u>	\$ <u>(17,539.69)</u>	<u>_____</u>	\$ <u>_____</u>

Additional Project Information

County Ordinance Number	653
Grant date	N/A
County Authorization Date	9/6/2007
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	2,350,000.00
Additional Authorized Cost	10,860.10
Revised Authorized Cost	2,360,860.10
Percentage Increase over Original Authorized Costs	0.46%
Percentage Completion	100.00%
Original Completion Date	12/09
Revised Completion Date	6/14

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS ACQUISITIONS AND IMPROVEMENT TO UNION COUNTY VOCATIONAL SCHOOL  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources:				
County of Union Capital Ordinances	\$ 1,400,000.00	\$ _____	\$ 1,400,000.00	\$ 1,400,000.00
Total Revenue	<u>1,400,000.00</u>	<u>_____</u>	<u>1,400,000.00</u>	<u>1,400,000.00</u>
Expenditures and Other Financing Uses:				
Purchased Profession and Technical Services		9,426.61	9,426.61	9,426.61
Construction Services	639,233.17		639,233.17	651,566.82
Equipment Purchases	<u>729,977.69</u>	<u>_____</u>	<u>729,977.69</u>	<u>739,006.57</u>
Total Expenditures	<u>1,369,210.86</u>	<u>9,426.61</u>	<u>1,378,637.47</u>	<u>1,400,000.00</u>
Excess (Deficiency) of Revenues (under) Expenditures	<u>\$ 30,789.14</u>	<u>\$ (9,426.61)</u>	<u>\$ 21,362.53</u>	<u>\$ _____</u>

Additional Project Information

County Ordinance Number	687
Grant date	N/A
County Authorization Date	7/30/2009
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,400,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	1,400,000.00
Percentage Increase over Original Authorized Costs	N/A
Percentage Completion	98.00%
Original Completion Date	12/09
Revised Completion Date	6/15

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS ACQUISITIONS AND IMPROVEMENT TO UNION COUNTY VOCATIONAL SCHOOL  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources:				
County of Union Capital Ordinances	\$ 1,400,000.00	\$ _____	\$ 1,400,000.00	\$ 1,400,000.00
Total Revenue	<u>1,400,000.00</u>	<u>_____</u>	<u>1,400,000.00</u>	<u>1,400,000.00</u>
Expenditures and Other Financing Uses:				
Construction Services	866,359.41	6,098.84	872,458.25	856,112.06
Equipment Purchases	<u>466,223.84</u>	<u>40,084.50</u>	<u>506,308.34</u>	<u>543,887.94</u>
Total Expenditures	<u>1,332,583.25</u>	<u>46,183.34</u>	<u>1,378,766.59</u>	<u>1,400,000.00</u>
Excess (Deficiency) of Revenues (under) Expenditures	<u>\$ 67,416.75</u>	<u>\$ (46,183.34)</u>	<u>\$ 21,233.41</u>	<u>\$ _____</u>

Additional Project Information

County Ordinance Number	713
Grant date	N/A
County Authorization Date	12/8/2010
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,400,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	1,400,000.00
Percentage Increase over Original Authorized Costs	N/A
Percentage Completion	98.00%
Original Completion Date	12/09
Revised Completion Date	6/15

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS IMPROVEMENTS TO UNION COUNTY VOCATIONAL SCHOOL  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources:				
County of Union Capital Ordinances	\$ 1,300,000.00	\$ _____	\$ 1,300,000.00	\$ 1,300,000.00
Total Revenue	<u>1,300,000.00</u>	<u>_____</u>	<u>1,300,000.00</u>	<u>1,300,000.00</u>
Expenditures and Other Financing Uses:				
Construction Services	864,472.78	139,700.77	1,004,173.55	1,125,000.00
Equipment Purchases	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>175,000.00</u>
Total Expenditures	<u>864,472.78</u>	<u>139,700.77</u>	<u>1,004,173.55</u>	<u>1,300,000.00</u>
Excess (Deficiency) of Revenues (under) Expenditures	\$ <u>435,527.22</u>	\$ <u>(139,700.77)</u>	\$ <u>295,826.45</u>	\$ <u>_____</u>

Additional Project Information

County Ordinance Number	723
Grant date	N/A
County Authorization Date	9/21/2011
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,300,000.00
Additional Authorized Cost	-0-
Revised Authorized Cost	1,300,000.00
Percentage Increase over Original Authorized Costs	N/A
Percentage Completion	77.00%
Original Completion Date	12/13
Revised Completion Date	6/15

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS IMPROVEMENTS TO UNION COUNTY VOCATIONAL SCHOOL  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources:				
County of Union Capital Ordinances	\$ <u>88,283.87</u>	\$ _____	\$ <u>88,283.87</u>	\$ <u>88,283.87</u>
Total Revenue	<u>88,283.87</u>	_____	<u>88,283.87</u>	<u>88,283.87</u>
Expenditures and Other Financing Uses:				
Construction Services	<u>69,746.11</u>	<u>18,253.89</u>	<u>88,000.00</u>	<u>88,283.87</u>
Total Expenditures	<u>69,746.11</u>	<u>18,253.89</u>	<u>88,000.00</u>	<u>88,283.87</u>
Excess (Deficiency) of Revenues (under) Expenditures	\$ <u><u>18,537.76</u></u>	\$ <u><u>(18,253.89)</u></u>	\$ <u><u>283.87</u></u>	\$ _____

Additional Project Information

County Ordinance Number	501
Grant date	N/A
County Authorization Date	2/23/2014
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	88,283.87
Additional Authorized Cost	-0-
Revised Authorized Cost	88,283.87
Percentage Increase over Original Authorized Costs	N/A
Percentage Completion	100.00%
Original Completion Date	12/13
Revised Completion Date	6/15

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
CONSTRUCTION OF CAMPUS COVERED WALKWAYS AND PURCHASE OF EQUIPMENT  
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources:				
County of Union Capital Ordinances	\$ 971,043.00	\$	\$ 971,043.00	\$ 971,043.00
Total Revenue	<u>971,043.00</u>	<u>0.00</u>	<u>971,043.00</u>	<u>971,043.00</u>
Expenditures and Other Financing Uses:				
Purchased Profession and Technical Services		10,865.83	10,865.83	18,164.00
Construction Services	117,832.28	261,356.67	379,188.95	605,467.00
Equipment		<u>104,391.33</u>	<u>104,391.33</u>	<u>347,412.00</u>
Total Expenditures	<u>117,832.28</u>	<u>376,613.83</u>	<u>494,446.11</u>	<u>971,043.00</u>
Excess (Deficiency) of Revenues (under) Expenditures	\$ <u>853,210.72</u>	\$ <u>(376,613.83)</u>	\$ <u>476,596.89</u>	\$

Additional Project Information

County Ordinance Number	740
Grant date	N/A
County Authorization Date	9/13/2012
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	971,043.00
Additional Authorized Cost	
Revised Authorized Cost	971,043.00
Percentage Increase over Original Authorized Costs	0.00%
Percentage Completion	50.90%
Original Completion Date	11/14

