

HUNTERDON COUNTY VOCATIONAL SCHOOL
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

OF THE

HUNTERDON COUNTY VOCATIONAL SCHOOL
BOARD OF EDUCATION
FLEMINGTON, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

HUNTERDON COUNTY VOCATIONAL SCHOOL
BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION

**HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
TABLE OF CONTENTS**

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	3
Roster of Officials	4
Consultants and Advisors	5
FINANCIAL SECTION	
Independent Auditor's Report	7-9
Required Supplementary Information – Part I	
Management's Discussion and Analysis	11
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	14
A-2 Statement of Activities	15
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	17-18
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	19
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Funds:	
B-4 Statement of Fund Net Position	21
B-5 Statement of Revenues, Expenses, and Changes in Net Position	22
B-6 Statement of Cash Flows	23
Fiduciary Funds:	
B-7 Combining Statement of Fiduciary Net Position	24
B-8 Combining Statement of Changes in Fiduciary Net Position	25
Notes to the Financial Statements	26-53
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule-General Fund	56-61
C-1A Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual	62
C-2 Budgetary Comparison Schedule-Special Revenue Fund	63
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	65

**HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)**

FINANCIAL SECTION (Continued)		<u>PAGE</u>
Required Supplementary Information – Part III		
L. Schedule Related to Accounting & Reporting for Pensions (GASB68):		
L-1 Schedule of District's Proportionate Share of the Net Pension Liability-TPAF		67
L-2 Schedule of Pension Contribution-TPAF		67
L-3 Schedule of District's Proportionate Share of the Net Pension Liability-PERS		68
L-4 Schedule of Pension Contribution-PERS		68
Notes to the Required Supplementary Information - Part III		69-70
Other Supplemental Information		
D. School Level Schedules		N/A
E. Special Revenue Fund:		
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund-Budgetary Basis		74-75
F. Capital Projects Fund:		
F-1 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance-Budgetary Basis		77
F-2A Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis-Electrical Service/Lighting Controls/PA System		78
G. Proprietary Funds		
Enterprise Fund:		
G-1 Statement of Fund Net Position		80
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position		81
G-3 Statement of Cash Flows		82
H. Fiduciary Funds:		
H-1 Combining Statement of Fiduciary Fund Net Position		84
H-2 Combining Statement of Changes in Fiduciary Net Position		85
H-3 Student Activity Agency Fund Statement of Changes in Assets and Liabilities		86
H-4 Payroll Agency Fund Statement of Changes in Assets and Liabilities		87
I. Long-Term Debt		88

**HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)**

	<u>PAGE</u>
STATISTICAL SECTION (Unaudited)	
Table of Contents	90
J-1 Net Position by Component	91
J-2 Changes in Net Position	92-94
J-3 Fund Balances, Governmental Funds	95
J-4 Changes in Fund Balances, Governmental Funds	96
J-5 General Fund-Other Local Revenues by Source	97
J-6 Assessed Value and Actual Value of Taxable Property	98
J-7 Demographic and Economic Statistics	99
J-8 Full Time Equivalent District Employees by Function/Program	100
J-9 Operating Statistics	101
J-10 Insurance Schedule	102
SINGLE AUDIT SECTION	
K-1 Independent Auditor's Report-Government Auditing Standards	104-105
K-2 Independent Auditor's Report-OMB Circular A-133	106-108
K-3 Schedule of Expenditures of Federal Awards, Schedule A	109
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	110-111
K-5 Notes to the Schedule of Awards and Financial Assistance	112-113
K-6 Schedule of Findings and Questioned Costs	114-116
K-7 Summary Schedule of Prior Audit Findings	116

INTRODUCTORY SECTION



**HUNTERDON COUNTY
VOCATIONAL SCHOOL DISTRICT**
www.HCVSD.org

2.0
Kim Metz, Ed.D., Superintendent
Corinne Steinmetz, Business Administrator
District Board Office
8 Bartles Corner Road, Ste. 2
Flemington, NJ 08822
908-788-1119
908-806-4839 Fax

November 22, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Hunterdon County Vocational Board School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

Bartles Corner Rd. Campus
8 Bartles Corner Rd., Ste. 2
Flemington, NJ 08822
908-788-1119 x 2008
908-284-1391 Fax

Central Campus
10 Junction Rd.
Flemington, NJ 08822
908-284-1444 x 2110
908-284-9824 Fax

Adult Education
8 Bartles Corner Rd., Ste. 2
Flemington, NJ 08822
908-788-1119 x 2009
908-284-1391 Fax

1. **REPORTING ENTITY AND ITS SERVICES:** The Hunterdon County Vocational School District **2.1** is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 14. All funds and account groups of the District are included in this report. The Hunterdon County Vocational Board of Education and all its schools constitute the District's entire reporting entity.

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

2. **GRANTS:** During the 2014-15 school year the District was successful in obtaining grants to develop and implement vocational programs and services. Grants included:

YTTW – Youth Transition to Work - \$75,000

The Youth Transitions to Work (YTTW) competitive grant opportunity was offered by the N.J. Department of Labor. The focus was to increase registered apprentices in Veterinary & Laboratory Technician and establish a new apprenticeship program in Veterinarian Assistant. To register as an apprentice, students must obtain full-time employment with an employer in the field and attend post-secondary classes for related instruction from one to five years depending on the apprentice able occupation. For this grant year, the program has been able to assist students in becoming registered apprentices with the US Department of Labor, Office of Apprenticeship as well as place additional students in trade-related employment.

Apprenticeship Coordinator (Hunterdon & Somerset Counties)- \$32,500

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

Perkins Secondary- \$41,627

Perkins Secondary funds were used to enhance and expand secondary CTE programs. This year funds were used to expand curriculums for the animal science, homeland security, dance, and energy technologies programs. In addition funds were used for professional development, a guidance counselor liaison group and special supplies.

Perkins Post Secondary - \$93,861

Post Secondary Perkins grant funds are used to enhance and expand post-secondary CTE programs. This year grant funds were used computers, professional development, and equipment including a welder, electrical trainer and brake lathe. Additional funds were used for online learning and classroom resources.

No Child Left Behind Title II - \$2976

NCLB funds are used to hire an Apple Distinguished Educator to present several workshops on a host of free Google tools, apps and resources that teachers can integrate into the classroom. The customized technology training provided teachers with the skills to increase classroom efficiency and expand student collaboration and engagement. A host of websites and resources were provided for additional insight including tools for the flipped classroom and for special needs students.

Workforce Investment Board - \$166,000

The Greater Raritan Workforce Investment Board had offered a Youth Services grant program. The goal of **2.2** the program was to improve educational achievement with industry-based recognized credentials, prepare youth for employment, and provide mentoring, guidance and counseling support. The grant funds consisted of three components; a Hunterdon and Somerset Community Outreach Service Programs and a Youth Work Readiness/Subsidized Employment Program. HCVSD took on the role as Hunterdon County's community outreach services. HCVSD obtained the Outreach Service Program for Hunterdon County. As part of the grant funds, an Outreach Community Specialist was employed to identify youth that were eligible for receiving services and meet a set of criteria. Once identified, the Youth Employment Services (YES) Program assessed the applicant's work readiness and developed an Individualized Services Strategy that included specific career goals and actions to be taken to meet the overall goals of the grant. The grant funds were also used to market the program to residents of the county.

County Vocational School District Partnership Grant- \$590,000

The County Vocational School District Partnership Grant is a state-funded partnership program between county vocational schools and other entities to expand access and student opportunities for CTE secondary students. HCVSD was awarded one of the 30-month grant awards to develop a new, four-year, full-time CTE program in computer science. Titled as the Computer Science and Software Engineering Academy, the academy was partnered with Delaware Valley Regional High School District utilizing the Project Lead the Way (PLTW) Computer Science four-year curriculum as the foundation. Beginning in September 2015, the first freshmen class has 34 students. The program will focus on dual college credits, related industry credentials, and real job experiences. Post-secondary partners include RVCC, Rowan University, Rutgers, the State University, Kean University and NJ Institute of Technology.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

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

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

7. **RISK MANAGEMENT:** The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Refer to the insurance schedule for more information.

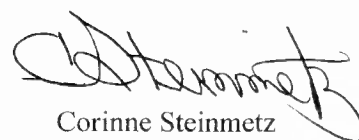
8. **INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., CPA, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes,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

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

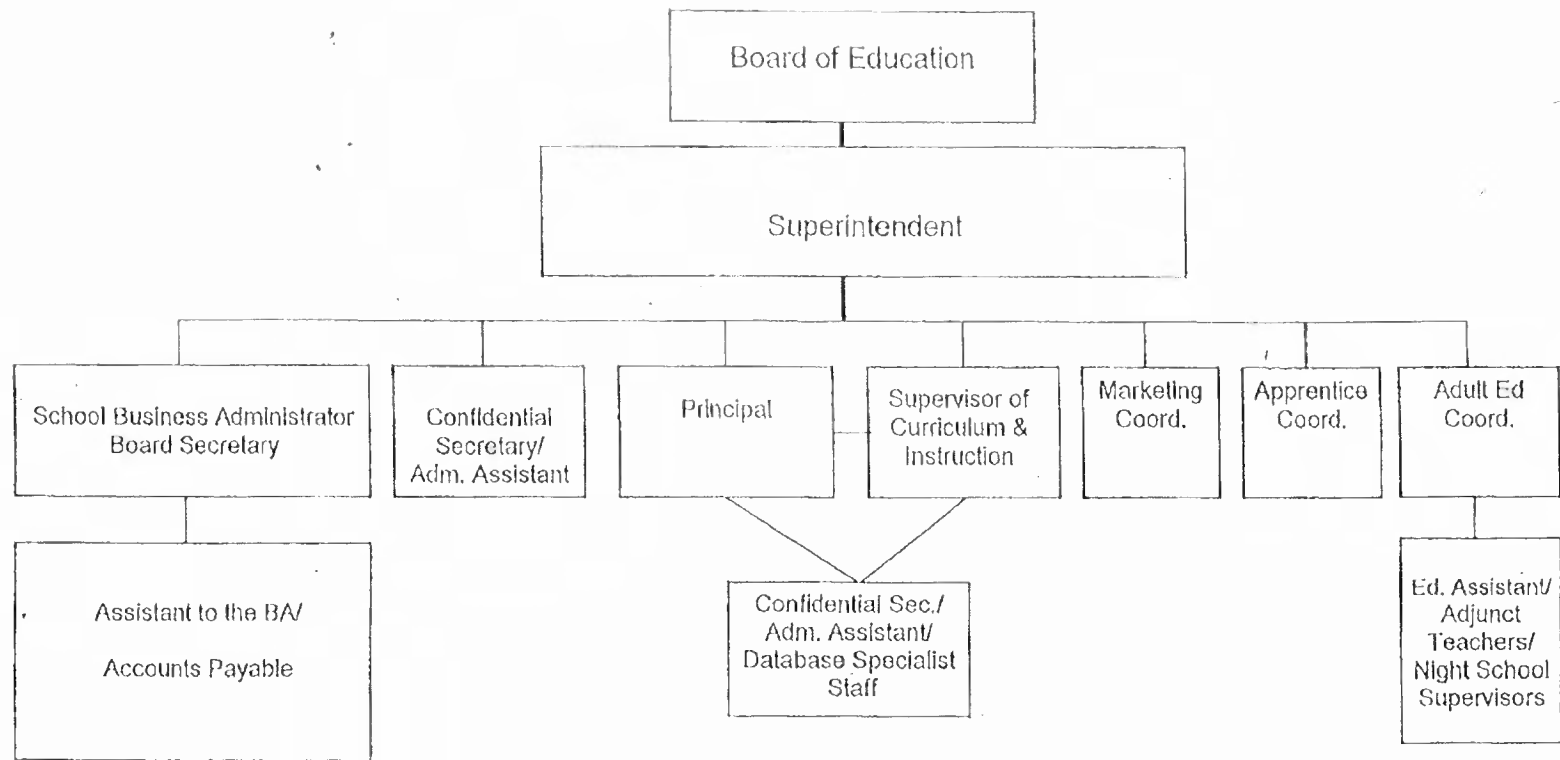
Respectfully submitted,



Dr. Kimberly Metz
Superintendent



Corinne Steinmetz
Business Administrator



HUNTERDON COUNTY POLYTECH
Organizational Chart

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
FLEMINGTON, NEW JERSEY 08822

ROSTER OF OFFICIALS
JUNE 30, 2015

Members of the Board of Education

Elizabeth Martin	President	2015
Michael Yates	V. President	2016
John Phillips	Member	2017
David Bright	Member	2018
Ridgeley Hutchinson	Member	2018
Kevin Gilman	Member	2018
Juan Torres	Interim Co. Ex. Superintendent	No Term

Other Officials

Dr. Kimberly Metz	Superintendent
Corinne Steinmetz	Business Administrator/Board Secretary
Vex & Gage Labor & Employment Law Firm	Solicitor
John King	Freeholder Liaison
John Lanza	Freeholder Liaison

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

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

Howard A. Vex, Esq.
Vex & Gage Labor & Employment Law Firm
2001 Route 46, Suite 310
Parsippany, NJ 07054

OFFICIAL DEPOSITORY

Investors Bank
Three Bridges NJ 08887

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITOR'S REPORT

November 25, 2015

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Hunterdon County Vocational School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



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

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**Hunterdon County Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2015
Unaudited**

11.0

The discussion and analysis of Hunterdon County Vocational School District's (HCVSD) provides an overall narrative review to the School District's financial activities for the year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in the district's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the district's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

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

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

The 2014-2015 school year saw another great year for enrollment due in large part to the continuous efforts of HCVSD to reach out to the community and sending districts to educate them about the advantages of attending the county vocational school. Many of the programs for the upcoming school year are already at capacity. We are expecting the 2015-2016 school year enrollment to be the highest in HCVSD history.

