

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

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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual  
Financial Report**

**of the**

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

**(a component unit of the County of Warren)**

**Washington, New Jersey**

**For the Fiscal Year Ended June 30, 2015**

**Prepared by**

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

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INTRODUCTORY SECTION

# Warren County Technical School District

1500 Route 57, Washington, NJ 07882-3538

**Robert F. Glowacky, Ed.S**

*Superintendent*

GlowackyR@wctech.org

908-835-2813

**Edmund J. Zalewski**

*Assistant Superintendent*

*of Business*

908-835-2815

ZalewskiE@wctech.org

November 25, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Warren County Vocational-Technical School District (the "District") for the fiscal year ended June 30, 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 (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Warren County Vocational-Technical School District ("WCTS") is a component unit of the County of Warren within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Warren County Vocational-Technical School District and its school constitute the District's reporting entity. The District completed the 2014-15 school year with an enrollment of 482 students in grades 9 through 12.

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

The Honorable President and Members of  
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2) MAJOR INITIATIVES (Cont'd): Automotive Technology, Culinary/Hospitality, Law and Public Safety and Fire Science programs now have articulation agreements with Warren County Community College. In addition, our Engineering and Health Science programs have agreements with NJIT and UMDNJ respectively. A student entering as a freshman can now pursue an associate or bachelor degree upon graduation with earned credits. Our plan is to go forward with additional offerings next school year. WCTS in cooperation with WCCC has begun to increase the number of classes in the dual-enrollment program. This has significant academic and financial benefit to families with college bound sons and daughters.

WCTS has always provided educational opportunities for special education students. As that population continues to expand, the Child Study Team has made recommendations to continue programming to accommodate specific learning disabilities. A pilot program now in year three is identified as Language Learning Disabilities (“LLD”) has increasing enrollment. The mission has been to deliver self-contained CTE transition classes in Culinary Arts, Building Maintenance and Auto Service. Students who enroll will receive specialized academic and vocational training in preparation for transitioning into mainstream classes. This will enhance their success in passing all required proficiency assessments. In addition, they will be better prepared for advanced postsecondary coursework.

Warren Tech is a safe student family environment where cooperation and collaboration guarantee success. We, as a school family, promote learning and achieving through self-advocacy. Toward that end, students will learn to open the right doors for themselves.

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

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state award programs, as well as to determine that the District has complied with applicable laws and regulations.

4) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Warren County Board of School Estimate, which consists of three Warren County freeholders and two Warren County Vocational-Technical School Board members. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and /or assignments at June 30, 2015.

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



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

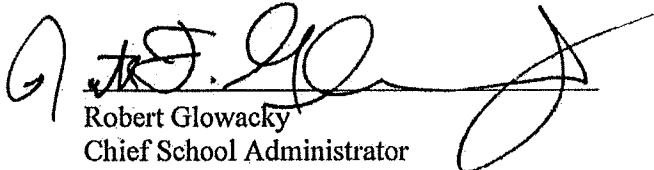
7) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation and fidelity bonds. Willis Group of New Jersey,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

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

8) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

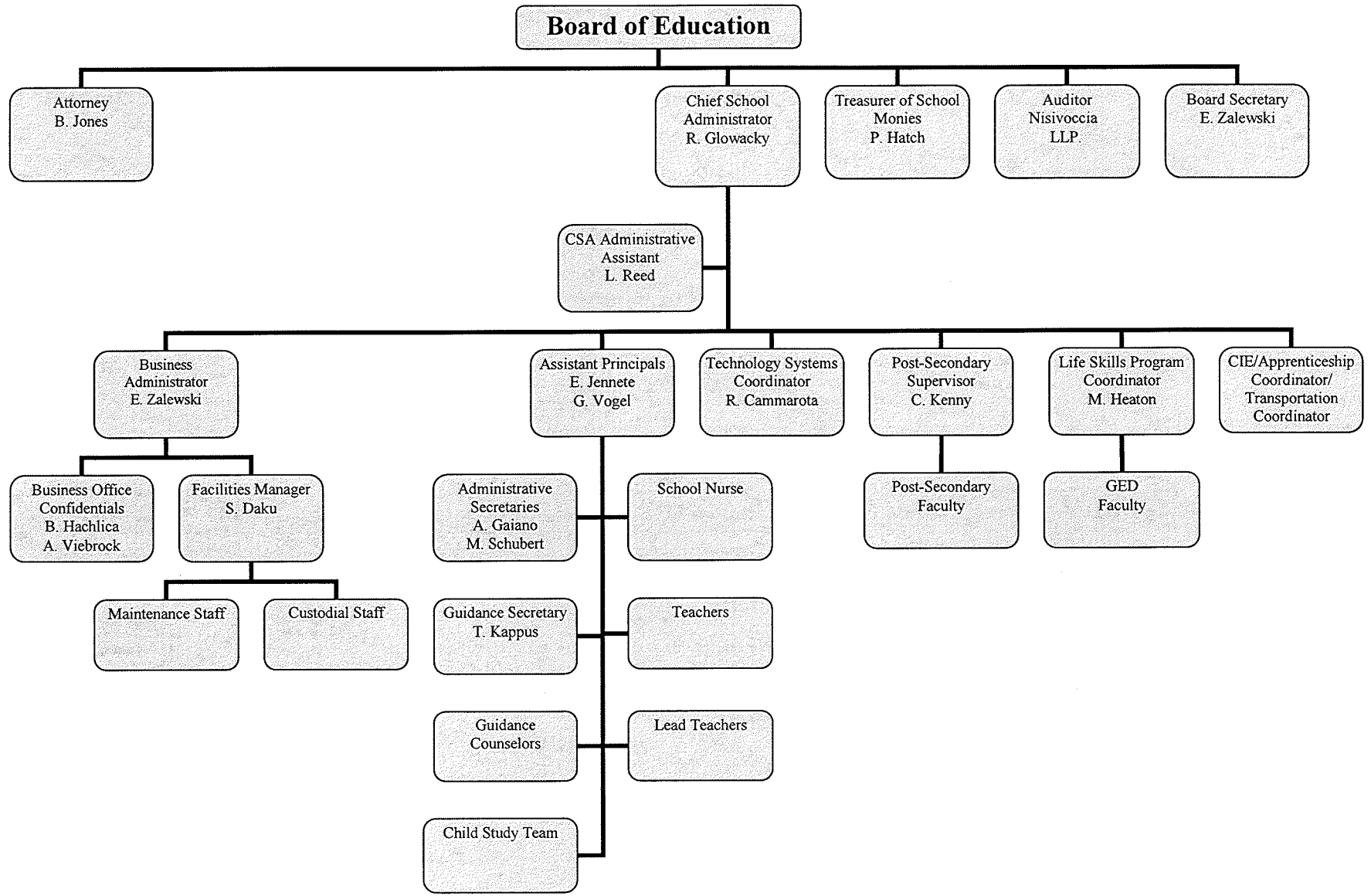
9) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Warren County Vocational-Technical School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development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

Respectfully submitted,

  
Robert Glowacky  
Chief School Administrator

  
Edmund Zalewski  
Business Administrator/Board Secretary

# Warren County Technical School



**WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ellen Johnson-Demeter, President	2017
David Shotwell, Vice President	2015
Dr. Rosalie Lamonte, County Superintendent of Schools	N/A
Robert Roschewsk	2018
Gus Rutledge	2016

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

**WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
**Consultants and Advisors**

**Audit Firm**

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**Official Depository**

PNC  
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Washington, NJ 07882

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

## Independent Auditors' Report

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

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

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

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

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

### ***Auditors' Responsibility***

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

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

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

The Honorable President and Members  
of the Board of Education  
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### ***Opinions***

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

### ***Emphasis of Matter***

As discussed in Note 17 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 17 to the basic financial statements.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the required supplementary information pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members  
of the Board of Education  
Warren County Vocational-Technical School District  
Page 3

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

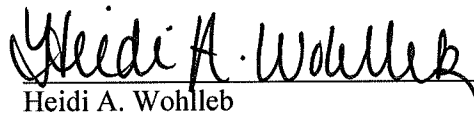
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated 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.

November 25, 2015  
Mount Arlington, New Jersey

NISIVOCCIA LLP

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



**REQUIRED SUPPLEMENTARY INFORMATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**(UNAUDITED)**

**Management’s Discussion and Analysis  
(Unaudited)**

This section of Warren County Vocational-Technical School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

**Financial Highlights**

- The District’s financial status improved on a District wide basis and fund basis.
- Overall revenue was \$11.85 million.
- Overall expenses were \$10.96 million.

**Overview of the Financial Statements**

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

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

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

**Figure A-1**

**Organization of the School District’s Financial Report**

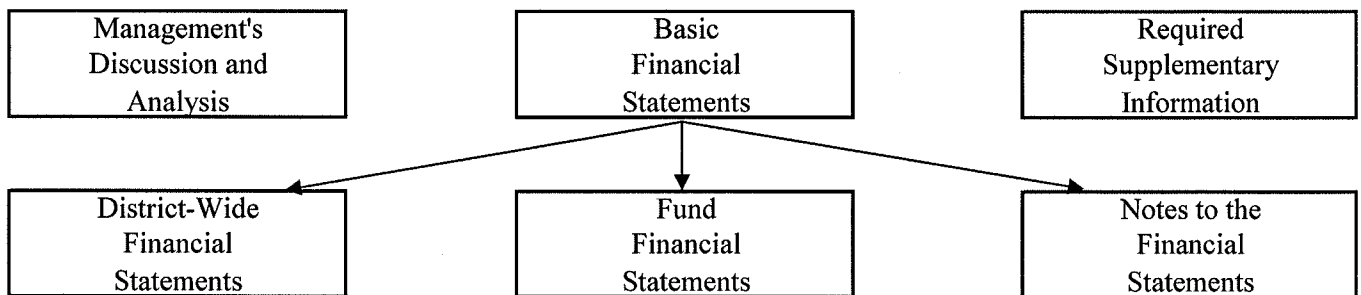


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**Figure A-2**

***Major Features of the District-Wide and Fund Financial Statements***

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

## District-wide Statements

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

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

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

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

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

## Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

### Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position increased by \$886,029. Net position from governmental activities increased by \$880,963 and net position from business-type activities increased by \$5,066.

Figure A-3

#### Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2013/14*	2014/15	2013/14	2014/15	2013/14*	2014/15	
Current and							
Other Assets	\$ 736,804	\$ 2,456,490	\$ 71,077	\$ 64,553	\$ 807,881	\$ 2,521,043	212.06%
Capital Assets, Net	12,422,780	11,970,287	11,204	19,078	12,433,984	11,989,365	-3.58%
Total Assets	<u>13,159,584</u>	<u>14,426,777</u>	<u>82,281</u>	<u>83,631</u>	<u>13,241,865</u>	<u>14,510,408</u>	9.58%
Deferred Outflows of Resources		46,320				46,320	100.00%
Other Liabilities	215,975	646,263	9,793	6,077	225,768	652,340	188.94%
Other Long-Term Debt	1,967,524	1,708,801			1,967,524	1,708,801	-13.15%
Total Liabilities	<u>2,183,499</u>	<u>2,355,064</u>	<u>9,793</u>	<u>6,077</u>	<u>2,193,292</u>	<u>2,361,141</u>	7.65%
Deferred Inflows of Resources		260,985				260,985	100.00%
Net Position:							
Net Investment in Capital Assets	12,398,704	11,954,100	11,204	19,078	12,409,908	11,973,178	-3.52%
Restricted	249,484	1,843,243			249,484	1,843,243	638.82%
Unrestricted/(Deficit)	<u>(1,672,103)</u>	<u>(1,940,295)</u>	<u>61,284</u>	<u>58,476</u>	<u>(1,610,819)</u>	<u>(1,881,819)</u>	-16.82%
Total Net Position	<u>\$ 10,976,085</u>	<u>\$ 11,857,048</u>	<u>\$ 72,488</u>	<u>\$ 77,554</u>	<u>\$ 11,048,573</u>	<u>\$ 11,934,602</u>	8.02%

\* Restated

*Changes in Net Position.* Net investment in capital assets decreased by \$436,730 due to current year depreciation expense of \$801,544 offset by capital acquisitions of \$356,925 and capital lease principal payments of \$7,889. Restricted net position increased by \$1,593,759 due to a budgeted increase in the Capital Reserve of \$600,000 and a transfer from unassigned General Fund fund balance of \$993,759. Unrestricted net position decreased by \$271,000 primarily due to a \$225,054 deficit in the Capital Projects Fund (due to SDA grant revenue not being recognized on a GAAP basis till expended and submitted for reimbursement), the transfer of \$993,759 of unassigned General Fund fund balance to the capital reserve and a decrease in year end encumbrances of \$6,880; offset by a decrease in compensated absences of \$15,170, \$717,245 in unexpended General Fund budget appropriations net of funds assigned for encumbrances and an excess in local sources revenue of \$204,877.

