

**SCHOOL DISTRICT OF
WARREN COUNTY VOCATIONAL-TECHNICAL**

**Warren County Vocational-Technical School District
(a component unit of the County of Warren)
Washington, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014**

**Comprehensive Annual
Financial Report**

of the

**Warren County Vocational-Technical School District
Board of Education**

(a component unit of the County of Warren)

Washington, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

**Warren County Vocational-Technical School District
Business Office**

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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INTRODUCTORY SECTION

WARREN COUNTY TECHNICAL SCHOOL DISTRICT

1500 Route 57, Washington, NJ 07882-3538

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Edmund J. Zalewski
Business Admin. / Bd. Sec.
 908-835-2815
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September 5, 2014

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

Dear Board Members:

The comprehensive annual financial report of the Warren County Vocational-Technical School District (the "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 the management of the Board of Education (the "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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Warren County Vocational-Technical School District ("WCTS") is a component unit of the County of Warren within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Warren County Vocational-Technical School District and its school constitute the District's reporting entity. The District completed the 2013-14 school year with an enrollment of 498 students in grades 9 through 12.

2) MAJOR INITIATIVES: Warren Tech is a Career Academy High School whose mission is to provide students with an exceptional education with career specialization. Students who attend Warren Tech have made a decision to pursue a specific career path at a young age and are eager to acquire all the knowledge that they can. They realize that by selecting Warren Tech, a school of choice, they begin to focus their studies by sharpening both academic and vocational skills. Statistically, WCTS students have gained an advantage if they choose to enter the workplace, attend college, or secure postsecondary training/apprenticeships. All Career Technical Education ("CTE") programs are designed and encouraged to develop articulation agreements with post-secondary institutions.

The Honorable President and Members of
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2) MAJOR INITIATIVES (Cont'd): Automotive Technology, Culinary/Hospitality, Law and Public Safety and Fire Science programs now have articulation agreements with Warren County Community College. In addition, our Engineering and Health Science programs have agreements with NJIT and UMDNJ respectively. A student entering as a freshman can now pursue an associate or bachelor degree upon graduation with earned credits. Our plan is to go forward with additional offerings next school year.

WCTS has always provided educational opportunities for special education students. As that population continues to expand, the Child Study Team has made recommendations to offer new programming to accommodate specific learning disabilities. A pilot program now in year two is identified as Language Learning Disabilities ("LLD") and was designed in cooperation with the Warren County Special Services School District to deliver self-contained CTE transition classes in Culinary Arts, Building Maintenance and Auto Service. Students who enroll will receive specialized academic and vocational training in preparation for transitioning into mainstream classes. This will enhance their success in passing all required proficiency assessments. In addition, they will be better prepared for advanced postsecondary coursework.

In the ever expanding internet-connected world of learning, Warren Tech will provide innovative on-line coursework in both academic and vocational areas of specialization. It will be our responsibility to help students access and maneuver through the myriad of electronic opportunities. The applications of these offerings have many interesting possibilities. Students can pursue electives of interest, supplement required courses, and if need be, even take summer enrichment classes to get a head start on the upcoming school year. Given our emphasis on career paths to the future, on-line learning has the potential to offer training specific to students that will allow them to leap ahead in their chosen career academy/vocational environment. Warren Tech is a safe student family environment where cooperation and collaboration guarantee success. We, as a school family, promote learning and achieving through self-advocacy. Toward that end, students will learn to open the right doors for themselves.

3) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state award programs, as well as to determine that the District has complied with applicable laws and regulations.

4) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of School Estimate, which consists of three Warren County freeholders and two Warren County Vocational-Technical School Board members. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section. 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 the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and /or assignments at June 30, 2014.

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5) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

6) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

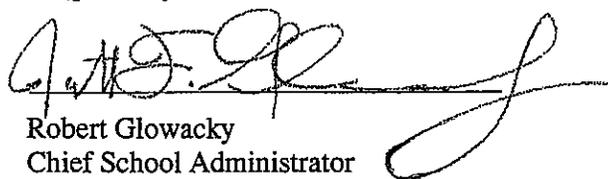
7) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation and fidelity bonds. Willis Group of New Jersey, Inc oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

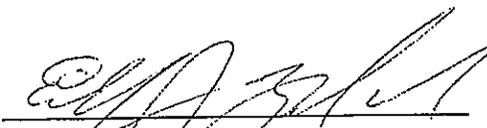
The Board is a member of the New Jersey School Insurance Group (the "Group"). The Group is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members.

8) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

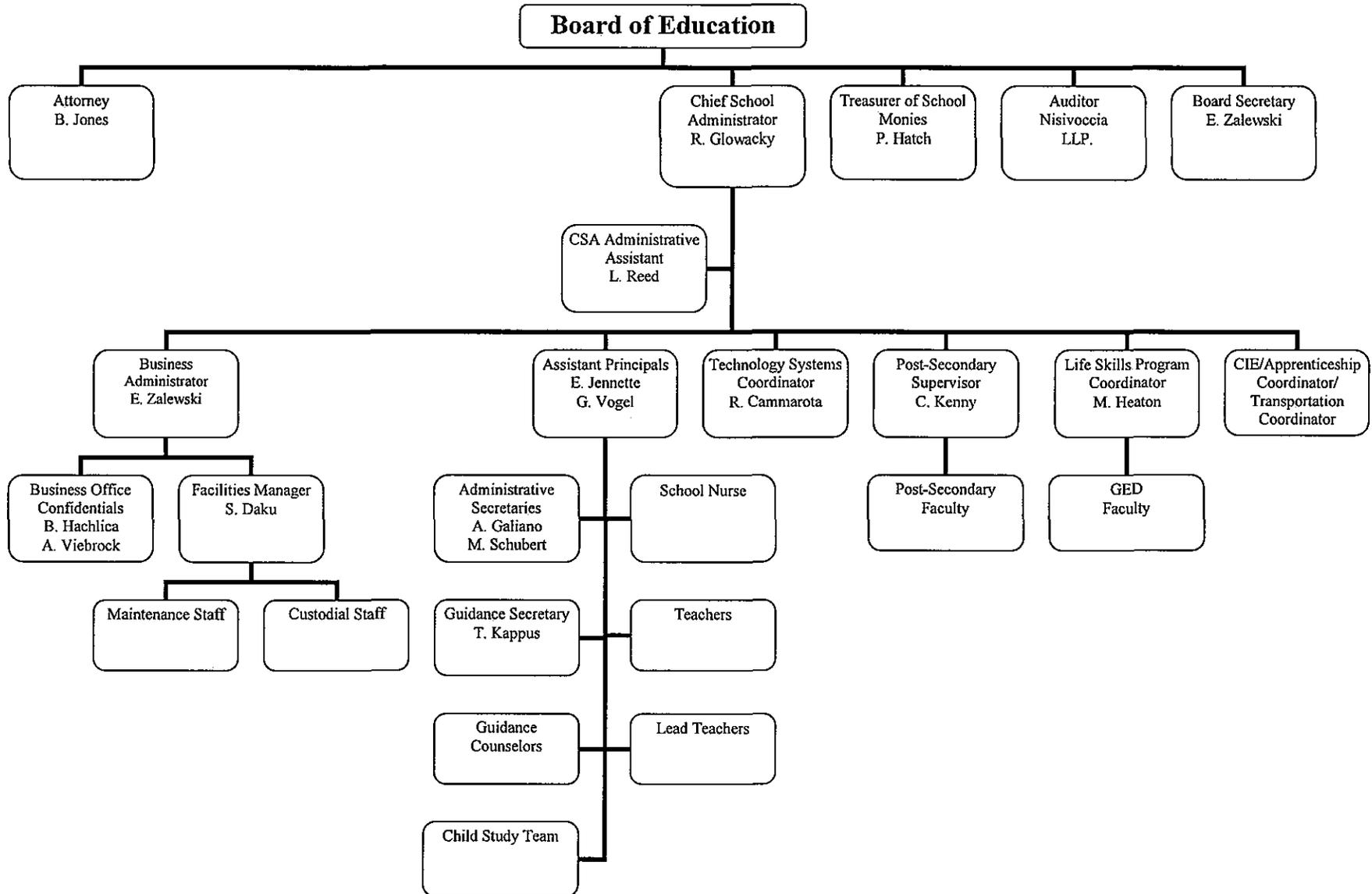
9) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Warren County Vocational-Technical School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development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

Respectfully submitted,


 Robert Glowacky
 Chief School Administrator


 Edmund Zalewski
 Business Administrator/Board Secretary

Warren County Technical School



**WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2014**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ellen Johnson-Demeter, President	2015
David Shotwell, Vice President	2015
Dr. Rosalie Lamonte, County Superintendent of Schools	N/A
Robert Roschewsk	2014
Gus Rutledge	2015

<u>Other Officers</u>	<u>Title</u>
Robert Glowacky	Chief School Administrator
Edmund Zalewski	Board Secretary/School Business Administrator
Paula Hatch	Treasurer of School Monies

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
Consultants and Advisors

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FINANCIAL SECTION



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Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren County Vocational-Technical School District (the "District"), a component unit of the County of Warren, as of and for the fiscal 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.

Auditors' 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable President and Members
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren County Vocational-Technical School District, in the County of Warren, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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, which follows this report, and the budgetary comparison information in Exhibits 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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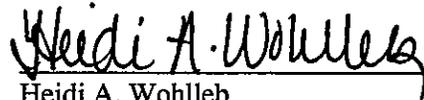
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

September 5, 2014
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

Management's Discussion and Analysis (Unaudited)

This section of Warren County Vocational-Technical School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status improved slightly on a District wide basis. However, governmental funds fund balance decreased significantly primarily due to a deficit in local sources revenue and liquidation of prior year encumbrances, offset by unexpended appropriations.
- Overall revenue was \$9.99 million.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District's Financial Report

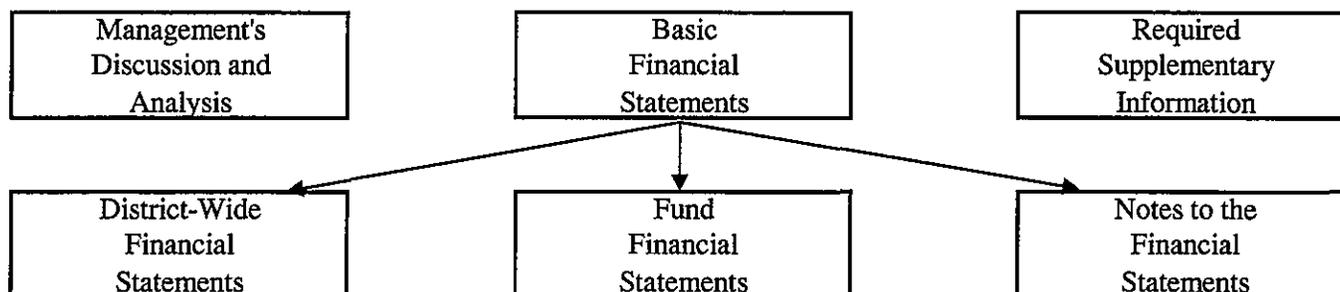


Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and restaurant	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. County taxes and state formula aid and grants finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and restaurant enterprise funds are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$11,535. Net position from governmental activities increased by \$12,039 and net position from business-type activities decreased by \$504.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	
Current and							
Other Assets	\$ 1,315,977	\$ 736,804	\$ 68,334	\$ 71,077	\$ 1,384,311	\$ 807,881	-41.64%
Capital Assets	11,714,149	12,422,780	12,886	11,204	11,727,035	12,433,984	6.03%
Total Assets	<u>13,030,126</u>	<u>13,159,584</u>	<u>81,220</u>	<u>82,281</u>	<u>13,111,346</u>	<u>13,241,865</u>	1.00%
Other Liabilities	128,306	215,975	8,228	9,793	136,534	225,768	65.36%
Other Long-Term							
Debt	229,088	258,838			229,088	258,838	12.99%
Total Liabilities	<u>357,394</u>	<u>474,813</u>	<u>8,228</u>	<u>9,793</u>	<u>365,622</u>	<u>484,606</u>	32.54%
Net Position:							
Net Investment in							
Capital Assets	11,683,041	12,398,704	12,886	11,204	11,695,927	12,409,908	6.10%
Restricted	249,484	249,484			249,484	249,484	0.00%
Unrestricted	<u>740,207</u>	<u>36,583</u>	<u>60,106</u>	<u>61,284</u>	<u>800,313</u>	<u>97,867</u>	-87.77%
Total Net Position	<u>\$ 12,672,732</u>	<u>\$ 12,684,771</u>	<u>\$ 72,992</u>	<u>\$ 72,488</u>	<u>\$ 12,745,724</u>	<u>\$ 12,757,259</u>	0.09%

Changes in Net Position. Net investment in capital assets increased by \$713,981 due to capital acquisitions of \$1,569,999 and capital lease principal payments of \$7,032 offset by current year depreciation expense of \$859,421 and deletions of capital assets, net of accumulated depreciation of \$3,629. Restricted net position remained the same. Unrestricted net position decreased by \$702,446 primarily due to \$423,582 in unexpended General Fund budget appropriations net of funds assigned for encumbrances; offset by a deficit in local sources revenue of \$227,255; a decrease in year end encumbrances of \$861,078; and an increase in compensated absences of \$36,782.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,484,810	\$ 1,571,764	\$ 86,221	\$ 98,435	\$ 1,571,031	\$ 1,670,199	6.31%
Operating Grants and Contributions	1,589,882	1,401,647	69,888	78,110	1,659,770	1,479,757	-10.85%
General Revenue:							
Property Taxes	3,995,172	3,995,172			3,995,172	3,995,172	0.00%
Unrestricted Federal and State Aid	2,763,872	2,792,568			2,763,872	2,792,568	1.04%
Other	51,069	53,343	1	1	51,070	53,344	4.45%
Total Revenue	9,884,805	9,814,494	156,110	176,546	10,040,915	9,991,040	-0.50%
Expenses:							
Instruction	4,693,568	4,759,986			4,693,568	4,759,986	1.42%
Pupil and Instruction Services	803,379	748,235			803,379	748,235	-6.86%
Administrative and Business	1,315,256	1,397,849			1,315,256	1,397,849	6.28%
Maintenance and Operations	961,995	1,026,112			961,995	1,026,112	6.67%
Transportation	562,593	545,217			562,593	545,217	-3.09%
Special Schools	670,174	624,870			670,174	624,870	-6.76%
Capital Outlay	34,190	35,821			34,190	35,821	4.77%
Other	416,122	664,365	166,702	177,050	582,824	841,415	44.37%
Total Expenses	9,457,277	9,802,455	166,702	177,050	9,623,979	9,979,505	3.69%
Increase/(Decrease) in Net Position	\$ 427,528	\$ 12,039	\$ (10,592)	\$ (504)	\$ 416,936	\$ 11,535	-97.23%

Revenue Sources. The District's total revenue for the 2013/14 school year was \$9,991,040. (See Figure A-5). Property taxes accounted for a substantial portion of the District's revenue, with the County Tax Levy accounting for \$3,995,172 of the total, or 39.99 percent. Another 42.76 percent came from state and federal aid for specific programs and state formula aid with the remainder from other sources and charges for service, including tuition.