As a county vocational school, reorganization occurs the first week of November each year. Elizabeth Martin was elected as the incumbent President of the board and Michael Yates as Vice President.

The Board and the Hunterdon County Polytech Education Association just finished the third year of a three-year contract which expired June 30, 2015. A new three-year contract has been settled.

Superintendent Kimberly Metz continued her efforts to inform the freeholders and the sending districts of the current status of HCVSD and its' vision for the future. Dr. Metz

**Hunterdon County Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2015
Unaudited**

11.1

also spearheaded a strategic planning project with the board. Board members, Freeholders, staff, members of the community, local business owners, Hunterdon County school districts and various other professionals participated in this exciting endeavor by attending meetings and providing invaluable feedback throughout the year.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2015 are as follows:

- General Revenues accounted for \$3,215,136 in revenue, or 49.40% of all revenues. Program specific revenues in the form of charges for services, (including tuition) and operating and capital grants accounted for \$3,293,115 or 50.60% of total revenues of \$ 6,508,251.
- The school district has \$6,113,989 in expenses; only \$2,992,907 of these expenses was offset by program specific charges for services (including tuition), grants or contributions, with the remainder, primarily property taxes, supporting the programs.
- Among Governmental Funds, the General Fund had \$5,394,961 in revenues and \$5,012,564 in expenditures. The General Fund's balance decreased by \$67,914 from the previous year after factoring in other financing uses of \$450,311.

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

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

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

Reporting the School District as a Whole

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer term view of those finances. Fund financial statements

**Hunterdon County Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2015
Unaudited**

11.2

provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of HCVSD the General Fund is by far the most significant fund.

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds - The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash

**Hunterdon County Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2015
Unaudited**

and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

The School District as a Whole

Net Position

Table I provides a summary of the School Districts net position at June 30, 2015 with comparisons to June 30, 2014.

**Table 1
Net Position
For the Fiscal Year Ending June 30, 2015**

	6/30/2012	6/30/2011	Variance	
			Dollars	Percent
Assets				
Current & Other Assets	\$3,350,569	\$2,508,504	\$842,065	33.57%
Capital Assets	10,827,852	11,064,040	(236,188)	-2.13%
Total Assets	14,178,421	13,572,544	605,877	4.46%
Liabilities				
Long Term Liabilities	327,508	280,147	47,361	16.91%
Other Liabilities	574,391	221,925	352,466	158.82%
Total Liabilities	901,899	502,072	399,827	79.64%
Net Assets				
Invested in Capital Assets, Net of Related Debt	10,827,852	11,064,040	(236,188)	-2.13%
Restricted	901,225	647,375	253,850	39.21%
Unrestricted	1,547,445	1,359,057	188,388	13.86%
	\$13,276,522	\$13,070,472	\$206,050	1.58%

Current Assets have increased while Unrestricted Net Position has decreased. There is a decrease in unrestricted net position of \$5,603 and a \$629,837 increase in restricted net position.

The negative balance in unrestricted net assets is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement

**Hunterdon County Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2015
Unaudited**

11.4

No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 provides a summary of the District's changes in net position in fiscal year 2015 with comparisons to 2014.

**Table 2
Changes in Net Position**

	Fiscal Year Ending		Variance	
	6/30/2015	6/30/2014	Dollars	Percent
Revenues				
Program Revenues:				
Charges for Services	\$ 2,630,979	\$ 2,378,855	\$ 252,124	10.60%
Operating Grants	361,928	441,442	-\$79,514	-18.01%
Capital Grants	300,208		\$300,208	
General Revenues				
County Taxes	1,550,979	1,520,579	\$30,400	2.00%
Unrestricted Grants	1,637,854	1,203,807	\$434,047	36.06%
Other	26,303	27,620	-\$1,317	-4.77%
Total Revenues	6,508,251	5,572,303	935,948	16.80%
Program Expenses				
Instruction:				
Regular Vocational	2,646,187	2,240,964	405,223	18.08%
Special Education Vocational	170,026	113,335	56,691	50.02%
Other	33,784	43,375	(9,591)	-22.11%
Support Services:				
Student & Instructional Services	873,426	944,680	(71,254)	-7.54%
General & Business Administration	623,530	685,825	(62,295)	-9.08%
School Administration	342,646	340,315	2,331	0.68%
Operations & Maintenance	825,958	753,556	72,402	9.61%
Transportation	17,062	21,935	(4,873)	-22.22%
Special Schools	500,115	544,453	(44,338)	-8.14%
Interest and Other Debt Charges	37,934	37,934	-	0.00%
Special Services	43,321	18,438	24,883	134.95%
Total Expenses	6,113,989	5,744,810	369,179	6.43%
Increase (Decrease) Before Special Items & Transfers	\$394,262	(\$172,507)	\$566,769	-328.55%
Gain / (Loss) on Disposal of Assets		(367)		*
Transfers		(15,000)		*
Total Special Items & Transfers	-	(15,367)	15,367	*

**Hunterdon County Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2015
Unaudited**

Governmental Activities

County taxes made up 25.61% of revenues for Governmental Funds for fiscal year 2015. The district's total revenues for Governmental Funds were \$6,057,097 for the fiscal year ended June 30, 2015. Tuition revenue in a total amount of \$2,591,174 accounted for 42.78% of total revenues. The remaining revenues for Governmental Funds were from interest on investments, state aid, federal grants, and miscellaneous income.

Business- Type Activities for Fiscal Year 2015

Special services

- Special services programs had operating revenues of \$37,240 and operating expenses of \$43,321, resulting in a net loss of \$6,081 for fiscal year 2015.

Governmental Activities

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

**Table 3
Cost of Governmental Services
For the Fiscal Year Ending June 30, 2015**

	Total Cost of Services		Net Cost of Services	
	6/30/2015	6/30/2014	6/30/2015	6/30/2014
Instruction	\$2,849,997	\$2,397,674	\$303,943	\$378,113
Support Services:				
Student & Instructional Staff	873,426	944,680	601,112	590,476
General & Business Administratic	623,530	685,825	585,914	685,825
School Administration	342,646	340,315	322,982	340,315
Plant Operations & Maintenance	825,958	753,556	823,393	738,642
Pupil Transportation	17,062	21,935	17,062	21,935
Special Schools	500,115	544,453	122,453	125,773
Interest and Other Debt Charges	37,934	37,934	37,934	37,934
Customized Training	43,321	18,438	6,081	5,500
	<u>\$6,113,989</u>	<u>\$5,744,810</u>	<u>\$2,820,874</u>	<u>\$2,924,513</u>

**Hunterdon County Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2015
Unaudited**

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

The District's Revenues

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Revenues came primarily from four sources: tax levy, tuition, state aid, and federal and state grants. The major source of operating revenue, about 70.21% continues to be from local sources including tax levy, outside tuition, and miscellaneous revenues. State aid and federal aid represents about 29.79% of the total revenues.

The following schedule represents a summary of the revenues of the General and Special Revenue Funds for the fiscal year ended June 30, 2015.

Revenue	Amount	Percent of Total
Local Sources	\$4,252,858	70.21%
State Sources	1,759,636	29.05%
Federal Sources	44,603	0.74%
Total	\$6,057,097	100.00%

**Hunterdon County Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2015
Unaudited**

The District's Expenditures

The following schedule represents a summary of General Fund and Special Revenue Fund, expenditures for the fiscal year ended June 30, 2015.

Expenditures	Amount	Percent of Total
Current:		
Instruction	\$1,594,467	34.31%
Undistributed Expenditures	2,514,730	54.11%
Capital Outlay	104,548	2.25%
Interest and Other Charges	27,640	0.59%
Adult Vocational	406,267	8.74%
Total	\$4,647,652	100.00%

General Fund Budgeting Highlights

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

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed to reflect the following:

- Successful recruitment efforts to accept out-of-county students and to increase enrollment in introductory classes, brought in unanticipated tuition revenues. As a result, tuition and adult school fee revenues exceeded budgeted revenues by approximately \$318,884. Overall revenues exceeded budgeted amounts by \$318,602.

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

- County increased \$30,400 (2%) in 2014-2015.

Capital Assets

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/15 with a comparison to 6/30/14.

**Hunterdon County Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2015
Unaudited**

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

	06/30/15	06/30/14	Variance	
			Dollars	Percent
Land	\$1,129,855	\$1,129,855		
Construction in Progress	\$51,600		\$51,600	
Land Improvements	72,310	81,349	(\$9,039)	-11.11%
Building & Improvements	8,437,984	8,661,936	(223,952)	-2.59%
Machinery & Equipment	420,768	466,559	(45,791)	-9.81%
Vehicles	22,325	25,115	(2,790)	-11.11%
Total	<u>\$10,134,842</u>	<u>\$10,364,814</u>	<u>(\$229,972)</u>	<u>-2.22%</u>

For the Future

Space is still the dominant problem facing HCVSD. Initiating new and emerging programs to meet the need of a changing economy present a tremendous challenge in terms of space and revenue. For the past five years, and again for the 2014-2015 school year, HCVSD has kept the local tax levy flat. Additional space, programs, and personnel will require increased revenue in the coming years.

As the Freeholder board changes so does the perceived role of HCVSD change. Each new Freeholder board presents different challenges. HCVSD board members and administration continue to move ahead for the betterment of vocational education in the county.

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

Contacting the School District

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 1,011,548	\$ 428,088	\$ 1,439,636
Receivables-Net	1,232,454		1,232,454
Other Assets	10,000		10,000
Restricted Assets:			
Cash & Cash Equivalents	2,237,248		2,237,248
Capital Assets (Note 3):			
Land	1,129,855		1,129,855
Other Capital Assets, Net of Depreciation	9,004,987		9,004,987
Total Assets	14,626,092	428,088	15,054,180
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Pension Activity	112,077	-	112,077
LIABILITIES			
Accounts Payable	11,873	450	12,323
Payables to Other Governments-State	12		12
Unearned Revenue	771,462		771,462
Other Current Liabilities	4,494		4,494
Long-Term Liabilities (Note 4):			
Due Within One Year	37,432		37,432
Due Beyond One Year	2,000,305		2,000,305
Total Liabilities	2,825,578	450	2,826,028
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Pension Activity	307,912	-	307,912
NET POSITION			
Net Investment in Capital Assets	10,134,842		10,134,842
Restricted For:			
Capital Reserve	1,838,437		1,838,437
Maintenance Reserve	100		100
Capital Project	698,919		698,919
Unrestricted	(1,067,619)	427,638	(639,981)
TOTAL NET POSITION	\$ 11,604,679	\$ 427,638	\$ 12,032,317

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular Vocational	\$ 1,737,804	\$ 908,383	\$ 2,246,775	\$ 141,310	\$ 147,792	\$ (110,310)		\$ (110,310)
Special Education Vocational	108,343	61,683			7,895	(162,131)		(162,131)
Other Instruction	31,243	2,541			2,282	(31,502)		(31,502)
Support Services:								
Students & Instruction Related Services	621,043	252,383		220,618	51,696	(601,112)		(601,112)
General & Business Administration Services	453,347	170,183			37,616	(585,914)		(585,914)
School Administration Services	227,751	114,895			19,664	(322,982)		(322,982)
Plant Operations & Maintenance	774,969	50,989	2,565			(823,393)		(823,393)
Pupil Transportation	14,076	2,986				(17,062)		(17,062)
Special Schools	456,292	43,823	344,399		33,263	(122,453)		(122,453)
Interest on Long-Term Debt	37,934					(37,934)		(37,934)
Total Governmental Activities	4,462,802	1,607,866	2,593,739	361,928	300,208	(2,814,793)	\$ -	(2,814,793)
Business-Type Activities:								
Special Services	43,321		37,240				(6,081)	(6,081)
Total Business-Type Activities	43,321	-	37,240	-	-	-	(6,081)	(6,081)
Total Primary Government	\$ 4,506,123	\$ 1,607,866	\$ 2,630,979	\$ 361,928	\$ 300,208	(2,814,793)	(6,081)	(2,820,874)
General Revenues, Transfers & Special Items								
						1,550,979		1,550,979
						1,637,854		1,637,854
						13,055		13,055
						13,248		13,248
						3,215,136	-	3,215,136
						400,343	(6,081)	394,262
						11,204,336	433,719	11,638,055
						\$ 11,604,679	\$ 427,638	\$ 12,032,317