Figure A-4

## Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	
<b>Revenue:</b>							
<b>Program Revenue:</b>							
Charges for Services	\$ 1,571,764	\$ 2,448,160	\$ 98,435	\$ 94,285	\$ 1,670,199	\$ 2,542,445	52.22%
Operating Grants and Contributions	1,401,647	2,267,722	78,110	89,506	1,479,757	2,357,228	59.30%
Capital Grants and Contributions		110,634				110,634	100.00%
<b>General Revenue:</b>							
County Tax Levy	3,995,172	3,995,172			3,995,172	3,995,172	0.00%
Unrestricted Federal and State Aid	2,792,568	2,801,683			2,792,568	2,801,683	0.33%
Other	53,343	42,934	1	3	53,344	42,937	-19.51%
<b>Total Revenue</b>	<b>9,814,494</b>	<b>11,666,305</b>	<b>176,546</b>	<b>183,794</b>	<b>9,991,040</b>	<b>11,850,099</b>	<b>18.61%</b>
<b>Expenses:</b>							
Instruction	4,759,986	5,421,813			4,759,986	5,421,813	13.90%
Pupil and Instruction Services	748,235	911,640			748,235	911,640	21.84%
Administrative and Business	1,397,849	1,546,832			1,397,849	1,546,832	10.66%
Maintenance and Operations	1,026,112	1,051,519			1,026,112	1,051,519	2.48%
Transportation	545,217	534,395			545,217	534,395	-1.98%
Special Schools	624,870	587,605			624,870	587,605	-5.96%
Capital Outlay	35,821	111,438			35,821	111,438	211.10%
Other	664,365	620,100	177,050	178,728	841,415	798,828	-5.06%
<b>Total Expenses</b>	<b>9,802,455</b>	<b>10,785,342</b>	<b>177,050</b>	<b>178,728</b>	<b>9,979,505</b>	<b>10,964,070</b>	<b>9.87%</b>
Increase/(Decrease) in Net Position	\$ 12,039	\$ 880,963	\$ (504)	\$ 5,066	\$ 11,535	\$ 886,029	7581.22%

*Revenue Sources.* The District's total revenue for the 2014/15 school year was \$11,850,099. (See Figure A-5). Property taxes accounted for a substantial portion of the District's revenue, with the County Tax Levy accounting for \$3,995,172 of the total, or 33.71 percent. Another 44.47 percent came from state and federal aid for specific programs, local contributions and state formula aid with the remainder from other sources and charges for service, including tuition.

Figure A-5

## Sources of Revenue for Fiscal Year 2015

	Amount	Percentage
<b>Sources of Income:</b>		
Grants and Contributions	\$ 2,467,862	20.83%
County Tax Levy	3,995,172	33.71%
Unrestricted Federal and State Aid	2,801,683	23.64%
Charges for Services	2,542,445	21.46%
Other	42,937	0.36%
	<b>\$ 11,850,099</b>	<b>100.00%</b>

The total cost of all programs and services was \$10,964,070. The District's expenses are predominantly related to instructing, caring for (pupil services), transporting and special schools (67.99 percent). (See Figure A-6). The District's administrative and business activities accounted for 14.11 percent of total costs. The most significant contributor to the cost of maintenance and operations was fuel costs. It is important to note that depreciation is included in other expenses for the year; expenses therefore include \$801,544 in depreciation expense.

**Figure A-6**  
**Expenses for Fiscal Year 2015**

Expense Category:	Amount	Percentage
Instruction	\$ 5,421,813	49.45%
Pupil and Instruction Services	911,640	8.31%
Administrative and Business	1,546,832	14.11%
Maintenance and Operations	1,051,519	9.59%
Transportation	534,395	4.87%
Special Schools	587,605	5.36%
Capital Outlay	111,438	1.02%
Other	798,828	7.29%
	\$ 10,964,070	100.00%

***Governmental Activities***

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

- Increased oversight of purchases to eliminate non-essential items.
- Continued energy management in order to reduce costs.
- Utilization of co-op programs for supplies and utilities has resulted in a cost savings for the District.

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

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

**Figure A-7**

**Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2013/14	2014/15	2013/14	2014/15
Instruction	\$ 4,759,986	\$ 5,421,813	\$ 3,159,522	\$ 2,725,290
Pupil and Instruction Services	748,235	911,640	453,810	483,497
Administrative and Business	1,397,849	1,546,832	1,131,546	1,014,251
Maintenance and Operations	1,026,112	1,051,519	884,848	694,010
Transportation	545,217	534,395	420,017	358,622
Special Schools	624,870	587,605	79,115	(48,382)
Capital Outlay	35,821	111,438	35,821	111,438
Other	664,365	620,100	664,365	620,100
	\$ 9,802,455	\$ 10,785,342	\$ 6,829,044	\$ 5,958,826

- The cost of all governmental activities this year was \$10.8 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$2.38 million).
- A portion of governmental activities was financed with \$2.80 million in state aid based on the SFRA formula and federal aid.
- Approximately 36% of the District's costs (\$4.0 million) were financed with the County Tax Levy.
- The remainder of the funding came from tuition, miscellaneous revenue, and charges for services (\$2.49 million).

### Business-Type Activities

Net position from the District's business-type activities increased by \$5,066. (Refer to Figure A-4).

- The Food Service Fund's net position increased by \$8,032 primarily due to the increase in reimbursable meals claimed and the increase in subsidy reimbursement rates offset by a decrease in daily sales.
- The Restaurant Fund's net position decreased by \$2,966 mainly due to decrease in sales and a slight increase in cost of sales.

### Financial Analysis of the District's Funds

The District's financial position improved significantly on a fund basis despite difficult economic times. The weak economy and State budget problems have had a direct impact upon the District's revenue sources. Interest earnings on investments remain significantly low.

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

### Budgetary Highlights

- The District has continued to perform maintenance and building improvements in order to protect and improve the facility. In May of 2015, the District began a window replacement project that will save resources.
- Funds have been designated to fund the local share of the SDA approved projects.

### Capital Asset and Debt Administration

Figure A-8

	Capital Assets (Net of Depreciation)						Total Percentage Change
	Government Activities		Business-Type Activities		Total School District		
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	
Sites	\$ 174,251	\$ 174,251			\$ 174,251	174,251	0.00%
Site Improvements	148,676	130,857			148,676	130,857	-11.99%
Buildings and Building Improvements	11,278,363	10,602,754			11,278,363	10,602,754	-5.99%
Construction in Progress		267,554				267,554	100.00%
Machinery and Equipment	821,490	794,871	\$ 11,204	\$ 19,078	832,694	813,949	-2.25%
	<u>\$ 12,422,780</u>	<u>\$ 11,970,287</u>	<u>\$ 11,204</u>	<u>\$ 19,078</u>	<u>\$ 12,433,984</u>	<u>\$ 11,989,365</u>	-3.58%

- The change in Capital Assets is a result of the acquisition of assets in the amount of \$356,925 offset by depreciation expense of \$801,544.



## Long-term Debt

At year-end, the District had \$1,708,801 of long term liabilities – a decrease of \$258,723 due to a net decrease in compensated absences of \$15,170, a decrease in capital leases payable of \$7,889 and a decrease in net pension liability of \$235,664 – as shown in Figure A-9. The County of Warren is responsible for the issuance and repayment of long-term debt in the form of bonds.

**Figure A-9**

### Outstanding Long-Term Debt

	Total School District		Total Percentage Change
	2013/14*	2014/15	
Other Long-Term Debt	\$ 258,838	\$ 235,779	-8.91%
Net Pension Liability	1,708,686	1,473,022	-13.79%
	<u>\$ 1,967,524</u>	<u>\$ 1,708,801</u>	-13.15%

\* Restated

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

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

- Uncertainty of future grant amounts may impact the amount of aid that the District receives.
- Flat funding has constrained budget expenditures.
- Gradual increase in tuition rates generating additional revenue.
- Phillipsburg High School will be opening vocational programs that may impact enrollment

### Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents		\$ 57,780	\$ 57,780
Interfund Receivables	\$ 1,100		1,100
Receivables From State Government		51	51
Receivables From Federal Government	38,619	2,762	41,381
Receivables from Other Governments	435,383		435,383
Other Receivables	138,145		138,145
Inventories		3,960	3,960
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	1,843,243		1,843,243
Capital Assets, Net			
Sites (Land) and Construction in Progress	441,805		441,805
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	11,528,482	19,078	11,547,560
Total Assets	<u>14,426,777</u>	<u>83,631</u>	<u>14,510,408</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Changes in Assumptions - Pensions	46,320		46,320
Total Deferred Outflows of Resources	<u>46,320</u>		<u>46,320</u>
<u>LIABILITIES</u>			
Accounts Payable	613,434	4,981	618,415
Payable to State Government	4,984		4,984
Payable to Federal Government	19,010		19,010
Unearned Revenue	8,835	1,096	9,931
Noncurrent Liabilities:			
Within One Year	10,431		10,431
Due Beyond One Year	1,698,370		1,698,370
Total Liabilities	<u>2,355,064</u>	<u>6,077</u>	<u>2,361,141</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Investment Gains - Pensions	87,784		87,784
Changes in Proportion - Pensions	173,201		173,201
Total Deferred Inflows of Resources	<u>260,985</u>		<u>260,985</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	11,954,100	19,078	11,973,178
Restricted for:			
Capital Projects	1,843,243		1,843,243
Unrestricted/(Deficit)	(1,940,295)	58,476	(1,881,819)
Total Net Position	<u>\$ 11,857,048</u>	<u>\$ 77,554</u>	<u>\$ 11,934,602</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 2,489,650	\$ 520,308	\$ 584,021		\$ (1,385,321)		\$ (1,385,321)
Special Education	510,386	105,608	118,582		(286,196)		(286,196)
Vocational Education Instruction	2,180,719	461,223	812,057		(907,439)		(907,439)
School Sponsored/Other Instruction	241,058	51,375	43,349		(146,334)		(146,334)
Support Services:							
Student & Instruction Related Services	911,640	193,454	234,689		(483,497)		(483,497)
General Administrative Services	552,679	119,244	87,055		(346,380)		(346,380)
School Administrative Services	396,171	84,932	67,465		(243,774)		(243,774)
Central Services	410,849	91,917	38,032		(280,900)		(280,900)
Administrative Information Technology	187,133	43,936			(143,197)		(143,197)
Plant Operations and Maintenance	1,051,519	246,875		\$ 110,634	(694,010)		(694,010)
Pupil Transportation	534,395	125,242	50,531		(358,622)		(358,622)
Special Schools	587,605	404,046	231,941		48,382		48,382
Capital Outlay	111,438				(111,438)		(111,438)
Unallocated Depreciation	620,100				(620,100)		(620,100)
<b>Total Governmental Activities</b>	<b>10,785,342</b>	<b>2,448,160</b>	<b>2,267,722</b>	<b>110,634</b>	<b>(5,958,826)</b>		<b>(5,958,826)</b>
Business-Type Activities:							
Restaurant	17,561	14,595				\$ (2,966)	(2,966)
Food Service	161,167	79,690	89,506			8,029	8,029
<b>Total Business-Type Activities</b>	<b>178,728</b>	<b>94,285</b>	<b>89,506</b>			<b>5,063</b>	<b>5,063</b>
<b>Total Primary Government</b>	<b>\$ 10,964,070</b>	<b>\$ 2,542,445</b>	<b>\$ 2,357,228</b>	<b>110,634</b>	<b>(5,958,826)</b>	<b>5,063</b>	<b>(5,953,763)</b>

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

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
County Taxes, Levied for General Purposes, Net	\$ 3,995,172		\$ 3,995,172
Federal and State Aid not Restricted	2,801,683		2,801,683
Miscellaneous Income	42,934	\$ 3	42,937
<b>Total General Revenues</b>	<b>6,839,789</b>	<b>3</b>	<b>6,839,792</b>
Change in Net Position	880,963	5,066	886,029
Net Position - Beginning (Restated)	10,976,085	72,488	11,048,573
Net Position - Ending	\$ 11,857,048	\$ 77,554	\$ 11,934,602