Figure A-5

Sources of Revenue for Fiscal Year 2014

	Amount	Percentage
Sources of Income:		
Grants and Contributions	\$ 1,479,757	14.81%
County Tax Levy	3,995,172	39.99%
Unrestricted Federal and State Aid	2,792,568	27.95%
Charges for Services	1,670,199	16.72%
Other	53,344	0.53%
	\$ 9,991,040	100.00%

The total cost of all programs and services was \$9,979,505. The District's expenses are predominantly related to instructing, caring for (pupil services), transporting and special schools (66.92 percent). (See Figure A-6). The District's administrative and business activities accounted for 14.01 percent of total costs. The most significant contributor to the cost of maintenance and operations was higher fuel costs. It is important to note that depreciation is included in other expenses for the year; expenses therefore include \$859,421 in depreciation.

Figure A-6
Expenses for Fiscal Year 2014

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 4,759,986	47.70%
Pupil and Instruction Services	748,235	7.50%
Administrative and Business	1,397,849	14.01%
Maintenance and Operations	1,026,112	10.28%
Transportation	545,217	5.46%
Special Schools	624,870	6.26%
Capital Outlay	35,821	0.36%
Other	841,415	8.43%
	<u>\$ 9,979,505</u>	<u>100.00%</u>

Governmental Activities

Careful management of expenses remains essential for the District to sustain its financial health. Among the significant cost savings realized during the year through the judicious use of budgeted funds were:

- Continued updating of the original HVAC system to a high efficiency gas based system.
- Reduction in electrical usage by installing occupancy sensors throughout the building.
- Increased oversight of purchases to eliminate non-essential items.
- Utilization of co-op programs for supplies and utilities has resulted in a cost savings for the District.

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-7 presents the cost of the major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, special schools, capital outlay and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-7

Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2012/13	2013/14	2012/13	2013/14
Instruction	\$ 4,693,568	\$ 4,759,986	\$ 3,046,871	\$ 3,159,522
Pupil and Instruction Services	803,379	748,235	449,490	453,810
Administrative and Business	1,315,256	1,397,849	1,059,832	1,131,546
Maintenance and Operations	961,995	1,026,112	833,833	884,848
Transportation	562,593	545,217	445,843	420,017
Special Schools	670,174	624,870	96,404	79,115
Capital Outlay	34,190	35,821	34,190	35,821
Other	416,122	664,365	416,122	664,365
	<u>\$ 9,457,277</u>	<u>\$ 9,802,455</u>	<u>\$ 6,382,585</u>	<u>\$ 6,829,044</u>

- The cost of all governmental activities this year was \$9.80 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$1.40 million).
- A portion of governmental activities was financed with \$2.79 million in state aid based on the SFRA formula and federal aid.
- Approximately 40% of the District's costs (\$4.0 million) were financed with the County Tax Levy.
- The remainder of the funding came from tuition, miscellaneous revenue, and charges for services (\$1.63 million).

Business-Type Activities

Net position from the District's business-type activities decreased by \$504. (Refer to Figure A-4).

Financial Analysis of the District's Funds

Difficult economic times have had a direct impact upon the District's revenue sources. Increased benefit and utility costs have resulted in a strained budget that has required changes in how the District develops its budget. The District is continuing to improve its facilities and looking for creative use of under-utilized space.

The District must continue to practice sound fiscal management since these factors are expected to continue for the foreseeable future.

Budgetary Highlights

- The business office continues to look for areas to reduce costs and increase revenue to offset the implications of the recurring flat funding.
- The District has reduced energy costs by implementation of new HVAC systems and lighting controls; allowing the reinvestment of the savings to improve the building.

Capital Asset and Debt Administration

Figure A-8

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	
Sites	\$ 174,251	\$ 174,251			\$ 174,251	174,251	0.00%
Site Improvements	170,627	148,676			170,627	148,676	-12.86%
Buildings and Building Improvements	10,469,438	11,278,363			10,469,438	11,278,363	7.73%
Machinery and Equipment	899,833	821,490	\$ 12,886	\$ 11,204	912,719	832,694	-8.77%
	<u>\$ 11,714,149</u>	<u>\$ 12,422,780</u>	<u>\$ 12,886</u>	<u>\$ 11,204</u>	<u>\$ 11,727,035</u>	<u>\$ 12,433,984</u>	6.03%

- The change in Capital Assets is a result of the acquisition of assets net of deletions and related accumulated depreciation, in the amount of \$1,566,370 offset by depreciation expense of \$859,421.

Long-term Debt

At year-end, the District had \$258,838 of long term liabilities – a decrease of \$29,750 due to net accruals in compensated absences of \$36,782 and a decrease in capital leases payable of \$7,032 – as shown in Figure A-9. The County of Warren is responsible for the issuance and repayment of long-term debt in the form of bonds.

Figure A-9

Outstanding Long-Term Debt

	Total School District		Total Percentage Change
	2012/13	2013/14	
Other Long-Term Debt	\$ 229,088	\$ 258,838	12.99%
	<u>\$ 229,088</u>	<u>\$ 258,838</u>	12.99%

Factors Bearing on the District's Future Revenue/Expense Changes

At the time these financial statements were prepared and audited, the District was aware of the following existing conditions that could significantly affect its financial health in the future:

- Uncertainty of future grant amounts may impact the amount of aid that the District receives.
- Flat funding has constrained budget expenditures.
- Gradual increase in tuition rates generating additional revenue.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 1500 Route 57, Washington, New Jersey 07882.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 379,589	\$ 11,125	\$ 390,714
Internal Balances	(49,567)	49,567	
Interfund Receivables	20,993		20,993
Receivables From State Government	187	119	306
Receivables From Federal Government	56,904	4,949	61,853
Receivables from Other Governments	39,593		39,593
Other Receivables	39,621		39,621
Inventories		5,317	5,317
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	249,484		249,484
Capital Assets, Net			
Sites (Land)	174,251		174,251
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	12,248,529	11,204	12,259,733
Total Assets	<u>13,159,584</u>	<u>82,281</u>	<u>13,241,865</u>
LIABILITIES			
Accounts Payable	205,647	8,382	214,029
Payable to Federal Government	9,058		9,058
Unearned Revenue	1,270	1,411	2,681
Noncurrent Liabilities:			
Within One Year	20,398		20,398
Due Beyond One Year	238,440		238,440
Total Liabilities	<u>474,813</u>	<u>9,793</u>	<u>484,606</u>
NET POSITION			
Net Investment in Capital Assets	12,398,704	11,204	12,409,908
Restricted for:			
Capital Projects	249,484		249,484
Unrestricted	36,583	61,284	97,867
Total Net Position	<u>\$ 12,684,771</u>	<u>\$ 72,488</u>	<u>\$ 12,757,259</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program 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:						
Regular	\$ 2,322,452	\$ 319,730	\$ 298,691	\$ (1,704,031)		\$ (1,704,031)
Special Education	281,497	122,753	33,188	(125,556)		(125,556)
Vocational Education Instruction	1,945,478	267,832	510,708	(1,166,938)		(1,166,938)
School Sponsored/Other Instruction	210,559	28,988	18,574	(162,997)		(162,997)
Support Services:						
Student & Instruction Related Services	748,235	103,009	191,416	(453,810)		(453,810)
General Administrative Services	483,031	66,499	36,114	(380,418)		(380,418)
School Administrative Services	323,952	44,598	21,468	(257,886)		(257,886)
Central Services	379,016	52,179	16,280	(310,557)		(310,557)
Administrative Information Technology	211,850	29,165		(182,685)		(182,685)
Plant Operations and Maintenance	1,026,112	141,264		(884,848)		(884,848)
Pupil Transportation	545,217	75,060	50,140	(420,017)		(420,017)
Special Schools	624,870	320,687	225,068	(79,115)		(79,115)
Capital Outlay	35,821			(35,821)		(35,821)
Unallocated Depreciation	664,365			(664,365)		(664,365)
Total Governmental Activities	9,802,455	1,571,764	1,401,647	(6,829,044)		(6,829,044)
Business-Type Activities:						
Restaurant	17,457	16,142			\$ (1,315)	(1,315)
Food Service	159,593	82,293	78,110		810	810
Total Business-Type Activities	177,050	98,435	78,110		(505)	(505)
Total Primary Government	\$ 9,979,505	\$ 1,670,199	\$ 1,479,757	(6,829,044)	(505)	(6,829,549)

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
	County Taxes, Levied for General Purposes, Net			\$ 3,995,172		\$ 3,995,172
	Federal and State Aid not Restricted			2,792,568		2,792,568
	Investment Earnings				\$ 1	1
	Miscellaneous Income			53,343		53,343
	Total General Revenues			6,841,083	1	6,841,084
	Change in Net Position			12,039	(504)	11,535
	Net Position - Beginning			12,672,732	72,992	12,745,724
	Net Position - Ending			\$ 12,684,771	\$ 72,488	\$ 12,757,259

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

Exhibit B-1

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 379,589		\$ 379,589
Interfund Receivable	52,834		52,834
Receivables From State Government		\$ 187	187
Receivables From Federal Government		56,904	56,904
Receivables From Other Governments	39,593		39,593
Other Receivables	39,621		39,621
Restricted Cash and Cash Equivalents	249,484		249,484
Total Assets	\$ 761,121	\$ 57,091	\$ 818,212
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund Payable	\$ 49,567	\$ 31,841	\$ 81,408
Accounts Payable	189,455	16,192	205,647
Payable to Federal Government		9,058	9,058
Unearned Revenue	1,270		1,270
Total Liabilities	240,292	57,091	297,383
Fund Balances:			
Restricted:			
Capital Reserve	249,484		249,484
Assigned:			
Other Purposes	22,200		22,200
Unassigned	249,145		249,145
Total Fund Balances	520,829		520,829
Total Liabilities and Fund Balances	\$ 761,121	\$ 57,091	

Amounts Reported for Governmental Activities in the Statement of
Net Position (A-1) are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and
Therefore are not Reported in the Funds. The Cost of the Assets is \$18,745,677
and the Accumulated Depreciation is \$6,322,897.

12,422,780

Long-Term Liabilities, Including Compensated Absences and Capital Leases, are not due and
Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.

(258,838)

Net Position of Governmental Activities

\$ 12,684,771

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-2

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES:			
Local Sources:			
County Tax Levy	\$ 3,995,172		\$ 3,995,172
Tuition from LEA's	1,167,077		1,167,077
Other Tuition	320,687		320,687
GED Testing Center Fees	8,033		8,033
Services Provided to Other LEAs	84,000		84,000
Unrestricted Miscellaneous Revenues	45,310		45,310
Total - Local Sources	5,620,279		5,620,279
State Sources	3,763,763	\$ 9,874	3,773,637
Federal Sources		420,578	420,578
Total Revenues	9,384,042	430,452	9,814,494
EXPENDITURES:			
Current:			
Instruction:			
Regular Instruction	1,508,397	50,765	1,559,162
Special Education Instruction	187,069		187,069
Vocational Education Instruction	1,189,955	48,353	1,238,308
School-Sponsored/Other Instruction	153,123		153,123
Support Services and Undistributed Costs:			
Student and Other Instruction Related Services	438,363	126,342	564,705
General Administration Services	385,279		385,279
School Administration Services	237,257		237,257
Central Services	296,203		296,203
Administrative Information Technology	186,422		186,422
Plant Operations and Maintenance	887,836		887,836
Student Transportation	544,717		544,717
Unallocated Benefits	2,141,600		2,141,600
Capital Outlay	1,574,040	28,151	1,602,191
Special Schools	320,623	176,841	497,464
Total Expenditures	10,050,884	430,452	10,481,336
Net Change in Fund Balances	(666,842)		(666,842)
Fund Balance - July 1	1,187,671		1,187,671
Fund Balance - June 30	\$ 520,829	\$ -0-	\$ 520,829

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-3

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, 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) \$ (666,842)

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 and deletions, net of accumulated depreciation in the period.