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash & Cash Equivalents	\$ 1,011,548			\$ 1,011,548
Due from Other Funds	64,027			64,027
Receivables from Other Governments:				
State		\$ 716,447	\$ 300,208	1,016,655
Other	148,775			148,775
Other Receivables		67,024		67,024
Security Deposit	10,000			10,000
Restricted Cash & Equivalents	1,838,537		398,711	2,237,248
TOTAL ASSETS	\$ 3,072,887	\$ 783,471	\$ 698,919	\$ 4,555,277
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 9,503	\$ 2,370		\$ 11,873
Due to Other Funds		64,027		64,027
Payables to Other Governments-State		12		12
Unearned Revenue	54,400	717,062		771,462
Other Current Liabilities	4,494			4,494
Total Liabilities	68,397	783,471	\$ -	851,868
Fund Balances:				
Restricted Fund Balance:				
Excess Surplus	294,213			294,213
Excess Surplus-Designated for Subsequent Year's Budget	263,452			263,452
Capital Projects			698,919	698,919
Committed Fund Balance:				
Capital Reserve Account	1,838,437			1,838,437
Maintenance Reserve Account	100			100
Assigned Fund Balance:				
Year-End Encumbrances	25,329			25,329
Designated for Subsequent Year's Expenditures	362,088			362,088
Unassigned Fund Balance	220,871			220,871
Total Fund Balances	3,004,490	-	698,919	3,703,409
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,072,887	\$ 783,471	\$ 698,919	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2015
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Total Fund Balances	<u>\$ 3,004,490</u>	<u>\$ -</u>	<u>\$ 698,919</u>	\$ 3,703,409

Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is	\$ 13,618,339	<u>3,483,497</u>	10,134,842
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds			(195,835)
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds			<u>(2,037,737)</u>
Net Assets of Governmental Activities			<u>\$ 11,604,679</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
County Tax Levy	\$ 1,550,979			\$ 1,550,979
Tuition Charges-Individuals	344,399			344,399
Tuition Charges-Other LEA's	1,937,925			1,937,925
Tuition Charges-Other	308,850			308,850
Interest Earned on Capital Reserve Funds	6,229			6,229
Interest on Investments	6,826			6,826
Miscellaneous	15,813	\$ 81,837		97,650
Total	<u>4,171,021</u>	<u>81,837</u>	\$ -	<u>4,252,858</u>
State Sources	1,223,940	235,488	300,208	1,759,636
Federal Sources		44,603		44,603
Total Revenues	<u>5,394,961</u>	<u>361,928</u>	<u>300,208</u>	<u>6,057,097</u>
EXPENDITURES				
Current:				
Instructional:				
Regular Vocational Instruction	1,912,921	113,359		2,026,280
Special Vocational Instruction	108,343			108,343
Other Instruction	31,243			31,243
Support Service & Undistributed Costs:				
Student & Instruction Related Services	488,014	220,618		708,632
General & Business Admin Services	515,764			515,764
School Administrative Services	269,754			269,754
Plant Operations & Maintenance	827,177			827,177
Pupil Transportation	14,271			14,271
Unallocated Benefits	293,713			293,713
Capital Outlay	57,138	27,951	51,600	136,689
Debt Service:				
Interest and Other Charges	37,934			37,934
Special Schools	456,292			456,292
Total Expenditures	<u>5,012,564</u>	<u>361,928</u>	<u>51,600</u>	<u>5,426,092</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	382,397	-	248,608	631,005
Other Financing Sources (Uses):				
Transfer In (Out)	(450,311)	-	450,311	-
Net Change in Fund Balance	(67,914)	-	698,919	631,005
Fund Balances, July 1	<u>3,072,404</u>	-	-	<u>3,072,404</u>
Fund Balances, June 30	<u>\$ 3,004,490</u>	<u>\$ -</u>	<u>\$ 698,919</u>	<u>\$ 3,703,409</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Net Changes in Fund Balances-Governmental Fund (From B-2)	\$ 631,005
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:	
Capital Outlays	\$ 108,738
Depreciation Expense	<u>(338,710)</u>
	(229,972)
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense	
	24,791
In the statement of activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	
	<u>(25,481)</u>
Change in Net Position of Governmental Activities	<u>\$ 400,343</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
ENTERPRISE FUND
JUNE 30, 2015

	<u>Special Services</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 428,088
Total Assets	<u>428,088</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	450
Total Liabilities	<u>450</u>
NET POSITION	
Unrestricted	<u>427,638</u>
TOTAL NET POSITION	<u>\$ 427,638</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Special Services</u>
Operating Revenues:	
Charges for Services:	
Program Fees	\$ 37,240
Total Operating Revenues	<u>37,240</u>
Operating Expenses:	
Salaries	33,989
Employee Benefits	2,968
Supplies and Materials	6,364
Total Operating Expenses	<u>43,321</u>
Change in Net Position	(6,081)
Net Position, Beginning	<u>433,719</u>
Net Position, Ending	<u>\$ 427,638</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Services
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 37,240
Payments to Vendors (Net)	(43,989)
Net Cash Provided by (Used For) Operating Activities	(6,749)
 Cash and Cash Equivalents, July 1, 2014	 434,837
 Cash and Cash Equivalents, June 30, 2015	 \$ 428,088
 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	\$ (6,081)
 Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Increase (Decrease) in Accounts Payable	(668)
 Net Cash Provided by (Used For) Operating Activities	 \$ (6,749)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY FUND NET POSITION
JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS					
Cash & Cash Equivalents	\$ 55,816	\$ 21,025	\$ 192,783	\$ 71,642	\$ 341,266
Total Assets	55,816	21,025	192,783	71,642	341,266
LIABILITIES					
Payroll Deductions & Withholdings Due to Student Groups			192,783	71,642	192,783
Total Liabilities	-	-	192,783	71,642	264,425
NET POSITION					
Held in Trust for Unemployment Claims & Other Purposes	55,816	21,025	-	-	76,841
TOTAL NET POSITION	\$ 55,816	\$ 21,025	\$ -	\$ -	\$ 76,841

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Total
ADDITIONS			
Contributions:			
Employee Withholdings	\$ 4,632		\$ 4,632
Other		\$ 350	350
Miscellaneous		50	50
Interest Earnings	206	77	283
Total Additions	<u>4,838</u>	<u>477</u>	<u>5,315</u>
DEDUCTIONS			
Scholarship Awards		1,250	1,250
Unemployment Claims	20,570		20,570
Total Deductions	<u>20,570</u>	<u>1,250</u>	<u>21,820</u>
Other Financing Sources:			
Transfers In from General Fund	15,500	-	15,500
Change in Net Position	(232)	(773)	(1,005)
Net Position, Beginning of the Year	<u>56,048</u>	<u>21,798</u>	<u>77,846</u>
Net Position, End of the Year	<u>\$ 55,816</u>	<u>\$ 21,025</u>	<u>\$ 76,841</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Basic Financial Statements Include:

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

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

A. Reporting Entity

The District is a component unit of the County of Hunterdon, established to function as an educational institution to provide vocational education to the students of Hunterdon County. The Board consists of five appointed officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The District had an approximate enrollment at June 30, 2015 of approximately 230 students.

B. Government-Wide and Fund Financial Statements

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

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

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

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

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

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

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

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

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

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

The District reports the following major governmental funds:

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

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

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

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

Proprietary Fund Types (Cont'd)

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Special Services.

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

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

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

Fiduciary Fund Types

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

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

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

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

Fiduciary Fund Types (Cont'd)

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

Private Purpose Scholarship Fund - This fund is used to account for scholarship accounts donated to the District to be utilized for scholarship awards to qualifying students.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and to the Board of School Estimate. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

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

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

E. Encumbrances

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

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

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

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

F. Tuition Receivable

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

G. Short-Term Interfund Receivables/Payables

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

H. Inventories and Prepaid Items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

I. Capital Assets

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

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

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

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

J. Compensated Absences

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

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

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

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

K. Unearned Revenue

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

L. Long-Term Obligations

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

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

M. Fund Balances-Governmental Funds

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

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

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

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

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

N. Comparative Data/Reclassifications

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

O. Allocation of Indirect Expenses

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 2. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

Deposits at June 30, 2015 appear in the financial statements as summarized below:

Cash		<u>\$ 4,018,150</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 3,248,796
Enterprise Fund, Statement of Net Position	B-4	428,088
Fiduciary Funds, Statement of Net Position	B-7	<u>341,266</u>
Total Cash		<u>\$ 4,018,150</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2015 is \$4,018,150 and the bank balance is \$4,182,929. Of the bank balance, \$250,000 is covered by federal depository insurance and \$3,932,929 is insured by GUDPA.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

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

Deposit and Investment Risk

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

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

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2015, the district had no investments.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being				
Depreciated Land	\$ 1,129,855			\$ 1,129,855
Construction in Progress		\$ 51,600		51,600
Total	<u>1,129,855</u>	<u>51,600</u>	<u>\$ -0-</u>	<u>1,181,455</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 3. CAPITAL ASSETS Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Being				
Depreciated:				
Building & Improvements	\$ 10,579,977	\$ 13,355		\$ 10,593,332
Land Improvements	180,777			180,777
Furniture & Equipment	1,537,842	43,783		1,581,625
Buses & Other Vehicles	81,150			81,150
Total	<u>12,379,746</u>	<u>57,138</u>	<u>\$ -0-</u>	<u>12,436,884</u>
Accumulated Depreciation:				
Building & Improvements	1,918,041	237,307		2,155,348
Land Improvements	99,428	9,039		108,467
Furniture & Equipment	1,071,284	89,573		1,160,857
Buses & Other Vehicles	56,034	2,791		58,825
Total	<u>3,144,787</u>	<u>338,710</u>	<u>-0-</u>	<u>3,483,497</u>
Total Capital Assets, Being Depreciated, Net	<u>9,234,959</u>	<u>(281,572)</u>	<u>-0-</u>	<u>8,953,387</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,364,814</u>	<u>\$ (229,972)</u>	<u>\$ -0-</u>	<u>\$ 10,134,842</u>

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

Instruction:	
Other Instruction	\$ 164,825
Regular Vocational	8,813
Other	2,541
Support Services:	
Student & Instruction	57,643
General & Business Admin	41,954
School Administration	21,943
Plant Maintenance	1,084
Pupil Transportation	2,791
Special Schools	<u>37,116</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 338,710</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 4. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
PERS Net Pension Liability	\$ 1,775,548		\$ 290,626	\$ 1,484,922	
Compensated Absences Payable	<u>527,334</u>	<u>\$ 72,856</u>	<u>47,375</u>	<u>552,815</u>	<u>\$ 37,432</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 2,302,882</u>	<u>\$ 72,856</u>	<u>\$ 338,001</u>	<u>\$ 2,037,737</u>	<u>\$ 37,432</u>

NOTE 5. PENSION PLANS

Description of Systems

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

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by NJSA 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

The following represents the membership tiers for PERS:

Tier	Definition
1.	Members enrolled prior to July 1, 2007
2.	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3.	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4.	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5.	Members eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Allocation Methodology and Reconciliation to Financial Statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2014 and 2013 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2014 and 2013, respectively.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 5. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

Contributions

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal years 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Collective Net Pension Liability and Actuarial Information

Components of Net Pension Liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 3,098,805	\$ 3,462,683
Plan Fiduciary Net Position	<u>1,613,883</u>	<u>1,687,135</u>
Net Pension Liability	<u>\$ 1,484,922</u>	<u>\$ 1,775,548</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases (Based on Age):	
2012-2021	2.15%-4.40%
Thereafter	3.15%-5.40%
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the District as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	<u>2014</u>
At Current Discount Rate (5.39%)	\$ 1,484,922
At a 1% Lower Rate (4.39%)	1,868,083
At a 1% Higher Rate (6.39%)	1,163,165
	<u>2013</u>
At Current Discount Rate (5.55%)	\$ 1,775,548
At a 1% Lower Rate (4.55%)	2,210,323
At a 1% Higher Rate (6.55%)	1,411,264

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -0-	\$ -0-
Changes of assumptions	46,694	
Net difference between projected and actual earnings on pension plan investments		88,494

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between District contributions and proportionate share of contributions		\$ 219,418
District contributions subsequent to the measurement date	\$ 65,383	
Total	<u>\$ 112,077</u>	<u>\$ 307,912</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (ie for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) of \$65,383 will be recognized as a reduction of the net pension liability in the year ended June 30, 2015.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred Outflows of Resources:				
Changes of Assumptions	\$ -0-	\$ 55,277	\$ 8,583	\$ 46,694
Deferred Inflows of Resources:				
Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	110,617	22,123	<u>88,494</u>
Net of Deferred Outflows/(Inflows)				<u>\$ (41,800)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2015	\$ (13,540)
2016	(13,540)
2017	(13,540)
2018	(13,540)
2019	8,583
Thereafter	<u>3,777</u>
Total	<u>\$ (41,800)</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Expense

For the year ended June 30, 2015, the District recognized net pension expense of \$27,414 which represents the District's proportionate share of allocable plan pension expense of \$76,344 less the net amortization of deferred amounts from changes in proportion of \$40,334 and less other adjustments to the net pension liability of \$8,596. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2014 are as follows:

Service Cost	\$ 69,477
Interest on Total Pension Liability	163,923
Member Contributions	(38,048)
Administrative Expense	1,159
Expected Investment Return Net of Investment Expense	(106,155)
Pension Expense Related to Specific Liabilities of Individual Employers	(472)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	8,583
Amortization of Projected Versus Actual Investment Earnings on Pension Plan Investments	<u>(22,123)</u>
Pension Expense	<u>\$ 76,344</u>

B. Teacher's Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by NJSA 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. PENSION PLANS (Cont'd)

B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)

The following represents the membership tiers for TPAF:

Tier	Definition
1.	Members enrolled prior to July 1, 2007
2.	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3.	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4.	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5.	Members eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with NJSA 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. PENSION PLANS (Cont'd)

B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Net Pension Liability	\$ 7,692,234	\$7,931,977
Employer Pension Expense & Related Revenue	413,914	N/A
Non-Employer Contribution	61,137	101,649
Allocable Proportionate Percentage	.0143923334%	.0156946982%

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,200 for 2015) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. PENSION PLANS (Cont'd)

Contribution Requirements

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

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

Year Funding	TPAF Retirement Benefit Costs	Percentage of APC Contributed
06/30/15	\$ 186,371	100%
06/30/14	160,717	100%
06/30/13	216,087	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/15	\$ 65,383	100%
06/30/14	72,510	100%
06/30/13	66,882	100%

During the year ended June 30, 2015, the State of New Jersey contributed \$114,344 to the TPAF for post-retirement medical benefits and \$4,834 for the non-contributory insurance premiums and \$67,193 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$107,342 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the general-purpose financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside 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, 2014, there were 103,432 retirees eligible for post-retirement medical benefits and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2014, the State paid \$165.8 million toward Ch 126 benefits for 18,122 eligible retired members.