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS  
AS OF JUNE 30, 2014

ORDINANCE NUMBER	ISSUE/PROJECT TITLE	APPROPRIATIONS	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
			PRIOR YEAR	CURRENT YEAR	
501	Improvements to Union County Vocational School	\$88,283.87	\$69,746.11	\$18,253.89	\$283.87
555	Improvements to Union County Vocational School	15,000.00	13,196.25		1,803.75
632	Improvements to Union County Vocation Technical Schools	1,082,626.44	1,075,626.44	7,000.00	
653	Improvements to Union County Vocation Technical Schools	2,360,860.10	2,343,320.41	17,539.69	
669	Performing Arts Academy	20,000,000.00	19,999,415.42	584.58	
671	Improvements to Union County Vocation Technical Schools	1,600,000.00	1,596,890.50	3,109.50	
687	Improvements to Union County Vocation Technical Schools	1,400,000.00	1,369,210.86	9,426.61	21,362.53
713	Improvements to Union County Vocation Technical Schools	1,400,000.00	1,332,583.25	46,183.34	21,233.41
723	Improvements to Union County Vocation Technical Schools	1,300,000.00	864,472.78	139,700.77	295,826.45
740	Improvements to Union County Vocation Technical Schools	971,043.00	341,832.28	376,613.83	252,596.89
920/752bb	Improvements to Union County Vocation Technical Schools	11,150,000.00	297,901.28	1,907,424.02	8,944,674.70
752cc	Improvements to Union County Vocation Technical Schools	1,442,000.00		87,636.69	1,354,363.31
	Totals	<u>\$66,918,864.22</u>	<u>\$53,413,246.39</u>	<u>\$2,613,472.92</u>	<u>\$10,892,144.91</u>

**PROPRIETARY FUNDS 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.

**FOOD SERVICES FUND:** This fund provides for the operation of food services in the school district.

**MATERIALS FOR RESALE FUND:** This fund is used to account for fees collected and expenses incurred for student services provided to the general public.

**ELECTRONIC TECHNOLOGY TRAINING CENTER FUND:** This fund is used to account for fees collected and expenses incurred for electronic technology training services provided to the general public.

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2014

	ELECTRONIC TECHNOLOGY TRAINING CENTER (MAJOR)	MATERIALS FOR RESALE FUND (NON-MAJOR)	FOOD SERVICE FUND (NON-MAJOR)
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 394,442.72	\$ 299,439.48	
Accounts receivable - other			1,288.90
Intergovernmental receivables:			
State			500.55
Federal			14,854.85
Inventories			1,328.10
Total current assets	<u>394,442.72</u>	<u>299,439.48</u>	<u>17,972.40</u>
Total assets	\$ <u><u>394,442.72</u></u>	\$ <u><u>299,439.48</u></u>	\$ <u><u>17,972.40</u></u>
LIABILITIES:			
Current liabilities:			
Interfund payable	\$	\$ 5,000.00	\$ 56,886.70
Cash overdraft			21,844.52
Unearned revenue			249.93
Total current liabilities		<u>5,000.00</u>	<u>78,981.15</u>
Total liabilities		<u>5,000.00</u>	<u>78,981.15</u>
NET POSITION:			
Unassigned	<u>394,442.72</u>	<u>294,439.48</u>	<u>(61,008.75)</u>
Total net position	\$ <u><u>394,442.72</u></u>	\$ <u><u>294,439.48</u></u>	\$ <u><u>(61,008.75)</u></u>

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ELECTRONIC TECHNOLOGY TRAINING CENTER (MAJOR)	MATERIALS FOR RESALE FUND (NON-MAJOR)	FOOD SERVICE FUND (NON-MAJOR)
<b>OPERATING REVENUES:</b>			
Charges for services:			
Daily sales - reimbursable programs	\$	\$	\$ 208,845.87
Daily sales - non-reimbursable programs			6,105.37
Miscellaneous		36,173.00	
Total operating revenues		36,173.00	214,951.24
<b>OPERATING EXPENSES:</b>			
Cost of sales			146,518.19
Salaries			139,686.49
Employee benefits			57,295.50
Cleaning, repairs & maintenance			572.89
Supplies and materials		42,563.48	18,653.39
Management fee			13,184.00
Miscellaneous			8,046.85
Total operating expenses		42,563.48	383,957.31
Operating income (loss)		(6,390.48)	(169,006.07)
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program			2,867.05
Federal Sources:			
National School Breakfast Program			5,156.42
National School Lunch Program			76,638.36
National Food Distribution Commodities			18,322.46
Dowling Subsidy			1,288.90
Total nonoperating revenues (expenses)			104,273.19
Income (loss) before contributions & transfers		(6,390.48)	(64,732.88)
Change in net position		(6,390.48)	(64,732.88)
Total net position - beginning	394,442.72	300,829.96	3,724.13
Total net position - ending	\$ 394,442.72	\$ 294,439.48	\$ (61,008.75)

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>ELECTRONIC TECHNOLOGY TRAINING CENTER (MAJOR)</u>	<u>MATERIALS FOR RESALE FUND (NON-MAJOR)</u>	<u>FOOD SERVICE FUND (NON-MAJOR)</u>
Cash flows from operating activities:			
Receipts from customers	\$	\$ 36,173.00	\$ 214,951.24
Payments to employees			(139,686.49)
Payments to employees benefits			(57,295.50)
Payments to suppliers		(42,563.48)	(167,594.69)
		<u>(6,390.48)</u>	<u>(149,625.44)</u>
Net cash provided by (used for) operating activities)		<u>(6,390.48)</u>	<u>(149,625.44)</u>
Cash flows from noncapital financing activities:			
State Sources			2,926.57
Federal Sources			82,921.56
			<u>85,848.13</u>
Net cash provided by noncapital financing activities:			<u>85,848.13</u>
Net decrease in cash and cash equivalents		(6,390.48)	(63,777.31)
Cash and cash equivalents, July 1, 2013		<u>394,442.72</u>	<u>41,932.79</u>
Cash and cash equivalents, June 30, 2014	\$	<u><u>394,442.72</u></u>	<u><u>(21,844.52)</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$	\$ (6,390.48)	\$ (169,006.07)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Federal commodities			18,322.46
Change in assets and liabilities:			
(Increase)/Decrease in inventories			891.88
Increase/(Decrease) in unearned revenue			166.29
			<u>19,380.63</u>
Net cash provided by (used for) operating activities	\$	<u><u>(6,390.48)</u></u>	<u><u>(149,625.44)</u></u>

**FIDUCIARY FUNDS DETAIL STATEMENTS**

**Fiduciary Funds are used to account for funds received by the district for a specific purpose:**

**Vocational Scholarship Fund :** This expendable trust is used to account for donations received that are for student scholarships.

**Agency Funds are used to account for assets held by the district as an agent for another party:**

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

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

**Federal Fund :** This agency fund is used to account for receipts for PELL Grants

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2014

	TRUST FUNDS	AGENCY FUNDS			TOTAL AGENCY FUNDS
	SCHOLARSHIP AND AWARDS	STUDENT ACTIVITY	PAYROLL AGENCY	FEDERAL FUNDS	
ASSETS:					
Cash and cash equivalents	\$15,850.62	\$196,850.25	\$207,612.47	\$5,162.00	\$409,624.72
Interfunds Receivable			170.14		170.14
Total assets	<u>\$15,850.62</u>	<u>\$196,850.25</u>	<u>\$207,782.61</u>	<u>\$5,162.00</u>	<u>\$409,794.86</u>
LIABILITIES:					
Interfund payable	8,093.43			5,162.00	5,162.00
Due to student groups		196,850.25			196,850.25
Payroll Deductions payable			207,782.61		207,782.61
Total liabilities	<u>8,093.43</u>	<u>\$196,850.25</u>	<u>\$207,782.61</u>	<u>\$5,162.00</u>	<u>\$409,794.86</u>
NET POSITION:					
Held in trust for scholarships	<u>\$7,757.19</u>				
Total net position	<u>\$7,757.19</u>				