FUND FINANCIAL STATEMENTS

Exhibit B-1

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Interfund Receivable	\$ 1,100	\$ 13,554		\$ 14,654
Receivables From Federal Government		38,619		38,619
Receivables From Other Governments	435,383			435,383
Other Receivables	87,511		\$ 50,634	138,145
Restricted Cash and Cash Equivalents	1,843,243			1,843,243
<b>Total Assets</b>	<b>\$ 2,367,237</b>	<b>\$ 52,173</b>	<b>\$ 50,634</b>	<b>\$ 2,470,044</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Interfund Payable	\$ 13,554			\$ 13,554
Accounts Payable	317,072	\$ 20,674	\$ 275,688	613,434
Payable to State Government		4,984		4,984
Payable to Federal Government		19,010		19,010
Unearned Revenue	1,330	7,505		8,835
<b>Total Liabilities</b>	<b>331,956</b>	<b>52,173</b>	<b>275,688</b>	<b>659,817</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve	1,843,243			1,843,243
<b>Assigned:</b>				
Other Purposes	15,320			15,320
Unassigned/(Deficit)	176,718		(225,054)	(48,336)
<b>Total Fund Balances</b>	<b>2,035,281</b>		<b>(225,054)</b>	<b>1,810,227</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,367,237</b>	<b>\$ 52,173</b>	<b>\$ 50,634</b>	

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

Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds. The Cost of the Assets is \$19,073,883 and the Accumulated Depreciation is \$7,103,596.	11,970,287
Long-Term Liabilities, Including Compensated Absences and Capital Leases, are not due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	(235,779)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,473,022)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Changes in Assumptions - Pensions	46,320
Investment Gains - Pensions	(87,784)
Changes in Proportions - Pensions	(173,201)
<b>Net Position of Governmental Activities</b>	<b>\$ 11,857,048</b>

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



Exhibit B-2

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>				
Local Sources:				
County Tax Levy	\$ 3,995,172			\$ 3,995,172
Tuition from LEA's	2,044,114			2,044,114
Other Tuition	404,046			404,046
GED Testing Center Fees	8,447			8,447
Unrestricted Miscellaneous Revenues	34,487	\$ 5,181	\$ 110,634	150,302
Total - Local Sources	6,486,266	5,181	110,634	6,602,081
State Sources	3,871,957	7,866		3,879,823
Federal Sources		387,496		387,496
Total Revenues	10,358,223	400,543	110,634	10,869,400
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular Instruction	1,424,108	48,617		1,472,725
Special Education Instruction	291,832			291,832
Vocational Education Instruction	1,179,301	120,853		1,300,154
School-Sponsored/Other Instruction	156,576			156,576
Support Services and Undistributed Costs:				
Student and Other Instruction Related Services	512,485	55,252		567,737
General Administration Services	396,277			396,277
School Administration Services	264,094			264,094
Central Services	299,715			299,715
Administrative Information Technology	161,103			161,103
Plant Operations and Maintenance	904,773			904,773
Student Transportation	534,040			534,040
Unallocated Benefits	2,384,175			2,384,175
Capital Outlay	34,805	43,817	335,688	414,310
Special Schools	300,487	132,004		432,491
Total Expenditures	8,843,771	400,543	335,688	9,580,002
Net Change in Fund Balances	1,514,452		(225,054)	1,289,398
Fund Balance - July 1	520,829			520,829
Fund Balance/(Deficit) - June 30	\$ 2,035,281	\$ -0-	\$ (225,054)	\$ 1,810,227

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

Exhibit B-3

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

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	1,289,398
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation in the period.		
Depreciation Expense	\$	(799,499)
Capital Outlays		<u>347,006</u>
		(452,493)
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		15,170
Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
		7,889
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		235,664
Deferred Outflows:		
Changes in Assumptions		46,320
Deferred Inflows:		
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		(87,784)
Changes in Proportion		<u>(173,201)</u>
Change in Net Position of Governmental Activities (A-2)	\$	<u>880,963</u>

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

Exhibit B-4

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	<u>Business-Type Activities Enterprise Funds</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 57,780
Intergovernmental Accounts Receivable:	
State	51
Federal	2,762
Inventories	3,960
Total Current Assets	<u>64,553</u>
Non-Current Assets:	
Capital Assets	29,136
Less: Accumulated Depreciation	<u>(10,058)</u>
Total Non-Current Assets	<u>19,078</u>
Total Assets	<u>83,631</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	4,981
Unearned Revenue	<u>1,096</u>
Total Liabilities	<u>6,077</u>
<u>NET POSITION:</u>	
Net Investment in Capital Assets	19,078
Unrestricted/(Deficit)	<u>58,476</u>
Total Net Position	<u>\$ 77,554</u>

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

Exhibit B-5

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds
Operating Revenue:	
Daily Sales	\$ 79,589
Restaurant Sales	14,595
Miscellaneous Revenue	101
Total Operating Revenue	94,285
Operating Expenses:	
Cost of Sales	108,049
Salaries and Employee Benefits	54,281
Other Purchased Services	8,989
Supplies and Materials	1,142
Miscellaneous Expenditures	4,222
Depreciation Expense	2,045
Total Operating Expenses	178,728
Operating Loss	(84,443)
Non-Operating Revenue:	
Local Sources:	
Interest Income	3
State Sources:	
State School Lunch Program	1,750
Federal Sources:	
National School Lunch Program	64,026
School Breakfast Program	14,931
Food Distribution Program	8,799
Total Non-Operating Revenue	89,509
Change in Net Position	5,066
Net Position - Beginning of Year	72,488
Net Position/(Deficit) - End of Year	\$ 77,554

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

Exhibit B-6

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 94,285
Payments to Food Service Contractor	(151,049)
Payments to Suppliers	(19,194)
Net Cash Used for Operating Activities	<u>(75,958)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(9,919)
Net Cash Used for Capital and Related Financing Activities	<u>(9,919)</u>
Cash Flows from Noncapital Financing Activities:	
Prior Year Interfund Returned from General Fund	49,567
State Sources - Turnover from General Fund	1,818
Federal Sources - Turnover from General Fund	81,144
Net Cash Provided by Noncapital Financing Activities	<u>132,529</u>
Cash Flows from Investing Activities:	
Interest Income	3
Net Cash Provided by Investing Activities	<u>3</u>
Net Increase in Cash and Cash Equivalents	46,655
Cash and Cash Equivalents, July 1	<u>11,125</u>
Cash and Cash Equivalents, June 30	<u>\$ 57,780</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (84,443)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	2,045
Food Distribution Program	8,799
Changes in Assets and Liabilities:	
(Decrease) in Accounts Payable	(3,401)
(Decrease) in Unearned Revenue	(315)
Decrease in Inventory	1,357
Net Cash Used for Operating Activities	<u>\$ (75,958)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Donated Commodities through the Food Distribution Program valued at \$8,484 and utilized Commodities valued at \$8,799.

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

Exhibit B-7

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2015

	Agency	Unemployment Compensation Trust	Private Purpose Scholarships Trust
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 109,583	\$ 92,367	
Interfund Receivable - Student Activities			\$ 1,229
	109,583	92,367	1,229
Total Assets	109,583	92,367	1,229
<u>LIABILITIES:</u>			
Interfund Payable:			
General Fund	1,100		
Scholarship Trust	1,229		
Payroll Deductions and Withholdings	11,682		
Accrued Salaries and Wages	5,310		
Due to Student Groups	90,262		
	109,583		
Total Liabilities	109,583		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims		92,367	
Restricted for Scholarships			1,229
	\$ -0-	\$ 92,367	\$ 1,229
Total Net Position	\$ -0-	\$ 92,367	\$ 1,229

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

Exhibit B-8

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 11,195	
Total Contributions	<u>11,195</u>	
 Total Additions	 <u>11,195</u>	
DEDUCTIONS:		
Quarterly Contribution Reports	222	
Unemployment Benefit Claims	1,878	
Scholarships Awarded		\$ 1,451
Total Deductions	<u>2,100</u>	<u>1,451</u>
 Change in Net Position	 9,095	 (1,451)
 Net Position - Beginning of the Year	 <u>83,272</u>	 <u>2,680</u>
 Net Position - End of the Year	 <u>\$ 92,367</u>	 <u>\$ 1,229</u>

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Accordingly, the Warren County Vocational-Technical School District is a component unit of the County of Warren under the provisions of Governmental Accounting Standards Board's Codification Section 2100. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include a vocational-technical school located in the Township of Washington. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria other than the County of Warren.

B. Basis of Presentation:

District-Wide Financial Statements:

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

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



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

Additionally, the District reports the following fund types:

Enterprise Funds: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's Enterprise Funds. The District operates two Enterprise Funds, which are comprised of the Restaurant and the Food Service Funds. These Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students or to the public on a continuing basis are financed or recovered primarily through user charges.

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

C. Measurement Focus and Basis of Accounting

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the Warren County Board of School Estimate, which consists of three Warren County freeholders and two Warren County Vocational-Technical School District Board members. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 10,359,113	\$ 409,301
Differences - Budget to GAAP:		
Grant Accounting Budgetary basis differs from GAAP in that the Budgetary basis recognizes Encumbrances as Expenditures and Revenue whereas the GAAP basis does not.		
Current Year Encumbrances		(8,758)
Cancellation of Prior Year Encumbrances		(375)
Prior Year Encumbrances		375
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	307,982	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(308,872)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 10,358,223	\$ 400,543

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 8,843,771	\$ 409,301
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(8,758)
Cancellation of Prior Year Encumbrances		(375)
Prior Year Encumbrances		375
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 8,843,771	\$ 400,543
		Capital Projects Fund
	Revenue	Fund Balance
Revenue / Committed Fund Balance	\$ 666,634	\$ 266,829
Committed - Year End Encumbrances		64,117
	666,634	330,946
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable not Recognized on GAAP Basis	(556,000)	(556,000)
Revenue/Fund Balance per Governmental Funds (GAAP)	\$ 110,634	\$ (225,054)

E. Cash and Cash Equivalents:

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

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

N.J.S.A 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

E. Cash and Cash Equivalents: (Cont'd)

All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

J. Inventories and Prepaid Expenses: (Cont'd)

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

K. Capital Assets:

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

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

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

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages

Beginning in fiscal year 2014, certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2015, the amount earned by these employees but not disbursed was \$5,310.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

N. Compensated Absences

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

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

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

O. Unearned Revenue

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

P. Fund Balance Appropriated

General Fund: Of the \$2,035,281, General Fund fund balance at June 30, 2015, \$15,320 is assigned for year end encumbrances; \$1,843,243 is restricted in the capital reserve account; and \$176,718 is unassigned which is \$308,872 less than the calculated maximum unassigned fund balance, on a GAAP Basis, due to the final two state aid payments which are not recognized until the fiscal year ending June 30, 2016.

Capital Projects Fund: The \$225,054 deficit Capital Projects Fund fund balance at June 30, 2015 is \$556,000 less than on the budgetary basis because SDA grant receivable are not recognized on the GAAP basis until the reimbursement request is submitted to the State.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus at June 30, 2015.

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

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

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,940,295 in its governmental activities, which is due to investment gains in pensions of \$87,784, changes in proportion in pensions of \$173,201, net pension liability of \$1,473,022, \$219,592 of compensated absences payable and a \$225,054 deficit in Capital Projects Fund fund balance due to SDA grant receivable not being recognized on the GAAP basis until the reimbursement request is submitted to the State; offset by unassigned General Fund fund balance of \$176,718, \$15,320 of General Fund fund balance assigned for encumbrances and changes in pension assumptions of \$46,320. The District also has a deficit net position in the Restaurant Enterprise Fund of \$2,793 due to the deficit in operations in the current year. The District will resolve this deficit with contributions from either the General Fund or the other Enterprise Fund during the fiscal year ended June 30, 2016. These deficits do not indicate the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had a deferred outflow of resources at June 30, 2015 for the changes in assumptions in pensions. The District had deferred inflows of resources at June 30, 2015 for the changes in proportion in pension and the net difference between projected and actual investment earnings on pension plan investments.

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

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments (Cont'd)

In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources on the GAAP basis at June 30, 2015.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund on the budgetary basis at June 30, 2015.

T. Revenue - Exchange and Nonexchange Transactions

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has \$330,946 of committed fund balance at June 30, 2015 in its Capital Projects Fund on the budgetary basis.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2015.

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

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions (Cont'd)

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

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

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

Deposits:

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

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

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

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

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

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

Investments: (Cont'd)

- (7) Agreements for the repurchase of fully collateralized securities if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents Capital Reserve Account	Total
Checking and Savings Accounts	\$ 259,730	\$ 1,321,900	\$ 1,581,630

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2015, was \$1,581,630 and the bank balance was \$1,704,126. The cash and cash equivalents balance at June 30, 2015 of \$1,581,630 differs from the total of \$2,102,973 on the Governmental Funds Balance Sheet and Proprietary Funds and Fiduciary Fund Statements of Net Position at June 30, 2015 by \$521,343.