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

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

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

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 7. DEFERRED COMPENSATION

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

VALIC
 Met-Life
 AXA Equitable

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances as of June 30, 2015 were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 64,027	
Special Revenue Fund		\$ 64,027
	<u>\$ 64,027</u>	<u>\$ 64,027</u>

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

The transfer of \$15,500 from the General Fund to the Unemployment Compensation Fund represents a board contribution necessitated by the cost of unemployment claims which exceeded the amount of employee withholdings for the fiscal year.

NOTE 9. CONTINGENT LIABILITIES

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

NOTE 10. RISK MANAGEMENT

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

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

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

Fiscal Year	District Contrib	Interest Earnings	Employee Contrib	Amount Reimbursed	Ending Balance
2014-2015	\$ 15,500	\$ 206	\$ 4,632	\$ 20,570	\$ 55,816
2013-2014	15,000	233	4,641	35,068	56,048
2012-2013	25,000	290	9,469	39,850	71,242

NOTE 11. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 M-Fund Balance may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage of expenditures (6% of expenditures). In accordance with State Statute the excess surplus is designated for utilization in succeeding years budgets	\$ 294,213	\$ 263,452
Excess Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	263,452	489,735
Committed:		
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	1,838,437	1,907,519
Maintenance Reserve Account-Represents funds restricted for the required maintenance of a school facility	100	100
Assigned:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	25,329	101,217
Designated Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	362,088	125,000
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>310,150</u>	<u>274,244</u>
Total Fund Balance	<u>\$ 3,093,769</u>	<u>\$ 3,161,267</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 12. LEGAL RESERVE ACCOUNTS

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

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning in fiscal year 2008, Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$500,000 to their Capital Reserve Account by board resolution in June 2015 as summarized in the following schedule.

The following is a summarization of the Legal Reserve Accounts for the Current year:

Type	Beginning Balance	District Contribution	Interest Earnings	Return of Unused With- drawal	With- drawal	Ending Balance
Capital	\$ 1,907,519	\$ 500,000	\$ 6,229		\$ 575,311	\$ 1,838,437
Maintenance	100					100
Totals	\$ 1,907,619	\$ 500,000	\$ 6,229	\$ -0-	\$ 575,311	\$ 1,838,537

NOTE 13. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$294,213.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 14. LEASE PAYABLE

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

NOTE 15: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

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

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 15, 2015, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, which is effective for fiscal periods beginning June 15, 2015 and June 15, 2016 for pension systems not within the scope of GASB 68, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefits Other than Pension Plans". This statement, which is effective for fiscal periods beginning June 15, 2016, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". This statement, which is effective for fiscal periods beginning June 15, 2017, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement, which is effective for fiscal periods beginning June 15, 2015, is not expected to have an effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning December 15, 2015, is not expected to have an effect on the District's financial reporting.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 16: SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 25, 2015, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

NOTE 17. RESTATEMENT OF PRIOR YEAR NET POSITION

During the fiscal year ending June 30, 2015, the District has determined that a restatement of its prior year net position is necessary. Due to changes in accounting principles resulting from the issuance of Government Accounting Standards Board's (GASB) Statement No. 68, for pension liabilities, adjustments to the net position for the net pension liability and deferred outflows of resources as of the measurement date of June 30, 2014 are necessary. The following is a summary of the District's restatement of net position as of June 30, 2014:

	<u>Governmental Activities</u>
Net Position, June 30, 2014 as Originally Stated	\$ 12,909,884
Add: Deferred Outflow of Resources for Pension Activity	70,000
Less: PERS Net Pension Liability as of June 30, 2014	<u>(1,775,548)</u>
Net Position, June 30, 2014 as Restated	<u>\$ 11,204,336</u>

NOTE 18. DEFICIT BALANCE IN UNRESTRICTED NET POSITION

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2015 of \$1,067,619 on schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
County Tax Levy	\$ 1,550,979		\$ 1,550,979	\$ 1,550,979	
Tuition from LEA's	1,703,440		1,703,440	1,937,925	\$ 234,485
Other Tuition	260,000		260,000	344,399	84,399
Aides Revenue	325,000		325,000	308,850	(16,150)
Interest Earned on Capital Reserve Funds	3,000		3,000	6,229	3,229
Interest Income	10,000		10,000	6,826	(3,174)
Use of Facility Rental Fees				2,565	2,565
Unrestricted Miscellaneous Revenues				13,248	13,248
Total	<u>3,852,419</u>	<u>\$ -</u>	<u>3,852,419</u>	<u>4,171,021</u>	<u>318,602</u>
State Sources:					
Categorical Special Education Aid	132,571		132,571	132,571	
Equalization Aid	241,040		241,040	241,040	
Categorical Security Aid	17,448		17,448	17,448	
Adjustment Aid	529,253		529,253	529,253	
Additional Adjustment Aid	6,171		6,171	6,171	
PARCC Readiness Aid	2,080		2,080	2,080	
Per Pupil Growth Aid	2,080		2,080	2,080	
On-Behalf TPAF Pension Contributions				72,027	72,027
On-Behalf TPAF Post Retirement Medical Benefits				114,344	114,344
Reimbursed TPAF Social Security Contribution				107,342	107,342
Total	<u>930,643</u>	<u>-</u>	<u>930,643</u>	<u>1,224,356</u>	<u>293,713</u>
TOTAL REVENUES	<u>\$ 4,783,062</u>	<u>\$ -</u>	<u>\$ 4,783,062</u>	<u>\$ 5,395,377</u>	<u>\$ 612,315</u>
EXPENDITURES					
Current:					
Regular Vocational Program-Instruction:					
Salaries of Teachers	\$ 1,034,091	\$ 22,741	\$ 1,056,832	\$ 1,033,825	\$ 23,007
Other Salaries for Instruction	49,738	(15,000)	34,738	34,738	
Purchased Professional-Educational Services	323,500	(9,789)	313,711	226,414	87,297
Purchased Technical Services	62,900		62,900	54,558	8,342
Other Purchased Services	59,550	63,112	122,662	102,864	19,798
General Supplies	135,781	5,766	141,547	113,560	27,987
Textbooks	30,616	(4,776)	25,840	22,470	3,370
Other Objects	15,000	3,971	18,971	8,065	10,906
Total	<u>1,711,176</u>	<u>66,025</u>	<u>1,777,201</u>	<u>1,596,494</u>	<u>180,707</u>
Special Vocational Program-Instruction:					
Salaries of Teachers	110,110		110,110	103,220	6,890
Other Salaries for Instruction	20,000	2,100	22,100	2,100	20,000
Purchased Professional-Educational Services	1,000		1,000		1,000
Purchased Technical Services	750	750	1,500	162	1,338
Other Purchased Services	500	1,250	1,750	1,250	500
General Supplies	11,686	(4,100)	7,586	1,541	6,045
Textbooks	1,250		1,250		1,250
Other Objects	1,000		1,000	70	930
Total	<u>146,296</u>	<u>-</u>	<u>146,296</u>	<u>108,343</u>	<u>37,953</u>
School Sponsored Co-Curricular Activities:					
Salaries	22,034	(5,988)	16,046	15,626	420
Purchased Services	1,300	749	2,049	1,749	300
Supplies and Materials	1,000	(749)	251	30	221
Other Objects	7,850	5,988	13,838	13,838	
Total	<u>32,184</u>	<u>-</u>	<u>32,184</u>	<u>31,243</u>	<u>941</u>
Total Instruction	<u>\$ 1,889,656</u>	<u>\$ 66,025</u>	<u>\$ 1,955,681</u>	<u>\$ 1,736,080</u>	<u>\$ 219,601</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Undistributed Expenditures-					
Attendance and Social Work:					
Salaries	\$ 138,695	\$ 4,448	\$ 143,143	\$ 143,143	
Purchased Professional & Technical Services	1,000	(802)	198		\$ 198
Other Purchased Services	250	(50)	200	148	52
Supplies & Materials	3,000	(1,538)	1,462	1,452	10
Other Objects	13,000	(5,274)	7,726	7,676	50
Total	155,945	(3,216)	152,729	152,419	310
Health Services:					
Salaries	5,000	(2,002)	2,998	2,000	998
Purchased Professional & Technical Services	30,700		30,700	30,000	700
Other Purchased Services	425	35	460	353	107
Supplies & Materials	6,059	(35)	6,024	4,201	1,823
Total	42,184	(2,002)	40,182	36,554	3,628
Guidance:					
Salaries of Other Professional Staff	68,500	(13,058)	55,442	5,234	50,208
Purchased Professional-Educational Services	2,000	(1,150)	850		850
Other Purchased Services		1,208	1,208	934	274
Supplies & Materials	2,500	(500)	2,000		2,000
Textbooks		500	500		500
Other Objects	500		500	199	301
Total	73,500	(13,000)	60,500	6,367	54,133
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	86,150		86,150	81,673	4,477
Salaries of Secretarial & Clerical Assistants	49,400	93	49,493	20,001	29,492
Salaries of Facilitators, Math & Literacy Coaches	50,000	(1,162)	48,838		48,838
Other Purchased Professional & Technical Services	2,000	730	2,730	2,730	
Other Purchased Services	5,575	434	6,009	4,104	1,905
Supplies & Materials	1,860	128	1,988	1,988	
Other Objects	2,500	(223)	2,277	2,247	30
Total	197,485	-	197,485	112,743	84,742
Educational Media Service/School Library:					
Purchased Professional & Technical Services	81,700	(2,682)	79,018	65,732	13,286
Other Objects		5,398	5,398	5,359	39
Supplies & Materials	22,508	284	22,792	20,812	1,980
Total	104,208	3,000	107,208	91,903	15,305
Instructional Staff Training Services:					
Other Purchased Services	3,000		3,000	198	2,802
Supplies & Materials	1,000		1,000	241	759
Other Objects	1,000		1,000		1,000
Total	5,000	-	5,000	439	4,561
Support Services General Administration:					
Salaries	207,600		207,600	203,292	4,308
Legal Services	47,282		47,282	16,774	30,508
Audit Fees	17,500		17,500	17,500	
Other Purchased Professional Services	10,500	(5,000)	5,500	4,195	1,305
Purchased Technical Services	1,500		1,500	1,417	83
Communications and Telephone	16,000	(4,000)	12,000	8,000	4,000
Board of Education Other Purchased Services	3,150	14,689	17,839	17,033	806
Miscellaneous Purchased Services	30,650	(15,448)	15,202	8,292	6,910
General Supplies	10,946	4,585	15,531	13,011	2,520
Board of Education In-House Training/Meeting Supplies	1,000	(964)	36		36
Miscellaneous Expenditures	15,000	964	15,964	15,504	460
Board of Education Membership Dues & Fees	500		500		500
Total	361,628	(5,174)	356,454	305,018	51,436
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Director	126,000	1,540	127,540	127,540	
Salaries of Other Professional Staff	40,000	1,861	41,861	34,463	7,398
Salaries of Secretarial and Clerical Assistants	46,000	(3,514)	42,486	24,744	17,742
Other Salaries	3,000	(570)	2,430		2,430
Purchased Professional & Technical Services	8,000		8,000	4,507	3,493
Other Purchased Services	26,675		26,675	21,190	5,485
Supplies & Materials	14,625		14,625	13,323	1,302
Other Objects	3,500		3,500	1,984	1,516
Total	267,800	(683)	267,117	227,751	39,366