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>TRUST FUNDS</u> <u>SCHOLARSHIP</u> <u>AND AWARDS</u>	<u>TOTAL</u>
<b>DEDUCTIONS</b>		
Disbursement	<u>8,093.43</u>	<u>8,093.43</u>
Total deductions	<u>8,093.43</u>	<u>8,093.43</u>
Change in net assets	(8,093.43)	(8,093.43)
Net position beginning of year	<u>\$15,850.62</u>	<u>15,850.62</u>
Net position end of year	<u>\$7,757.19</u>	<u>\$7,757.19</u>

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>BALANCE</u> <u>JUNE 30, 2013</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2014</u>
Student activities funds	\$ <u>192,176.59</u>	\$ <u>519,363.28</u>	\$ <u>514,689.62</u>	\$ <u>196,850.25</u>
Total all schools	\$ <u><u>192,176.59</u></u>	\$ <u><u>519,363.28</u></u>	\$ <u><u>514,689.62</u></u>	\$ <u><u>196,850.25</u></u>

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>BALANCE</u> <u>JUNE 30, 2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2014</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 4,679.26	\$ 13,457,061.19	\$ 13,254,127.98	\$ 207,612.47
Interfunds receivable	<u>170.14</u>			<u>170.14</u>
Total assets	\$ <u>4,849.40</u>	\$ <u>13,457,061.19</u>	\$ <u>13,254,127.98</u>	\$ <u>207,782.61</u>
<b>LIABILITIES:</b>				
Cash overdraft	8,303.87	(8,303.87)		
Payroll deductions and withholdings	<u>(3,454.47)</u>	<u>13,465,365.06</u>	<u>13,254,127.98</u>	<u>207,782.61</u>
Total liabilities	\$ <u>4,849.40</u>	\$ <u>13,457,061.19</u>	\$ <u>13,254,127.98</u>	\$ <u>207,782.61</u>

**LONG-TERM LIABILITIES SCHEDULES**

The Long-Term Liabilities schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under capital leases.

UNION COUNTY VOCATIONAL TECHNICAL SCHOOLS  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2014

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OF ORIGINAL LEASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2013</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2014</u>
Copier	6.30%	\$ 17,966.65	\$ 7,563.06	\$	\$	7,563.06
Copiers	4.80%	350,731.00	120,452.90			120,452.90
Copiers	5.00%	50,980.00	24,627.16			24,627.16
Copiers	3.50%	176,189.00	149,668.58			149,668.58
Copiers	3.72%	411,362.56		411,362.56	141,456.82	269,905.74
			\$ <u>302,311.70</u>	\$ <u>411,362.56</u>	\$ <u>141,456.82</u>	\$ <u>572,217.44</u>

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**STATISTICAL SECTION - UNAUDITED**

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
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-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
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-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
NET POSITION BY COMPONENT  
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Governmental activities</b>										
Net investment in capital assets	\$68,518,167.10	\$66,092,334.45	\$64,859,555.58	\$65,741,217.03	\$64,957,168.86	\$54,975,957.27	\$45,628,819.54	\$39,296,729.95	\$29,602,004.26	\$22,633,681.42
Restricted	12,732,562.48	4,885,601.75	4,499,112.40	4,581,829.92	4,493,008.93	14,919,160.11	2,172,333.18	3,791,943.98	16,457,287.26	2,626,138.97
Unrestricted (deficit)	(529,598.96)	(767,926.76)	(96,066.20)	(518,418.42)	(516,580.58)	(731,402.51)	(678,364.90)	2,362,619.78	(979,614.96)	(1,298,138.06)
<b>Total governmental activities net position</b>	<u>\$80,721,130.62</u>	<u>\$70,210,009.44</u>	<u>\$69,262,601.78</u>	<u>\$69,804,628.53</u>	<u>\$68,933,597.21</u>	<u>\$69,163,714.87</u>	<u>\$47,122,787.82</u>	<u>\$45,451,293.71</u>	<u>\$45,079,676.56</u>	<u>\$23,961,682.33</u>
<b>Business-type activities</b>										
Unrestricted	\$627,873.45	\$698,996.81	\$718,972.39	\$710,120.37	\$684,177.59	\$774,522.77	\$751,437.64	\$718,540.17	\$694,274.92	\$588,048.78
<b>Total business-type activities net position</b>	<u>\$627,873.45</u>	<u>\$698,996.81</u>	<u>\$718,972.39</u>	<u>\$710,120.37</u>	<u>\$684,177.59</u>	<u>\$774,522.77</u>	<u>\$751,437.64</u>	<u>\$718,540.17</u>	<u>\$694,274.92</u>	<u>\$588,048.78</u>
<b>District-wide</b>										
Net investment in capital assets	\$68,518,167.10	\$66,092,334.45	\$64,859,555.58	\$65,741,217.03	\$64,957,168.86	\$54,975,957.27	\$45,628,819.54	\$39,296,729.95	\$29,602,004.26	\$22,633,681.42
Restricted	12,732,562.48	4,885,601.75	4,499,112.40	4,581,829.92	4,493,008.93	14,919,160.11	2,172,333.18	3,791,943.98	16,457,287.26	2,626,138.97
Unrestricted (deficit)	98,274.49	(68,929.95)	622,906.19	191,701.95	167,597.01	43,120.26	73,072.74	3,081,159.95	(285,340.04)	(710,089.28)
<b>Total district net position</b>	<u>\$81,349,004.07</u>	<u>\$70,909,006.25</u>	<u>\$69,981,574.17</u>	<u>\$70,514,748.90</u>	<u>\$69,617,774.80</u>	<u>\$69,938,237.64</u>	<u>\$47,874,225.46</u>	<u>\$46,169,833.88</u>	<u>\$45,773,951.48</u>	<u>\$24,549,731.11</u>