Depreciation Expense	\$ (857,739)	
Deletion of Capital Assets, net of Accumulated Depreciation	(3,629)	
Capital Outlays	<u>1,569,999</u>	708,631

In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (36,782)

Repayment of capital leases 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. 7,032

Change in Net Position of Governmental Activities (A-2) \$ 12,039

Exhibit B-4

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Fund</u>	<u>Major Fund Food Service</u>	<u>Total Enterprise</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents		\$ 11,125	\$ 11,125
Interfund Receivable - General Fund		49,567	49,567
Intrafund Receivable		1,677	1,677
Intergovernmental Accounts Receivable:			
State		119	119
Federal		4,949	4,949
Inventories	\$ 1,850	3,467	5,317
Total Current Assets	<u>1,850</u>	<u>70,904</u>	<u>72,754</u>
Non-Current Assets:			
Capital Assets		19,217	19,217
Less: Accumulated Depreciation		(8,013)	(8,013)
Total Non-Current Assets		<u>11,204</u>	<u>11,204</u>
Total Assets	<u>1,850</u>	<u>82,108</u>	<u>83,958</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Intrafund Payable	1,677		1,677
Accounts Payable		8,382	8,382
Unearned Revenue		1,411	1,411
Total Liabilities	<u>1,677</u>	<u>9,793</u>	<u>11,470</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets		11,204	11,204
Unrestricted	173	61,111	61,284
Total Net Position	<u>\$ 173</u>	<u>\$ 72,315</u>	<u>\$ 72,488</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN
INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Fund</u>	<u>Major Fund Food Service</u>	<u>Total Enterprise</u>
Operating Revenue:			
Daily Sales		\$ 82,293	\$ 82,293
Restaurant Sales	\$ 16,142		16,142
Total Operating Revenue	16,142	82,293	98,435
Operating Expenses:			
Cost of Sales	17,457	87,526	104,983
Salaries and Employee Benefits		55,351	55,351
Other Purchased Services		8,989	8,989
Supplies and Materials		1,545	1,545
Miscellaneous Expenditures		4,500	4,500
Depreciation Expense		1,682	1,682
Total Operating Expenses	17,457	159,593	177,050
Operating Loss	(1,315)	(77,300)	(78,615)
Non-Operating Revenue:			
Local Sources:			
Interest Income		1	1
State Sources:			
State School Lunch Program		1,683	1,683
Federal Sources:			
National School Lunch Program		60,579	60,579
National School Breakfast Program		7,441	7,441
Food Distribution Program		8,407	8,407
Total Non-Operating Revenue		78,111	78,111
Change in Net Position	(1,315)	811	(504)
Net Position - Beginning of Year	1,488	71,504	72,992
Net Position - End of Year	\$ 173	\$ 72,315	\$ 72,488

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN
INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund Food Service	Total Enterprise
Cash Flows from Operating Activities:			
Intrafund Advanced	\$ 1,677	\$ (1,677)	
Receipts from Customers	16,142	82,293	\$ 98,435
Payments to Food Service Contractor		(142,975)	(142,975)
Payments to Suppliers	(18,342)	(4,052)	(22,394)
Net Cash Used for Operating Activities	(523)	(66,411)	(66,934)
Cash Flows from Noncapital Financing Activities:			
State Sources - Turnover from General Fund		1,642	1,642
Federal Sources - Turnover from General Fund		66,360	66,360
Net Cash Provided by Noncapital Financing Activities		68,002	68,002
Cash Flows from Financing Activities:			
Interest Income		1	1
Net Cash Provided by Financing Activities		1	1
Net Increase/(Decrease) in Cash and Cash Equivalents	(523)	1,592	1,069
Cash and Cash Equivalents, July 1	523	9,533	10,056
Cash and Cash Equivalents, June 30	\$ -0-	\$ 11,125	\$ 11,125
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss	\$ (1,315)	\$ (77,300)	\$ (78,615)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation		1,682	1,682
Food Distribution Program		8,407	8,407
Changes in Assets and Liabilities:			
(Increase) in Intrafund Receivable		(1,677)	(1,677)
Increase in Intrafund Payable	1,677		1,677
Increase in Accounts Payable		2,419	2,419
(Decrease) in Unearned Revenue		(854)	(854)
(Increase)/Decrease in Inventory	(885)	912	27
Net Cash Used for Operating Activities	\$ (523)	\$ (66,411)	\$ (66,934)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Donated Commodities through the Food Distribution Program valued at \$7,554 and utilized Commodities valued at \$8,407.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-7

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2014

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 128,354	\$ 83,272	
Interfund Receivable - Student Activities			\$ 2,680
Total Assets	<u>128,354</u>	<u>83,272</u>	<u>2,680</u>
<u>LIABILITIES:</u>			
Interfund Payable:			
General Fund	20,993		
Scholarship Trust	2,680		
Payroll Deductions and Withholdings	17,591		
Accrued Salaries and Wages	5,183		
Due to Student Groups	81,907		
Total Liabilities	<u>128,354</u>		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims		83,272	
Restricted for Scholarships			2,680
Total Net Position	<u>\$ -0-</u>	<u>\$ 83,272</u>	<u>\$ 2,680</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 7,770	
Total Contributions	<u>7,770</u>	
 Total Additions	 <u>7,770</u>	
DEDUCTIONS:		
Quarterly Contribution Reports	227	
Unemployment Benefit Claims	36,044	
Total Deductions	<u>36,271</u>	
 Change in Net Position	 (28,501)	
 Net Position - Beginning of the Year	 <u>111,773</u>	 <u>\$ 2,680</u>
 Net Position - End of the Year	 <u>\$ 83,272</u>	 <u>\$ 2,680</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of officials who are appointed by the Warren County Board of Chosen Freeholders and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Accordingly, the Warren County Vocational-Technical School District is a component unit of the County of Warren under the provisions of Governmental Accounting Standards Board's Codification Section 2100. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. 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 located in the Township of Washington. 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 other than the County of Warren.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) 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 requirements of a particular program.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

B. Basis of Presentation: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. 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 district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from bond ordinances that are specifically authorized by the County Board of School Estimate, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(Continued)

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

B. Basis of Presentation: (Cont'd)

Debt Service Fund: Because Vocational School capital projects are authorized by the County Board of Chosen Freeholders under a bond ordinance and the subsequent debt is funded directly from the County budget, the Debt Service Fund does not apply to the Warren County Vocational-Technical School District.

Additionally, the District reports the following fund types:

Enterprise Funds: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's Enterprise Funds. The District operates two Enterprise Funds, which are comprised of the Restaurant and the Food Service Funds. These Enterprise Funds are 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 or to the public on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, the Payroll Agency Fund, the Private Purpose Scholarships Trust Fund and the Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. 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.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the County Board of School Estimate, which consists of three Warren County freeholders and two Warren County Vocational-Technical School District Board members. 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. Budget amendments/transfers must be made by School Board resolution. All budgetary 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 budget during the year).

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 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last state aid payments for the current and prior years. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 9,386,133	\$ 415,252
Differences - Budget to GAAP:		
Grant Accounting Budgetary basis differs from GAAP in that the Budgetary basis recognizes Encumbrances as Expenditures and Revenue whereas the GAAP basis does not.		
Current Year Encumbrances		(376)
Cancellation of Prior Year Encumbrances		(4,429)
Prior Year Encumbrances		20,005
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	305,891	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(307,982)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 9,384,042	\$ 430,452

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

D. Budgets/Budgetary Control: (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 10,050,884	\$ 415,252
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(376)
Cancellation of Prior Year Encumbrances		(4,429)
Prior Year Encumbrances		20,005
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 10,050,884	\$ 430,452

E. Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

F. Interfund Transactions: (Cont'd)

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or 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 for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. 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. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets were reviewed for impairment.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

K. Capital Assets: (Cont'd)

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

Beginning in fiscal year 2014, certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2014, the amount earned by these employees but not disbursed was \$5,183.

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

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

O. Unearned Revenue

Unearned revenue represents cash which has been received but not yet earned.

P. Fund Balance Appropriated

General Fund: Of the \$520,829, General Fund fund balance at June 30, 2014, \$22,200 is assigned for year end encumbrances; \$249,484 is restricted in the capital reserve account; and \$249,145 is unassigned which is \$307,982 less than the calculated maximum unassigned fund balance, on a GAAP Basis, due to the final two state aid payments which are not recognized until the fiscal year ending June 30, 2015.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for 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 restrict 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 year's budget. The District had no excess surplus at June 30, 2014.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last two state aid payments, and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Net Position:

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the prior fiscal year. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*, during the current fiscal year. 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.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have any deferred inflows or outflows of resources at June 30, 2014.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

Q. Net Position: (Cont'd)

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

R. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

A fund balance restriction has been established for a capital reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2014.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2014.

S. Revenue - Exchange and Nonexchange 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.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

S. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Nonexchange transactions, in which the School 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: county taxes, interest and tuition.

T. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective Enterprise Fund. For the School District, these revenues are sales or program fees, as applicable, for the various Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

U. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Deposits:

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

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

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

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

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

Investments:

New Jersey statutes permit the Board to purchase the following types 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;
- (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, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (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 statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2014, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital Reserve Account</u>	<u>Total</u>
Checking and Savings Accounts	\$ 602,340	\$ 249,484	\$ 851,824

During the period ended June 30, 2014, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2014, was \$851,824 and the bank balance was \$874,704.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on October 10, 2000 in the amount of \$500 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 State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

Beginning Balance, July 1,	\$ 249,484
Ending Balance, June 30,	<u>\$ 249,484</u>

The June 30, 2014 LRFPP balance of local support costs of uncompleted capital projects exceeds the balance in the Capital Reserve Account at June 30, 2014.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2014 were as follows:

	Beginning Balance	Increases	Deletions/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 174,251			\$ 174,251
Total Capital Assets Not Being Depreciated	174,251			174,251
Capital Assets Being Depreciated:				
Site Improvements	408,984			408,984
Buildings and Building Improvements	14,739,659	\$ 1,522,508		16,262,167
Machinery and Equipment	1,942,157	47,491	\$ (89,373)	1,900,275
Total Capital Assets Being Depreciated	17,090,800	1,569,999	(89,373)	18,571,426
Governmental Activities Capital Assets	17,265,051	1,569,999	(89,373)	18,745,677
Less Accumulated Depreciation for:				
Site Improvements	(238,357)	(21,951)		(260,308)
Buildings and Building Improvements	(4,270,221)	(713,583)		(4,983,804)
Machinery and Equipment	(1,042,324)	(122,205)	85,744	(1,078,785)
	(5,550,902)	(857,739)	85,744	(6,322,897)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 11,714,149	\$ 712,260	\$ (3,629)	\$ 12,422,780
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 19,217			\$ 19,217
Less Accumulated Depreciation	(6,331)	\$ (1,682)		(8,013)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 12,886	\$ (1,682)	\$ -0-	\$ 11,204

The District had no active construction projects as of June 30, 2014.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 12,568
School Sponsored/Other Instruction	4,587
Vocational Education Instruction	153,212
Operations and Maintenance	10,682
Central Services	458
Student and Instruction Related Services	11,577
Special Schools	290
Unallocated	664,365
	<u>\$ 857,739</u>

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2014, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/</u>
Capital Leases Payable	\$ 31,108		\$ 7,032	\$ 24,076
Compensated Absences Payable	197,980	\$ 44,349	7,567	234,762
	<u>\$ 229,088</u>	<u>\$ 44,349</u>	<u>\$ 14,599</u>	<u>\$ 258,838</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the County of Warren Board of Chosen Freeholders by adopting a bond ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County of Warren Board of Chosen Freeholders are general obligation bonds of the County of Warren and therefore are not recorded as debt of the Warren County Vocational-Technical School District.

B. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$12,509 and is separated from the long-term portion of compensated absences of \$222,253.

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 Enterprise Funds.

The General Fund will be used to liquidate compensated absences payable.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

C. Capital Leases Payable

The District entered into a \$39,565 lease purchase agreement in April 2012 for a telephone system upgrade for the District, of which \$15,489 has been amortized. The capital lease is for a term of five years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2014.

<u>Year</u>	<u>Amount</u>
2015	\$ 10,260
2016	10,260
2017	7,695
	<u>28,215</u>
Less: Amount Representing Interest	<u>(4,139)</u>
Present Value Net of Minimum Lease Payments	<u>\$ 24,076</u>

The current portion of capital leases payable at June 30, 2014 is \$7,889 and the long-term portion is \$16,187. The General Fund will be used to liquidate the capital lease payable.

NOTE 7. OPERATING LEASES PAYABLE

The District has a commitment to lease copiers under an operating lease which expires in 2017. Future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2015	\$ 49,995
June 30, 2016	54,540
June 30, 2017	31,815
Total future minimum lease payments	<u>\$ 136,350</u>

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). These systems are sponsored and administered by the State of New Jersey. The TPAF is considered a cost-sharing, multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems. However, if an employee is ineligible to enroll in the PERS or the TPAF, the employee may be eligible to enroll in the DCRP.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Employees who are members of PERS and TPAF and retire at a specified age 55 according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of credible service. Vesting occurs after 8 to 10 years of service. The DCRP provides eligible members with a tax- sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. For PERS and TPAF, the contribution rate was 6.64% effective July 1, 2012 and increased to 6.78% effective July 1, 2013. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

District contributions to PERS amounted to \$68,145, \$81,752 and \$85,275 for the fiscal years ended June 30, 2014, 2013 and 2012, respectively. During the fiscal years ended June 30, 2014, 2013 and 2012 the State of New Jersey contributed \$145,007, \$212,651 and \$101,918, respectively, to the TPAF for normal pension benefits on-behalf of the District. District contributions to DCRP amounted to \$965, \$-0- and \$-0- for the fiscal years ended June 30, 2014, 2013 and 2012, respectively.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for 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.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$237,757, \$240,455 and \$204,883 for 2014, 2013 and 2012, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their health benefit coverage through the State of NJ Health Benefits Plan.

Property and Liability Insurance

The District is a member of the New Jersey School Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage, and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment relates to the total assessment of the membership body. As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies.