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Central Services:					
Salaries	\$ 149,500	\$ (26,272)	\$ 123,228	\$ 109,161	\$ 14,067
Purchased Professional Services	30,000	58,760	88,760	32,977	55,783
Purchased Technical Services	1,000		1,000	60	940
Miscellaneous Purchased Services	4,000		4,000	1,477	2,523
Supplies & Materials	3,704	814	4,518	3,502	1,016
Other Objects	5,000	(814)	4,186	1,152	3,034
Total	193,204	32,488	225,692	148,329	77,363
Required Maintenance for School Facilities:					
Salaries	20,000	(15,900)	4,100	4,100	
Cleaning, Repair & Maintenance Services	65,000	(4,700)	60,300	51,522	8,778
Total	85,000	(20,600)	64,400	55,622	8,778
Custodial Services:					
Salaries	90,000		90,000	86,069	3,931
Cleaning, Repair & Maintenance Services	105,767	(15,880)	89,887	76,445	13,442
Rental of Land & Building Other Than Lease Purchase	258,250	83,828	342,078	298,835	43,243
Other Purchased Property Services	6,300		6,300	5,968	332
Insurance	19,000	1,088	20,088	16,588	3,500
General Supplies	26,844	528	27,372	25,398	1,974
Energy (Natural Gas)	56,044	11,379	67,423	29,126	38,297
Energy (Electricity)	160,000	(22,417)	137,583	137,583	
Energy (Oil)	5,000		5,000	3,381	1,619
Total	727,205	58,526	785,731	679,393	106,338
Security:					
Salaries	41,500		41,500	38,651	2,849
Purchased Professional & Technical Services		317	317	317	
General Supplies	1,000		1,000	986	14
Other Objects	800	(317)	483		483
Total	43,300	-	43,300	39,954	3,346
Student Transportation Services:					
Salaries for Pupil Trans (Other than Bet Home & School)	8,000		8,000		8,000
Cleaning, Repair & Maintenance	3,000	(98)	2,902	207	2,695
Contr Serv (Other than Bet Home & School)-Vendors	12,213	97	12,310	12,035	275
General Supplies	2,500	(666)	1,834	1,834	
Other Objects	1,000	(378)	622		622
Total	26,713	(1,045)	25,668	14,076	11,592
Allocated Employee Benefits:					
Vocational Programs:					
Social Security Contributions	25,000	(73)	24,927	16,028	8,899
Other Retirement Contributions-PERS	6,148	9,302	15,450	13,865	1,585
Unemployment Compensation	15,000	342	15,342	15,342	
Workmen's Compensation	16,000	(121)	15,879	15,597	282
Health Benefits	263,485	(2,720)	260,765	251,935	8,830
Tuition Reimbursement	20,000		20,000		20,000
Other Employee Benefits	21,337	(6,730)	14,607	3,660	10,947
Total	366,970	-	366,970	316,427	50,543
Attendance and Social Work Services:					
Social Security Contributions	2,300	789	3,089	3,089	
Other Retirement Contributions-PERS	3,500	700	4,200	4,194	6
Workmen's Compensation	1,250		1,250	1,219	31
Health Benefits	36,380	4,245	40,625	40,625	
Tuition Reimbursement	1,984		1,984	1,984	
Total	45,414	5,734	51,148	51,111	37
Health Services:					
Social Security Contributions		500	500		500
Total	-	500	500	-	500

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Allocated Employee Benefits: (cont'd)					
Guidance:					
Social Security Contributions	\$ 5,000	\$ (2,274)	\$ 2,726	\$ 2,257	\$ 469
Unemployment Compensation	500		500	500	
Workmen's Compensation	500		500		500
Health Benefits	15,000	6,259	21,259	21,020	239
Total	<u>21,000</u>	<u>3,985</u>	<u>24,985</u>	<u>23,777</u>	<u>1,208</u>
Improvement of Instructional Services:					
Social Security Contributions	4,000	(370)	3,630	1,352	2,278
Other Retirement Contributions-PERS	500	358	858	839	19
Workmen's Compensation	1,500		1,500	1,219	281
Health Benefits	9,960	12	9,972	6,811	3,161
Tuition Reimbursement	17,480		17,480	2,480	15,000
Total	<u>33,440</u>	<u>-</u>	<u>33,440</u>	<u>12,701</u>	<u>20,739</u>
Support Services-General Administration:					
Social Security Contributions	4,800	173	4,973	4,973	
Other Retirement Contributions-PERS	9,500		9,500	8,313	1,187
Workmen's Compensation	2,600		2,600	2,535	65
Health Benefits	33,688		33,688	30,269	3,419
Total	<u>50,588</u>	<u>173</u>	<u>50,761</u>	<u>46,090</u>	<u>4,671</u>
Support Services-School Administration:					
Social Security Contributions	3,000	2,392	5,392	5,392	
Other Retirement Contributions-PERS	8,000	(2,622)	5,378	4,753	625
Workmen's Compensation	1,500		1,500	1,365	135
Health Benefits	27,025	2,668	29,693	29,693	
Tuition Reimbursement	3,000	(2,555)	445		445
Other Employee Benefits		800	800	800	
Total	<u>42,525</u>	<u>683</u>	<u>43,208</u>	<u>42,003</u>	<u>1,205</u>
Support Services-Central Services:					
Social Security Contributions	6,000	272	6,272	6,272	
Other Retirement Contributions-PERS	13,000		13,000	8,494	4,506
Workmen's Compensation	1,700		1,700	1,561	139
Health Benefits	30,132	(17,160)	12,972		12,972
Other Employee Benefits	5,000	(5,000)			
Total	<u>55,832</u>	<u>(21,888)</u>	<u>33,944</u>	<u>16,327</u>	<u>17,617</u>
Operation and Maintenance of Plant Services:					
Social Security Contributions	8,400	1,456	9,856	9,856	
Other Retirement Contributions-PERS	14,000	(1,456)	12,544	9,807	2,737
Workmen's Compensation	5,000		5,000	4,875	125
Health Benefits	27,880		27,880	27,670	210
Other Employee Benefits	6,000		6,000		6,000
Total	<u>61,280</u>	<u>-</u>	<u>61,280</u>	<u>52,208</u>	<u>9,072</u>
Transportation Services:					
Social Security Contributions	600		600		600
Other Retirement Contributions-PERS	1,200		1,200		1,200
Workmen's Compensation	200		200	195	5
Total	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>195</u>	<u>1,805</u>
Total Allocated Benefits	<u>679,049</u>	<u>(10,813)</u>	<u>668,236</u>	<u>560,839</u>	<u>107,397</u>
On-Behalf TPAF Pension Contributions				72,027	(72,027)
On-Behalf TPAF Post Retirement Medical Benefits				114,344	(114,344)
Reimbursed TPAF Social Security Contribution				107,342	(107,342)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,713</u>	<u>(293,713)</u>
Total Undistributed Expenditures	<u>\$ 2,962,221</u>	<u>\$ 37,481</u>	<u>\$ 2,999,702</u>	<u>\$ 2,725,120</u>	<u>\$ 274,582</u>
TOTAL CURRENT	<u>\$ 4,851,877</u>	<u>\$ 103,506</u>	<u>\$ 4,955,383</u>	<u>\$ 4,461,200</u>	<u>\$ 494,183</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment:					
Vocational Programs:					
Regular Programs	\$ 85,000	\$ (67,807)	\$ 17,193	\$ 13,754	\$ 3,439
Undistributed:					
Support Services-Instructional Staff	31,484	75	31,559	31,558	1
School Administration		2,751	2,751	2,751	
Required Maintenance for School Facilities		20,000	20,000	9,075	10,925
Total	116,484	(44,981)	71,503	57,138	14,365
Facilities Acquisition & Construction Services:					
Assessment for Debt Service on SDA Funding	37,934		37,934	37,934	
Total	37,934	-	37,934	37,934	-
TOTAL CAPITAL OUTLAY	\$ 154,418	\$ (44,981)	\$ 109,437	\$ 95,072	\$ 14,365
SPECIAL SCHOOLS					
Vocational Evening-Instruction:					
Salaries of Teachers	\$ 171,225		\$ 171,225	\$ 171,063	\$ 162
Purchased Professional and Technical Services	10,080	\$ 2,392	12,472	12,396	76
Other Purchased Services	553	1,915	2,468	1,467	1,001
General Supplies	40,582	5,693	46,275	37,959	8,316
Textbooks	14,200	3,500	17,700	12,284	5,416
Other Objects		6,724	6,724	6,587	137
Total	236,640	20,224	256,864	241,756	15,108
Vocational Evening-Support Services:					
Salaries	113,279	(10,370)	102,909	92,893	10,016
Employee Benefits	84,500	(1,805)	82,695	82,338	357
Purchased Professional and Technical Services	1,400	6,750	8,150	7,150	1,000
Other Purchased Services	39,575	(5,801)	33,774	30,442	3,332
Supplies and Materials	13,000	(8,998)	4,002	1,263	2,739
Other Objects	1,325		1,325	450	875
Total	253,079	(20,224)	232,855	214,536	18,319
TOTAL SPECIAL SCHOOLS	\$ 489,719	\$ -	\$ 489,719	\$ 456,292	\$ 33,427
TOTAL EXPENDITURES	\$ 5,496,014	\$ 58,525	\$ 5,554,539	\$ 5,012,564	\$ 541,975
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (712,952)	\$ (58,525)	\$ (771,477)	\$ 382,813	\$ 1,154,290
Other Financing Sources (Uses):					
Transfer Out-Capital Reserve to Capital Projects Fund	-	-	-	(450,311)	(450,311)
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(712,952)	(58,525)	(771,477)	(67,498)	703,979
Fund Balances, July 1	3,161,267	-	3,161,267	3,161,267	-
Fund Balances, June 30	\$ 2,448,315	\$ (58,525)	\$ 2,389,790	\$ 3,093,769	\$ 703,979

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	\$ (101,217)		\$ (101,217)	\$ (101,217)	
Increase in Capital Reserve	3,000	\$ 500,000	503,000	506,229	\$ 3,229
Withdrawal from Capital Reserve	(125,000)		(125,000)	(575,311)	(450,311)
Budgeted Fund Balance	<u>(489,735)</u>	<u>(558,525)</u>	<u>(1,048,260)</u>	<u>102,801</u>	<u>1,151,061</u>
TOTAL	<u>\$ (712,952)</u>	<u>\$ (58,525)</u>	<u>\$ (771,477)</u>	<u>\$ (67,498)</u>	<u>\$ 703,979</u>
RECAPITULATION OF FUND BALANCE					
Restricted Fund Balance:					
Excess Surplus:					
Prior Year-Designated for 2015-2016 Budget				\$ 263,452	
Current Year-Designated for 2016-2017 Budget				<u>294,213</u>	
					\$ 557,665
Committed Fund Balance:					
Capital Reserve				1,838,437	
Maintenance Reserve				<u>100</u>	
					1,838,537
Assigned Fund Balance:					
Year-End Encumbrances				25,329	
Designated for Subsequent Year's Expenditures				<u>362,088</u>	
					387,417
Unassigned Fund Balance					
					<u>310,150</u>
					3,093,769
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis					<u>(89,279)</u>
Fund Balance Per Governmental Funds (GAAP)					
					<u>\$ 3,004,490</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 110,000	\$ 31,340	\$ 141,340	\$ 103,099	\$ (38,241)
State Sources	807,707	65,045	872,752	238,591	(634,161)
Federal Sources	44,603		44,603	44,603	
TOTAL REVENUES	\$ 962,310	\$ 96,385	\$ 1,058,695	\$ 386,293	\$ (672,402)
EXPENDITURES					
Instruction:					
Salaries	\$ 174,927	\$ 82,458	\$ 257,385	\$ 92,153	\$ 165,232
Purchased Professional/Technical Services	4,050		4,050		4,050
General Supplies	158,015	11	158,026	31,276	126,750
Other Objects	6,000		6,000		6,000
Totals	342,992	82,469	425,461	123,429	302,032
Support Services:					
Salaries	308,171	(33,081)	275,090	112,878	162,212
Personal Services Employee Benefits	60,430	5,324	65,754	12,297	53,457
Purchased Professional/Technical Services	81,806	(25,000)	56,806	23,406	33,400
Other Purchased Services	38,056	32,643	70,699	21,092	49,607
Supplies and Materials	16,926	18,876	35,802	22,540	13,262
Other Objects	39,824	15,154	54,978	42,700	12,278
Total	545,213	13,916	559,129	234,913	324,216
Capital Outlay:					
Instructional Equipment	74,105	-	74,105	27,951	46,154
TOTAL EXPENDITURES	\$ 962,310	\$ 96,385	\$ 1,058,695	\$ 386,293	\$ 672,402

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION-PART II

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

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

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 5,395,377	\$ 386,293
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		7,247
Outstanding Encumbrances-Current Year		(31,612)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	88,863	
State Aid Receivable Current Year	(89,279)	
Total Revenues (GAAP Basis)	\$ 5,394,961	\$ 361,928
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 5,012,564	\$ 386,293
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding Encumbrances-Prior Year		7,247
Outstanding Encumbrances-Current Year		(31,612)
Total Expenditures (GAAP Basis)	\$ 5,012,564	\$ 361,928

REQUIRED SUPPLEMENTARY INFORMATION-PART III

HUNTERDON COUNTY POLYTECH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-TEACHER'S PENSION AND ANNUITY FUND
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.00%	0.00%							
District's Proportion of the Net Pension Liability (Asset)- Value	N/A	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's Proportionate Share of the Net Pension Liability (Asset) Associated With The District		7,692,234	7,931,977							
Total	\$ -	\$ 7,692,234	\$ 7,931,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll		\$ 1,362,171	\$ 1,231,182							
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	N/A	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		33.64%	33.76%							

N/A = Not Available

HUNTERDON COUNTY POLYTECH SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS-TEACHER'S PENSION AND ANNUITY FUND
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	\$ 72,027	\$ 60,886	\$ 101,414	\$ 54,687	\$ 5,617	\$ 6,110	\$ 5,908	\$ 141,528	\$ 78,016	N/A
Contribution Deficiency (Excess)	(72,027)	(60,886)	(101,414)	(54,687)	(5,617)	(6,110)	(5,908)	(141,528)	(78,016)	
District's Covered Employee Payroll	\$ 1,391,968	\$ 1,362,171	\$ 1,231,182	\$ 1,310,220	\$ 1,439,127	\$ 1,658,543	\$ 1,696,572	\$ 1,713,900	\$ 1,822,284	N/A
Contributions as a Percentage of Covered Employee Payroll	5.17%	4.47%	8.24%	4.17%	0.39%	0.37%	0.35%	8.26%	4.28%	N/A