Source: CAFR Schedule A-1

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
CHANGES IN NET POSITION  
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>EXPENSES</b>										
Governmental activities										
Instruction:										
Vocational and Regular	\$12,621,539.00	\$12,456,096.09	\$12,123,252.72	\$11,225,220.48	\$11,865,527.47	\$10,339,610.97	10,142,143.81	\$9,271,996.51	\$7,190,139.03	\$6,648,026.81
Vocational and Special	1,302,600.36	1,371,980.15	1,298,647.84	1,277,958.97	873,843.42	975,655.45	828,615.56	2,041,983.06	2,160,863.99	1,818,103.24
Other instruction	250,621.51	239,717.51	231,359.27	195,378.95	183,486.96	167,293.14	119,147.37	97,722.56	115,114.36	115,260.22
Support Services:										
Student & instruction related services	1,370,180.76	1,639,165.58	1,553,794.41	1,543,850.53	1,920,837.71	1,966,986.34	1,864,626.49	2,001,075.68	2,178,137.99	1,968,068.12
General administrative services	702,381.64	823,005.47	868,475.22	937,043.34	974,858.48	783,564.48	730,331.48	701,163.61	770,473.96	776,007.22
School administrative services	1,142,111.74	1,295,419.10	1,219,368.22	1,124,111.40	1,187,201.17	1,083,904.91	997,640.86	815,866.99	809,140.66	574,686.51
Central services	808,029.59	784,239.60	720,555.41	779,784.76	802,438.59	774,581.32	733,430.30	807,131.30	694,797.40	31,500.00
Plant operations and maintenance	5,117,568.40	4,722,120.06	4,920,996.61	4,910,225.59	4,660,407.70	4,510,473.88	3,997,852.67	3,025,928.03	2,838,861.88	2,634,107.45
Student transportation services	44,859.38	27,536.60	23,725.00	54,334.88	51,907.15	57,299.36	36,100.00	26,042.65	28,906.30	31,263.30
Business and other support services										618,223.24
Community Service operations										132,435.10
Special schools	814,347.64	905,120.72	848,318.41	839,247.15	1,051,176.07	995,203.89	928,517.55	712,789.28	867,890.92	946,048.58
Interest on Long term Debt	15,374.18	21,663.92	42,181.71						47,553.29	49,004.50
Unallocated depreciation	1,240.39	2,704.56	2,704.56	2,704.56	2,704.56	1,464.99		2,424.66	844.40	1,796.40
Total governmental activities expenses	<u>24,190,854.59</u>	<u>24,268,769.36</u>	<u>23,853,389.38</u>	<u>22,889,860.61</u>	<u>23,574,389.28</u>	<u>21,656,038.73</u>	<u>20,378,406.09</u>	<u>19,504,124.33</u>	<u>17,702,724.18</u>	<u>16,344,530.89</u>
Business-type activities:										
Electronic Technology Training Center				1,400.00	32,406.95	15,913.61	26,828.33	46,406.75	65,811.79	156,020.62
Materials for Resale	42,563.48	44,216.15	42,661.66	33,914.48	45,336.25	32,778.00	22,198.12	74,810.04	80,071.41	82,058.70
Food Service	383,957.31	379,155.47	380,320.32	389,547.02	418,425.27	342,131.28	330,260.55	301,250.43	311,512.37	312,747.02
District Internet Consortium						98,618.09	109,407.45	68,997.29	95,809.69	148,373.02
Total business-type activities expense	<u>426,520.79</u>	<u>423,371.62</u>	<u>422,981.98</u>	<u>424,861.50</u>	<u>496,168.47</u>	<u>489,440.98</u>	<u>488,694.45</u>	<u>491,264.51</u>	<u>553,205.26</u>	<u>699,199.36</u>
Total district expenses	<u>\$24,617,375.38</u>	<u>\$24,712,140.98</u>	<u>\$24,276,371.36</u>	<u>\$23,314,722.11</u>	<u>\$24,070,557.75</u>	<u>\$22,145,479.71</u>	<u>\$20,867,100.54</u>	<u>\$19,995,388.84</u>	<u>\$18,255,929.44</u>	<u>\$17,043,730.05</u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for Services	\$10,039,751.42	\$10,051,943.98	\$9,913,716.74	\$9,758,082.98	\$8,496,720.34	\$8,496,720.34	\$7,583,188.57	\$7,444,027.98	\$6,891,618.44	\$5,181,382.06
Operating grants and contributions	2,524,154.58	3,127,917.83	2,853,308.77	2,572,616.82	3,249,259.86	3,249,259.86	3,371,816.76	1,285,124.25	775,633.18	658,743.83
Total governmental activities program revenues	<u>12,563,906.00</u>	<u>13,179,861.81</u>	<u>12,767,025.51</u>	<u>12,330,699.80</u>	<u>11,745,980.20</u>	<u>11,745,980.20</u>	<u>10,955,005.33</u>	<u>8,729,152.23</u>	<u>7,667,251.62</u>	<u>5,840,125.89</u>
Business-type activities:										
Charges for services										
Electronic Technology Training Center				2,578.00	62,628.00	62,628.00	56,576.00	26,447.00	98,917.00	76,522.50
Materials for Resale	36,173.00	60,441.49	78,129.61	87,153.28	34,040.22	34,040.22	23,153.25	46,879.97	54,630.58	74,010.89
Food Service	214,951.24	237,406.89	252,275.39	235,760.05	232,144.18	232,144.18	181,944.19	182,545.34	171,680.47	121,652.32
District Internet Consortium					11,550.00	11,550.00	80,850.00	101,700.00	105,600.00	129,525.00
Operating grants and contributions	104,273.19	105,547.66	101,423.03	105,289.88	72,514.64	72,514.64	38,246.91	27,133.99	15,008.32	
Total business type activities program revenues	<u>355,397.43</u>	<u>403,396.04</u>	<u>431,828.03</u>	<u>430,781.21</u>	<u>412,877.04</u>	<u>412,877.04</u>	<u>380,770.35</u>	<u>384,706.30</u>	<u>445,836.37</u>	<u>401,710.71</u>
Total district program revenues	<u>\$12,919,303.43</u>	<u>\$13,583,257.85</u>	<u>\$13,198,853.54</u>	<u>\$12,761,481.01</u>	<u>\$12,158,857.24</u>	<u>\$12,158,857.24</u>	<u>\$11,335,775.68</u>	<u>\$9,113,858.53</u>	<u>\$8,113,087.99</u>	<u>\$6,241,836.60</u>

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
CHANGES IN NET POSITION  
UNAUDITED

	2013	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>NET (EXPENSE)/REVENUE</b>										
Governmental activities	(\$11,626,948.59)	(\$11,108,907.55)	(\$11,086,363.87)	(\$10,559,160.81)	(\$10,846,197.08)	(\$11,828,409.08)	(\$9,910,058.53)	(\$10,774,972.10)	(\$10,035,472.56)	(\$10,504,404.80)
Business-type activities	(71,123.36)	(19,975.58)	8,846.05	5,919.71	(90,360.54)	(83,291.43)	(76,563.94)	(106,558.21)	(107,368.89)	(297,488.65)
Total district-wide net expense	<u>(\$11,698,071.95)</u>	<u>(\$11,128,883.13)</u>	<u>(\$11,077,517.82)</u>	<u>(\$10,936,557.62)</u>	<u>(\$10,936,557.62)</u>	<u>(\$11,911,700.51)</u>	<u>(\$9,986,622.47)</u>	<u>(\$10,881,530.31)</u>	<u>(\$10,142,841.45)</u>	<u>(\$10,801,893.45)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$4,418,689.00	\$4,332,048.00	\$4,332,048.00	\$4,280,680.00	\$4,156,000.00	\$4,034,250.00	4,034,250.00	\$3,879,087.00	\$3,747,910.00	\$3,656,500.00
Unrestricted grants and contributions	5,633,936.00	5,600,037.00	5,441,637.00	4,996,527.00	4,441,242.00	5,485,198.95	3,642,752.60	3,257,303.45	3,293,931.00	3,171,100.97
Restricted grants and contributions	81,292.55	58,031.00	141,577.34	254,116.59	155,891.12	76,435.58	113,226.34	2,403,506.81	2,351,344.09	2,186,790.42
County of Union	11,742,000.00	1,821,043.00	1,165,208.22	1,407,466.13	1,400,000.00	21,600,000.00	2,350,000.00	1,300,000.00	1,500,000.00	324,930.83
Miscellaneous income	262,152.22	245,156.21	395,659.67	502,400.09	465,141.26	416,414.30	445,847.75	437,023.54	468,058.71	497,078.10
Transfers						(99,575.56)	(101,166.23)	(130,331.55)	(213,269.79)	(206,721.27)
Disposal of Capital Assets (Net)			(931,793.11)	(10,997.68)	(2,194.96)	(14,667.97)				(102,612.27)
Total governmental activities	<u>22,138,069.77</u>	<u>12,056,315.21</u>	<u>10,544,337.12</u>	<u>10,616,079.42</u>	<u>10,616,079.42</u>	<u>31,498,055.30</u>	<u>10,484,910.46</u>	<u>11,146,589.25</u>	<u>11,147,972.01</u>	<u>9,529,066.78</u>
Business-type activities:										
Miscellaneous Income			5.97	23.07	15.36	73.51	365.34	491.91	325.24	30.76
Transfers						99,575.56	101,166.23	130,331.55	213,269.79	206,721.27
Total business-type activities	<u>0.00</u>	<u>0.00</u>	<u>5.97</u>	<u>15.36</u>	<u>15.36</u>	<u>99,649.07</u>	<u>101,531.57</u>	<u>130,823.46</u>	<u>213,595.03</u>	<u>206,752.03</u>
Total district-wide	<u>\$22,138,069.77</u>	<u>\$12,056,315.21</u>	<u>\$10,544,343.09</u>	<u>\$10,616,094.78</u>	<u>\$10,616,094.78</u>	<u>\$31,597,704.37</u>	<u>\$10,586,442.03</u>	<u>\$11,277,412.71</u>	<u>\$11,361,567.04</u>	<u>\$9,735,818.81</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$10,511,121.18	\$947,407.66	(\$542,026.75)	\$56,918.61	(\$230,117.66)	(\$230,117.66)	\$19,669,646.22	\$371,617.15	\$1,112,499.45	(\$975,338.02)
Business-type activities	(71,123.36)	(19,975.58)	8,852.02	5,935.07	(90,345.18)	(90,345.18)	16,357.64	24,265.25	106,226.14	(90,736.62)
Total district	<u>\$10,439,997.82</u>	<u>\$927,432.08</u>	<u>(\$533,174.73)</u>	<u>(\$320,462.84)</u>	<u>(\$320,462.84)</u>	<u>(\$320,462.84)</u>	<u>\$19,686,003.86</u>	<u>\$395,882.40</u>	<u>\$1,218,725.59</u>	<u>(\$1,066,074.64)</u>