The audit report for the year ending June 30, 2014 was not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2013 is as follows:

	<u>New Jersey School Insurance Group</u>
Total Assets	\$ 277,741,572
Net Position	\$ 65,389,322
Total Revenue	\$ 114,969,485
Total Expenses	\$ 113,723,547
Change in Net Position	\$ 1,245,938
Members Dividends	\$ -0-

Financial statements for the Group are available at the Group's Executive Director's office:

New Jersey School Insurance Group
450 Veterans Drive
Burlington, NJ 08016
(609) 386-6060

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$ -0-	\$ -0-	\$ 7,770	\$ 36,271	\$ 83,272
2012-2013	75,000	127	7,967	24,723	111,773
2011-2012	80,000	323	3,996	30,968	53,402

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 52,834	\$ 49,567
Special Revenue Fund		31,841
Enterprise Fund - Food Service Fund	49,567	
Fiduciary Fund - Student Activities		2,680
Fiduciary Fund - Private Purpose Scholarships Trust	2,680	
Fiduciary Fund - Payroll Agency Fund		20,993
	<u>\$ 105,081</u>	<u>\$ 105,081</u>

The interfund receivable in the General Fund with the Special Revenue Fund is the amount of the cash deficit in the Special Revenue Fund due to a timing lag in reimbursement of federal grant funds from the state. The interfund receivable in the Food Service Fund is comprised of prior and current year federal and state lunch reimbursements deposited in the General Fund which were not remitted to the Food Service Fund by June 30, 2014. The interfund payable in the Payroll Agency Fund is the June 2014 employees' share of health benefits reimbursements of \$7,245 due to the General Fund; \$550 of mentoring fees reimbursement due to the General Fund for the fiscal year; and an unallocated amount of \$13,198 due from the Net Payroll account. The interfund receivable in the Scholarships Trust is scholarships collected in the Student Activities account on behalf of the Scholarships Trust in a prior year.

NOTE 12. ECONOMIC DEPENDENCY

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

Lincoln Investment Planning
Vanguard
Fidelity Investments

Transamerica is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 14. ACCOUNTS PAYABLE

Payables as of June 30, 2014 were:

	<u>Governmental Activities</u>			<u>Business-Type</u>
	<u>General</u>	<u>Special</u>	<u>Total</u>	<u>Activities</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Governmental</u>	<u>Enterprise</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Due to State of New Jersey		\$ 16,192	\$ 16,192	
Vendors	\$ 189,455		\$ 189,455	\$ 8,382
	<u>\$ 189,455</u>	<u>\$ 16,192</u>	<u>\$ 205,647</u>	<u>\$ 8,382</u>

NOTE 15. TAX CALENDAR

Property taxes are levied by the County as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges.

A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the County who then disburses those funds to the District on a predetermined mutually agreed-upon schedule.

NOTE 16. CONTINGENT LIABILITIESGrant Programs

The District participates in federal and state assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 16. CONTINGENT LIABILITIES (Cont' d)

Litigation

The District is periodically involved in claims and pending lawsuits including personnel matters. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2014, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 22,200	\$ 376	\$ 22,576

On the District's Governmental Funds Balance Sheet as of June 30, 2014, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$376 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

BUDGETARY COMPARISON SCHEDULES

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:					
Local Sources:					
County Tax Levy	\$ 3,995,172		\$ 3,995,172	\$ 3,995,172	
Tuition from LEA's	1,021,037	\$ 209,825	1,230,862	1,167,077	\$ (63,785)
Other Tuition	455,500		455,500	320,687	(134,813)
GED Testing Center Fees	9,000		9,000	8,033	(967)
Services Provided to Other LEAs		120,000	120,000	84,000	(36,000)
Unrestricted Miscellaneous Revenues	37,000		37,000	45,310	8,310
Total - Local Sources	<u>5,517,709</u>	<u>329,825</u>	<u>5,847,534</u>	<u>5,620,279</u>	<u>(227,255)</u>
State Sources:					
Categorical Special Education Aid	269,146		269,146	269,146	
Equalization Aid	2,768,259		2,768,259	2,768,259	
Categorical Security Aid	25,413		25,413	25,413	
Transportation Aid	50,531		50,531	50,531	
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				145,007	145,007
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				237,757	237,757
TPAF Social Security (Reimbursed - Non-Budgeted)				269,741	269,741
Total State Sources	<u>3,113,349</u>		<u>3,113,349</u>	<u>3,765,854</u>	<u>652,505</u>
Total Revenue	<u>8,631,058</u>	<u>329,825</u>	<u>8,960,883</u>	<u>9,386,133</u>	<u>425,250</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 1,474,043	\$ (2,654)	\$ 1,471,389	\$ 1,470,749	\$ 640
Other Purchased Services	22,880	(14,662)	8,218	8,218	
General Supplies	11,600	(682)	10,918	10,918	
Textbooks	11,000	7,070	18,070	18,000	70
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000	(1,719)	281	281	
Purchased Professional-Educational Services	500	(269)	231	231	
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>1,522,023</u>	<u>(12,916)</u>	<u>1,509,107</u>	<u>1,508,397</u>	<u>710</u>
Special Education Instruction - Resource Room:					
Salaries of Teachers	194,638	(7,569)	187,069	187,069	
General Supplies	813	(813)			
Textbooks	3,603	(3,603)			
Total Special Education Instruction - Resource Room	<u>199,054</u>	<u>(11,985)</u>	<u>187,069</u>	<u>187,069</u>	
Regular Vocational Programs:					
Salaries of Teachers	1,005,095	(11,970)	993,125	991,261	1,864
Other Salaries for Instruction	6,000	(6,000)			
Other Purchased Services	15,537	(8,630)	6,907	5,369	1,538
General Supplies	79,300	251	79,551	78,607	944
Textbooks	17,000	(3,566)	13,434	13,434	
Total Regular Vocational Programs	<u>1,122,932</u>	<u>(29,915)</u>	<u>1,093,017</u>	<u>1,088,671</u>	<u>4,346</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Special Vocational Programs:					
Salaries of Teachers	\$ 51,834	\$ 49,323	\$ 101,157	\$ 101,157	
General Supplies		127	127	127	
Special Vocational Programs	<u>51,834</u>	<u>49,450</u>	<u>101,284</u>	<u>101,284</u>	
School-Sponsored Cocurricular Activities:					
Salaries	40,100	(11,071)	29,029	29,029	
Purchased Services	15,600	(7,961)	7,639	7,639	
Supplies and Materials	15,500	9,728	25,228	25,228	
Total School-Sponsored Cocurricular Activities	<u>71,200</u>	<u>(9,304)</u>	<u>61,896</u>	<u>61,896</u>	
School-Sponsored Athletics:					
Salaries	74,800	869	75,669	75,669	
Purchased Services	10,300	410	10,710	10,710	
Supplies and Materials	5,254	(406)	4,848	4,848	
Total School-Sponsored Athletics	<u>90,354</u>	<u>873</u>	<u>91,227</u>	<u>91,227</u>	
TOTAL INSTRUCTION	<u>3,057,397</u>	<u>(13,797)</u>	<u>3,043,600</u>	<u>3,038,544</u>	<u>\$ 5,056</u>
Undist. Expend. - Health Services:					
Salaries	67,915	1,683	69,598	69,598	
Purchased Professional and Technical Services	2,300	(787)	1,513	1,513	
Supplies and Materials	2,200	1,187	3,387	3,197	190
Total Undist. Expend. - Health Services	<u>72,415</u>	<u>2,083</u>	<u>74,498</u>	<u>74,308</u>	<u>190</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	\$ 242,297	\$ 320	\$ 242,617	\$ 242,617	
Salaries of Secretarial and Clerical Assistants	31,243	71	31,314	31,314	
Other Purchased Services	385	(162)	223	223	
Supplies and Materials	514	6,259	6,773	1,183	\$ 5,590
Other Objects	800	1,580	2,380	2,380	
Total Undist. Expend. - Guidance	<u>275,239</u>	<u>8,068</u>	<u>283,307</u>	<u>277,717</u>	<u>5,590</u>
Undist. Expend. - Child Study Teams:					
Salaries of Other Professional Staff	41,119	(11,274)	29,845	29,845	
Other Purchased Professional and Technical Services		40,050	40,050	40,050	
Other Purchased Services		246	246	246	
Supplies and Materials		410	410	410	
Total Undist. Expend. - Child Study Teams	<u>41,119</u>	<u>29,432</u>	<u>70,551</u>	<u>70,551</u>	
Undist. Expend. - Improvement of Instructional Services:					
Salaries of Other Professional Staff	4,000	4,701	8,701	8,701	
Total Undist. Expend-Impr. Of Instruct. Services	<u>4,000</u>	<u>4,701</u>	<u>8,701</u>	<u>8,701</u>	
Undist. Expend. - Instructional Staff Training Services:					
Purchased Professional - Educational Services	6,500	586	7,086	7,086	
Total Undist. Expend. - Instructional Staff Training Services	<u>6,500</u>	<u>586</u>	<u>7,086</u>	<u>7,086</u>	
Undist. Expend. - Support Services - General Administration:					
Salaries	220,373	(16,812)	203,561	203,561	
Legal Services	39,250		39,250	25,081	14,169
Audit Fees	38,250	750	39,000	39,000	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Support Services - General Administration: (Cont'd)					
Purchased Technical Services	\$ 4,000	\$ (3,508)	\$ 492	\$ 492	
Communications/Telephone	16,242	11,279	27,521	27,515	\$ 6
BOE Other Purchased Services	700	270	970	670	300
Misc. Purchased Services	60,000	11,100	71,100	71,100	
General Supplies	3,000	(1,524)	1,476	1,476	
Miscellaneous Expenditures	15,000	1,384	16,384	16,384	
BOE Membership Dues and Fees	500	(500)			
Total Undist. Expend. - Support Services - General Administration	<u>397,315</u>	<u>2,439</u>	<u>399,754</u>	<u>385,279</u>	<u>14,475</u>
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	95,944	25,064	121,008	121,008	
Salaries of Secretarial and Clerical Assistants	65,073	683	65,756	65,756	
Purchased Professional and Technical Services		1,567	1,567	1,567	
Other Purchased Services	24,828	7,019	31,847	31,591	256
Supplies and Materials	12,763	1,923	14,686	14,521	165
Other Objects	1,500	1,314	2,814	2,814	
Total Undist. Expend. - Support Services - School Administration	<u>200,108</u>	<u>37,570</u>	<u>237,678</u>	<u>237,257</u>	<u>421</u>
Undist. Expend. - Central Services:					
Salaries	203,074	(6,923)	196,151	196,151	
Purchased Technical Services	10,000	(2,008)	7,992	7,992	
Miscellaneous Purchased Services	16,240	73,356	89,596	89,596	
Supplies and Materials	3,000	(1,650)	1,350	1,336	14
Miscellaneous Expenditures	1,500	(372)	1,128	1,128	
Total Undist. Expend. - Central Services	<u>233,814</u>	<u>62,403</u>	<u>296,217</u>	<u>296,203</u>	<u>14</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Administration Information Technology:					
Salaries	\$ 76,267	\$ 1,408	\$ 77,675	\$ 77,675	
Purchased Technical Services	80,353	(5,153)	75,200	68,843	\$ 6,357
Supplies and Materials	42,269	(2,260)	40,009	39,610	399
Other Objects	500	(206)	294	294	
Total Undist. Expend. - Administration Information Technology	199,389	(6,211)	193,178	186,422	6,756
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	266,704	1,481	268,185	268,185	
Cleaning, Repair and Maintenance Services	180,932	49,034	229,966	222,453	7,513
General Supplies	24,101	(22,942)	1,159	1,159	
Other Objects	22,000	(22,000)			
Total Undist. Expend. - Required Maintenance for School Facilities	493,737	5,573	499,310	491,797	7,513
Undist. Expend. - Custodial Services:					
Salaries	131,692	(20,094)	111,598	111,598	
Other Purchased Property Services	41,159	(2,986)	38,173	33,154	5,019
General Supplies	20,879	(13,817)	7,062	7,062	
Energy (Electricity)	250,000	(34,322)	215,678	179,159	36,519
Energy (Natural Gas)	40,000	18,769	58,769	58,769	
Total Undist. Expend. - Custodial Services	483,730	(52,450)	431,280	389,742	41,538
Undist. Expend. - Security:					
Salaries		5,525	5,525	5,525	
Purchase Professional & Tech Services		772	772	772	
Total Undist. Expend. -Security		6,297	6,297	6,297	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Student Transportation Services:					
Sal. for Pupil Trans. (Other than Bet. Home and Sch)	\$ 1,000	\$ 528	\$ 1,528	\$ 1,528	
Cleaning, Repair, & Maint. Services	1,000	(652)	348	348	
Contracted Srvs. - (Between Home and School) - Vendors	505,450	62,004	567,454	529,821	\$ 37,633
Contracted Srvs. (Other than Between Home & School) - Vendors	23,000	(18,700)	4,300	4,300	
Transportation Supplies	4,000	4,720	8,720	8,720	
Total Undist. Expend. - Student Transportation Services	<u>534,450</u>	<u>47,900</u>	<u>582,350</u>	<u>544,717</u>	<u>37,633</u>
Unallocated Benefits:					
Social Security Contributions	125,000	(31,921)	93,079	93,079	
Other Retirement Contributions - Regular		965	965	965	
Other Retirement Contributions - PERS	70,000	(1,855)	68,145	68,145	
Unemployment Compensation	70,000	89,648	159,648		159,648
Workmen's Compensation	44,000	(21,396)	22,604	22,604	
Health Benefits	1,415,876	(109)	1,415,767	1,285,335	130,432
Tuition Reimbursement	44,000	(25,033)	18,967	18,967	
Total Unallocated Benefits	<u>1,768,876</u>	<u>10,299</u>	<u>1,779,175</u>	<u>1,489,095</u>	<u>290,080</u>
On-Behalf Contributions:					
TPAF Pension Contributions (non-budgeted)				145,007	(145,007)
On-Behalf TPAF Post Retirement Contributions (non-budgeted)				237,757	(237,757)
Reimbursed TPAF Social Security Contributions (non-budgeted)				269,741	(269,741)
Total On-Behalf Contributions				<u>652,505</u>	<u>(652,505)</u>
Total Personal Services - Employee Benefits	<u>1,768,876</u>	<u>10,299</u>	<u>1,779,175</u>	<u>2,141,600</u>	<u>(362,425)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>4,710,692</u>	<u>158,690</u>	<u>4,869,382</u>	<u>5,117,677</u>	<u>(248,295)</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
TOTAL GENERAL CURRENT EXPENSE	\$ 7,768,089	\$ 144,893	\$ 7,912,982	\$ 8,156,221	\$ (243,239)
Facilities Acquisition and Construction Services:					
Salaries	10,000	1,363	11,363	11,363	
Other Purchased Professional and Technical Services		35,238	35,238	35,238	
Construction Services	1,335,115	184,792	1,519,907	1,484,907	35,000
Assessment for Debt Service on SDA Funding	33,565		33,565	33,565	
Other Objects		8,967	8,967	8,967	
Total Facilities Acquisition and Construction Services	<u>1,378,680</u>	<u>230,360</u>	<u>1,609,040</u>	<u>1,574,040</u>	<u>35,000</u>
TOTAL CAPITAL OUTLAY	<u>1,378,680</u>	<u>230,360</u>	<u>1,609,040</u>	<u>1,574,040</u>	<u>35,000</u>
Special Schools:					
Post-Secondary - Instruction:					
Salaries of Teachers	281,028	(35,970)	245,058	245,058	
Other Purchased Services	1,039	(1,000)	39	39	
General Supplies	35,000	(10,022)	24,978	24,851	127
Total Post - Secondary - Instruction	<u>317,067</u>	<u>(46,992)</u>	<u>270,075</u>	<u>269,948</u>	<u>127</u>
Post-Secondary - Support Services:					
Salaries	37,500	(5,693)	31,807	31,807	
Supplies and Materials	4,000	(2,821)	1,179	1,179	
Total Post-Secondary - Support Services	<u>41,500</u>	<u>(8,514)</u>	<u>32,986</u>	<u>32,986</u>	
Vocational Evening - Local - Instruction:					
Salaries of Teachers		9,830	9,830	9,830	
General Supplies		4,148	4,148	2,759	1,389
Total Vocational Evening - Local - Instruction		<u>13,978</u>	<u>13,978</u>	<u>12,589</u>	<u>1,389</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Special Schools:					
GED Testing Centers:					
Salaries	\$ 6,000	\$ (937)	\$ 5,063	\$ 5,063	
Supplies and Materials	3,000	(2,963)	37	37	
Total GED Testing Centers	<u>9,000</u>	<u>(3,900)</u>	<u>5,100</u>	<u>5,100</u>	
 TOTAL SPECIAL SCHOOLS	 <u>367,567</u>	 <u>(45,428)</u>	 <u>322,139</u>	 <u>320,623</u>	 <u>\$ 1,516</u>
 TOTAL EXPENDITURES	 <u>9,514,336</u>	 <u>329,825</u>	 <u>9,844,161</u>	 <u>10,050,884</u>	 <u>(206,723)</u>
 Excess/(Deficit) of Revenues Over/(Under) Expenditures	 (883,278)		 (883,278)	 (664,751)	 218,527
 Fund Balance, July 1	 <u>1,493,562</u>		 <u>1,493,562</u>	 <u>1,493,562</u>	
 Fund Balance, June 30	 <u>\$ 610,284</u>	 <u>\$ -0-</u>	 <u>\$ 610,284</u>	 <u>\$ 828,811</u>	 <u>\$ 218,527</u>
 Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 249,484	
Assigned Fund Balance:					
Year End Encumbrances				22,200	
Unassigned Fund Balance				<u>557,127</u>	
				828,811	
 Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(307,982)</u>	
 Fund Balance per Governmental Funds (GAAP)				<u>\$ 520,829</u>	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources	7,999	\$ 2,001	\$ 10,000	\$ 9,339	\$ (661)
Federal Sources	372,993	105,977	478,970	405,913	(73,057)
Total Revenues	<u>380,992</u>	<u>107,978</u>	<u>488,970</u>	<u>415,252</u>	<u>(73,718)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	236,995	(110,048)	126,947	106,222	20,725
Purchased Professional and Technical Services	16,999	13,093	30,092	17,079	13,013
Other Purchased Services		5,785	5,785	3,878	1,907
General Supplies	41,999	51,644	93,643	86,942	6,701
Total Instruction	<u>295,993</u>	<u>(39,526)</u>	<u>256,467</u>	<u>214,121</u>	<u>42,346</u>
Support Services:					
Salaries of Other Professional Staff		25,500	25,500	25,500	
Personal Services - Employee Benefits		31,977	31,977	25,256	6,721
Purchased Professional Technical Services	84,999	55,578	140,577	119,430	21,147
Other Purchased Services		650	650	328	322
Supplies and Materials		9,345	9,345	6,163	3,182
Total Support Services	<u>84,999</u>	<u>123,050</u>	<u>208,049</u>	<u>176,677</u>	<u>31,372</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		24,454	24,454	24,454	
Total Facilities Acquisition and Construction Services		<u>24,454</u>	<u>24,454</u>	<u>24,454</u>	
Total Expenditures	<u>\$ 380,992</u>	<u>\$ 107,978</u>	<u>\$ 488,970</u>	<u>\$ 415,252</u>	<u>\$ 73,718</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 9,386,133	\$ 415,252
Difference - Budget to GAAP:		
Grant Accounting Budgetary basis differs from GAAP in that the Budgetary basis recognizes Encumbrances as Expenditures and Revenue whereas the GAAP basis does not:		
Current Year Encumbrances		(376)
Cancellation of Prior Year Encumbrances		(4,429)
Prior Year Encumbrances		20,005
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	305,891	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(307,982)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 9,384,042	\$ 430,452
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 10,050,884	\$ 415,252
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(376)
Cancellation of Prior Year Encumbrances		(4,429)
Prior Year Encumbrances		20,005
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 10,050,884	\$ 430,452