This difference is the result of cash deficit in the Capital Projects Fund of \$275,688 due to SDA grant expenditures not submitted for reimbursement as of June 30, 2015 and a cash deficit of \$245,655 in the General Fund due to the board approved transfer of funds to the Capital Reserve and Restricted Cash and Cash Equivalents. This cash deficit of \$521,343 is included in accounts payable in the General Fund on the Governmental Funds Balance Sheet.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on October 10, 2000 in the amount of \$500 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

Beginning Balance, July 1, 2014	\$ 249,484
Add:	
Deposits - Budgeted Increase	600,000
Transfer from Unassigned Fund Balance per Board Resolution	993,759
	\$ 1,843,243
Ending Balance, June 30, 2015	\$ 1,843,243

The June 30, 2015 LRFPP balance of local support costs of uncompleted capital projects exceeds the balance in the Capital Reserve Account at June 30, 2015.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	Beginning Balance	Increases	Deletions/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 174,251			\$ 174,251
Construction in Progress		\$ 267,554		267,554
Total Capital Assets Not Being Depreciated	174,251	267,554		441,805
Capital Assets Being Depreciated:				
Site Improvements	408,984			408,984
Buildings and Building Improvements	16,262,167			16,262,167
Machinery and Equipment	1,900,275	79,452	\$ (18,800)	1,960,927
Total Capital Assets Being Depreciated	18,571,426	79,452	(18,800)	18,632,078
Governmental Activities Capital Assets	18,745,677	347,006	(18,800)	19,073,883
Less Accumulated Depreciation for:				
Site Improvements	(260,308)	(17,819)		(278,127)
Buildings and Building Improvements	(4,983,804)	(675,609)		(5,659,413)
Machinery and Equipment	(1,078,785)	(106,071)	18,800	(1,166,056)
	(6,322,897)	(799,499)	18,800	(7,103,596)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 12,422,780	\$ (452,493)	\$ -0-	\$ 11,970,287
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 19,217	\$ 9,919		\$ 29,136
Less Accumulated Depreciation	(8,013)	(2,045)		(10,058)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 11,204	\$ 7,874	\$ -0-	\$ 19,078

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

The District has \$330,946 in active construction projects as of June 30, 2015.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 12,394
School Sponsored/Other Instruction	4,587
Vocational Education Instruction	146,168
Operations and Maintenance	9,351
Central Services	458
Student and Instruction Related Services	6,254
Special Schools	187
Unallocated	<u>620,100</u>
	<u>\$ 799,499</u>

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated) Balance 6/30/2014	Accrued	Retired	Balance 6/30/2015
Capital Leases Payable	\$ 24,076		\$ 7,889	\$ 16,187
Compensated Absences Payable	234,762	\$ 3,520	18,690	219,592
Net Pension Liability	<u>1,708,686</u>		<u>235,664</u>	<u>1,473,022</u>
	<u>\$ 1,967,524</u>	<u>\$ 3,520</u>	<u>\$ 262,243</u>	<u>\$ 1,708,801</u>

A. Bonds Payable:

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

B. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$1,582 and is separated from the long-term portion of compensated absences of \$218,010.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Enterprise Funds.

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

C. Capital Leases Payable

The District entered into a \$39,565 lease purchase agreement in April 2012 for a telephone system upgrade for the District, of which \$23,378 has been amortized. The capital lease is for a term of five years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2015.

<u>Year</u>	<u>Amount</u>
2016	\$ 10,260
2017	7,695
	<u>17,955</u>
Less: Amount Representing Interest	<u>(1,768)</u>
Present Value Net of Minimum Lease Payments	<u>\$ 16,187</u>

The current portion of capital leases payable at June 30, 2015 is \$8,849 and the long-term portion is \$7,338. The General Fund will be used to liquidate the capital lease payable.

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$1,473,022. See Note 8 for further information on the PERS.

NOTE 7. OPERATING LEASES PAYABLE

The District has a commitment to lease copiers under an operating lease which expires in 2019. Future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2016	\$ 48,240
June 30, 2017	48,240
June 30, 2018	48,240
June 30, 2019	<u>20,100</u>
Total future minimum lease payments	<u>\$ 164,820</u>

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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 the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 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. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to 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 members 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 50 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 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. District contributions to PERS amounted to \$64,859 for fiscal year 2015.



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$1,473,022 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.008%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$44,674. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 46,320	
Changes in Proportion		\$ 173,201
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>87,784</u>
	<u>\$ 46,320</u>	<u>\$ 260,985</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2015	\$ (13,431)
2016	(13,432)
2017	(13,431)
2018	(13,431)
2019	8,515
Thereafter	<u>3,746</u>
	<u>\$ (41,464)</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

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:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
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.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. 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% as of June 30, 2014. 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% as of June 30, 2014 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 upon 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 pension 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 pension 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 1,853,112	\$ 1,473,022	\$ 1,153,843

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' 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. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 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. The following represents the membership tiers for TPAF:

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. 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 included 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 year 2014, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$188,895 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$985,800.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$18,320,217. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.034%, which was an increase of 0.001% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		18,320,217
Total	\$	18,320,217

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$985,800 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		1,741,236,574
	\$ 2,306,623,861	\$ 1,763,205,593

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as deferred outflows of resources related to pensions resulting from differences between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2015	\$ (130,688,498)
2016	(130,688,498)
2017	(130,688,498)
2018	(130,688,496)
2019	304,620,646
Thereafter	<u>761,551,612</u>
	<u>\$ 543,418,268</u>

Actuarial Assumptions

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	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

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, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the following table:

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. 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% as of June 30, 2014 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 upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. 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.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$3,246 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$5,769 for the fiscal year ended June 30, 2015.

NOTE 9. POST-RETIREMENT BENEFITS

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



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. POST-RETIREMENT BENEFITS (Cont'd)

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 Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or County College with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$299,871, \$237,757 and \$240,455 for 2015, 2014 and 2013, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 10. RISK MANAGEMENT

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

Property and Liability Insurance

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

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

The audit report for the year ending June 30, 2015 was not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2014 is as follows:

Total Assets	\$ 293,795,686
Net Position	\$ 66,169,762
Total Revenue	\$ 120,623,875
Total Expenses	\$ 119,843,435
Change in Net Position	\$ 780,440
Members Dividends	\$ -0-

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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

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

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ -0-	\$ -0-	\$ 11,195	\$ 2,100	\$ 92,367
2013-2014	-0-	-0-	7,770	36,271	83,272
2012-2013	75,000	127	7,967	24,723	111,773

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,100	\$ 13,554
Special Revenue Fund	13,554	
Fiduciary Fund - Student Activities		1,229
Fiduciary Fund - Private Purpose Scholarships Trust	1,229	
Fiduciary Fund - Payroll Agency Fund		1,100
	<u>\$ 15,883</u>	<u>\$ 15,883</u>

The interfund receivable in the Special Revenue Fund is cash advanced to the General Fund for cash flow purposes due to the transfer of funds to the Capital Reserve. The interfund payable in the Payroll Agency Fund is for mentoring fees reimbursements due to the General Fund for the current and prior fiscal years. The interfund receivable in the Scholarships Trust is scholarships collected in the Student Activities account on behalf of the Scholarships Trust in a prior year.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

Lincoln Investment Planning  
Vanguard  
Fidelity Investments

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

NOTE 14. ACCOUNTS PAYABLE

Payables as of June 30, 2015 were:

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	
Due to State of New Jersey		\$ 20,674		\$ 20,674
Vendors	\$ 71,417			\$ 71,417
Cash Deficit	245,655		\$ 275,688	\$ 521,343
	<u>\$ 317,072</u>	<u>\$ 20,674</u>	<u>\$ 275,688</u>	<u>\$ 613,434</u>
				<u>\$ 4,981</u>

The cash deficit of \$245,072 in the General Fund is due to the board approved transfer of funds to the Capital Reserve and the cash deficit of \$275,688 in the Capital Projects Fund due to SDA grant expenditures not having been submitted for reimbursement as of June 30, 2015. These amounts are recorded as an accounts payable on the Governmental Funds Balance Sheet.

NOTE 15. TAX CALENDAR

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 15. TAX CALENDAR (Cont'd)

A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipalities and are remitted to the County who then disburses those funds to the District on a predetermined mutually agreed-upon schedule.

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 15,320	\$ 8,758	\$ 64,117	\$ 88,195

On the District's Governmental Funds Balance Sheet as of June 30, 2015, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$8,758 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized and are reflected as either a reduction in grants receivables or an increase in unearned revenue. The \$64,117 of year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$225,054 deficit fund balance on a GAAP basis at June 30, 2015, which is less than the committed fund balance on a budgetary basis due to the SDA grant receivable not being recognized on the GAAP basis until the reimbursement request has been submitted to the State.

NOTE 17. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 17. PRIOR PERIOD ADJUSTMENTS (Cont'd)

	<u>Balance 6/30/14 as Previously Reported</u>	<u>Retroactive Adjustments</u>	<u>Balance 6/30/14 as Restated</u>
<u>Governmental Activities:</u>			
Statement of Net Position:			
Liabilities:			
Non-Current Liabilities	\$ 258,838	\$ 1,708,686	\$ 1,967,524
Total Liabilities	474,813	1,708,686	2,183,499
Net Position:			
Unrestricted/(Deficit)	36,583	(1,708,686)	(1,672,103)
Total Net Position	12,684,771	(1,708,686)	10,976,085

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

L-1

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.0089403883%	0.0078675564%
District's proportionate share of the net pension liability	\$ 1,708,686	\$ 1,473,022
District's covered employee payroll	\$ 556,112	\$ 662,637
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	307.26%	222.30%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

L-2

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 67,364	\$ 64,859
Contributions in relation to the contractually required contribution	<u>(67,364)</u>	<u>(64,859)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 556,112	\$ 662,637
Contributions as a percentage of covered employee payroll	12.11%	9.79%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.



L-3

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's proportion of the net pension liability attributable to the District	0.0329103998%	0.0342775159%
State's proportionate share of the net pension liability attributable to the District	\$ 16,632,657	\$ 18,320,217
District's covered employee payroll	\$ 3,582,157	\$ 3,516,549
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	464.32%	520.97%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE:</b>					
<b>Local Sources:</b>					
County Tax Levy	\$ 3,995,172		\$ 3,995,172	\$ 3,995,172	
Tuition from LEA's	1,794,117		1,794,117	2,044,114	\$ 249,997
Other Tuition	326,000		326,000	404,046	78,046
GED Testing Center Fees	9,000		9,000	8,447	(553)
Interest Earned on Capital Reserve Funds	100		100		(100)
Unrestricted Miscellaneous Revenues	157,000		157,000	34,487	(122,513)
<b>Total - Local Sources</b>	<b>6,281,389</b>		<b>6,281,389</b>	<b>6,486,266</b>	<b>204,877</b>
<b>State Sources:</b>					
Categorical Special Education Aid	269,146		269,146	269,146	
Equalization Aid	2,768,259		2,768,259	2,768,259	
Categorical Security Aid	25,413		25,413	25,413	
Transportation Aid	50,531		50,531	50,531	
Other State Aids	8,900		8,900	8,900	
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				188,895	188,895
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				299,871	299,871
TPAF Social Security (Reimbursed - Non-Budgeted)				261,832	261,832
<b>Total State Sources</b>	<b>3,122,249</b>		<b>3,122,249</b>	<b>3,872,847</b>	<b>750,598</b>
<b>Total Revenue</b>	<b>9,403,638</b>		<b>9,403,638</b>	<b>10,359,113</b>	<b>955,475</b>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 1,551,240	\$ (129,859)	\$ 1,421,381	\$ 1,383,194	\$ 38,187
Other Purchased Services	20,000	(7,814)	12,186	11,251	935
General Supplies	18,350	(6,439)	11,911	11,892	19
Textbooks	42,624	(10,790)	31,834	13,471	18,363
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000	1,600	3,600	3,250	350
Purchased Professional-Educational Services	500	550	1,050	1,050	
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>1,634,714</u>	<u>(152,752)</u>	<u>1,481,962</u>	<u>1,424,108</u>	<u>57,854</u>
Special Education Instruction - Resource Room:					
Salaries of Teachers	164,500	141,602	306,102	291,832	14,270
General Supplies	800		800		800
<b>Total Special Education Instruction - Resource Room</b>	<u>165,300</u>	<u>141,602</u>	<u>306,902</u>	<u>291,832</u>	<u>15,070</u>
Regular Vocational Programs:					
Salaries of Teachers	973,228	(18,520)	954,708	941,212	13,496
Other Purchased Services	11,500	(6,691)	4,809	150	4,659
General Supplies	162,509	(25,505)	137,004	124,243	12,761
Textbooks	9,440	5,538	14,978	14,978	
<b>Total Regular Vocational Programs</b>	<u>1,156,677</u>	<u>(45,178)</u>	<u>1,111,499</u>	<u>1,080,583</u>	<u>30,916</u>
Special Vocational Programs:					
Salaries of Teachers	112,930	(15,445)	97,485	97,485	
General Supplies	2,000	(1,343)	657	657	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Special Vocational Programs: (Cont'd)					
Textbooks	\$ 1,080	\$ (504)	\$ 576	\$ 576	
Total Special Vocational Programs	<u>116,010</u>	<u>(17,292)</u>	<u>98,718</u>	<u>98,718</u>	
School-Sponsored Cocurricular Activities:					
Salaries	26,317	759	27,076	24,754	\$ 2,322
Purchased Services	10,000	236	10,236	10,236	
Supplies and Materials	10,250	13,780	24,030	23,860	170
Total School-Sponsored Cocurricular Activities	<u>46,567</u>	<u>14,775</u>	<u>61,342</u>	<u>58,850</u>	<u>2,492</u>
School-Sponsored Athletics:					
Salaries	91,709	2,176	93,885	81,928	11,957
Purchased Services	12,710	(1,750)	10,960	10,960	
Supplies and Materials	4,844	(6)	4,838	4,838	
Total School-Sponsored Athletics	<u>109,263</u>	<u>420</u>	<u>109,683</u>	<u>97,726</u>	<u>11,957</u>
TOTAL INSTRUCTION	<u>3,228,531</u>	<u>(58,425)</u>	<u>3,170,106</u>	<u>3,051,817</u>	<u>118,289</u>
Undist. Expend. - Health Services:					
Salaries	72,000	(733)	71,267	71,267	
Purchased Professional and Technical Services	2,000	1,479	3,479	3,479	
Supplies and Materials	2,690	8,036	10,726	10,726	
Total Undist. Expend. - Health Services	<u>76,690</u>	<u>8,782</u>	<u>85,472</u>	<u>85,472</u>	
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	188,000	(6,925)	181,075	181,075	
Salaries of Secretarial and Clerical Assistants	33,000	(1,275)	31,725	30,954	771