Source: CAFR Schedule A-2

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
FUND BALANCES - GOVERNMENTAL FUNDS  
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General fund:										
Reserved					\$1,550,667.68	\$1,809,991.58	225,835.36	\$181,285.37	\$26,799.33	\$1,539,445.02
Restricted	\$1,406,305.92	\$2,921,065.17	\$1,957,500.84	\$1,771,440.78						
Assigned	434,111.65	172,249.25	606,091.40	\$177,960.11						
Unassigned	577,081.04	624,361.74	644,044.40	\$657,381.47						
Unreserved					532,865.82	587,108.50	788,183.87	1,068,253.19	665,366.75	276,284.24
Total general fund	<u>\$2,417,498.61</u>	<u>\$3,717,676.16</u>	<u>\$3,207,636.64</u>	<u>\$2,606,782.36</u>	<u>\$2,083,533.50</u>	<u>\$2,397,100.08</u>	<u>\$1,014,019.23</u>	<u>\$1,249,538.56</u>	<u>\$692,166.08</u>	<u>\$1,815,729.26</u>
All other governmental funds:										
Reserved							\$18,943.58	\$2,775,563.90	\$16,728,503.71	
Restricted	\$10,892,144.91	\$1,763,617.83	\$2,541,611.56	\$2,810,389.14						
Committed										
Unreserved, reported in:										
Special revenue fund (deficit)							(904.05)	(904.05)	(\$904.05)	(\$904.05)
Capital projects fund					\$3,241,850.85	\$13,199,074.89	1,946,738.27	3,609,917.37	3,703,330.00	1,087,598.00
Total all other governmental funds	<u>\$10,892,144.91</u>	<u>\$1,763,617.83</u>	<u>\$2,541,611.56</u>	<u>\$2,810,389.14</u>	<u>\$3,241,850.85</u>	<u>\$13,199,074.89</u>	<u>\$1,964,777.80</u>	<u>\$6,384,577.22</u>	<u>\$20,430,929.66</u>	<u>\$1,086,693.95</u>

Source: CAFR Schedule B-1

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues</b>										
Tax levy	\$4,418,689.00	\$4,332,048.00	\$4,332,048.00	\$4,280,680.00	\$4,156,000.00	\$4,034,250.00	\$4,034,250.00	\$3,879,087.00	\$3,747,910.00	\$3,656,500.00
County of Union	11,742,000.00	1,821,043.00	1,165,208.22	1,407,466.13	1,400,000.00	21,600,000.00	2,350,000.00	1,300,000.00	1,500,000.00	324,930.83
Tuition from LEA	9,511,200.00	9,461,300.00	9,264,875.00	8,971,975.00	8,430,075.00	7,795,300.00	7,064,525.00	6,789,050.00	6,299,765.00	4,970,775.00
Other tuition	528,551.42	590,643.98	648,841.74	786,107.98	865,455.51	701,420.34	518,663.57	654,977.98	591,853.44	310,607.06
Miscellaneous	268,369.22	245,156.21	475,068.05	551,785.08	502,180.17	416,646.30	446,174.14	601,470.48	441,699.34	475,597.08
Interest on capital reserve					4.00	3.00	673.61	170.38	26,357.37	21,481.02
State sources	7,445,704.60	7,939,562.40	7,206,048.83	6,634,631.29	5,892,541.86	7,736,063.48	6,555,924.28	5,200,121.21	5,654,001.05	5,158,220.25
Federal sources	787,461.53	846,423.43	1,151,065.90	1,139,244.13	2,100,210.04	1,074,595.91	570,871.42	1,581,195.98	766,907.22	777,691.12
<b>Total revenue</b>	<b>34,701,975.77</b>	<b>25,236,177.02</b>	<b>24,243,155.74</b>	<b>23,346,466.58</b>	<b>23,346,466.58</b>	<b>43,358,279.03</b>	<b>21,541,082.02</b>	<b>20,006,073.03</b>	<b>19,028,493.42</b>	<b>15,695,802.36</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular vocational programs - instruction	8,936,392.90	8,864,388.33	8,754,466.40	7,823,494.32	8,701,604.15	7,626,888.58	7,490,803.19	6,973,824.75	5,113,038.71	4,611,965.72
Special vocational programs - instruction	1,013,169.80	1,093,065.67	1,065,555.88	1,062,980.69	663,384.98	778,083.71	632,915.08	624,423.10	1,848,285.28	1,657,524.56
Other instruction	241,445.49	218,743.10	209,368.47	178,410.00	167,269.50	152,548.44	102,169.59	80,986.03	104,429.40	106,371.77
<b>Support services</b>										
Student and instruction related services	1,092,692.72	1,320,818.15	1,293,774.50	1,311,550.75	1,687,879.19	1,766,533.66	1,661,645.70	1,800,160.72	1,931,464.80	1,641,129.93
General administrative services	428,283.62	438,191.31	459,298.24	529,542.68	590,986.31	466,538.08	469,322.76	429,237.21	441,838.92	430,711.49
School administrative services	809,359.67	875,288.00	885,960.67	836,381.49	904,175.31	784,460.75	610,649.59	604,589.68	542,596.86	525,671.39
Business and other support services										547,115.59
Central services	606,467.47	571,454.56	606,356.48	635,351.86	654,365.57	642,277.82	543,835.78	578,225.80	609,317.70	31,500.00
Plant operations and maintenance	3,462,877.36	3,129,842.18	3,290,573.58	3,442,522.97	3,208,107.34	3,075,717.09	2,743,692.48	2,364,365.78	2,344,320.15	2,180,187.57
Student transportation services	44,859.38	27,536.60	23,725.00	54,334.88	51,907.15	57,299.36	36,100.00	26,042.65	28,906.30	31,263.30
Unallocated employee benefits	5,206,118.46	5,186,806.93	4,587,791.64	4,222,205.41	4,118,250.98	3,618,922.44	3,782,162.26	3,695,539.73	2,959,189.83	2,620,330.52
Capital outlay	5,002,461.86	3,433,287.31	2,210,504.75	3,092,074.26	12,475,122.19	10,931,326.89	7,366,464.43	11,725,344.07	7,961,063.42	3,189,689.68
Special schools	440,860.07	520,898.09	523,703.43	542,233.15	762,902.18	736,757.18	655,273.68	461,981.92	710,594.51	799,665.61
Community service operations										132,435.10
<b>Total expenditures</b>	<b>27,284,988.80</b>	<b>25,680,320.23</b>	<b>23,911,079.04</b>	<b>33,985,954.85</b>	<b>33,985,954.85</b>	<b>30,638,354.00</b>	<b>26,095,234.54</b>	<b>29,364,721.44</b>	<b>24,595,045.88</b>	<b>18,373,127.13</b>
Excess (deficiency) of revenues over (under) expenditures	7,416,986.97	(444,143.21)	332,076.70	(10,639,488.27)	(10,639,488.27)	12,719,925.03	(4,554,152.52)	(9,358,648.41)	(5,566,552.46)	(2,677,324.77)
<b>Other financing sources (uses)</b>										
Capital leases	411,362.56	176,189.00		50,980.00	368,697.65					
Transfers out						(99,575.56)	(101,166.23)	(130,331.55)	(213,269.79)	(206,721.27)
<b>Total other financing sources (uses)</b>	<b>411,362.56</b>	<b>176,189.00</b>	<b>0.00</b>	<b>50,980.00</b>	<b>368,697.65</b>	<b>(99,575.56)</b>	<b>(101,166.23)</b>	<b>(130,331.55)</b>	<b>(213,269.79)</b>	<b>(206,721.27)</b>
<b>Net change in fund balances</b>	<b>\$7,828,349.53</b>	<b>(\$267,954.21)</b>	<b>\$332,076.70</b>	<b>(\$10,270,790.62)</b>	<b>(\$10,270,790.62)</b>	<b>\$12,620,349.47</b>	<b>(\$4,655,318.75)</b>	<b>(\$9,488,979.96)</b>	<b>(\$5,779,822.25)</b>	<b>(\$2,884,046.04)</b>