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the County School Board of Estimate, which consists of three Warren County Freeholders and two Warren County Vocational School District board members. 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. Budget amendments/transfers must be made by School Board resolution. All budgeting 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).

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 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last state aid payments for the current and prior years. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Apprenticeship Coordinator	Adult Basic Skills Education	I.D.E.A. Part B, Basic	
			FY 2014	FY 2013
REVENUE:				
Local Sources				
State Sources	\$ 9,339			
Federal Sources		\$ 108,833	\$ 110,482	\$ 17,620
Total Revenue	9,339	108,833	110,482	17,620
EXPENDITURES:				
Instruction:				
Salaries of Teachers	6,663	82,483		8,753
Purchased Professional and Technical Services				8,677
Other Purchased Services	929			
General Supplies	1,747	7,434	4,800	190
Total Instruction	9,339	89,917	4,800	17,620
Support Services:				
Salaries of Other Professional Staff				
Personal Services - Employee Benefits		18,490		
Purchased Professional Technical Services		81	104,682	
Other Purchased Services				
Supplies and Materials		345	1,000	
Total Support Services		18,916	105,682	
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	\$ 9,339	\$ 108,833	\$ 110,482	\$ 17,620

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Carl D. Perkins</u>		<u>No Child Left Behind</u>		<u>Totals</u>
	<u>Secondary</u>	<u>Post Secondary</u>	<u>Title I</u>	<u>Title IIA</u>	
REVENUE:					
State Sources					\$ 9,339
Federal Sources	\$ 34,739	\$ 80,563	\$ 39,609	\$ 14,067	405,913
Total Revenue	<u>34,739</u>	<u>80,563</u>	<u>39,609</u>	<u>14,067</u>	<u>415,252</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	2,000		6,323		106,222
Purchased Professional and Technical Services	4,700		3,702		17,079
Other Purchased Services			2,949		3,878
General Supplies	16,308	34,974	21,489		86,942
Total Instruction	<u>23,008</u>	<u>34,974</u>	<u>34,463</u>		<u>214,121</u>
Support Services:					
Salaries of Other Professional Staff	1,500	24,000			25,500
Personal Services - Employee Benefits	286	6,480			25,256
Purchased Professional Technical Services		600		14,067	119,430
Other Purchased Services			328		328
Supplies and Materials			4,818		6,163
Total Support Services	<u>1,786</u>	<u>31,080</u>	<u>5,146</u>	<u>14,067</u>	<u>176,677</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	9,945	14,509			24,454
Total Facilities Acquisition and Construction Services	<u>9,945</u>	<u>14,509</u>			<u>24,454</u>
Total Expenditures	<u>\$ 34,739</u>	<u>\$ 80,563</u>	<u>\$ 39,609</u>	<u>\$ 14,067</u>	<u>\$ 415,252</u>

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

Exhibit G-1

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	Food Service	Restaurant	Totals
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 11,125		\$ 11,125
Interfund Receivable - General Fund	49,567		49,567
Intrafund Receivable	1,677		1,677
Intergovernmental Accounts Receivable:			
State	119		119
Federal	4,949		4,949
Inventories	3,467	\$ 1,850	5,317
Total Current Assets	<u>70,904</u>	<u>1,850</u>	<u>72,754</u>
Non-Current Assets:			
Capital Assets	19,217		19,217
Less: Accumulated Depreciation	(8,013)		(8,013)
Total Non-Current Assets	<u>11,204</u>		<u>11,204</u>
Total Assets	<u>82,108</u>	<u>1,850</u>	<u>83,958</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Intrafund Payable		1,677	1,677
Accounts Payable	8,382		8,382
Unearned Revenue	1,411		1,411
Total Liabilities	<u>9,793</u>	<u>1,677</u>	<u>11,470</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	11,204		11,204
Unrestricted	61,111	173	61,284
Total Net Position	<u>\$ 72,315</u>	<u>\$ 173</u>	<u>\$ 72,488</u>

Exhibit G-2

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	<u>Food</u>		
	<u>Service</u>	<u>Restaurant</u>	<u>Totals</u>
Operating Revenue:			
Daily Sales	\$ 82,293		\$ 82,293
Restaurant Sales		\$ 16,142	16,142
Total Operating Revenue	<u>82,293</u>	<u>16,142</u>	<u>98,435</u>
Operating Expenses:			
Cost of Sales	87,526	17,457	104,983
Salaries and Employee Benefits	55,351		55,351
Other Purchased Services	8,989		8,989
Supplies and Materials	1,545		1,545
Miscellaneous Expenditures	4,500		4,500
Depreciation Expense	1,682		1,682
Total Operating Expenses	<u>159,593</u>	<u>17,457</u>	<u>177,050</u>
Operating Loss	<u>(77,300)</u>	<u>(1,315)</u>	<u>(78,615)</u>
Non-Operating Revenue:			
Local Sources:			
Interest Earnings	1		1
State Sources:			
State School Lunch Program	1,683		1,683
Federal Sources:			
National School Lunch Program	60,579		60,579
National School Breakfast Program	7,441		7,441
Food Distribution	8,407		8,407
Total Non-Operating Revenue	<u>78,111</u>		<u>78,111</u>
Change in Net Position	811	(1,315)	(504)
Net Position - Beginning of Year	<u>71,504</u>	<u>1,488</u>	<u>72,992</u>
Net Position - End of Year	<u>\$ 72,315</u>	<u>\$ 173</u>	<u>\$ 72,488</u>

Exhibit G-3

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	<u>Food</u>		
	<u>Service</u>	<u>Restaurant</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Intrafund Advanced	\$ (1,677)	\$ 1,677	\$ -0-
Receipts from Customers	82,293	16,142	98,435
Payments to Food Service Contractor	(142,975)		(142,975)
Payments to Suppliers	(4,052)	(18,342)	(22,394)
Net Cash (Used for) Operating Activities	(66,411)	(523)	(66,934)
Cash Flows from Noncapital Financing Activities:			
State Sources - Turnover from General Fund	1,642		1,642
Federal Sources - Turnover from General Fund	66,360		66,360
Net Cash Provided by Noncapital Financing Activities	68,002		68,002
Cash Flows from Financing Activities:			
Interest Income	1		1
Net Cash Provided by Financing Activities	1		1
Net Increase/(Decrease) in Cash and Cash Equivalents	1,592	(523)	1,069
Cash and Cash Equivalents, July 1	9,533	523	10,056
Cash and Cash Equivalents, June 30	\$ 11,125	\$ -0-	\$ 11,125
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss	\$ (77,300)	\$ (1,315)	\$ (78,615)
Adjustment to Reconcile Operating Loss to			
Net Cash Used for Operating Activities:			
Depreciation	1,682		1,682
Food Distribution Program	8,407		8,407
Changes in Assets and Liabilities:			
(Increase) in Intrafund Receivable	(1,677)		(1,677)
Increase in Intrafund Payable		1,677	1,677
Increase in Accounts Payable	2,419		2,419
(Decrease) in Unearned Revenue	(854)		(854)
(Increase)/Decrease in Inventory	912	(885)	27
Net Cash Used for Operating Activities	\$ (66,411)	\$ (523)	\$ (66,934)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$7,554 and Utilized Commodities Valued at \$8,407.