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Undist. Expend. - Guidance: (Cont'd)					
Other Purchased Services	\$ 320	\$ (320)			
Supplies and Materials	11,590	(4,788)	\$ 6,802	\$ 5,792	\$ 1,010
Other Objects	1,600	(572)	1,028	28	1,000
Total Undist. Expend. - Guidance	<u>234,510</u>	<u>(13,880)</u>	<u>220,630</u>	<u>217,849</u>	<u>2,781</u>
Undist. Expend. - Child Study Teams:					
Salaries of Other Professional Staff	32,000	136,211	168,211	168,211	
Salaries of Secretarial and Clerical Assistants		15,780	15,780	15,780	
Other Purchased Professional and Technical Services	10,000	9,604	19,604	19,604	
Supplies and Materials	1,800	2,464	4,264	4,264	
Other Objects	100	(100)			
Total Undist. Expend. - Child Study Teams	<u>43,900</u>	<u>163,959</u>	<u>207,859</u>	<u>207,859</u>	
Undist. Expend. - Improvement of Instructional Services:					
Salaries of Other Professional Staff	7,000	(5,695)	1,305	1,305	
Total Undist. Expend-Impr. Of Instruct. Services	<u>7,000</u>	<u>(5,695)</u>	<u>1,305</u>	<u>1,305</u>	
Undist. Expend. - Instructional Staff Training Services:					
Purchased Professional - Educational Services	15,000	(7,676)	7,324		7,324
Total Undist. Expend. - Instructional Staff Training Services	<u>15,000</u>	<u>(7,676)</u>	<u>7,324</u>		<u>7,324</u>
Undist. Expend. - Support Services - General Administration:					
Salaries	229,342	(15,099)	214,243	214,243	
Legal Services	22,150	3,053	25,203	25,203	
Audit Fees	39,000	750	39,750	39,750	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Undist. Expend. - Support Services - General Administration: (Cont'd)</b>					
Purchased Technical Services	\$ 17,850	\$ (10,343)	\$ 7,507	\$ 7,507	
Communications/Telephone	31,000	(12,879)	18,121	16,047	\$ 2,074
BOE Other Purchased Services	1,500	3,291	4,791	4,791	
Misc. Purchased Services	74,500	(4,082)	70,418	70,418	
General Supplies	2,000	86	2,086	2,086	
Miscellaneous Expenditures	17,000	(803)	16,197	16,197	
BOE Membership Dues and Fees	500	(465)	35	35	
<b>Total Undist. Expend. - Support Services - General Administration</b>	<u>434,842</u>	<u>(36,491)</u>	<u>398,351</u>	<u>396,277</u>	<u>2,074</u>
<b>Undist. Expend. - Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	232,000	(65,967)	166,033	166,033	
Salaries of Secretarial and Clerical Assistants	69,000	(9,108)	59,892	51,750	8,142
Purchased Professional and Technical Services	1,800	(233)	1,567	1,567	
Other Purchased Services	17,500	15,349	32,849	32,648	201
Supplies and Materials	12,000	(1,033)	10,967	10,967	
Other Objects	3,000	(1,871)	1,129	1,129	
<b>Total Undist. Expend. - Support Services - School Administration</b>	<u>335,300</u>	<u>(62,863)</u>	<u>272,437</u>	<u>264,094</u>	<u>8,343</u>
<b>Undist. Expend. - Central Services:</b>					
Salaries	220,000	(8,741)	211,259	211,259	
Purchased Technical Services	8,500	(461)	8,039	8,039	
Miscellaneous Purchased Services	46,000	39,495	85,495	75,393	10,102
Supplies and Materials	2,200	1,096	3,296	3,296	
Miscellaneous Expenditures	1,500	228	1,728	1,728	
<b>Total Undist. Expend. - Central Services</b>	<u>278,200</u>	<u>31,617</u>	<u>309,817</u>	<u>299,715</u>	<u>10,102</u>



WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Administration Information Technology:					
Salaries	\$ 79,000	\$ (3,014)	\$ 75,986	\$ 75,986	
Purchased Technical Services	86,356	33,101	119,457	66,572	\$ 52,885
Supplies and Materials	42,400	(20,803)	21,597	17,976	3,621
Other Objects		569	569	569	
Total Undist. Expend. - Administration Information Technology	<u>207,756</u>	<u>9,853</u>	<u>217,609</u>	<u>161,103</u>	<u>56,506</u>
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	250,000	21,450	271,450	269,950	1,500
Cleaning, Repair and Maintenance Services	177,436	58,971	236,407	219,403	17,004
General Supplies	16,000	(5,772)	10,228	228	10,000
Total Undist. Expend. - Required Maintenance for School Facilities	<u>443,436</u>	<u>74,649</u>	<u>518,085</u>	<u>489,581</u>	<u>28,504</u>
Undist. Expend. - Custodial Services:					
Salaries	162,200	(300)	161,900	146,399	15,501
Cleaning, Repair and Maintenance Services	9,800	(4,000)	5,800	1,800	4,000
Other Purchased Property Services	34,500	(3,813)	30,687	29,766	921
General Supplies	20,000	(3,489)	16,511	907	15,604
Energy (Electricity)	40,000	18,605	58,605	53,170	5,435
Energy (Natural Gas)	200,000	(12,324)	187,676	177,472	10,204
Total Undist. Expend. - Custodial Services	<u>466,500</u>	<u>(5,321)</u>	<u>461,179</u>	<u>409,514</u>	<u>51,665</u>
Undist. Expend. - Security:					
Salaries	6,000		6,000	5,678	322
Purchased Professional & Technical Services	25,000	(20,340)	4,660		4,660
Total Undist. Expend. - Security	<u>31,000</u>	<u>(20,340)</u>	<u>10,660</u>	<u>5,678</u>	<u>4,982</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Undist. Expend. - Student Transportation Services:</b>					
Sal. for Pupil Trans. (Other than Bet. Home and Sch)	\$ 1,000	\$ 38	\$ 1,038	\$ 1,038	
Cleaning, Repair, & Maint. Services	1,000	(359)	641	555	\$ 86
Contracted Srvs. - (Between Home and School) - Vendors	490,000	52,890	542,890	525,594	17,296
Contracted Srvs. (Other than Between Home & School) - Vendors	45,000	(45,000)			
Transportation Supplies	2,000	5,499	7,499	6,853	646
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>539,000</u>	<u>13,068</u>	<u>552,068</u>	<u>534,040</u>	<u>18,028</u>
<b>Unallocated Benefits:</b>					
Social Security Contributions	125,000	4,615	129,615	102,619	26,996
Other Retirement Contributions - Regular		5,000	5,000	3,246	1,754
T.P.A.F. Contributions - ERIP	5,000	(5,000)			
Other Retirement Contributions - PERS	80,000		80,000	64,859	15,141
Unemployment Compensation	62,441	(62,438)	3		3
Workmen's Compensation	50,000	(4,101)	45,899	28,709	17,190
Health Benefits	1,740,000	(37,893)	1,702,107	1,391,913	310,194
Tuition Reimbursement	48,000	45	48,045	23,541	24,504
Other Employee Benefits	16,000	2,690	18,690	18,690	
<b>Total Unallocated Benefits</b>	<u>2,126,441</u>	<u>(97,082)</u>	<u>2,029,359</u>	<u>1,633,577</u>	<u>395,782</u>
<b>On-Behalf Contributions:</b>					
TPAF Pension Contributions (non-budgeted)				188,895	(188,895)
On-Behalf TPAF Post Retirement Contributions (non-budgeted)				299,871	(299,871)
Reimbursed TPAF Social Security Contributions (non-budgeted)				261,832	(261,832)
<b>Total On-Behalf Contributions</b>				<u>750,598</u>	<u>(750,598)</u>
<b>Total Personal Services - Employee Benefits</b>	<u>2,126,441</u>	<u>(97,082)</u>	<u>2,029,359</u>	<u>2,384,175</u>	<u>(354,816)</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 5,239,575	\$ 52,580	\$ 5,292,155	\$ 5,456,662	\$ (164,507)
TOTAL GENERAL CURRENT EXPENSE	8,468,106	(5,845)	8,462,261	8,508,479	(46,218)
Facilities Acquisition and Construction Services:					
Salaries		1,240	1,240	1,240	
Assessment for Debt Service on SDA Funding	33,565		33,565	33,565	
Total Facilities Acquisition and Construction Services	33,565	1,240	34,805	34,805	
TOTAL CAPITAL OUTLAY	33,565	1,240	34,805	34,805	
Special Schools:					
Post-Secondary - Instruction:					
Salaries of Teachers	243,154	11,317	254,471	238,726	15,745
Other Purchased Services	1,039		1,039	1,039	1,039
General Supplies	30,128	(4,927)	25,201	24,229	972
Total Post - Secondary - Instruction	274,321	6,390	280,711	262,955	17,756
Post-Secondary - Support Services:					
Salaries	37,500		37,500	29,933	7,567
Supplies and Materials	3,246	(2,789)	457	92	365
Total Post-Secondary - Support Services	40,746	(2,789)	37,957	30,025	7,932
GED Testing Centers:					
Salaries	6,000		6,000	3,503	2,497
Supplies and Materials	3,000	1,004	4,004	4,004	
Total GED Testing Centers	9,000	1,004	10,004	7,507	2,497

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
TOTAL SPECIAL SCHOOLS	\$ 324,067	\$ 4,605	\$ 328,672	\$ 300,487	\$ 28,185
TOTAL EXPENDITURES	8,825,738		8,825,738	8,843,771	(18,033)
Excess of Revenues Over Expenditures	577,900		577,900	1,515,342	937,442
Fund Balance, July 1	828,811		828,811	828,811	
Fund Balance, June 30	\$ 1,406,711	\$ -0-	\$ 1,406,711	\$ 2,344,153	\$ 937,442
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 1,843,243	
Assigned Fund Balance:					
Year End Encumbrances				15,320	
Unassigned Fund Balance				485,590	
				2,344,153	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(308,872)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,035,281	

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 5,600	\$ 5,600	\$ 5,181	\$ (419)
State Sources	\$ 7,999	5,501	13,500	7,866	(5,634)
Federal Sources	319,994	137,710	457,704	396,254	(61,450)
Total Revenues	<u>327,993</u>	<u>148,811</u>	<u>476,804</u>	<u>409,301</u>	<u>(67,503)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	311,994	(144,752)	167,242	153,302	13,940
Purchased Professional and Technical Services	15,999	(11,425)	4,574	4,574	
Other Purchased Services		31,224	31,224	18,845	12,379
General Supplies		132,996	132,996	107,431	25,565
Total Instruction	<u>327,993</u>	<u>8,043</u>	<u>336,036</u>	<u>284,152</u>	<u>51,884</u>
Support Services:					
Salaries of Other Professional Staff		3,000	3,000	3,000	
Personal Services - Employee Benefits		37,261	37,261	37,261	
Purchased Professional Technical Services		38,364	38,364	23,802	14,562
Other Purchased Services		7,670	7,670	7,411	259
Supplies and Materials		10,656	10,656	9,858	798
Total Support Services		<u>96,951</u>	<u>96,951</u>	<u>81,332</u>	<u>15,619</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		43,817	43,817	43,817	
Total Facilities Acquisition and Construction Services		<u>43,817</u>	<u>43,817</u>	<u>43,817</u>	
Total Expenditures	<u>\$ 327,993</u>	<u>\$ 148,811</u>	<u>\$ 476,804</u>	<u>\$ 409,301</u>	<u>\$ 67,503</u>