Source: CAFR Schedule B-2

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Evening School</u> <u>Fees</u>	<u>Reimbursement of</u> <u>Costs</u>	<u>PSE &amp; G</u> <u>Reimbursement</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$	\$	\$ 144,200.79	\$ 117,951.43	\$ 262,152.22
2013	49,178.86		140,894.74	55,082.61	245,156.21
2012	56,230.00		242,259.68	97,169.99	395,659.67
2011	60,310.00	68,251.00	251,436.52	122,402.57	502,400.09
2010	57,290.00		265,383.20	142,464.06	465,137.26
2009	60,150.00		252,526.64	103,734.66	416,411.30
2008	62,890.00		269,910.81	113,373.33	446,174.14
2007	63,700.00		224,545.83	148,607.33	436,853.16
2006	51,760.00	65,905.74	222,246.15	101,787.45	441,699.34
2005	50,325.00	28,993.27	201,259.32	195,019.49	475,597.08

Source: District Records

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
PROPERTY TAX LEVIES AND COLLECTIONS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$4,418,689.00	\$4,418,689.00	100.00%	\$0.00
2013	4,332,048.00	4,332,048.00	100.00%	0.00
2012	4,332,048.00	4,332,048.00	100.00%	0.00
2011	4,280,680.00	4,280,680.00	100.00%	0.00
2010	4,156,000.00	4,156,000.00	100.00%	0.00
2009	4,034,250.00	4,034,250.00	100.00%	0.00
2008	4,034,250.00	4,034,250.00	100.00%	0.00
2007	3,879,087.00	3,879,087.00	100.00%	0.00
2006	3,747,910.00	3,747,910.00	100.00%	0.00
2005	3,656,500.00	3,656,500.00	100.00%	0.00

Source: District records.

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 UNAUDITED

Function/Program	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction:									
Vocational, Regular and Special Education	127	126	127	127	124	121	119	115	112
Support Services:									
Student & instruction related services	9	9	9	8	8	8	8	8	8
General administrative services	2	2	2	2	2	2	2	2	2
School administrative services	5	5	6	6	6	6	5	5	5
Central services	17	17	21	21	21	21	21	21	21
Administration information technology	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	10	10	13	10	20	20	20	20	20
<b>Total</b>	<u>171</u>	<u>170</u>	<u>179</u>	<u>175</u>	<u>182</u>	<u>179</u>	<u>176</u>	<u>172</u>	<u>169</u>

Source: District Personnel Records

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
OPERATING STATISTICS  
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment (d)</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff (b)</u>	<u>Teacher/Pupil Ratio</u>	<u>Average Daily Enrollment (c)</u>	<u>Average Daily Attendance (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2014	1,605	22,282,526.94	\$13,883.19	-1.21%	127	1:13	1,574	1,486	1.16%	94.41%
2013	1,583	22,247,032.92	14,053.72	0.32%	126	1:13	1,556	1,481	0.91%	95.18%
2012	1,549	21,700,574.20	14,009.41	2.02%	127	1:12	1,542	1,460	-2.84%	94.68%
2011	1,503	20,639,008.20	13,731.88	-8.98%	125	1:12	1,587	1,481	-8.00%	93.32%
2010	1,408	21,241,057.13	15,085.98	-3.12%	124	1:11	1,725	1,618	20.97%	93.80%
2009	1,302	20,274,718.57	15,571.98	-4.22%	121	1:11	1,426	1,348	9.69%	94.53%
2008	1,187	19,298,563.56	16,258.27	3.59%	119	1:10	1,300	1,228	14.94%	94.46%
2007	1,148	18,018,369.00	15,695.44	22.05%	115	1:12	1,131	1,063	9.38%	93.99%
2006	1,322	17,001,164.75	12,860.19	-7.84%	112	1:12	1,034	983	-9.85%	95.07%
2005	1,147	16,005,465.40	13,954.20	12.94%	156	1:11	1,147	1,079	4.50%	94.10%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less capital outlay.

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

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

(d) Enrollment obtained from fall survey system report.

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
SCHOOL BUILDING INFORMATION  
UNAUDITED

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>District Buildings</u>										
Union County Vocational - 1965										
West Hall										
Square Feet	190,639	190,639	190,639	190,639	190,689	190,689	190,689	178,689	178,689	178,689
Capacity (students - full time)	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,060	1,060	1,060
Enrollment *	883	844	844	880	845	759	810	715	897	728
Mancuso Hall - 1997										
Square Feet	47,038	47,038	46,438	46,438	46,438	46,438	46,438	46,438	46,438	46,438
Capacity (students - full time)	428	428	428	428	428	428	428	428	428	428
Enrollment *	292	286	286	279	274	270	283	283	292	279
Bistocchi Hall - 2004										
Square Feet	68,500	68,500	67,900	67,900	67,900	67,900	67,900	67,900	67,900	67,900
Capacity (students - full time)	518	518	518	518	518	518	518	518	518	518
Enrollment *	263	505	505	495	470	457	416	416	470	314
Baxel Hall - 2008										
Square Feet	55,733	55,733	54,843	54,843	54,834	54,834	54,834	54,834	54,834	54,834
Capacity (students - full time)	498	498	498	498	498	498	498	498	498	498
Enrollment	262	250	250	256	353	287	180			
APA Building - 2010										
Square Feet	43,341	43,341	42,451	42,451						
Capacity (students - full time)	385	385	385	385						
Enrollment	186	142	142	143						

\* full and share-time students

Number of Schools at June 30, 2013  
 Union County Technical High School = 1  
 Magnet High School = 1  
 Academy for Information Technology = 1  
 Academy for Allied Health Sciences = 1  
 Adult High School = 1  
 APA Building+1