N/A = Not Available

HUNTERDON COUNTY POLYTECH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.0079311189%	0.0092902319%							
District's Proportion of the Net Pension Liability (Asset)- Value		\$ 1,484,922	\$ 1,775,548							
District's Covered Employee Payroll	N/A	532,069	536,849	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll		279.08%	330.74%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		52.08%	48.72%							

N/A = Not Available

HUNTERDON COUNTY POLYTECH SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS-PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 65,383	\$ 70,000	\$ 66,882	\$ 50,190	\$ 43,304	\$ 34,790	\$ 38,415	\$ 24,980	\$ 11,835	N/A
Contributions in Relation to the Contractually Required Contribution	(65,383)	(70,000)	(66,882)	(50,190)	(43,304)	(34,790)	(38,415)	(24,980)	(11,835)	
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's Covered Employee Payroll	\$ 531,819	\$ 532,069	\$ 536,849	\$ 519,615	\$ 520,000	\$ 410,188	\$ 381,780	\$ 394,335	\$ 440,697	N/A
Contributions as a Percentage of Covered Employee Payroll	12.29%	13.16%	12.46%	9.66%	8.33%	8.48%	10.06%	6.33%	2.69%	N/A

N/A = Not Available

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION-PART III

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-PART III
(UNAUDITED)

JUNE 30, 2014 AND 2013

NOTE 1. SPECIAL FUNDING SITUATION-TPAF

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINED SCHEDULE OF REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Four Year Green Program	NJ LWD County Apprenticeship Coord Program	Perkins Post Secondary	Youth Transitions to Work	Brought Forward	Totals
REVENUES						
Local Sources					\$ 103,099	\$ 103,099
State Sources	\$ 3,875	\$ 30,779	\$ 93,861	\$ 106,227	3,849	238,591
Federal Sources					44,603	44,603
TOTAL REVENUES	\$ 3,875	\$ 30,779	\$ 93,861	\$ 106,227	\$ 151,551	\$ 386,293
EXPENDITURES						
Instruction:						
Salaries				\$ 24,497	\$ 67,656	\$ 92,153
General Supplies	\$ 11		\$ 9,696		21,569	31,276
Totals	11	\$ -	9,696	24,497	89,225	123,429
Support Services:						
Salaries	3,541	22,200	27,271	38,117	21,749	112,878
Personal Services Employee Benefits	179	2,149		6,164	3,805	12,297
Purchased Professional/Technical Services			22,406		1,000	23,406
Promotion & Advertising		3,627		2,318	16,883	22,828
Other Purchased Services	144	1,483	6,537	9,649	3,279	21,092
Supplies and Materials		895		19,370	2,275	22,540
Other Objects		425		6,112	13,335	19,872
Total	3,864	30,779	56,214	81,730	62,326	234,913
Capital Outlay:						
Instructional Equipment	-	-	27,951	-	-	27,951
Total	-	-	27,951	-	-	27,951
TOTAL EXPENDITURES	\$ 3,875	\$ 30,779	\$ 93,861	\$ 106,227	\$ 151,551	\$ 386,293

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINED SCHEDULE OF REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	County Vocational Computers	Perkins Secondary Reserve	Perkins Secondary	Ingersoll Rand Foundation	NCLB IIA	Greater Raritan Workforce Investment Board	United Way	Carry- Forward
REVENUES								
Local Sources				\$ 20,838		\$ 81,855	\$ 406	\$ 103,099
State Sources	\$ 3,849							3,849
Federal Sources		\$ 12,280	\$ 29,347		\$ 2,976			44,603
TOTAL REVENUES	\$ 3,849	\$ 12,280	\$ 29,347	\$ 20,838	\$ 2,976	\$ 81,855	\$ 406	\$ 151,551
EXPENDITURES								
Instruction:								
Salaries			\$ 17,927			\$ 49,329	\$ 400	\$ 67,656
General Supplies		\$ 800	730	\$ 20,039				21,569
Totals	\$ -	800	18,657	20,039	\$ -	49,329	400	89,225
Support Services:								
Salaries	3849	10,980	6,920					21,749
Personal Services Employee Benefits						3,774	31	3,805
Purchased Professional/Technical Services					1,000			1,000
Promotion & Advertising						16,883		16,883
Other Purchased Services		500	1,354	799		651	(25)	3,279
Supplies and Materials					1,976	299		2,275
Other Objects			2,416			10,919		13,335
Total	3,849	11,480	10,690	799	2,976	32,526	6	62,326
Capital Outlay:								
Instructional Equipment	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 3,849	\$ 12,280	\$ 29,347	\$ 20,838	\$ 2,976	\$ 81,855	\$ 406	\$ 151,551

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Other Financing Sources (Uses):	
State Sources-NJ SDA Grant	\$ 300,208
Local Sources:	
Transfer In	450,311
	<u>750,519</u>
Expenditures and Other Financing Uses:	
Professional Fees	51,600
	<u>51,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	698,919
Fund Balance-Beginning	<u>-</u>
Fund Balance-Ending	<u>\$ 698,919</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
 PROJECT STATUS-BUDGETARY BASIS-ELECTRICAL SERVICE/LIGHTING CONTROLS/PA SYSTEM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-NJ SDA Grant		\$ 300,208	\$ 300,208	\$ 300,208
Local Sources:				
Transfer In		450,311	450,311	450,311
Total Revenues	\$ -	750,519	750,519	750,519
Expenditures and Other Financing Uses:				
Professional Fees		51,600	51,600	64,871
Review Fees				24,924
Construction Services				600,658
Construction Contingency				60,066
Total Expenditures	-	51,600	51,600	750,519
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 698,919	\$ 698,919	\$ -

Additional Project Information:

Project Number	2308-050-14-G3AV
Grant Date	04/23/15
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 750,519
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 750,519
Percentage Complete	6.88%

PROPRIETARY FUND

DETAIL STATEMENTS

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
ENTERPRISE FUND
JUNE 30, 2015

	<u>Special Services</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 428,088
Total Assets	<u>428,088</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	450
Total Liabilities	<u>450</u>
NET POSITION	
Unrestricted	<u>427,638</u>
TOTAL NET POSITION	<u>\$ 427,638</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Special Services</u>
Operating Revenues:	
Charges for Services:	
Program Fees	\$ 37,240
Total Operating Revenues	<u>37,240</u>
Operating Expenses:	
Salaries	33,989
Employee Benefits	2,968
Supplies and Materials	6,364
Total Operating Expenses	<u>43,321</u>
Change in Net Position	(6,081)
Net Position, Beginning	<u>433,719</u>
Net Position, Ending	<u>\$ 427,638</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
STATEMENT OF FUND CASH FLOWS
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Services
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 37,240
Payments to Vendors (Net)	(43,989)
Net Cash Provided by (Used For) Operating Activities	(6,749)
 Cash and Cash Equivalents, July 1, 2014	 434,837
 Cash and Cash Equivalents, June 30, 2015	 \$ 428,088
 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	\$ (6,081)
 Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Increase (Decrease) in Accounts Payable	(668)
 Net Cash Provided by (Used For) Operating Activities	 \$ (6,749)

FIDUCIARY FUND
DETAIL STATEMENTS

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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY FUND NET POSITION
JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS					
Cash & Cash Equivalents	\$ 55,816	\$ 21,025	\$ 192,783	\$ 71,642	\$ 341,266
Total Assets	55,816	21,025	192,783	71,642	341,266
LIABILITIES					
Payroll Deductions & Withholdings Due to Student Groups			192,783	71,642	71,642 192,783
Total Liabilities	-	-	192,783	71,642	264,425
NET POSITION					
Held in Trust for Unemployment Claims & Other Purposes	55,816	21,025	-	-	76,841
TOTAL NET POSITION	\$ 55,816	\$ 21,025	\$ -	\$ -	\$ 76,841

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Total
ADDITIONS			
Contributions:			
Employee Withholdings	\$ 4,632		\$ 4,632
Other		\$ 350	350
Miscellaneous		50	50
Interest Earnings	206	77	283
Total Additions	<u>4,838</u>	<u>477</u>	<u>5,315</u>
DEDUCTIONS			
Scholarship Awards		1,250	1,250
Unemployment Claims	20,570		20,570
Total Deductions	<u>20,570</u>	<u>1,250</u>	<u>21,820</u>
Other Financing Sources:			
Transfers In from General Fund	<u>15,500</u>	-	<u>15,500</u>
Change in Net Position	(232)	(773)	(1,005)
Net Position, Beginning of the Year	<u>56,048</u>	<u>21,798</u>	<u>77,846</u>
Net Position, End of the Year	<u>\$ 55,816</u>	<u>\$ 21,025</u>	<u>\$ 76,841</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
ASSETS				
Cash & Cash Equivalents	\$ 185,881	\$ 182,156	\$ 175,254	\$ 192,783
TOTAL ASSETS	<u>\$ 185,881</u>	<u>\$ 182,156</u>	<u>\$ 175,254</u>	<u>\$ 192,783</u>
LIABILITIES				
Hunterdon Central Campus	\$ 46,192	\$ 52,026	\$ 49,093	\$ 49,125
Bartle's Corner Campus	112,273	90,046	74,079	128,240
Culinary Arts	25,910	40,080	52,082	13,908
Marketing Account	1,506	4		1,510
TOTAL LIABILITIES	<u>\$ 185,881</u>	<u>\$ 182,156</u>	<u>\$ 175,254</u>	<u>\$ 192,783</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
ASSETS				
Cash & Cash Equivalents	\$ 59,953	\$ 2,850,621	\$ 2,838,932	\$ 71,642
TOTAL ASSETS	<u>\$ 59,953</u>	<u>\$ 2,850,621</u>	<u>\$ 2,838,932</u>	<u>\$ 71,642</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 11,922	\$ 1,100,903	\$ 1,111,584	\$ 1,241
Summer Pay	46,723	67,912	47,848	66,787
Flexible Spending	1,308	2,606	300	3,614
Net Payroll		<u>1,679,200</u>	<u>1,679,200</u>	
TOTAL LIABILITIES	<u>\$ 59,953</u>	<u>\$ 2,850,621</u>	<u>\$ 2,838,932</u>	<u>\$ 71,642</u>

LONG-TERM DEBT SCHEDULES

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

(NOT APPLICABLE TO THIS REPORT)

STATISTICAL SECTION

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 STATISTICAL SECTION J SERIES

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

Sources: Unless Otherwise noted, the Information in these Schedules is Derived from the Comprehensive Annual Financial Reports (CAFR) for the Relevant Year.