FIDUCIARY FUNDS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Agency</u>		<u>Total Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 84,587	\$ 43,767	\$ 128,354	\$ 83,272	
Interfund Receivable - Student Activities					\$ 2,680
Total Assets	<u>84,587</u>	<u>43,767</u>	<u>128,354</u>	<u>83,272</u>	<u>2,680</u>
<u>LIABILITIES:</u>					
Interfund Payable:					
General Fund		20,993	20,993		
Scholarship Trust	2,680		2,680		
Payroll Deductions and Withholdings		17,591	17,591		
Accrued Salaries and Wages		5,183	5,183		
Due to Student Groups	81,907		81,907		
Total Liabilities	<u>84,587</u>	<u>43,767</u>	<u>128,354</u>		
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims				83,272	
Restricted for Scholarships					2,680
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 83,272</u>	<u>\$ 2,680</u>

Exhibit H-2

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 7,770	
Total Contributions	<u>7,770</u>	
Total Additions	<u>7,770</u>	
DEDUCTIONS:		
Quarterly Contribution Reports	227	
Unemployment Claims	36,044	
Total Deductions	<u>36,271</u>	
Change in Net Position	(28,501)	
Net Position - Beginning of the Year	<u>111,773</u>	<u>\$ 2,680</u>
Net Position - End of the Year	<u>\$ 83,272</u>	<u>\$ 2,680</u>

Exhibit H-3

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

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 82,360	\$ 172,172	\$ 169,945	\$ 84,587
Total Assets	<u>\$ 82,360</u>	<u>\$ 172,172</u>	<u>\$ 169,945</u>	<u>\$ 84,587</u>
<u>LIABILITIES:</u>				
Due to Student Groups	\$ 79,680	\$ 172,172	\$ 169,945	\$ 81,907
Interfund Payable - Scholarship Trust	2,680			2,680
Total Liabilities	<u>\$ 82,360</u>	<u>\$ 172,172</u>	<u>\$ 169,945</u>	<u>\$ 84,587</u>

Exhibit H-4

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

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 84,310	\$ 5,183,318	\$ 5,223,861	\$ 43,767
Total Assets	<u>\$ 84,310</u>	<u>\$ 5,183,318</u>	<u>\$ 5,223,861</u>	<u>\$ 43,767</u>
<u>LIABILITIES:</u>				
Interfund Payable:				
General Fund	\$ 55,633	\$ 20,993	\$ 55,633	\$ 20,993
Payroll Deductions and Withholdings	28,677	5,157,142	5,168,228	17,591
Accrued Salaries and Wages		5,183		5,183
Total Liabilities	<u>\$ 84,310</u>	<u>\$ 5,183,318</u>	<u>\$ 5,223,861</u>	<u>\$ 43,767</u>

LONG-TERM DEBT

Exhibit I-1

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Purpose</u>	<u>Int. Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2013</u>	<u>Matured</u>	<u>Balance June 30, 2014</u>
Telephone System Upgrade	N/A	\$ 39,565	\$ 31,108	\$ 7,032	\$ 24,076
			<u>\$ 31,108</u>	<u>\$ 7,032</u>	<u>\$ 24,076</u>

N/A - Not Available

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

	<u>Exhibit</u>
<p>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.</p>	J-1 thru J-5
<p>Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its County taxes.</p>	J-6 thru J-9
<p>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.</p>	J-10 thru J-13
<p>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 and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 7,970,597	\$ 8,012,243	\$ 8,126,810	\$ 8,339,461	\$ 8,796,181	\$ 9,158,631	\$ 9,800,914	\$ 10,747,235	\$ 11,683,041	\$ 12,398,704
Restricted	392,080	315,413	1,116,818	1,445,239	1,862,085	2,129,043	1,347,025	626,675	249,484	249,484
Unrestricted/(Deficit)	(125,938)	51,468	96,216	430,462	29,013	37,564	496,988	871,294	740,207	36,583
Total Governmental Activities Net Position	<u>\$ 8,236,739</u>	<u>\$ 8,379,124</u>	<u>\$ 9,339,844</u>	<u>\$ 10,215,162</u>	<u>\$ 10,687,279</u>	<u>\$ 11,325,238</u>	<u>\$ 11,644,927</u>	<u>\$ 12,245,204</u>	<u>\$ 12,672,732</u>	<u>\$ 12,684,771</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 38,581	\$ 35,171	\$ 10,312	\$ 14,919	\$ 11,076	\$ 9,023	\$ 7,856	\$ 14,568	\$ 12,886	\$ 11,204
Unrestricted	109,916	116,289	115,513	123,531	119,449	133,410	139,475	69,016	60,106	61,284
Total Business-Type Activities Net Position	<u>\$ 148,497</u>	<u>\$ 151,460</u>	<u>\$ 125,825</u>	<u>\$ 138,450</u>	<u>\$ 130,525</u>	<u>\$ 142,433</u>	<u>\$ 147,331</u>	<u>\$ 83,584</u>	<u>\$ 72,992</u>	<u>\$ 72,488</u>
District-Wide:										
Net Investment in Capital Assets	\$ 8,009,178	\$ 8,047,414	\$ 8,137,122	\$ 8,354,380	\$ 8,807,257	\$ 9,167,654	\$ 9,808,770	\$ 10,761,803	\$ 11,695,927	\$ 12,409,908
Restricted	392,080	315,413	1,116,818	1,445,239	1,862,085	2,129,043	1,347,025	626,675	249,484	249,484
Unrestricted/(Deficit)	(16,022)	167,757	211,729	553,993	148,462	170,974	636,463	940,310	800,313	97,867
Total District Net Position	<u>\$ 8,385,236</u>	<u>\$ 8,530,584</u>	<u>\$ 9,465,669</u>	<u>\$ 10,353,612</u>	<u>\$ 10,817,804</u>	<u>\$ 11,467,671</u>	<u>\$ 11,792,258</u>	<u>\$ 12,328,788</u>	<u>\$ 12,745,724</u>	<u>\$ 12,757,259</u>

Source: School District Financial Reports

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental Activities:										
Instruction										
Regular	\$ 1,580,686	\$ 1,579,776	\$ 1,993,460	\$ 2,019,338	\$ 1,984,721	\$ 1,890,846	\$ 2,208,005	\$ 2,265,252	\$ 2,321,939	\$ 2,322,452
Special Education									241,789	281,497
Vocational Education	1,805,552	1,661,347	1,752,686	1,802,771	2,141,211	1,951,536	1,901,753	1,963,984	1,937,761	1,945,478
School-Sponsored/Other Instruction	117,429	125,665	171,563	182,697	195,432	170,535	194,553	200,534	192,079	210,559
Support Services:										
Student and Instruction Related Services	985,914	819,278	695,149	736,861	662,970	844,747	674,590	710,375	803,379	748,235
General Administrative Services	656,640	422,684	447,119	447,426	431,330	452,410	412,945	459,292	469,024	483,031
School Administrative Services	574,334	475,263	620,439	505,711	423,542	377,972	392,116	432,545	301,859	323,952
Central Services	255,922	271,020	325,803	306,977	271,835	279,613	290,643	292,383	294,801	379,016
Administrative Information Technology			149,450	133,198	176,786	274,952	214,348	229,091	249,572	211,850
Plant Operations and Maintenance	823,584	783,050	933,869	1,062,702	1,123,228	976,706	1,002,682	940,738	961,995	1,026,112
Pupil Transportation	443,794	445,829	444,511	481,634	529,736	507,188	573,661	540,480	562,593	545,217
Special Schools	870,603	802,799	445,072	409,323	476,551	592,594	689,544	705,868	670,174	624,870
Capital Outlay		8,177	70,303	190,326	48,854	78,231	36,220	19,994	34,190	35,821
Unallocated Depreciation	1,206,321	205,558	205,489	218,839	239,602	274,012	364,911	364,991	416,122	664,365
Total Governmental Activities Expenses	9,320,779	7,600,446	8,254,913	8,497,803	8,705,798	8,671,342	8,955,971	9,125,527	9,457,277	9,802,455
Business-Type Activities:										
Internet Access	127,968	117,683	91,204	97,604	107,737	42,091	16,044	731		
Adaptive Gym		723	1,456							
Educational Technology Training Center	124,369	86,697	36,522							
Restaurant		29,159	34,161	25,419	11,633	12,857	15,331	20,715	14,177	17,457
Food Service	128,071	141,234	146,806	167,610	169,046	166,340	157,508	177,511	152,525	159,593
Total Business-Type Activities Expense	380,408	375,496	310,149	290,633	288,416	221,288	188,883	198,957	166,702	177,050
Total District Expenses	9,701,187	7,975,942	8,565,062	8,788,436	8,994,214	8,892,630	9,144,854	9,324,484	9,623,979	9,979,505
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition From Other LEAs								1,162,151	1,110,668	1,167,077
Services Provided to Other LEAs										84,000
Vocational Education Instruction	31,995	20,912								
Pupil Transportation	39,736	11,963								
Special Schools (Other Tuition)	85,061	60,657	129,614	156,501	177,439	407,633	403,151	388,041	374,142	320,687
Operating Grants and Contributions	1,611,491	1,661,657	2,255,672	2,172,469	1,327,296	1,337,220	1,140,390	1,343,568	1,589,882	1,401,647
Capital Grants and Contributions	32,465	165,963								
Total Governmental Activities Program Revenues	1,800,748	1,921,152	2,385,286	2,328,970	1,504,735	1,744,853	1,543,541	2,893,760	3,074,692	2,973,411

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program Revenues (Cont'd):										
Business-Type Activities:										
Charges for Services:										
Internet Access	\$ 134,350	\$ 115,646	\$ 132,292	\$ 101,248	\$ 84,690	\$ 43,132	\$ 11,975			
Adaptive Gym	920	375	110							
Educational Technology Training Center	157,446	74,433	41,418							
Restaurant		41,444	24,986	24,489	18,282	15,971	17,168	\$ 13,584	\$ 9,016	\$ 16,142
Food Service	87,579	111,502	132,185	143,239	138,074	126,903	102,283	102,885	77,205	82,293
Operating Grants and Contributions	28,720	31,614	30,287	32,059	39,200	46,493	62,176	76,092	69,888	78,110
Total Business-Type Activities Program Revenues	409,015	375,014	361,278	301,035	280,246	232,499	193,602	192,561	156,109	176,545
Total District Program Revenues	2,209,763	2,296,166	2,746,564	2,630,005	1,784,981	1,977,352	1,737,143	3,086,321	3,230,801	3,149,956
Net (Expense)/Revenue:										
Governmental Activities	(7,520,031)	(5,679,294)	(5,869,627)	(6,168,833)	(7,201,063)	(6,926,489)	(7,412,430)	(6,231,767)	(6,382,585)	(6,829,044)
Business-Type Activities	28,607	(482)	51,129	10,402	(8,170)	11,211	4,719	(6,396)	(10,593)	(505)
Total District-Wide Net Expense	(7,491,424)	(5,679,776)	(5,818,498)	(6,158,431)	(7,209,233)	(6,915,278)	(7,407,711)	(6,238,163)	(6,393,178)	(6,829,549)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
County Taxes Levied for General Purposes, Net	3,819,254	3,872,866	4,012,290	3,978,054	3,995,172	3,995,172	3,995,172	3,995,172	3,995,172	3,995,172
Tuition from Other LEA's			1,045,075	1,059,573	1,154,075	1,179,067	1,130,881			
Federal and State Aid not Restricted	1,776,508	1,780,036	1,394,544	1,461,847	2,420,175	2,281,554	2,532,518	2,665,682	2,763,872	2,792,568
Investment Earnings	22,688	667	886	631	29,976	21,783	11,257	9,768	961	
Miscellaneous Income	49,494	109,001	214,808	463,066	73,347	86,872	62,291	104,065	50,108	53,343
Residual Equity Transfer:										
Center for Career Planning and Development		80,000								
Educational Technology Training Center			37,744							
Adaptive Gym					435					
Internet Access							57,357			
County Capital Improvement Ordinance			125,000							
Transfers	(29,367)	(20,891)								
Cancellation of Prior Year Accounts Payable				80,980						
Total Governmental Activities	5,638,577	5,821,679	6,830,347	7,044,151	7,673,180	7,564,448	7,732,119	6,832,044	6,810,113	6,841,083

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position:										
Business-Type Activities:										
Investment Earnings	\$ 2,198	\$ 2,417	\$ 2,954	\$ 2,223	\$ 2,839	\$ 697	\$ 179	\$ 6	\$ 1	\$ 1
Transfers	3,857	1,028								
Residual Equity Transfer:										
Educational Technology Training Center			(37,744)		(435)					
Internet Access								(57,357)		
Cancellation of Prior Year Accounts Receivable			(52,538)		(2,159)					
Cancellation of Prior Year Accounts Payable			10,564							
Total Business-Type Activities	<u>6,055</u>	<u>3,445</u>	<u>(76,764)</u>	<u>2,223</u>	<u>245</u>	<u>697</u>	<u>179</u>	<u>(57,351)</u>	<u>1</u>	<u>1</u>
Total District-Wide	<u>5,644,632</u>	<u>5,825,124</u>	<u>6,753,583</u>	<u>7,046,374</u>	<u>7,673,425</u>	<u>7,565,145</u>	<u>7,732,298</u>	<u>6,774,693</u>	<u>6,810,114</u>	<u>6,841,084</u>
Change in Net Position:										
Governmental Activities	(1,881,454)	142,385	960,720	875,318	472,117	637,959	319,689	600,277	427,528	12,039
Business-Type Activities	<u>34,662</u>	<u>2,963</u>	<u>(25,635)</u>	<u>12,625</u>	<u>(7,925)</u>	<u>11,908</u>	<u>4,898</u>	<u>(63,747)</u>	<u>(10,592)</u>	<u>(504)</u>
Total District	<u>\$ (1,846,792)</u>	<u>\$ 145,348</u>	<u>\$ 935,085</u>	<u>\$ 887,943</u>	<u>\$ 464,192</u>	<u>\$ 649,867</u>	<u>\$ 324,587</u>	<u>\$ 536,530</u>	<u>\$ 416,936</u>	<u>\$ 11,535</u>

Source: School District Financial Reports

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

	June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Reserved/Restricted	\$ 388,670	\$ 312,003	\$ 1,113,408	\$ 1,446,260	\$ 1,862,085	\$ 2,129,043	\$ 1,347,025	\$ 626,675	\$ 249,484	\$ 249,484
Assigned							389,664	962,093	883,278	22,200
Unreserved/Unassigned	<u>212,557</u>	<u>273,143</u>	<u>301,301</u>	<u>611,517</u>	<u>200,323</u>	<u>168,142</u>	<u>250,013</u>	<u>105,621</u>	<u>54,909</u>	<u>249,145</u>
Total General Fund	<u>\$ 601,227</u>	<u>\$ 585,146</u>	<u>\$ 1,414,709</u>	<u>\$ 2,057,777</u>	<u>\$ 2,062,408</u>	<u>\$ 2,297,185</u>	<u>\$ 1,986,702</u>	<u>\$ 1,694,389</u>	<u>\$ 1,187,671</u>	<u>\$ 520,829</u>
All Other Governmental Funds:										
Unreserved, Reported In:										
Special Revenue Fund/(Deficit)	\$ (1,021)	\$ (1,021)	\$ (1,021)	\$ (1,021)						
Capital Projects Fund	<u>4,431</u>	<u>4,431</u>	<u>4,431</u>							
Total All Other Governmental Funds	<u>\$ 3,410</u>	<u>\$ 3,410</u>	<u>\$ 3,410</u>	<u>\$ (1,021)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>				
Total All Governmental Funds:										
Reserved/Restricted	\$ 388,670	\$ 312,003	\$ 1,113,408	\$ 1,446,260	\$ 1,862,085	\$ 2,129,043	\$ 1,347,025	\$ 626,675	\$ 249,484	\$ 249,484
Assigned							389,664	962,093	883,278	22,200
Unreserved/Unassigned	<u>215,967</u>	<u>276,553</u>	<u>304,711</u>	<u>610,496</u>	<u>200,323</u>	<u>168,142</u>	<u>250,013</u>	<u>105,621</u>	<u>54,909</u>	<u>249,145</u>
Total All Governmental Funds	<u>\$ 604,637</u>	<u>\$ 588,556</u>	<u>\$ 1,418,119</u>	<u>\$ 2,056,756</u>	<u>\$ 2,062,408</u>	<u>\$ 2,297,185</u>	<u>\$ 1,986,702</u>	<u>\$ 1,694,389</u>	<u>\$ 1,187,671</u>	<u>\$ 520,829</u>