Number of Buildings-5

Source: District records

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

UNION COUNTY VOCATIONAL AND TECHNICAL SCHOOLS  
SCHEDULE OF REQUIRED MAINTENANCE  
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #(s)	<u>Total</u>	Mancuso <u>Hall</u>	West <u>Hall</u>	Bistocchi <u>Hall</u>	Baxel <u>Hall</u>	APA <u>Building</u>
2014	\$ 967,368.06	\$ 112,283.64	\$ 455,071.25	\$ 163,515.23	\$ 133,039.34	\$ 103,458.35
2013	858,691.65	99,669.44	403,947.50	145,145.50	118,093.40	91,835.81
2012	1,005,981.00	158,938.00	516,721.00	187,558.00	117,237.00	25,527.00
2011	1,577,948.00	249,493.00	810,631.00	294,760.00	183,064.00	40,000.00
2010	1,469,001.47	249,730.25	690,430.69	308,490.31	220,350.22	
2009	1,304,156.00	169,540.00	691,203.00	247,790.00	195,623.00	
2008	972,469.34	212,744.00	559,853.00	257,532.00	89,576.00	
2007	1,005,372.00	188,216.00	505,089.00	228,513.00	83,554.00	
2006	972,469.34	252,842.02	544,582.84	175,044.48		
2005	984,705.00	276,705.00	588,000.00	120,000.00		
<b>Total School Facilities</b>	<b>\$ 11,118,161.86</b>	<b>\$ 1,970,161.35</b>	<b>\$ 5,765,529.28</b>	<b>\$ 2,128,348.52</b>	<b>\$ 1,140,536.96</b>	<b>\$ 260,821.41</b>

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

Source: District records

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
INSURANCE SCHEDULE  
JUNE 30, 2014  
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<u>Property and Casualty:</u>		
Building and Contents including Equipment Breakdown	\$79,001,473	\$5,000
Commercial General Liability	1,000,000	N/A
Boiler and Machinery Blanket Property Limit	100,000,000	5,000
Crime - Blanket Employee Dishonesty	500,000	5,000
- Forgery or Alteration	50,000	1,000
School Board Legal Liability E & O	1,000,000	
Public Officials Bonds:		
Sue Anne Marcello - Board Secretary/Business Administrator	250,000	N/A
Edward Mellage - Treasurer of School Monies	250,000	N/A
Accidental Death and Dismemberment		
Principal Sum	100,000	N/A
Aggregate	500,000	N/A
Environmental Impairment Liability - Site Specific		
Each Occurrence	1,000,000	N/A
Aggregate	3,000,000	N/A
Program Aggregate	10,000,000	25,000.00
Storage Tank Liability		
Policy Aggregate	1,000,000	
Each Occurrence	1,000,000	
Defense Cost Expense Limit	250,000	
Deductible - Per Claim		5,000

Source: Union County Vocational Technical Schools - Board of Education

**SINGLE AUDIT SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

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

Honorable President and Members  
of the Board of Education  
Union County Vocational-Technical Schools  
County of Union  
Scotch Plains, New Jersey 07076

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 Union County Vocational-Technical Schools (the "District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 25, 2014.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Union Hills's School District'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 District'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.

# SUPLEE, CLOONEY & COMPANY

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 District'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*. However we noted immaterial instances of noncompliance that we have reported to the Board of Education of the Union County Vocational-Technical Schools in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated November 25, 2014.

## ***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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

November 25, 2014



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH U.S. OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members  
of the Board of Education  
Union County Vocational-Technical Schools  
County of Union  
Scotch Plains, New Jersey 07076

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

We have audited the Union County Vocational-Technical Schools 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 Union County Vocational-Technical Schools major federal and state programs for the year ended June 30, 2014. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***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 Union County Vocational-Technical Schools 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 *New Jersey 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 Union County Vocational-Technical Schools 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 Union County Vocational-Technical Schools compliance.

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

In our opinion, the Union County Vocational-Technical Schools 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, 2014.

**Report on Internal Control Over Compliance**

Management of the Union County Vocational-Technical Schools 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 Union County Vocational-Technical Schools 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 *New Jersey 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 Union County Vocational-Technical Schools 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* and *State of New Jersey OMB 04-04*. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

November 25, 2014

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2013	PRIOR PERIOD ADJUSTMENTS	BALANCE AT JUNE 30, 2013	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR'S BALANCE	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2014	UNEARNED REVENUE AT JUNE 30, 2014	DUE TO GRANTOR AT AT JUNE 30, 2014
Special Revenue Funds:												
U.S. Department of Education												
Passed-Through State Department of Education:												
No Child Left Behind:												
Title I	84.010	9/1/11-8/31/12	\$ 121,232.00	\$ 251.14	\$ (251.14)	\$	\$	\$	\$	\$	\$	\$
Title I	84.010	9/1/12-8/31/13	121,246.00	(33,437.07)		(33,437.07)	34,821.00	(1,383.93)				
Title I	84.010	7/1/13-6/30/14	132,421.00				102,291.00	(132,421.00)		(30,130.00)		
Title II A	84.281	9/1/11-8/31/12	16,040.00	(0.46)	0.46							
Title II A	84.281	9/1/12-8/31/13	11,342.00				11,342.00	(11,342.00)				
Title II A	84.281	7/1/13-6/30/14	11,137.00									
IDEA Part B Basic	84.027	9/1/12-8/31/13	233,922.00	(64,959.81)	10.00	(64,949.81)	68,063.00	(3,113.19)				
IDEA Part B Basic	84.027	7/1/13-6/30/14	207,364.00				145,242.00	(207,364.00)		(62,122.00)		
Vocational Education - Secondary	84.048	7/1/13-6/30/14	382,547.00				117,057.00	(347,353.00)		(230,296.00)		
Vocational Education - Post Secondary	84.048	7/1/13-6/30/14	150,087.00				123,481.00	(150,087.00)		(26,606.00)		
Vocational Education - Secondary	84.048	7/1/10-6/30/11	323,798.00	864.00	(864.00)							
Vocational Education - Secondary	84.048	7/1/12-6/30/13	323,798.00	(72,973.00)		(72,973.00)	72,973.00					
Passed-Through Union County College:												
Adult Basic Education	84.002	7/1/11-6/30/12	30,000.00	(219.00)	219.00							
Adult Basic Education	84.002	7/1/07-6/30/08	107,900.00	1,559.85	(1,559.85)							
Adult Basic Education	84.002	7/1/08-6/30/09	28,000.00	(4,176.00)	4,176.00							
Passed-Through County of Union:												
WIA Youth Year Round Program	17.250	7/1/08-6/30/09	53,760.00	10,752.00	(10,752.00)							
WIA Youth Year Round Program	17.250	7/1/09-6/30/10	97,163.00	683.09	(683.09)							
Total Special Revenue Fund				(161,655.26)	(9,704.62)	(171,359.88)	675,270.00	(853,064.12)		(349,154.00)		

See accompanying notes to schedules of financial assistance.