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENT ACTIVITIES										
Net Investment in Capital Assets	\$ 9,766,483	\$ 11,910,784	\$ 11,789,666	\$ 11,575,589	\$ 11,364,335	\$ 11,064,040	\$ 10,827,852	\$ 10,599,330	\$ 10,364,814	\$ 10,134,842
Restricted	212,785	256,907	561,260	672,875	675,039	647,375	901,225	1,403,829	1,907,619	2,537,456
Unrestricted	1,034,149	1,237,659	893,493	682,463	515,299	936,188	1,093,737	1,089,099	(1,068,097)	(1,067,619)
TOTAL GOVERNMENTAL ACTIVITIES										
NET POSITION	<u>\$ 11,013,417</u>	<u>\$ 13,405,350</u>	<u>\$ 13,244,419</u>	<u>\$ 12,930,927</u>	<u>\$ 12,554,673</u>	<u>\$ 12,647,603</u>	<u>\$ 12,822,814</u>	<u>\$ 13,092,258</u>	<u>\$ 11,204,336</u>	<u>\$ 11,604,679</u>
BUSINESS-TYPE ACTIVITIES										
Unrestricted	\$ 259,868	\$ 333,752	\$ 419,139	\$ 482,313	\$ 440,945	\$ 422,869	\$ 453,708	\$ 439,219	\$ 433,719	\$ 427,638
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 259,868</u>	<u>\$ 333,752</u>	<u>\$ 419,139</u>	<u>\$ 482,313</u>	<u>\$ 440,945</u>	<u>\$ 422,869</u>	<u>\$ 453,708</u>	<u>\$ 439,219</u>	<u>\$ 433,719</u>	<u>\$ 427,638</u>
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 9,766,483	\$ 11,910,784	\$ 11,789,666	\$ 11,575,589	\$ 11,364,335	\$ 11,064,040	\$ 10,827,852	\$ 10,599,330	\$ 10,364,814	\$ 10,134,842
Restricted	212,785	256,907	561,260	672,875	675,039	647,375	901,225	1,403,829	1,907,619	2,537,456
Unrestricted	1,294,017	1,571,411	1,312,632	1,164,776	956,244	1,359,057	1,547,445	1,528,318	(634,378)	(639,981)
TOTAL DISTRICT-WIDE	<u>\$ 11,273,285</u>	<u>\$ 13,739,102</u>	<u>\$ 13,663,558</u>	<u>\$ 13,413,240</u>	<u>\$ 12,995,618</u>	<u>\$ 13,070,472</u>	<u>\$ 13,276,522</u>	<u>\$ 13,531,477</u>	<u>\$ 11,638,055</u>	<u>\$ 12,032,317</u>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental Activities:										
Instruction:										
Vocational Education	\$ 2,056,319	\$ 2,416,327	\$ 2,225,999	\$ 2,251,446	\$ 2,218,999	\$ 2,221,863	\$ 2,321,325	\$ 2,082,488	\$ 2,369,806	\$ 2,816,213
Other Instruction	24,213	37,523	36,138	51,363	23,223	25,204	40,021	39,418	43,366	33,784
Support Services:										
Student & Instruction Related Services	556,338	463,269	642,065	809,308	828,593	656,797	591,881	673,562	944,489	873,426
General & Business Administrative Services	521,219	542,377	588,508	653,357	607,792	587,085	575,863	637,242	685,691	623,530
School Administration	132,685	155,777	284,535	185,964	199,553	210,065	301,017	300,474	340,249	342,646
Plant Operations & Maintenance	893,101	700,407	788,016	720,901	753,658	681,217	672,771	660,480	753,556	825,958
Pupil Transportation	25,097	23,649	24,772	29,424	24,533	24,497	19,047	16,462	21,935	17,062
Interest and Other Debt Charges						47,529	27,640	37,934	37,934	37,934
Special Schools	461,432	658,567	495,097	513,559	460,587	425,601	471,636	477,368	544,346	500,115
Total Governmental Activities Expenses	<u>4,670,404</u>	<u>4,997,896</u>	<u>5,085,130</u>	<u>5,215,322</u>	<u>5,116,938</u>	<u>4,879,858</u>	<u>5,021,201</u>	<u>4,925,428</u>	<u>5,741,372</u>	<u>6,070,668</u>
Business-Type Activities:										
Special Services	347,371	232,076	236,055	253,086	48,608	265,846	230,932	234,416	18,438	43,321
Child Care	200,976									
Total Business-Type Activities	<u>548,347</u>	<u>232,076</u>	<u>236,055</u>	<u>253,086</u>	<u>48,608</u>	<u>265,846</u>	<u>230,932</u>	<u>234,416</u>	<u>18,438</u>	<u>43,321</u>
TOTAL DISTRICT EXPENSES	<u>\$ 5,218,751</u>	<u>\$ 5,229,972</u>	<u>\$ 5,321,185</u>	<u>\$ 5,468,408</u>	<u>\$ 5,165,546</u>	<u>\$ 5,145,704</u>	<u>\$ 5,252,133</u>	<u>\$ 5,159,844</u>	<u>\$ 5,759,810</u>	<u>\$ 6,113,989</u>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services	\$ 1,652,403	\$ 1,791,494	\$ 1,707,986	\$ 1,649,513	\$ 1,817,082	\$ 2,112,051	\$ 2,186,689	\$ 2,035,062	\$ 2,365,917	\$ 2,593,739
Operating Grants & Contributions	216,660	359,475	283,552	506,749	494,030	323,628	340,553	364,725	441,442	361,928
Total Governmental Activities Program Revenues	1,869,063	2,150,969	1,991,538	2,156,262	2,311,112	2,435,679	2,527,242	2,399,787	2,807,359	2,955,667
Business-Type Activities:										
Charges for Services:										
Special Services	424,664	305,475	321,442	316,260	7,240	247,770	261,771	219,927	12,938	37,240
Child Care	188,035									
Total Business-Type Activities Program Revenues	612,699	305,475	321,442	316,260	7,240	247,770	261,771	219,927	12,938	37,240
TOTAL DISTRICT-PROGRAM REVENUES	\$ 2,481,762	\$ 2,456,444	\$ 2,312,980	\$ 2,472,522	\$ 2,318,352	\$ 2,683,449	\$ 2,789,013	\$ 2,619,714	\$ 2,820,297	\$ 2,992,907
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (2,801,341)	\$ (2,846,927)	\$ (3,093,592)	\$ (3,059,060)	\$ (2,805,826)	\$ (2,444,179)	\$ (2,493,959)	\$ (2,525,641)	\$ (2,118,069)	\$ (3,115,001)
Business-Type Activities	64,352	73,399	85,387	63,174	(41,368)	(18,076)	30,839	(14,489)	(221,478)	(6,081)
TOTAL DISTRICT-WIDE NET EXPENSES	\$ (2,736,989)	\$ (2,773,528)	\$ (3,008,205)	\$ (2,995,886)	\$ (2,847,194)	\$ (2,462,255)	\$ (2,463,120)	\$ (2,540,130)	\$ (2,339,547)	\$ (3,121,082)
GENERAL REVENUES & OTHER CHANGES IN NET POSITION										
Governmental Activities:										
County Taxes Levied for General Purposes	\$ 1,500,000	\$ 1,349,206	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,520,579	\$ 1,550,979
Unrestricted Grants & Contributions	1,225,367	1,361,649	1,396,206	1,245,821	950,744	1,076,462	1,196,567	1,238,248	1,203,807	1,637,854
County of Hunterdon Contribution-Financing of Capital Projects	2,016,803					(14,819)				
Capital Grant-Unallocated	1,999,690	2,362,338								300,208
Investment Earnings	81,924	135,935	78,553	20,417	6,954	2,803	17,472	11,310	12,462	13,055
Miscellaneous Income	2,281	29,668	9,728	31,156	23,700	24,489	6,957	97,353	15,158	13,248
Gain (Loss) Sale of Capital Assets	13,901								(367)	
Forgiveness of Debt	(42,018)									
Operating Transfers		64								
Total Governmental Activities	6,797,948	5,238,860	2,932,661	2,745,568	2,429,572	2,537,109	2,669,170	2,795,085	2,751,639	3,515,344

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES & OTHER CHANGES IN NET POSITION (Cont'd)										
Business-Type Activities:										
Investment Earnings	\$ 1,848	\$ 549								
Miscellaneous Income										
Forgiveness of Debt	42,018									
Operating Transfers		(64)								
Total Business-Type Activities	43,866	485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DISTRICT-WIDE	<u>\$ 6,841,814</u>	<u>\$ 5,239,345</u>	<u>\$ 2,932,661</u>	<u>\$ 2,745,568</u>	<u>\$ 2,429,572</u>	<u>\$ 2,537,109</u>	<u>\$ 2,669,170</u>	<u>\$ 2,669,170</u>	<u>\$ 2,795,085</u>	<u>\$ 3,515,344</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 3,996,607	\$ 2,391,933	\$ (160,931)	\$ (313,492)	\$ (376,254)	\$ 92,930	\$ 175,211	\$ 269,444	\$ 269,444	\$ 400,343
Business-Type Activities	108,218	73,884	85,387	63,174	(41,368)	(18,076)	30,839	(14,489)	(14,489)	(6,081)
TOTAL DISTRICT	<u>\$ 4,104,825</u>	<u>\$ 2,465,817</u>	<u>\$ (75,544)</u>	<u>\$ (250,318)</u>	<u>\$ (417,622)</u>	<u>\$ 74,854</u>	<u>\$ 206,050</u>	<u>\$ 254,955</u>	<u>\$ 254,955</u>	<u>\$ 394,262</u>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted	\$ 803,153	\$ 770,181	\$ 541,133	\$ 454,099	\$ 450,479	\$ 662,877	\$ 965,522	\$ 1,017,572	\$ 753,187	\$ 557,665
Committed	212,785	223,986	537,128	643,994	646,080	647,375	901,225	1,403,829	1,907,619	1,838,537
Assigned	476,352	657,552	475,586	418,133	240,213	379,383	293,009	240,735	226,217	387,417
Unassigned	198,577	200,466	209,848	151,863	146,711	174,075	162,714	161,137	185,381	220,871
Total General Fund	<u>\$ 1,690,867</u>	<u>\$ 1,852,185</u>	<u>\$ 1,763,695</u>	<u>\$ 1,668,089</u>	<u>\$ 1,483,483</u>	<u>\$ 1,863,710</u>	<u>\$ 2,322,470</u>	<u>\$ 2,823,273</u>	<u>\$ 3,072,404</u>	<u>\$ 3,004,490</u>
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ 31	\$ 32,921	\$ 28,178	\$ 29,061	\$ 28,959	\$ -	\$ -	\$ -	\$ -	\$ 698,919
Total All Other Governmental Funds	<u>\$ 31</u>	<u>\$ 32,921</u>	<u>\$ 28,178</u>	<u>\$ 29,061</u>	<u>\$ 28,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 698,919</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
County Tax Levy	\$ 1,500,000	\$ 1,349,206	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,448,174	\$ 1,520,579	\$ 1,550,979
Tuition Charges	1,652,403	1,791,494	1,707,986	1,649,513	1,817,082	2,112,051	2,186,689	2,031,562	1,930,521	2,591,174
Interest Earnings	81,924	135,935	78,553	20,417	6,954	2,803	17,472	11,310	12,462	13,055
Miscellaneous	16,804	35,527	15,728	46,156	29,700	29,349	8,952	202,916	531,562	97,650
State Sources	1,249,644	1,383,689	1,447,192	1,286,592	1,003,063	1,198,220	1,421,405	1,458,565	1,492,498	1,759,636
Federal Sources	192,178	331,640	226,566	465,978	435,711	197,010	113,720	42,345	53,508	44,603
Total Revenues	4,692,953	5,027,491	4,924,199	4,916,830	4,740,684	4,987,607	5,196,412	5,194,872	5,541,130	6,057,097
Expenditures:										
Instruction:										
Vocational Education	1,390,213	1,469,699	1,365,014	1,344,510	1,371,507	1,420,374	1,444,486	1,326,025	1,571,671	1,704,837
Other Instruction	22,927	34,886	32,636	44,064	20,963	24,573	36,104	23,981	40,761	31,243
Support Services:										
Student & Instruction Related Services	317,169	208,810	309,144	369,656	358,572	291,255	273,859	286,526	414,191	400,425
General Administration	285,751	266,235	290,320	348,459	302,552	306,637	279,922	302,312	342,303	305,018
School Administration Services	104,158	112,318	198,591	136,062	149,449	152,417	184,756	206,338	232,579	227,751
Central Services / Business	123,199	135,631	150,292	144,255	154,283	144,336	148,640	164,837	161,354	148,329
Plant Operations & Maintenance	875,987	672,265	755,309	686,789	712,615	638,323	625,950	609,790	691,453	774,969
Pupil Transportation	18,507	20,035	22,203	23,926	18,977	17,504	14,470	12,188	15,782	14,076
Employee Benefits	497,518	619,025	607,083	534,013	607,212	619,517	604,741	547,990	527,221	560,839
On-Behalf TPAF Pension & Soc Sec Contributions	234,649	370,931	377,254	267,295	251,384	241,494	271,816	313,342	277,324	293,713
Special Schools-Vocational Evening	411,096	584,714	427,359	451,658	409,053	370,636	406,267	416,281	451,058	456,292
Capital Outlay	88,657	20,582	189,887	143,866	74,795	9,135	78,448	81,800	86,926	57,138
Capital Projects	4,046,816	2,321,015	8,788	10,251		14,162				51,600
Interest and Other Charges						47,529	27,640	37,934	37,934	37,934
Special Revenue Funds	216,660	359,475	283,552	506,749	494,030	323,628	340,553	364,725	441,442	361,928
Total Expenditures	8,633,307	7,195,621	5,017,432	5,011,553	4,925,392	4,621,520	4,737,652	4,694,069	5,291,999	5,426,092
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(3,940,354)	(2,168,130)	(93,233)	(94,723)	(184,708)	366,087	458,760	500,803	249,131	631,005
Other Financing Sources (Uses):										
State Sources-Capital Projects	1,999,690	2,362,338								
County of Hunterdon-Financing of Capital Projects	2,016,803					(14,819)				
Forgiveness of Debt-Child Care	(42,018)									
Total Other Financing Sources (Uses)	3,974,475	2,362,338	-	-	-	(14,819)	-	-	-	-
Net Change in Fund Balances	\$ 34,121	\$ 194,208	\$ (93,233)	\$ (94,723)	\$ (184,708)	\$ 351,268	\$ 458,760	\$ 500,803	\$ 249,131	\$ 631,005
Total Non-capital Expenditures	\$ 4,497,834	\$ 4,854,024	\$ 4,818,757	\$ 4,857,436	\$ 4,850,597	\$ 4,550,694	\$ 4,631,564	\$ 4,574,335	\$ 5,167,139	\$ 5,279,420

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.