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
County Tax Levy	\$ 3,819,254	\$ 3,872,866	\$ 4,012,290	\$ 3,978,054	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172
Tuition from LEA's			1,045,075	1,059,573	1,154,075	1,179,067	1,130,881	1,162,151	1,110,668	1,167,077
Other Tuition	85,061	60,657	129,614	156,501	177,439	407,633	403,151	388,041	374,142	320,687
Non-Resident Fees	31,995	20,912								
Transportation Fees from Other LEA's	39,736	11,963								
GED Testing Center Fees						9,100	8,750	9,620	7,840	8,033
Services Provided to Other LEAs										84,000
Interest Earned on Capital Reserve Funds	1,528	569	756	538	4,979	3,285	5,090	2,890	383	
Restricted Miscellaneous Revenue				52,856	32,636					
Unrestricted Miscellaneous Revenue	70,654	109,099	214,938	410,603	66,685	100,170	63,408	104,623	46,646	45,310
State Sources	2,832,034	2,914,776	3,137,000	3,236,400	3,328,474	2,624,762	3,270,100	3,494,753	3,795,064	3,773,637
Federal Sources	588,430	692,880	513,216	397,616	418,020	990,112	399,108	511,197	554,890	420,578
Total Revenue	7,468,692	7,683,722	9,052,889	9,292,141	9,177,480	9,309,301	9,275,660	9,668,447	9,884,805	9,814,494
Expenditures:										
Instruction:										
Regular Instruction	1,072,629	1,165,427	1,410,497	1,434,996	1,482,242	1,407,087	1,599,392	1,592,921	1,597,428	1,559,162
Special Education Instruction									137,956	187,069
Vocational Education Instruction	1,190,722	1,216,087	1,136,149	1,218,458	1,572,291	1,454,671	1,356,221	1,340,277	1,225,572	1,238,308
School-Sponsored/Other Instruction	90,256	88,654	115,675	132,010	156,898	132,898	147,551	147,068	141,205	153,123
Support Services:										
Student and Instruction Related Services	845,985	646,200	530,448	536,498	530,932	675,798	504,806	546,932	594,669	564,705
General Administrative Services	517,996	422,948	427,245	407,592	386,340	407,486	358,485	396,168	371,945	385,279
School Administrative Services	418,296	359,693	422,632	361,687	320,056	287,612	287,058	306,068	212,793	237,257
Central Services	206,719	196,255	227,349	243,734	214,429	228,333	225,911	213,385	212,658	296,203
Administrative Information Technology			129,488	108,264	152,470	281,226	205,623	209,169	225,278	186,422
Plant Operations and Maintenance	717,223	667,839	835,944	968,305	1,030,366	975,333	912,418	833,317	853,356	887,836
Pupil Transportation	443,794	445,829	444,511	481,634	529,736	507,188	573,642	540,480	562,347	544,717
Unallocated Benefits	1,262,033	1,522,451	1,849,178	1,796,258	1,547,670	1,527,717	1,711,950	1,919,154	2,173,589	2,141,600
Special Schools	728,232	701,243	366,826	329,694	411,015	686,584	570,256	570,830	516,337	497,464
Capital Outlay	170,102	326,286	473,118	715,354	837,818	502,591	1,132,830	1,441,913	1,566,390	1,602,191
Total Expenditures	7,663,987	7,758,912	8,369,060	8,734,484	9,172,263	9,074,524	9,586,143	10,057,682	10,391,523	10,481,336
Excess (Deficiency) of Revenues Over (Under) Expenditures	(195,295)	(75,190)	683,829	557,657	5,217	234,777	(310,483)	(389,235)	(506,718)	(666,842)

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources/(Uses):										
Capital Leases (Non-Budgeted)								\$ 39,565		
Transfers In	\$ 16,786	\$ 98	\$ 242,247							
Equity Transfer:										
Center for Career Planning and Development		80,000								
Educational Technology Training Center			20,734							
Adaptive Gym					\$ 435					
Internet Access								57,357		
Cancellation of Special Revenue Fund Grant Receivable		(19,863)								
Cancellation of Prior Year Accounts Payable				\$ 80,980						
County Capital Improvement Ordinance			125,000							
Transfers Out	(46,153)	(1,126)	(242,247)							
Total Other Financing Sources/(Uses)	<u>(29,367)</u>	<u>59,109</u>	<u>145,734</u>	<u>80,980</u>	<u>435</u>			<u>57,357</u>		
Net Change in Fund Balances	<u>\$ (224,662)</u>	<u>\$ (16,081)</u>	<u>\$ 829,563</u>	<u>\$ 638,637</u>	<u>\$ 5,652</u>	<u>\$ 234,777</u>	<u>\$ (310,483)</u>	<u>\$ (331,878)</u>	<u>\$ (506,718)</u>	<u>\$ (666,842)</u>
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A Not Applicable

Source: School District Financial Reports

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Tuition from LEA's</u>	<u>Non Resident Fees</u>	<u>Transportation Fees</u>	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Adult Education Tuition</u>	<u>Refunds of Prior Year Expenditures</u>	<u>Services Provided to Other LEAs</u>	<u>GED Testing Center Fees</u>	<u>Total</u>
2005		\$ 31,995	\$ 39,736	\$ 21,087	\$ 51,022	\$ 85,061				\$ 228,901
2006		20,912	11,963	27,297	82,273	60,657				203,102
2007	\$ 1,045,075			50,084	110,732	129,614	\$ 54,748			1,390,253
2008	1,059,573			75,535	335,213	156,501	52,856			1,679,678
2009	1,154,075			29,976	40,711	177,439	32,636			1,434,837
2010	1,179,067			21,783	77,772	407,633			\$ 9,100	1,695,355
2011	1,130,881			11,257	53,541	403,151			8,750	1,607,580
2012	1,162,151			9,768	94,445	388,041			9,620	1,664,025
2013	1,110,668			961	42,268	374,142			7,840	1,535,879
2014	1,167,077				45,310	320,687		\$ 84,000	8,033	1,625,107

Source: District Financial Records

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY, COUNTY OF WARREN
LAST TEN YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u> <u>Regular</u>	<u>Farm</u> <u>Qualified</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed</u> <u>Value</u>	<u>Public Utilities</u> *	<u>Net Valuation</u> <u>Taxable</u>	<u>Tax-Exempt</u> <u>Property</u>	<u>Total Direct</u> <u>School Tax Rate</u>	<u>Estimated Actual</u> <u>(County Equalized</u> <u>Value)</u>
2004	\$ 207,230,690	\$ 6,016,228,382	\$ 467,130,000	\$ 40,152,530	\$ 891,030,023	\$ 651,062,110	\$ 173,632,300	\$ 8,446,466,035	\$ 36,602,382	\$ 8,483,068,417	\$ 847,878,951	N/A	\$ 9,199,142,917
2005	198,332,890	6,420,991,477	488,899,000	39,276,620	919,463,503	664,085,450	173,404,000	8,904,452,940	32,631,543	8,937,084,483	872,977,611	N/A	10,332,405,733
2006	253,936,027	6,871,265,889	509,228,050	38,329,719	965,061,249	624,897,950	179,114,600	9,441,833,484	28,331,232	9,470,164,716	930,856,098	N/A	11,733,999,903
2007	278,142,627	7,534,209,311	590,326,550	38,050,682	1,040,506,204	621,086,750	177,534,200	10,279,856,324	28,455,816	10,308,312,140	1,046,965,438	N/A	13,059,781,320
2008	270,791,087	7,619,896,271	600,590,000	37,064,433	1,050,424,784	620,088,900	175,541,000	10,374,396,475	28,271,444	10,402,667,919	1,060,788,164	N/A	13,822,543,191
2009	256,865,167	7,654,844,051	615,471,500	38,747,232	1,060,704,897	550,840,850	176,048,900	10,353,522,597	27,217,257	10,380,739,854	1,097,260,750	N/A	13,368,469,742
2010	251,516,967	8,168,300,057	618,799,900	38,129,997	1,251,803,552	644,499,200	223,769,200	11,196,818,873	32,138,774	11,228,957,647	1,255,927,713	N/A	13,469,104,644
2011	226,612,417	8,074,315,307	594,783,500	37,505,720	1,236,692,452	627,479,200	218,177,404	11,015,566,000	30,259,289	11,045,825,289	1,240,646,048	N/A	12,821,727,118
2012	199,368,367	7,893,151,225	601,147,400	37,856,335	1,210,337,553	619,331,100	218,642,404	10,779,834,384	31,055,796	10,810,890,180	1,231,347,161	N/A	12,064,011,840
2013	187,827,887	7,826,483,885	594,520,700	37,656,226	1,204,982,162	609,937,850	223,602,500	10,685,011,210	25,834,841	10,710,846,051	1,246,473,784	N/A	11,312,251,145

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

* Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

N/A Not Applicable

Source: Warren County Tax Assessor

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(RATE PER \$100 OF ASSESSED VALUE)
UNAUDITED

NOT APPLICABLE

Exhibit J-8

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS, COUNTY OF WARREN
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Taxpayer</u>	<u>2013</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total County Net Assessed Value</u>
Merrill Creek Reservoir	\$ 221,059,058	1	2.06%
Mansfield Plaza	59,254,600	2	0.55%
Food Manufacturers, Inc.	51,234,200	3	0.48%
Phillipsburg Mall, LLC	45,622,800	4	0.43%
DSM Nutritional Products, Inc	44,838,700	5	0.42%
Green Eagle Properties	33,190,600	6	0.31%
National Realty Development Co.	32,584,300	7	0.30%
Hackettstown Interstate, LLC	29,237,000	8	0.27%
Pohatcong Associates	22,835,000	9	0.21%
Greenwich Station, LP c/o Toll Brothers	19,485,500	10	0.18%
	<u>\$ 559,341,758</u>		<u>5.22%</u>

<u>Taxpayer</u>	<u>2004</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>

INFORMATION IS NOT AVAILABLE

Exhibit J-9

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
COUNTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$ 3,819,254	\$ 3,819,254	100.00%	\$ -0-
2006	3,872,866	3,872,866	100.00%	-0-
2007	4,012,290	4,012,290	100.00%	-0-
2008	3,978,054	3,978,054	100.00%	-0-
2009	3,995,172	3,995,172	100.00%	-0-
2010	3,995,172	3,995,172	100.00%	-0-
2011	3,995,172	3,995,172	100.00%	-0-
2012	3,995,172	3,995,172	100.00%	-0-
2013	3,995,172	3,995,172	100.00%	-0-
2014	3,995,172	3,995,172	100.00%	-0-

^a School taxes are collected by the County Treasurer. Under New Jersey State Statute, a County is required to remit to the vocational school district the entire County tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: School District records

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANs)	Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases			Capital Leases				
2005	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	0.0000%	\$ -0-
2006	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2007	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2008	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2009	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2010	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2011	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2012	-0-	-0-	37,376	-0-	-0-	-0-	37,376	37,376	0.0007%	0.34
2013	-0-	-0-	31,108	-0-	-0-	-0-	31,108	31,108	0.0006%	0.29
2014	-0-	-0-	24,076	-0-	-0-	-0-	24,076	24,076	0.0005%	0.22

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: School District Financial Reports

Exhibit J-14

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
UNAUDITED

Year	Population ^a	Warren County Per Capita Personal Income ^b	Total County Personal Income ^c	Unemployment Rate ^d
2005	109,167	\$ 38,096	\$ 4,158,826,032	3.80%
2006	109,450	40,562	4,439,510,900	4.10%
2007	109,684	42,819	4,696,559,196	3.70%
2008	109,897	44,079	4,844,149,863	5.00%
2009	109,638	43,860	4,808,722,680	8.80%
2010	108,671	43,998	4,781,306,658	9.10%
2011	108,339	46,011	4,984,785,729	8.40%
2012	107,653	47,570	5,121,053,210	8.20%
2013	107,379	47,570 *	5,108,019,030 ***	7.20%
2014	107,379 **	47,570 *	5,108,019,030 ***	N/A

* - Latest Warren County per capita personal income available (2012) was used for calculation purposes.

** - Latest population data available (2013) was used for calculation purposes.

*** - Latest available population data (2013) and latest available Warren County per capita personal income (2012) was used for calculation purposes

N/A - Information unavailable.