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2013	PRIOR PERIOD ADJUSTMENTS	BALANCE AT JUNE 30, 2013	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR'S BALANCE	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2014	UNEARNED REVENUE AT JUNE 30, 2014	DUE TO GRANTOR AT JUNE 30, 2014
Enterprise Fund:												
U.S. Department of Agriculture												
Passed-Through State Department of Education:												
Food Distribution Commodities Program	10.565	7/1/13-6/30/14	\$	\$	\$	\$	18,488.75	(18,238.82)	\$	\$	249.93	\$
Food Distribution Commodities Program	10.565	7/1/12-6/30/13	19,054.95	83.64		83.64		(83.64)				
National School Breakfast Program	10.553	7/1/13-6/30/14	5,156.42				4,000.99	(5,156.42)		(1,155.43)		
National School Breakfast Program	10.553	7/1/12-6/30/13	5,362.11	(1,180.68)		(1,180.68)	1,180.68					
National School Lunch Program	10.555	7/1/12-6/30/13	76,740.76	(14,800.95)		(14,800.95)	14,800.95					
National School Lunch Program	10.555	7/1/13-6/30/14	76,638.36				62,938.94	(76,638.36)		(13,699.42)		
Total Enterprise Fund				<u>(15,897.99)</u>		<u>(15,897.99)</u>	<u>101,410.31</u>	<u>(100,117.24)</u>		<u>(14,854.85)</u>	<u>249.93</u>	
Fiduciary Fund:												
United States Department of Education:												
Trust and Agency Funds:												
Pell Grant	84.063	7/1/13-6/30/14					156,473.32	(156,473.32)				
Total Fiduciary Fund							<u>156,473.32</u>	<u>(156,473.32)</u>				
Total Federal Financial Assistance				\$ <u>(177,553.25)</u>	\$ <u>(9,704.62)</u>	\$ <u>(187,257.87)</u>	\$ <u>933,153.63</u>	\$ <u>(1,109,654.68)</u>	\$	\$ <u>(364,008.85)</u>	\$ <u>249.93</u>	\$

See accompanying notes to schedules of financial assistance.

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	BALANCE AT JUNE 30, 2013			ADJUSTED BALANCE AT JUNE 30, 2013		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	BALANCE AT JUNE 30, 2014			MEMO	
			AWARD AMOUNT	DEFERRED REVENUE ACCTS. RECEIVABLE	DUE TO GRANTOR	PRIOR PERIOD ADJUSTMENTS	AT JUNE 30, 2013				CARRYOVER	(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE
State Department of Education															
General Funds:															
Special Education Aid	14-495-034-5120-011	7/1/13-6/30/14	\$ 946,786.00	\$	\$	\$	\$	\$ 862,775.00	\$ (946,786.00)	\$ 84,011.00	\$	\$	\$ 84,011.00	\$ 946,786.00	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	43,442.00					43,442.00	(43,442.00)					43,442.00	
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	4,643,708.00					4,188,932.00	(4,643,708.00)	474,776.00			\$474,776.00	4,643,708.00	
Reimbursed TPAF Social Security Contributions	13-100-034-5095-051	7/1/12-6/30/13	693,381.40	(131,930.29)		(131,930.29)		131,930.29					131,930.29	(702,694.60)	
Reimbursed TPAF Social Security Contributions	14-100-034-5095-051	7/1/13-6/30/14	702,694.60					586,361.48	(702,694.60)		(134,333.12)		134,333.12	(702,694.60)	
Total General Funds				(131,930.29)		(131,930.29)		5,775,440.77	(6,336,630.60)	558,787.00	(134,333.12)		683,120.12	4,931,241.40	
Special Revenue Fund:															
Distance Learning Network	00-495-034-5120-040	9/1/99-8/31/00	21,829.00	2,173.00		(2,173.00)								19,656.00	
Distance Learning Network	01-495-034-5120-040	9/1/00-8/31/01	25,979.00	609.00		(609.00)								25,370.00	
Apprentice Coordinator	13-100-034-5062-032	9/1/12-8/31/13	20,000.00	(6,660.00)		(6,660.00)		6,660.00					20,000.00	20,000.00	
Apprentice Coordinator	14-100-034-5062-032	9/1/13-8/31/14	20,000.00					10,296.00	(20,000.00)		(9,704.00)		9,704.00	20,000.00	
N.J. Department of Labor Workforce Development Partnership:															
N.J. Youth Corps Plainfield	06-100-054-6030-200	9/1/05-8/31/06	332,700.00	9,040.54		(6,040.54)		3,000.00						323,659.46	
N.J. Youth Corps Elizabeth	13-100-054-6030-200	9/1/12-8/31/13	324,178.00	(108,139.00)		(108,139.00)		98,793.00			(9,346.00)		9,346.00	324,178.00	
N.J. Youth Corps DDD RPR			26,640.00	13,450.76		(13,450.76)								13,189.24	
Total Special Revenue Fund				(88,525.70)		(22,273.30)		115,749.00	(20,000.00)		(19,050.00)		3,000.00	746,952.70	
Enterprise Fund:															
National School Lunch Program (State Share)	13-100-034-5120-122	7/1/12-6/30/13	3,038.67	(560.07)		(560.07)		560.07						3,038.67	
National School Lunch Program (State Share)	14-100-034-5120-122	7/1/13-6/30/14	2,867.05					2,366.50	(2,867.05)		(500.55)			2,867.05	
				(560.07)		(560.07)		2,926.57	(2,867.05)		(500.55)			5,905.72	
Total Expenditures of State Financial Assistance Subject to Single Audit Testing			\$ (222,016.00)	\$ (22,273.30)	\$ (244,289.36)	\$	\$ 5,894,116.34	\$ (6,359,497.65)	\$ 558,787.00	\$ (153,883.67)	\$ 3,000.00	\$	\$ 712,170.12	\$ 11,076,311.57	
On-Behalf amounts utilized for determination of Single Audit:															
On-behalf TPAF pension		7/1/13-6/30/14	412,587.00					412,587.00	(412,587.00)						
On-behalf TPAF post retirement medical		7/1/13-6/30/14	676,487.00					676,487.00	(676,487.00)						
							\$ 6,983,190.34	\$ (7,448,571.65)							

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

**Union County Vocational-Technical Schools**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2014**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

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

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Union County Vocational-Technical Schools**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2014**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is -0- for the general fund and (\$65,602.59) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$6,336,630.60	\$6,336,630.60
Special Revenue Fund	\$787,461.53	20,000.00	807,461.53
Fiduciary Fund	156,473.32		156,473.32
Food Service Fund	<u>100,117.24</u>	<u>2,867.05</u>	<u>102,984.29</u>
Total Awards & Financial Assistance	<u>\$1,044,052.09</u>	<u>\$6,359,497.65</u>	<u>\$7,403,549.74</u>

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

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2014.

**Union County Vocational-Technical Schools**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2014**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
|     | (a) Material weakness identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) | Noncompliance material to basic financial statements noted?                                | No         |

**Federal Program(s)**

- |     |   |               |
|-----|---|---------------|
| (1) | Internal Control Over Major Federal Programs:   |               |
|     | (a) Material weakness identified?   | No            |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses?  | No            |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)?   | Unmodified    |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this schedule? | None Reported |

**Union County Vocational-Technical Schools**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2014**

**Section I – Summary of Auditor’s Results (Continued)**

**Federal Program(s) (Continued)**

(4) Identification of Major Federal Program(s):

<u>Program</u>	<u>C.F.D.A Number</u>
IDEA Part B Basic	84.027
Pell Grant	84.063

(5) Program Threshold Determination:  
 Type A Federal Program Threshold > \$300,000.00  
 Type B Federal Program Threshold <= \$300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**State Program(s)**

(1) Internal Control Over Major State Programs:

(a) Material weakness identified? No

(b) Significant deficiencies identified that are not considered  
to be material weaknesses? No

(2) Type of Auditor’s Report issued on compliance for major state  
program(s)? Unmodified

**Union County Vocational-Technical Schools**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2014**

**Section I – Summary of Auditor’s Results (Continued)**

(3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and listed in Section III of this schedule? None Reported

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002

(5) Program Threshold Determination:  
Type A State Program Threshold > \$300,000.00  
Type B State Program Threshold <= \$300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**Union County Vocational-Technical Schools**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2014**

**Section II – Financial Statement Audit – Reported Findings**  
**Under Government Auditing Standards**

**Internal Control Findings** – None Reported

**Compliance Findings** – None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs – None Reported

State Programs – None Reported

Union County Vocational-Technical Schools

Schedule of Prior Year Audit Findings

Not Applicable