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 10,359,113	\$ 409,301
Difference - Budget to GAAP:		
Grant Accounting Budgetary basis differs from GAAP in that the Budgetary basis recognizes Encumbrances as Expenditures and Revenue whereas the GAAP basis does not:		
Current Year Encumbrances		(8,758)
Cancellation of Prior Year Encumbrances		(375)
Prior Year Encumbrances		375
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	307,982	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(308,872)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 10,358,223	\$ 400,543
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 8,843,771	\$ 409,301
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(8,758)
Cancellation of Prior Year Encumbrances		(375)
Prior Year Encumbrances		375
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 8,843,771	\$ 400,543

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the Warren County School Board of Estimate, which consists of three Warren County Freeholders and two Warren County Vocational School District board members. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)



SPECIAL REVENUE FUND

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Apprenticeship Coordinator</u>	<u>Adult Basic Skills Education</u>	<u>I.D.E.A. Part B, Basic</u>	<u>Private Donations</u>
REVENUE:				
Local Sources				\$ 5,181
State Sources	\$ 7,866			
Federal Sources		\$ 83,011	\$ 122,677	
Total Revenue		<u>83,011</u>	<u>122,677</u>	<u>5,181</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	4,612	66,014	66,452	
Purchased Professional and Technical Services				
Other Purchased Services	807			
General Supplies	<u>2,447</u>		<u>15,239</u>	<u>5,181</u>
Total Instruction	<u>7,866</u>	<u>66,014</u>	<u>81,691</u>	<u>5,181</u>
Support Services:				
Salaries of Other Professional Staff				
Personal Services - Employee Benefits		14,997	19,675	
Purchased Professional Technical Services		2,000	15,855	
Other Purchased Services				
Supplies and Materials			<u>5,456</u>	
Total Support Services		<u>16,997</u>	<u>40,986</u>	
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	<u>\$ 7,866</u>	<u>\$ 83,011</u>	<u>\$ 122,677</u>	<u>\$ 5,181</u>

WARREN COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Carl D. Perkins</u>		<u>No Child Left Behind</u>		<u>Totals</u>
	<u>Secondary</u>	<u>Post Secondary</u>	<u>Title I</u>	<u>Title IIA</u>	
REVENUE:					
Local Sources					\$ 5,181
State Sources					7,866
Federal Sources	\$ 57,353	\$ 84,789	\$ 43,977	\$ 4,447	396,254
Total Revenue	<u>57,353</u>	<u>84,789</u>	<u>43,977</u>	<u>4,447</u>	<u>409,301</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	11,616		4,608		153,302
Purchased Professional and Technical Services	4,574				4,574
Other Purchased Services			18,038		18,845
General Supplies	29,147	42,493	12,924		107,431
Total Instruction	<u>45,337</u>	<u>42,493</u>	<u>35,570</u>		<u>284,152</u>
Support Services:					
Salaries of Other Professional Staff		3,000			3,000
Personal Services - Employee Benefits			2,589		37,261
Purchased Professional Technical Services		1,500		4,447	23,802
Other Purchased Services	3,995		3,416		7,411
Supplies and Materials		2,000	2,402		9,858
Total Support Services	<u>3,995</u>	<u>6,500</u>	<u>8,407</u>	<u>4,447</u>	<u>81,332</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	8,021	35,796			43,817
Total Facilities Acquisition and Construction Services	<u>8,021</u>	<u>35,796</u>			<u>43,817</u>
Total Expenditures	<u>\$ 57,353</u>	<u>\$ 84,789</u>	<u>\$ 43,977</u>	<u>\$ 4,447</u>	<u>\$ 409,301</u>

CAPITAL PROJECTS FUND

Exhibit F-1

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

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 556,000
Contribution from Private Source	110,634
	<hr/>
Total Revenue and Other Financing Sources	666,634
	<hr/>
Expenditures:	
Legal Services	68,134
Purchased Professional and Technical Services	76,983
Construction Services	190,571
	<hr/>
Total Expenditures	335,688
	<hr/>
Excess of Revenue and Other Financing Sources Over Expenditures	330,946
	<hr/>
Fund Balance - Beginning of Year	-0-
	<hr/>
Fund Balance - End of Year	\$ 330,946
	<hr/> <hr/>
<u>Recapitulation:</u>	
Committed Fund Balance	\$ 266,829
Committed - Year End Encumbrances	64,117
	<hr/>
Total Restricted Fund Balance - Budgetary Basis	330,946
	<hr/>
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>	
SDA Grant Receivable not Recognized on the GAAP Basis	(556,000)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ (225,054)
	<hr/> <hr/>

Exhibit F-1A

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
WINDOWS REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 556,000	\$ 556,000	\$ 556,000
Transfer from Capital Reserve				834,000
				<u>1,390,000</u>
Total Revenue and Other Financing Sources		<u>556,000</u>	<u>556,000</u>	<u>1,390,000</u>
Expenditures:				
Legal Services				5,000
Purchased Professional and Technical Services		76,983	76,983	109,000
Construction Services		190,571	190,571	1,276,000
				<u>1,390,000</u>
Total Expenditures		<u>267,554</u>	<u>267,554</u>	<u>1,390,000</u>
Excess of Revenue and Other Financing Sources Over Expenditures	<u>\$ -0-</u>	<u>\$ 288,446</u>	<u>\$ 288,446</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	5460-050-13-2003
Grant Date	01/06/14
Bond Authorization Date	N/A
Bonds Authorized	\$ -0-
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 1,390,000
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 1,390,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	19%
Original Target Completion Date	12/31/15
Revised Target Completion Date	N/A

Exhibit F-1B

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
SOLAR PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Project Authorization
Revenue:				
Contribution from Private Source		\$ 110,634	\$ 110,634	\$ 110,634
Total Revenue		110,634	110,634	110,634
Expenditures:				
Legal Services		68,134	68,134	110,634
Total Expenditures		68,134	68,134	110,634
Excess of Revenue Over Expenditures	\$ -0-	\$ 42,500	\$ 42,500	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -0-
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 110,634
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 110,634
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	62%
Original Target Completion Date	12/31/15
Revised Target Completion Date	N/A

PROPRIETARY FUNDS



Exhibit G-1

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Non-Major Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Restaurant</u>	
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 57,780		\$ 57,780
Intrafund Receivable	3,711		3,711
Intergovernmental Accounts Receivable:			
State	51		51
Federal	2,762		2,762
Inventories	3,042	\$ 918	3,960
Total Current Assets	<u>67,346</u>	<u>918</u>	<u>68,264</u>
Non-Current Assets:			
Capital Assets	29,136		29,136
Less: Accumulated Depreciation	<u>(10,058)</u>		<u>(10,058)</u>
Total Non-Current Assets	<u>19,078</u>		<u>19,078</u>
Total Assets	<u>86,424</u>	<u>918</u>	<u>87,342</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Intrafund Payable		3,711	3,711
Accounts Payable	4,981		4,981
Unearned Revenue	1,096		1,096
Total Liabilities	<u>6,077</u>	<u>3,711</u>	<u>9,788</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	19,078		19,078
Unrestricted/(Deficit)	<u>61,269</u>	<u>(2,793)</u>	<u>58,476</u>
Total Net Position	<u>\$ 80,347</u>	<u>\$ (2,793)</u>	<u>\$ 77,554</u>

Exhibit G-2

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Non-Major Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Restaurant</u>	
Operating Revenue:			
Daily Sales	\$ 79,589		\$ 79,589
Restaurant Sales		\$ 14,595	14,595
Miscellaneous Revenue	101		101
Total Operating Revenue	<u>79,690</u>	<u>14,595</u>	<u>94,285</u>
Operating Expenses:			
Cost of Sales	90,488	17,561	108,049
Salaries and Employee Benefits	54,281		54,281
Other Purchased Services	8,989		8,989
Supplies and Materials	1,142		1,142
Miscellaneous Expenditures	4,222		4,222
Depreciation Expense	2,045		2,045
Total Operating Expenses	<u>161,167</u>	<u>17,561</u>	<u>178,728</u>
Operating Loss	<u>(81,477)</u>	<u>(2,966)</u>	<u>(84,443)</u>
Non-Operating Revenue:			
Local Sources:			
Interest Earnings	3		3
State Sources:			
State School Lunch Program	1,750		1,750
Federal Sources:			
National School Lunch Program	64,026		64,026
School Breakfast Program	14,931		14,931
Food Distribution Program	8,799		8,799
Total Non-Operating Revenue	<u>89,509</u>		<u>89,509</u>
Change in Net Position	8,032	(2,966)	5,066
Net Position - Beginning of Year	<u>72,315</u>	<u>173</u>	<u>72,488</u>
Net Position/(Deficit) - End of Year	<u>\$ 80,347</u>	<u>\$ (2,793)</u>	<u>\$ 77,554</u>

Exhibit G-3

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Non-Major Funds		Totals
	Food Service	Restaurant	
Cash Flows from Operating Activities:			
Intrafund Advanced	\$ (2,034)	\$ 2,034	\$ -0-
Receipts from Customers	79,690	14,595	94,285
Payments to Food Service Contractor	(151,049)		(151,049)
Payments to Suppliers	(2,565)	(16,629)	(19,194)
Net Cash Used for Operating Activities	<u>(75,958)</u>		<u>(75,958)</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(9,919)		(9,919)
Net Cash Used for Capital and Related Financing Activities	<u>(9,919)</u>		<u>(9,919)</u>
Cash Flows from Noncapital Financing Activities:			
Prior Year Interfund Returned from General Fund	49,567		49,567
State Sources - Turnover from General Fund	1,818		1,818
Federal Sources - Turnover from General Fund	81,144		81,144
Net Cash Provided by Noncapital Financing Activities	<u>132,529</u>		<u>132,529</u>
Cash Flows from Investing Activities:			
Interest Income	3		3
Net Cash Provided by Investing Activities	<u>3</u>		<u>3</u>
Net Increase in Cash and Cash Equivalents	46,655	-0-	46,655
Cash and Cash Equivalents, July 1	11,125	-0-	11,125
Cash and Cash Equivalents, June 30	<u>\$ 57,780</u>	<u>\$ -0-</u>	<u>\$ 57,780</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss	\$ (81,477)	\$ (2,966)	\$ (84,443)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	2,045		2,045
Food Distribution Program	8,799		8,799
Changes in Assets and Liabilities:			
(Increase) in Intrafund Receivable	(2,034)		(2,034)
Increase in Intrafund Payable		2,034	2,034
(Decrease) in Accounts Payable	(3,401)		(3,401)
(Decrease) in Unearned Revenue	(315)		(315)
Decrease in Inventory	425	932	1,357
Net Cash Used for Operating Activities	<u>\$ (75,958)</u>	<u>\$ -0-</u>	<u>\$ (75,958)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$8,484 and Utilized Commodities Valued at \$8,799.