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

Description	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tuition	\$ 1,652,403	\$ 1,791,494	\$ 1,707,986	\$ 1,649,513	\$ 1,817,082	\$ 2,112,051	\$ 2,186,689	\$ 2,031,562	\$ 1,986,532	\$ 2,282,324
Interest Income	73,501	116,040	74,508	20,237	6,876	2,781	17,472	11,310	12,462	13,055
Aides Revenue									284,993	308,850
Prior Year Refunds		2,946	712	18,189	1,941	23,980	6,322	96	660	4,266
Prior Year Refunds-E Rate			4,339	3,070	4,465			6,050	8,328	2,769
Miscellaneous	28	85					266		2,520	3,689
Miscellaneous Grants									4,650	
Certified Nurse Assistant Program									4,750	
Community College Culinary Program									62,407	
Donations									2,500	
Insurance-Return of Surplus					1,394					
Energy Audit					11,170					
Sale of Surplus Equipment	14,318		2,000	3,500				1,100	1,000	2,524
Sale of Scrap Metal				1,944						
Fund 20 Adjustment				1,092	281	193				
Accounts Payable Canceled	2,253	23,961	2,036	3,361	4,449	91		89,755		
Old Outstanding Checks Canceled		2,740	157					352		
Close Out Old Payroll Account			484							
Use of Facilities						225		3,500	4,500	2,565
New Jersey Anti Bullying Aid							369			
Annual Totals	\$ 1,742,503	\$ 1,937,266	\$ 1,792,222	\$ 1,700,906	\$ 1,847,658	\$ 2,139,321	\$ 2,211,118	\$ 2,143,725	\$ 2,375,302	\$ 2,620,042

Source: District Records

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

Assessment Year	Net Assessed Values	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
2006	\$ 18,480,246,735	\$ 23,201,714,812	79.65%
2007	21,326,236,051	25,463,161,653	83.75%
2008	21,503,544,053	25,037,350,092	85.89%
2009	21,247,162,048	24,133,730,532	88.04%
2010	20,942,758,664	23,830,261,322	87.88%
2011	20,609,364,312	22,905,127,300	89.98%
2012	20,189,729,633	21,861,660,765	92.35%
2013	19,761,317,631	21,222,096,541	93.12%
2014	19,518,056,941	20,723,794,815	94.18%
2015	19,487,429,897	20,824,335,500	93.58%

Source: Abstract of Ratables, County Board of Taxation

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2006	129,354	\$ 8,408,268,708	\$ 64,923	3.3%
2007	129,655	8,854,269,605	68,291	2.9%
2008	129,806	8,923,773,082	68,747	3.8%
2009	130,034	8,543,103,766	65,699	6.8%
2010	127,343	8,365,289,013	65,691	7.0%
2011	127,253	8,871,697,401	69,717	6.9%
2012	126,593	9,435,482,662	74,534	7.1%
2013	126,473	9,551,620,379	75,523	5.9%
2014	126,067	N/A	N/A	4.7%
2015	N/A	N/A	N/A	N/A

Sources:

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

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

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction	21.1	22.8	20.0	23.0	24.0	21.0	17.7	17.0	16.0	15.6
Support Services:										
Student & Inst Related Services	4.3	3.8	4.1	5.2	5.0	2.9	3.6	3.6	7.0	6.0
General Administration	1.8	2.8	1.9	2.0	2.2	2.3	1.8	1.8	2.0	2.0
School Administration Services	1.1	1.1	2.2	1.2	3.0	1.5	1.9	1.9	2.0	2.0
Central Services / Business	1.8	1.8	2.2	2.2	2.7	2.1	2.1	2.1	3.0	2.3
Other Support Staff	1.9	3.1	2.0	2.4	2.5	2.1	2.6	2.6	3.0	4.2
Plant Operations & Maintenance	1.0	1.2	1.2	1.4	2.4	2.5	2.5	2.5	2.0	2.9
Pupil Transportation	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1		0.1
Total	33.2	36.8	33.8	37.6	41.9	34.5	32.3	31.6	35.0	35.1

Sources: District Personnel Records

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Average Daily Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Full Time Teaching Staff	Teacher Ratio	Average Daily Enrollment (ADE) (b)	Average Daily Attendance (ADA) (b)	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	490.5	\$ 4,086,738	\$ 8,332	2.69%	19.0	1 to 25.82	490.5	475.1	-2.93%	96.86%
2007	487.7	4,269,310	8,754	5.07%	21.0	1 to 23.23	487.7	458.9	-0.57%	94.09%
2008	373.0	4,391,398	11,773	34.49%	17.0	1 to 21.95	373.0	350.9	-23.52%	94.08%
2009	507.1	4,405,776	8,688	-26.20%	20.0	1 to 25.36	507.1	473.0	35.95%	93.28%
2010	545.1	4,441,544	8,148	-6.22%	24.0	1 to 21.53	545.5	516.7	7.57%	94.72%
2011	503.8	4,180,058	8,297	1.83%	21.0	1 to 23.99	503.8	476.5	-7.64%	94.58%
2012	443.6	4,225,297	9,525	14.80%	17.7	1 to 25.07	443.6	416.8	-11.95%	93.96%
2013	411.0	4,158,054	10,117	6.21%	17.0	1 to 24.18	411.0	381.3	-7.35%	92.77%
2014 (c)	222.0	4,716,081	21,244	123.03%	17.0	1 to 13.06	222.5	211.4	-45.86%	95.01%
2015	240.0	4,823,128	20,096	98.64%	15.6	1 to 13.39	243.1	231.7	9.26%	95.31%

Source: District Records

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

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

(c) Effective for the school year 2013-2014, the Average Daily Enrollment and Average Daily Attendance are based on a "shared" student basis

SCHOOL BUILDING INFORMATION	YEAR	SQUARE FEET
Hunterdon Central Building	2006	22,885
Culinary Arts Building	2007	5,760
Building Trades Building	2007	5,913
Pre-Vet Building	N/A	1,921

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
(UNAUDITED)

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

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITOR'S REPORT

November 25, 2015

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Hunterdon County Vocational School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated November 25, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



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

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITOR'S REPORT

November 25, 2015

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Hunterdon County Vocational School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2015. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 15-08. Those standards, OMB Circular A-133 and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

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

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

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

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133
and Expenditures of State Financial Assistance Required by NJ OMB 15-08**

We have audited the financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 25, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



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

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repay of Prior Year Balance	Balance June 30, 2015			
					6/30/2014 (Acct Rec) Unearned Rev						Accounts Receivable	Unearned Revenue	Due to Grantor	
Special Revenue Fund:														
NCLB Title II Part A	84.367A	NCLB-230814	\$ 3,027	7/01/2013-6/30/2014	\$ (3,027)		\$ 3,027							
NCLB Title II Part A	84.367A	NCLB-230815	2,976	7/01/2014-6/30/2015			2,976	\$ 2,976						
Carl D Perkins Secondary	84.048A	PERK-230814	29,787	7/01/2013-6/30/2014	(29,787)		29,787							
Secondary	84.048A	PERK-230815	29,347	7/01/2014-6/30/2015			29,347	29,347						
Secondary-Reserve	84.048A	PERK-230814	12,442	7/01/2013-6/30/2014	(12,441)		12,441							
Secondary-Reserve	84.048A	PERK-230815	12,280	7/01/2014-6/30/2015			12,280	12,280						
Total Special Revenue Fund					(45,255)	\$ -	89,858	44,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (45,255)	\$ -	\$ 89,858	\$ 44,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULE OF FINANCIAL ASSISTANCE

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2014 (Acct Rec)		Budgetary Expenditure	Repay Balances/ Adjustment	Balance June 30, 2015			MEMO	
				Unearned Rev	Cash Received			Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
General Fund:												
Security Aid	14-495-034	\$ 17,448	7/01/2013-									
	5120-084		6/30/2014	\$ (1,674)	\$ 1,674							
Security Aid	15-495-034	17,448	7/01/2014-									
	5120-084		6/30/2015		15,774	\$ 17,448		\$ (1,674)			\$ (1,674)	\$ 17,448
Special Education Aid	14-495-034	132,571	7/01/2013-									
	5120-089		6/30/2014	(12,715)	12,715							
Special Education Aid	15-495-034	132,571	7/01/2014-									
	5120-089		6/30/2015		119,853	132,571		(12,718)			(12,718)	132,571
Adjustment Aid	14-495-034	535,424	7/01/2013-									
	5120-085		6/30/2014	(51,355)	51,355							
Adjustment Aid	15-495-034	529,253	7/01/2014-									
	5120-085		6/30/2015		477,888	529,253		(51,365)			(51,365)	529,253
Additional Adjustment Aid	15-495-034	6,171	7/01/2014-									
	5120-085		6/30/2015		6,171	6,171						
Equalization Aid	14-495-034	241,040	7/01/2013-									
	5120-078		6/30/2014	(23,119)	23,119							
Equalization Aid	15-495-034	241,040	7/01/2014-									
	5120-078		6/30/2015		217,916	241,040		(23,124)			(23,124)	241,040
Per Pupil Growth Aid	15-495-034	2,080	7/01/2014-									
	5120-097		6/30/2015		1,881	2,080		(199)			(199)	2,080
PARCC Readiness Aid	15-495-034	2,080	7/01/2014-									
	5120-098		6/30/2015		1,881	2,080		(199)			(199)	2,080
Reimbursed TPAF Social Security Contribution	14-495-034	107,342	7/01/2014-									
	5094-003		6/30/2015		107,342	107,342						107,342
On-Behalf TPAF Pension Contribution- Normal Costs and Accrued Liability	15-495-034	67,193	7/01/2014-									
	5094-006		6/30/2015		67,193	67,193						67,193
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	15-495-034	4,834	7/01/2014-									
	5094-007		6/30/2015		4,834	4,834						4,834
On-Behalf TPAF Pension Contribution- Post Retirement Medical	15-495-034	114,344	7/01/2014-									
	5094-001		6/30/2015		114,344	114,344						114,344
Total General Fund				(88,863)	1,223,940	1,224,356	\$ -	(89,279)	\$ -	\$ -	(89,279)	1,218,185

SEE ACCOMPANYING NOTES TO SCHEDULE OF FINANCIAL ASSISTANCE

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2014 (Acct Rec) Unearned Rev	Cash Received	Budgetary Expenditure	Repay Balances/ Adjustment	Balance June 30, 2015			MEMO	
								Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
Special Revenue Fund:												
Apprenticeship Coordinator-Somerset County	15-100-034	\$ 28,500	7/01/2014-6/30/2015		\$ 5,596	\$ 17,939		\$ (22,904)	\$ 10,561		\$ (22,904)	\$ 17,939
Apprenticeship Coordinator-Somerset County	14-100-034	15,000	7/01/2013-6/30/2014	\$ (6,898)	6,898							
Apprenticeship Coordinator-Hunterdon County	15-100-034	20,250	7/01/2014-6/30/2015		6,748	12,840		(13,502)	7,410		(13,502)	12,840
Apprenticeship Coordinator-Hunterdon County	14-100-034	10,000	7/01/2013-6/30/2014	(3,241)	3,241							
Perkins Postsecondary	15-100-034	93,861	7/01/2014-6/30/2015		93,861	93,861						93,861
Perkins Postsecondary	14-100-034	90,465	7/01/2013-6/30/2014	(90,465)	90,465							
Four Year Green Program of Study	14AG85G0	6,000	2/01/14-1/31/2015	(3,333)	1,208	3,875		(4,792)	(1,208)		(4,792)	7,208
County Vocational Comp	15EO0147	590,096	4/01/15-6/30/2018			3,849		(590,096)	586,247		(590,096)	3,849
Youth Transitions to Work Partnership Program (Dept of Labor and Workforce Development)	WDP 05-13-007	135,000	12/1/2012-8/31/2013	12						\$ 12		
Youth Transitions to Work Partnership Program (Dept of Labor and Workforce Development)	14-100-034	160,000	9/01/2013-8/31/2014	(35,793)	97,024	61,169		(10,153)	10,215			149,785
Youth Transitions to Work Partnership Program (Dept of Labor and Workforce Development)	15-100-034	75,000	1/01/2015-8/31/2015			45,058		(75,000)	29,942		(75,000)	45,057
Total Special Revenue Fund				(139,718)	305,041	238,591	\$ -	(716,447)	643,167	12	\$ (706,294)	330,539
TOTAL STATE FINANCIAL ASSISTANCE				\$ (228,581)	\$ 1,528,981	\$ 1,462,947	\$ -	\$ (805,726)	\$ 643,167	\$ 12	\$ (795,573)	\$ 1,548,724

SEE ACCOMPANYING NOTES TO SCHEDULE OF FINANCIAL ASSISTANCE

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$416 for the general fund and \$24,365 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund			\$ 1,223,940	\$ 1,223,940
Special Revenue Fund	\$ 81,837	\$ 44,603	235,488	361,928
	<u>\$ 81,837</u>	<u>\$ 44,603</u>	<u>\$ 1,459,428</u>	<u>\$ 1,585,868</u>

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

1. Material weakness(es) identified? Yes X No
2. Reportable conditions identified
that are not considered to be material
weaknesses? Yes X No

Noncompliance Material to Financial Statements Noted? Yes X No

Federal Awards NOT APPLICABLE

Internal Control Over Major Programs:

1. Material weakness(es) identified? Yes No
2. Reportable conditions identified
that are not considered to be material
weaknesses? Yes No

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

Any Audit Findings Disclosed that are Required
to be Reported in Accordance with Section .510
(a) of Circular A-133 Yes No

Identification of Major Programs:

CFDA Numbers Amount Name of Federal Program

NOT APPLICABLE

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

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

Auditee qualified as a low-risk auditee X Yes No

State Awards

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

Auditee Qualified as low-risk auditee X Yes No

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

Internal Control Over Major Programs:
1. Material weakness(es) identified? Yes X No

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

Any Audit Findings Disclosed That are Required
to be Reported in Accordance with NJ OMB
Circular Letter 15-08? Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
15-495-034-5120-078	\$ 241,040	Equalization Aid
15-495-034-5120-085	529,253	Adjustment Aid
15-495-034-5120-089	119,863	Special Education Aid

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2015.

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

There were no findings or questioned costs for the year ended June 30, 2015.

HUNTERDON COUNTY VOCATIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-7

There were no prior year findings or questioned costs.