Source: ^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Per Capita Personal Income provided by the NJ Dept of Labor and Workforce Development

^c Total County personal income estimated based upon population times County per capita personal income

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

Exhibit J-15

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS, COUNTY OF WARREN
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Employer</u>	<u>2013</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>

INFORMATION IS NOT AVAILABLE

<u>Employer</u>	<u>2004</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction:										
Regular	16.8	19.3	21.0	19.2	22.0	25.0	29.0	34.0	34.0	34.0
Vocational	20.5	18.5	19.0	14.8	15.0	17.0	22.0	17.0	17.0	18.0
Adult/Continuing Education Programs	3.0	3.0	3.0	3.0	3.0	3.0	3.0	6.0	6.0	5.0
Support Services:										
Student and Instruction Related Services	8.0	7.5	8.5	9.0	9.0	7.0	7.0	7.0	7.0	7.0
School Administrative Services	3.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Administrative Services	5.5	5.0	5.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Central Services	2.8	2.8	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Plant Operations and Maintenance	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	5.0	8.0
Special Schools	2.2	3.4	4.0	4.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	<u>70.0</u>	<u>69.5</u>	<u>74.0</u>	<u>69.0</u>	<u>69.0</u>	<u>73.0</u>	<u>81.0</u>	<u>84.0</u>	<u>82.0</u>	<u>85.0</u>

Source: District Personnel Records

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil^d</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio High School</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2005	404.5	\$ 6,765,653	\$ 16,726	-6.05%	57	1:7	404.5	382.9	14.33%	94.66%
2006	409.0	6,731,383	16,458	-1.60%	36	1:12	409.0	380.0	1.11%	92.91%
2007	417.0	7,529,116	18,055	9.70%	46	1:9.7	417.0	395.4	1.96%	94.82%
2008	446.0	7,689,436	17,241	-4.51%	48	1:9.3	446.0	400.0	6.95%	89.69%
2009	449.0	7,923,430	17,647	2.35%	49	1:9.1	429.2	407.6	-3.77%	94.97%
2010	456.0	7,885,349	17,292	-2.01%	47	1:10.9	441.2	415.2	2.80%	94.11%
2011	469.0	7,883,057	16,808	-2.80%	47	1:10	454.7	429.7	3.06%	94.50%
2012	456.0	8,044,939	17,642	4.96%	44	1:10.4	443.1	420.6	-2.55%	94.92%
2013	481.0	8,308,796	17,274	-2.09%	45	1:10.7	438.3	416.3	-1.08%	94.98%
2014	498.0	8,381,681	16,831	-2.57%	46	1:10.8	459.5	442.5	4.84%	96.30%

Note: Enrollment based on annual October district count.

- ^a Operating expenditures equal total expenditures less debt service, capital outlay and special schools.
- ^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 Cost per pupil represents operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>District Buildings</u>										
High School										
Square Feet	151,926	151,926	151,926	151,926	151,926	151,926	151,926	151,926	151,926	175,000
Capacity (students)	484	484	484	484	484	484	484	484	484	484
Enrollment	405	409	417	446	449	456	469	456	481	498
Board Office										
Square Feet	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046
Number of Schools at June 30, 2014										
High School = 1										

Note: Enrollment is based on the annual October district count.

Source: School District Facilities Office

Exhibit J-19

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities
Account # 11-000-261-xxx

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>High</u> <u>School</u>	<u>Board</u> <u>Office</u>	<u>Total</u>
2005	\$ 238,311	\$ 11,643	\$ 249,954
2006	182,678	9,615	192,293
2007	180,983	9,525	190,508
2008	273,907		273,907
2009	357,512		357,512
2010	393,619		393,619
2011	362,773		362,773
2012	402,626		402,626
2013	468,162		468,162
2014	491,797		491,797

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

Source: School District records.

Exhibit J-20

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
UNAUDITED

	Coverage	Deductible
School Package Policy - New Jersey School Insurance Group		
Property Section:		
Blanket Building and Contents	\$ 27,925,917	\$ 5,000
Flood Coverage	10,000,000	10,000
Liability Section:		
Comprehensive General Liability	11,000,000	
Automobile Liability	11,000,000	
Employee Benefit Liability	11,000,000	1,000
Workers' Compensation:		
Statutory Benefits	As Required by the State of New Jersey	
School Leaders Professional Liability/Employment Practices Liability		
Per Claim/Aggregate Per Member	11,000,000	5,000
Per Occurrence	11,000,000	5,000
Employers' Liability:		
Per Occurrence/Aggregate	2,000,000	
Crime:		
Employee Dishonesty	250,000	1,000
Forgery or Alteration	100,000	500
Money and Securities:		
Inside	100,000	500
Outside	100,000	500
Public Official Bond - Selective Insurance:		
Treasurer of School Monies	200,000	
Board Secretary/Business Administrator	200,000	

Source: District's Insurance Agent

SINGLE AUDIT SECTION



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 200 Valley Road, Suite 300
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 973-328-1825 | 973-328-0507 Fax

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Report on Internal Control over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren County Vocational-Technical School (the "District"), a component unit of the County of Warren as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal 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 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.

Our consideration of the 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.

The Honorable President and Members
of the Board of Education
Warren County Vocational-Technical School District
Page 2

Compliance and Other Matters

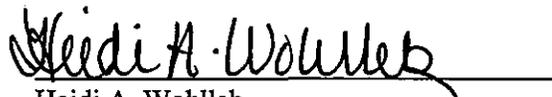
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

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 result 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.

September 5, 2014
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant



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Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance Required by
 OMB Circular A-133 and New Jersey's OMB Circular 04-04

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Warren County Vocational-Technical School (the "District"), a component unit of the County of Warren, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2014. The District's major state programs are identified in the summary of auditors' 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.

Auditors' Responsibility

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

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

The Honorable President and Members
of the Board of Education
Warren County Vocational-Technical School District
Page 2

Opinions on Each Major State Program

In our opinion, the District 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 state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 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 District's internal control over compliance.

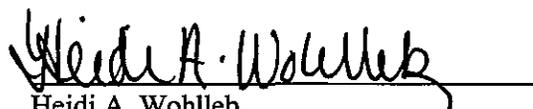
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. 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 that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

September 5, 2014
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013			Cash Received	Budgetary Expenditures	Adjustment	Cancellation of Prior Year Encumbrance Payable	Balance at June 30, 2014		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
<u>U.S. Department of Agriculture</u>														
Passed-through State Department of Agriculture:														
Child Nutrition Cluster:														
Food Distribution Program	10.555	N/A	7/1/13-6/30/14	\$ 8,881			\$ 7,554	\$ (6,143)				\$ 1,411		
Food Distribution Program	10.555	N/A	7/1/12-6/30/13	8,426		\$ 2,264		(2,264)						
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	60,579			56,226	(60,579)			\$ (4,353)			
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	54,388	\$ (2,803)		2,803							
School Breakfast Program	10.553	N/A	7/1/13-6/30/14	7,441			6,845	(7,441)			(596)			
School Breakfast Program	10.553	N/A	7/1/12-6/30/13	6,608	(486)		486							
Total Child Nutrition Cluster					(3,289)	2,264	73,914	(76,427)			(4,949)	1,411		
Total U.S. Department of Agriculture					(3,289)	2,264	73,914	(76,427)			(4,949)	1,411		
<u>U.S. Department of Education</u>														
Special Revenue Fund:														
Rural Education Achievement Program	84.358A	S358A107754	7/1/12-9/30/13	49,481	(10,718)		10,718			\$ 232			\$ 232	
Total Rural Education Achievement Program					(10,718)		10,718			232			232	
Passed-through State Department of Education:														
No Child Left Behind:														
Title I	84.010A	NCLB546014C	7/1/13-6/30/14	82,883			37,420	(39,609)			(2,189)			
Title I	84.010A	NCLB546013C	9/1/12-8/31/13	123,893	(117,674)		117,674							
Total Title I					(117,674)		155,094	(39,609)			(2,189)			
Title IIA	84.367A	NCLB546014C	7/1/13-6/30/14	19,001			11,420	(14,067)			(2,647)			
Title IIA	84.367A	NCLB546013C	9/1/12-8/31/13	19,708	(4,300)		4,300							
Total Title IIA					(4,300)		15,720	(14,067)			(2,647)			
ARRA - Race-to-the-Top	84.395	N/A	9/1/11-11/30/15	5,840	(1,440)		1,400		\$ 40					
Carl D. Perkins Secondary	84.048	PERK546014	7/1/13-6/30/14	34,739			34,739	(34,739)						
Carl D. Perkins Secondary	84.048	PERK546013	7/1/12-6/30/13	42,795	(3,649)		3,739		(178)	88				
Carl D. Perkins Post Secondary	84.048	PERK546014	7/1/13-6/30/14	80,563			80,563	(80,563)						
Carl D. Perkins Post Secondary	84.048	PERK546013	7/1/12-6/30/13	79,395		\$ 1,226				4,109			5,335	
Total Carl D. Perkins					(3,649)	1,226	119,041	(115,302)	(178)	4,197			5,335	
Special Education Cluster:														
I.D.E.A. Part B, Basic	84.027	IDEA546014	7/1/13-6/30/14	110,482			110,482	(110,482)						
I.D.E.A. Part B, Basic	84.027	IDEA546013	9/1/12-8/31/13	140,795	(51,799)		69,539	(17,620)	(120)					
Total Special Education Cluster					(51,799)		180,021	(128,102)	(120)					

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013			Cash Received	Budgetary Expenditures	Adjustment	Cancellation of Prior Year Encumbrance Payable	Balance at June 30, 2014		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
U.S. Department of Education														
Passed Through State Department of Labor and Workforce Development:														
Adult Basic Skills Education	84.002	ABS-14-14-37	7/1/13-6/30/14	\$ 125,181				\$ 56,389	\$ (108,833)			\$ (52,444)		
Adult Basic Skills Education	84.002	ABS-14-13-37	7/1/12-6/30/13	92,000	\$ (41,378)			33,584		\$ 7,794				
Adult Basic Skills Education	84.002	ABS-14-12-37	7/1/11-6/30/12	81,215	(2,015)					2,015				
Adult Basic Skills Education	84.002	ABS-14-11-37	7/1/10-6/30/11	116,200			\$ 3,491							\$ 3,491
					(43,393)		3,491	89,973	(108,833)	9,809		(52,444)		3,491
Total U.S. Department of Education					(232,973)		4,717	571,967	(405,913)	9,551	\$ 4,429	(57,280)		9,058
Total Federal Awards					\$ (236,262)	\$ 2,264	\$ 4,717	\$ 645,881	\$ (482,340)	\$ 9,551	\$ 4,429	\$ (62,229)	\$ 1,411	\$ 9,058

N/A - Not Available/Applicable

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013		Budgetary Expenditures	Adjustment	Balance at June 30, 2014		MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Cash Received			GAAP Accounts Receivable	Budgetary Receivable	
NJ Department of Education:										
<u>General Fund State Aid:</u>										
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	\$ 2,768,259		\$ 2,494,415	\$ (2,768,259)		\$ (273,844)		\$ 2,768,259
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	50,531		45,532	(50,531)		(4,999)		50,531
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	269,146		242,521	(269,146)		(26,625)		269,146
Categorical Security Aid	14-495-034-5120-084	7/1/13-6/30/14	25,413		22,899	(25,413)		(2,514)		25,413
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	269,741		269,741	(269,741)				269,741
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	2,750,540	\$ (273,108)	273,108					2,750,540
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	46,407	(4,608)	4,608					46,407
Special Education Categorical Aid	13-495-034-5120-089	7/1/12-6/30/13	262,148	(26,029)	26,029					262,148
Categorical Security Aid	13-495-034-5120-084	7/1/12-6/30/13	21,610	(2,146)	2,146					21,610
Total General Fund State Aid				(305,891)	3,380,999	(3,383,090)			(307,982)	6,463,795
State School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	1,683		1,564	(1,683)		\$ (119)	(119)	1,683
State School Lunch Program	13-100-010-3350-023	7/1/12-6/30/13	1,554	(78)	78					1,554
Total Enterprise Fund				(78)	1,642	(1,683)		(119)	(119)	3,237
Total NJ Department of Education				(305,969)	3,382,641	(3,384,773)		(119)	(308,101)	6,486,878
NJ Department of Labor and Workforce Development:										
Apprenticeship Coordinator	N/A	7/1/13-6/30/14	10,000		9,152	(9,339)		(187)	(187)	9,339
Apprenticeship Coordinator	N/A	7/1/12-6/30/13	10,000	(893)	929		\$ (36)			9,964
Passed-through Hunterdon County Vocational School District:										
Youth Transition to Work	N/A	11/1/11-9/30/13	26,343	(6,912)			6,912			12,645
Total Department of Labor and Workforce Development - Special Revenue Fund				(7,805)	10,081	(9,339)	6,876	(187)	(187)	66,210
Total Special Revenue Fund				\$ (7,805)	\$ 10,081	\$ (9,339)	6,876	\$ (187)	\$ (187)	91,205
Total State Awards				\$ (313,774)	\$ 3,392,722	\$ (3,394,112)	\$ 6,876	\$ (306)	\$ (308,288)	\$ 6,558,237

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Warren County Vocational-Technical School under programs of the federal and state governments for the fiscal year ended June 30, 2014. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$2,091) for the General Fund and \$15,200 for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the Special Revenue Fund. Additionally, the schedule of expenditures of state awards does not include the TPAF On-Behalf Contributions and Post Retirement Contributions revenue of \$145,007 and \$237,757 respectively. Awards and revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,763,763	\$ 3,763,763
Special Revenue Fund	\$ 420,578	9,874	430,452
Enterprise Fund - Food Service Fund	<u>76,427</u>	<u>1,683</u>	<u>78,110</u>
Total Federal and State Awards	<u>\$ 497,005</u>	<u>\$ 3,775,320</u>	<u>\$ 4,272,325</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2014.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circular 04-04*.
- The auditor's report on compliance for its major state award programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2014 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The audit did not disclose any audit findings which are required to be reported in accordance with Section 510(a) of Federal OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*, or New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	\$ 2,768,259	\$ 2,768,259
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	269,146	269,146
Categorical Security Aid	14-495-034-5120-084	7/1/13-6/30/14	25,413	25,413

- The District was determined to be a "low-risk" auditee for state programs.
- The threshold used for distinguishing between Type A and B state programs was \$300,000.
- The single audit thresholds identified in Federal OMB Circular A-133 and New Jersey's OMB Circular 04-04 were \$500,000.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

Summary of Auditors' Results: (Cont' d)

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular and New Jersey's OMB Circular 04-04.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Status of Prior Year Findings:

The District had no prior year audit findings.