FIDUCIARY FUNDS

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Agency</u>		<u>Total Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 91,491	\$ 18,092	\$ 109,583	\$ 92,367	
Interfund Receivable - Student Activities					\$ 1,229
Total Assets	<u>91,491</u>	<u>18,092</u>	<u>109,583</u>	<u>92,367</u>	<u>1,229</u>
<u>LIABILITIES:</u>					
Interfund Payable:					
General Fund		1,100	1,100		
Scholarship Trust	1,229		1,229		
Payroll Deductions and Withholdings		11,682	11,682		
Accrued Salaries and Wages		5,310	5,310		
Due to Student Groups	90,262		90,262		
Total Liabilities	<u>91,491</u>	<u>18,092</u>	<u>109,583</u>		
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims				92,367	
Restricted for Scholarships					1,229
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 92,367</u>	<u>\$ 1,229</u>

Exhibit H-2

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarships Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 11,195	
Total Contributions	<u>11,195</u>	
Total Additions	<u>11,195</u>	
DEDUCTIONS:		
Quarterly Contribution Reports	222	
Unemployment Claims	1,878	
Scholarships Awarded		\$ 1,451
Total Deductions	<u>2,100</u>	<u>1,451</u>
Change in Net Position	9,095	(1,451)
Net Position - Beginning of the Year	<u>83,272</u>	\$ <u>2,680</u>
Net Position - End of the Year	<u>\$ 92,367</u>	<u>\$ 1,229</u>

Exhibit H-3

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 84,587	\$ 187,015	\$ 180,111	\$ 91,491
Total Assets	<u>\$ 84,587</u>	<u>\$ 187,015</u>	<u>\$ 180,111</u>	<u>\$ 91,491</u>
 <u>LIABILITIES:</u>				
Due to Student Groups	\$ 81,907	\$ 187,015	\$ 178,660	\$ 90,262
Interfund Payable - Scholarship Trust	<u>2,680</u>	<u></u>	<u>1,451</u>	<u>1,229</u>
Total Liabilities	<u>\$ 84,587</u>	<u>\$ 187,015</u>	<u>\$ 180,111</u>	<u>\$ 91,491</u>

Exhibit H-4

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 43,767	\$ 5,345,443	\$ 5,371,118	\$ 18,092
Total Assets	<u>\$ 43,767</u>	<u>\$ 5,345,443</u>	<u>\$ 5,371,118</u>	<u>\$ 18,092</u>
 <u>LIABILITIES:</u>				
Interfund Payable:				
General Fund	\$ 20,993	\$ 550	\$ 20,443	\$ 1,100
Payroll Deductions and Withholdings	17,591	5,339,583	5,345,492	11,682
Accrued Salaries and Wages	<u>5,183</u>	<u>5,310</u>	<u>5,183</u>	<u>5,310</u>
Total Liabilities	<u>\$ 43,767</u>	<u>\$ 5,345,443</u>	<u>\$ 5,371,118</u>	<u>\$ 18,092</u>



LONG-TERM DEBT

Exhibit I-1

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Purpose</u>	<u>Int. Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Matured</u>	<u>Balance June 30, 2015</u>
Telephone System Upgrade	N/A	\$ 39,565	\$ 24,076	\$ 7,889	\$ 16,187
			<u>\$ 24,076</u>	<u>\$ 7,889</u>	<u>\$ 16,187</u>

N/A - Not Available

STATISTICAL SECTION

**STATISTICAL SECTION**  
(UNAUDITED)

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

**Contents**

**Exhibit**

**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 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its County taxes.

J-6 thru J-9

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 8,012,243	\$ 8,126,810	\$ 8,339,461	\$ 8,796,181	\$ 9,158,631	\$ 9,800,914	\$ 10,747,235	\$ 11,683,041	\$ 12,398,704	\$ 11,954,100
Restricted	315,413	1,116,818	1,445,239	1,862,085	2,129,043	1,347,025	626,675	249,484	249,484	1,843,243
Unrestricted/(Deficit)	51,468	96,216	430,462	29,013	37,564	496,988	871,294	740,207	(1,672,103)	(1,940,295)
Total Governmental Activities Net Position	<u>\$ 8,379,124</u>	<u>\$ 9,339,844</u>	<u>\$ 10,215,162</u>	<u>\$ 10,687,279</u>	<u>\$ 11,325,238</u>	<u>\$ 11,644,927</u>	<u>\$ 12,245,204</u>	<u>\$ 12,672,732</u>	<u>\$ 10,976,085</u>	<u>\$ 11,857,048</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 35,171	\$ 10,312	\$ 14,919	\$ 11,076	\$ 9,023	\$ 7,856	\$ 14,568	\$ 12,886	\$ 11,204	\$ 19,078
Unrestricted	116,289	115,513	123,531	119,449	133,410	139,475	69,016	60,106	61,284	58,476
Total Business-Type Activities Net Position	<u>\$ 151,460</u>	<u>\$ 125,825</u>	<u>\$ 138,450</u>	<u>\$ 130,525</u>	<u>\$ 142,433</u>	<u>\$ 147,331</u>	<u>\$ 83,584</u>	<u>\$ 72,992</u>	<u>\$ 72,488</u>	<u>\$ 77,554</u>
District-Wide:										
Net Investment in Capital Assets	\$ 8,047,414	\$ 8,137,122	\$ 8,354,380	\$ 8,807,257	\$ 9,167,654	\$ 9,808,770	\$ 10,761,803	\$ 11,695,927	\$ 12,409,908	\$ 11,973,178
Restricted	315,413	1,116,818	1,445,239	1,862,085	2,129,043	1,347,025	626,675	249,484	249,484	1,843,243
Unrestricted/(Deficit)	167,757	211,729	553,993	148,462	170,974	636,463	940,310	800,313	(1,610,819)	(1,881,819)
Total District Net Position	<u>\$ 8,530,584</u>	<u>\$ 9,465,669</u>	<u>\$ 10,353,612</u>	<u>\$ 10,817,804</u>	<u>\$ 11,467,671</u>	<u>\$ 11,792,258</u>	<u>\$ 12,328,788</u>	<u>\$ 12,745,724</u>	<u>\$ 11,048,573</u>	<u>\$ 11,934,602</u>

\* Restated

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental Activities:										
Instruction										
Regular	\$ 1,579,776	\$ 1,993,460	\$ 2,019,338	\$ 1,984,721	\$ 1,890,846	\$ 2,208,005	\$ 2,265,252	\$ 2,321,939	\$ 2,322,452	\$ 2,489,650
Special Education								241,789	281,497	510,386
Vocational Education	1,661,347	1,752,686	1,802,771	2,141,211	1,951,536	1,901,753	1,963,984	1,937,761	1,945,478	2,180,719
School-Sponsored/Other Instruction	125,665	171,563	182,697	195,432	170,535	194,553	200,534	192,079	210,559	241,058
Support Services:										
Student and Instruction Related Services	819,278	695,149	736,861	662,970	844,747	674,590	710,375	803,379	748,235	911,640
General Administrative Services	422,684	447,119	447,426	431,330	452,410	412,945	459,292	469,024	483,031	552,679
School Administrative Services	475,263	620,439	505,711	423,542	377,972	392,116	432,545	301,859	323,952	396,171
Central Services	271,020	325,803	306,977	271,835	279,613	290,643	292,383	294,801	379,016	410,849
Administrative Information Technology		149,450	133,198	176,786	274,952	214,348	229,091	249,572	211,850	187,133
Plant Operations and Maintenance	783,050	933,869	1,062,702	1,123,228	976,706	1,002,682	940,738	961,995	1,026,112	1,051,519
Pupil Transportation	445,829	444,511	481,634	529,736	507,188	573,661	540,480	562,593	545,217	534,395
Special Schools	802,799	445,072	409,323	476,551	592,594	689,544	705,868	670,174	624,870	587,605
Capital Outlay	8,177	70,303	190,326	48,854	78,231	36,220	19,994	34,190	35,821	111,438
Unallocated Depreciation	205,558	205,489	218,839	239,602	274,012	364,911	364,991	416,122	664,365	620,100
Total Governmental Activities Expenses	<u>7,600,446</u>	<u>8,254,913</u>	<u>8,497,803</u>	<u>8,705,798</u>	<u>8,671,342</u>	<u>8,955,971</u>	<u>9,125,527</u>	<u>9,457,277</u>	<u>9,802,455</u>	<u>10,785,342</u>
Business-Type Activities:										
Internet Access	117,683	91,204	97,604	107,737	42,091	16,044	731			
Adaptive Gym	723	1,456								
Educational Technology Training Center	86,697	36,522								
Restaurant	29,159	34,161	25,419	11,633	12,857	15,331	20,715	14,177	17,457	17,561
Food Service	141,234	146,806	167,610	169,046	166,340	157,508	177,511	152,525	159,593	161,167
Total Business-Type Activities Expense	<u>375,496</u>	<u>310,149</u>	<u>290,633</u>	<u>288,416</u>	<u>221,288</u>	<u>188,883</u>	<u>198,957</u>	<u>166,702</u>	<u>177,050</u>	<u>178,728</u>
Total District Expenses	<u>7,975,942</u>	<u>8,565,062</u>	<u>8,788,436</u>	<u>8,994,214</u>	<u>8,892,630</u>	<u>9,144,854</u>	<u>9,324,484</u>	<u>9,623,979</u>	<u>9,979,505</u>	<u>10,964,070</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition From Other LEAs							1,162,151	1,110,668	1,167,077	2,044,114
Services Provided to Other LEAs									84,000	
Vocational Education Instruction	20,912									
Pupil Transportation	11,963									
Special Schools (Other Tuition)	60,657	129,614	156,501	177,439	407,633	403,151	388,041	374,142	320,687	404,046
Operating Grants and Contributions	1,661,657	2,255,672	2,172,469	1,327,296	1,337,220	1,140,390	1,343,568	1,589,882	1,401,647	2,267,722
Capital Grants and Contributions	165,963									110,634
Total Governmental Activities Program Revenues	<u>1,921,152</u>	<u>2,385,286</u>	<u>2,328,970</u>	<u>1,504,735</u>	<u>1,744,853</u>	<u>1,543,541</u>	<u>2,893,760</u>	<u>3,074,692</u>	<u>2,973,411</u>	<u>4,826,516</u>

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

UNAUDITED

(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues (Cont'd):										
Business-Type Activities:										
Charges for Services:										
Internet Access	\$ 115,646	\$ 132,292	\$ 101,248	\$ 84,690	\$ 43,132	\$ 11,975				
Adaptive Gym	375	110								
Educational Technology Training Center	74,433	41,418								
Restaurant	41,444	24,986	24,489	18,282	15,971	17,168	\$ 13,584	\$ 9,016	\$ 16,142	\$ 14,595
Food Service	111,502	132,185	143,239	138,074	126,903	102,283	102,885	77,205	82,293	79,690
Operating Grants and Contributions	31,614	30,287	32,059	39,200	46,493	62,176	76,092	69,888	78,110	89,506
Total Business-Type Activities Program Revenues	<u>375,014</u>	<u>361,278</u>	<u>301,035</u>	<u>280,246</u>	<u>232,499</u>	<u>193,602</u>	<u>192,561</u>	<u>156,109</u>	<u>176,545</u>	<u>183,791</u>
Total District Program Revenues	<u>2,296,166</u>	<u>2,746,564</u>	<u>2,630,005</u>	<u>1,784,981</u>	<u>1,977,352</u>	<u>1,737,143</u>	<u>3,086,321</u>	<u>3,230,801</u>	<u>3,149,956</u>	<u>5,010,307</u>
Net (Expense)/Revenue:										
Governmental Activities	(5,679,294)	(5,869,627)	(6,168,833)	(7,201,063)	(6,926,489)	(7,412,430)	(6,231,767)	(6,382,585)	(6,829,044)	(5,958,826)
Business-Type Activities	<u>(482)</u>	<u>51,129</u>	<u>10,402</u>	<u>(8,170)</u>	<u>11,211</u>	<u>4,719</u>	<u>(6,396)</u>	<u>(10,593)</u>	<u>(505)</u>	<u>5,063</u>
Total District-Wide Net Expense	<u>(5,679,776)</u>	<u>(5,818,498)</u>	<u>(6,158,431)</u>	<u>(7,209,233)</u>	<u>(6,915,278)</u>	<u>(7,407,711)</u>	<u>(6,238,163)</u>	<u>(6,393,178)</u>	<u>(6,829,549)</u>	<u>(5,953,763)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
County Taxes Levied for General Purposes, Net	3,872,866	4,012,290	3,978,054	3,995,172	3,995,172	3,995,172	3,995,172	3,995,172	3,995,172	3,995,172
Tuition from Other LEA's		1,045,075	1,059,573	1,154,075	1,179,067	1,130,881				
Federal and State Aid not Restricted	1,780,036	1,394,544	1,461,847	2,420,175	2,281,554	2,532,518	2,665,682	2,763,872	2,792,568	2,801,683
Investment Earnings	667	886	631	29,976	21,783	11,257	9,768	961		
Miscellaneous Income	109,001	214,808	463,066	73,347	86,872	62,291	104,065	50,108	53,343	42,934
Residual Equity Transfer:										
Center for Career Planning and Development	80,000									
Educational Technology Training Center		37,744								
Adaptive Gym				435						
Internet Access							57,357			
County Capital Improvement Ordinance		125,000								
Transfers	(20,891)									
Cancellation of Prior Year Accounts Payable			80,980							
Total Governmental Activities	<u>5,821,679</u>	<u>6,830,347</u>	<u>7,044,151</u>	<u>7,673,180</u>	<u>7,564,448</u>	<u>7,732,119</u>	<u>6,832,044</u>	<u>6,810,113</u>	<u>6,841,083</u>	<u>6,839,789</u>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position:										
Business-Type Activities:										
Investment Earnings	\$ 2,417	\$ 2,954	\$ 2,223	\$ 2,839	\$ 697	\$ 179	\$ 6	\$ 1	\$ 1	\$ 3
Transfers	1,028									
Residual Equity Transfer:										
Educational Technology Training Center		(37,744)		(435)						
Internet Access							(57,357)			
Cancellation of Prior Year Accounts Receivable		(52,538)		(2,159)						
Cancellation of Prior Year Accounts Payable		10,564								
Total Business-Type Activities	<u>3,445</u>	<u>(76,764)</u>	<u>2,223</u>	<u>245</u>	<u>697</u>	<u>179</u>	<u>(57,351)</u>	<u>1</u>	<u>1</u>	<u>3</u>
Total District-Wide	<u>5,825,124</u>	<u>6,753,583</u>	<u>7,046,374</u>	<u>7,673,425</u>	<u>7,565,145</u>	<u>7,732,298</u>	<u>6,774,693</u>	<u>6,810,114</u>	<u>6,841,084</u>	<u>6,839,792</u>
Change in Net Position:										
Governmental Activities	142,385	960,720	875,318	472,117	637,959	319,689	600,277	427,528	12,039	880,963
Business-Type Activities	<u>2,963</u>	<u>(25,635)</u>	<u>12,625</u>	<u>(7,925)</u>	<u>11,908</u>	<u>4,898</u>	<u>(63,747)</u>	<u>(10,592)</u>	<u>(504)</u>	<u>5,066</u>
Total District	<u>\$ 145,348</u>	<u>\$ 935,085</u>	<u>\$ 887,943</u>	<u>\$ 464,192</u>	<u>\$ 649,867</u>	<u>\$ 324,587</u>	<u>\$ 536,530</u>	<u>\$ 416,936</u>	<u>\$ 11,535</u>	<u>\$ 886,029</u>



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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved/Restricted	\$ 312,003	\$ 1,113,408	\$ 1,446,260	\$ 1,862,085	\$ 2,129,043	\$ 1,347,025	\$ 626,675	\$ 249,484	\$ 249,484	\$ 1,843,243
Assigned						389,664	962,093	883,278	22,200	15,320
Unreserved/Unassigned	<u>273,143</u>	<u>301,301</u>	<u>611,517</u>	<u>200,323</u>	<u>168,142</u>	<u>250,013</u>	<u>105,621</u>	<u>54,909</u>	<u>249,145</u>	<u>176,718</u>
Total General Fund	<u>\$ 585,146</u>	<u>\$ 1,414,709</u>	<u>\$ 2,057,777</u>	<u>\$ 2,062,408</u>	<u>\$ 2,297,185</u>	<u>\$ 1,986,702</u>	<u>\$ 1,694,389</u>	<u>\$ 1,187,671</u>	<u>\$ 520,829</u>	<u>\$ 2,035,281</u>
All Other Governmental Funds:										
Unreserved/Unassigned, Reported In:										
Special Revenue Fund/(Deficit)	\$ (1,021)	\$ (1,021)	\$ (1,021)							
Capital Projects Fund/(Deficit)	<u>4,431</u>	<u>4,431</u>								<u>\$ (225,054)</u>
Total All Other Governmental Funds	<u>\$ 3,410</u>	<u>\$ 3,410</u>	<u>\$ (1,021)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (225,054)</u>
Total All Governmental Funds:										
Reserved/Restricted	\$ 312,003	\$ 1,113,408	\$ 1,446,260	\$ 1,862,085	\$ 2,129,043	\$ 1,347,025	\$ 626,675	\$ 249,484	\$ 249,484	\$ 1,843,243
Assigned						389,664	962,093	883,278	22,200	15,320
Unreserved/Unassigned/(Deficit)	<u>276,553</u>	<u>304,711</u>	<u>610,496</u>	<u>200,323</u>	<u>168,142</u>	<u>250,013</u>	<u>105,621</u>	<u>54,909</u>	<u>249,145</u>	<u>(48,336)</u>
Total All Governmental Funds	<u>\$ 588,556</u>	<u>\$ 1,418,119</u>	<u>\$ 2,056,756</u>	<u>\$ 2,062,408</u>	<u>\$ 2,297,185</u>	<u>\$ 1,986,702</u>	<u>\$ 1,694,389</u>	<u>\$ 1,187,671</u>	<u>\$ 520,829</u>	<u>\$ 1,810,227</u>

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
County Tax Levy	\$ 3,872,866	\$ 4,012,290	\$ 3,978,054	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172	\$ 3,995,172
Tuition from LEA's		1,045,075	1,059,573	1,154,075	1,179,067	1,130,881	1,162,151	1,110,668	1,167,077	2,044,114
Other Tuition	60,657	129,614	156,501	177,439	407,633	403,151	388,041	374,142	320,687	404,046
Non-Resident Fees	20,912									
Transportation Fees from Other LEA's	11,963									
GED Testing Center Fees					9,100	8,750	9,620	7,840	8,033	8,447
Services Provided to Other LEAs									84,000	
Interest Earned on Capital Reserve Funds	569	756	538	4,979	3,285	5,090	2,890	383		
Restricted Miscellaneous Revenue			52,856	32,636						
Unrestricted Miscellaneous Revenue	109,099	214,938	410,603	66,685	100,170	63,408	104,623	46,646	45,310	150,302
State Sources	2,914,776	3,137,000	3,236,400	3,328,474	2,624,762	3,270,100	3,494,753	3,795,064	3,773,637	3,879,823
Federal Sources	692,880	513,216	397,616	418,020	990,112	399,108	511,197	554,890	420,578	387,496
<b>Total Revenue</b>	<b>7,683,722</b>	<b>9,052,889</b>	<b>9,292,141</b>	<b>9,177,480</b>	<b>9,309,301</b>	<b>9,275,660</b>	<b>9,668,447</b>	<b>9,884,805</b>	<b>9,814,494</b>	<b>10,869,400</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	1,165,427	1,410,497	1,434,996	1,482,242	1,407,087	1,599,392	1,592,921	1,597,428	1,559,162	1,472,725
Special Education Instruction								137,956	187,069	291,832
Vocational Education Instruction	1,216,087	1,136,149	1,218,458	1,572,291	1,454,671	1,356,221	1,340,277	1,225,572	1,238,308	1,300,154
School-Sponsored/Other Instruction	88,654	115,675	132,010	156,898	132,898	147,551	147,068	141,205	153,123	156,576
<b>Support Services:</b>										
Student and Instruction Related Services	646,200	530,448	536,498	530,932	675,798	504,806	546,932	594,669	564,705	567,737
General Administrative Services	422,948	427,245	407,592	386,340	407,486	358,485	396,168	371,945	385,279	396,277
School Administrative Services	359,693	422,632	361,687	320,056	287,612	287,058	306,068	212,793	237,257	264,094
Central Services	196,255	227,349	243,734	214,429	228,333	225,911	213,385	212,658	296,203	299,715
Administrative Information Technology		129,488	108,264	152,470	281,226	205,623	209,169	225,278	186,422	161,103
Plant Operations and Maintenance	667,839	835,944	968,305	1,030,366	975,333	912,418	833,317	853,356	887,836	904,773
Pupil Transportation	445,829	444,511	481,634	529,736	507,188	573,642	540,480	562,347	544,717	534,040
Unallocated Benefits	1,522,451	1,849,178	1,796,258	1,547,670	1,527,717	1,711,950	1,919,154	2,173,589	2,141,600	2,384,175
Special Schools	701,243	366,826	329,694	411,015	686,584	570,256	570,830	516,337	497,464	432,491
Capital Outlay	326,286	473,118	715,354	837,818	502,591	1,132,830	1,441,913	1,566,390	1,602,191	414,310
<b>Total Expenditures</b>	<b>7,758,912</b>	<b>8,369,060</b>	<b>8,734,484</b>	<b>9,172,263</b>	<b>9,074,524</b>	<b>9,586,143</b>	<b>10,057,682</b>	<b>10,391,523</b>	<b>10,481,336</b>	<b>9,580,002</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(75,190)	683,829	557,657	5,217	234,777	(310,483)	(389,235)	(506,718)	(666,842)	1,289,398

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources/(Uses):										
Capital Leases (Non-Budgeted)							\$ 39,565			
Transfers In	\$ 98	\$ 242,247								
Equity Transfer:										
Center for Career Planning and Development	80,000									
Educational Technology Training Center		20,734								
Adaptive Gym				\$ 435						
Internet Access							57,357			
Cancellation of Special Revenue Fund Grant Receivable	(19,863)									
Cancellation of Prior Year Accounts Payable			\$ 80,980							
County Capital Improvement Ordinance		125,000								
Transfers Out	(1,126)	(242,247)								
Total Other Financing Sources/(Uses)	59,109	145,734	80,980	435			57,357			
Net Change in Fund Balances	\$ (16,081)	\$ 829,563	\$ 638,637	\$ 5,652	\$ 234,777	\$ (310,483)	\$ (331,878)	\$ (506,718)	\$ (666,842)	\$ 1,289,398
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A Not Applicable

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Tuition</u> <u>from</u> <u>LEA's</u>	<u>Non</u> <u>Resident</u> <u>Fees</u>	<u>Transportation</u> <u>Fees</u>	<u>Interest on</u> <u>Investments</u>	<u>Miscellaneous</u>	<u>Adult</u> <u>Education</u> <u>Tuition</u>	<u>Refunds of</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Services</u> <u>Provided to</u> <u>Other LEAs</u>	<u>GED</u> <u>Testing</u> <u>Center Fees</u>	<u>Total</u>
2006		\$ 20,912	\$ 11,963	\$ 27,297	\$ 82,273	\$ 60,657				\$ 203,102
2007	\$ 1,045,075			50,084	110,732	129,614	\$ 54,748			1,390,253
2008	1,059,573			75,535	335,213	156,501	52,856			1,679,678
2009	1,154,075			29,976	40,711	177,439	32,636			1,434,837
2010	1,179,067			21,783	77,772	407,633		\$ 9,100		1,695,355
2011	1,130,881			11,257	53,541	403,151		8,750		1,607,580
2012	1,162,151			9,768	94,445	388,041		9,620		1,664,025
2013	1,110,668			961	42,268	374,142		7,840		1,535,879
2014	1,167,077				45,310	320,687		\$ 84,000	8,033	1,625,107
2015	2,044,114				34,487	404,046			8,447	2,491,094

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

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2005	\$ 198,332,890	\$ 6,420,991,477	\$ 488,899,000	\$ 39,276,620	\$ 919,463,503	\$ 664,085,450	\$ 173,404,000	\$ 8,904,452,940	\$ 32,631,543	\$ 8,937,084,483	\$ 872,977,611	N/A	\$ 10,332,405,733
2006	253,936,027	6,871,265,889	509,228,050	38,329,719	965,061,249	624,897,950	179,114,600	9,441,833,484	28,331,232	9,470,164,716	930,856,098	N/A	11,733,999,903
2007	278,142,627	7,534,209,311	590,326,550	38,050,682	1,040,506,204	621,086,750	177,534,200	10,279,856,324	28,455,816	10,308,312,140	1,046,965,438	N/A	13,059,781,320
2008	270,791,087	7,619,896,271	600,590,000	37,064,433	1,050,424,784	620,088,900	175,541,000	10,374,396,475	28,271,444	10,402,667,919	1,060,788,164	N/A	13,822,543,191
2009	256,865,167	7,654,844,051	615,471,500	38,747,232	1,060,704,897	550,840,850	176,048,900	10,353,522,597	27,217,257	10,380,739,854	1,097,260,750	N/A	13,368,469,742
2010	251,516,967	8,168,300,057	618,799,900	38,129,997	1,251,803,552	644,499,200	223,769,200	11,196,818,873	32,138,774	11,228,957,647	1,255,927,713	N/A	13,469,104,644
2011	226,612,417	8,074,315,307	594,783,500	37,505,720	1,236,692,452	627,479,200	218,177,404	11,015,566,000	30,259,289	11,045,825,289	1,240,646,048	N/A	12,821,727,118
2012	199,368,367	7,893,151,225	601,147,400	37,856,335	1,210,337,553	619,331,100	218,642,404	10,779,834,384	31,055,796	10,810,890,180	1,231,347,161	N/A	12,064,011,840
2013	187,827,887	7,826,483,885	594,520,700	37,656,226	1,204,982,162	609,937,850	223,602,500	10,685,011,210	25,834,841	10,710,846,051	1,246,473,784	N/A	11,312,251,145
2014	173,905,752	7,468,609,785	588,213,200	38,352,949	1,179,627,962	573,813,750	244,622,900	10,267,146,298	22,876,697	10,290,022,995	1,230,066,004	N/A	10,631,545,458

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

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

N/A Not Applicable

Exhibit J-8

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

<u>Taxpayer</u>	2014		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total County Net Assessed Value</u>
Merrill Creek Reservoir	\$ 221,059,058	1	2.15%
Mansfield Plaza	84,014,700	2	0.82%
Mansfield Plaza Associates, LLC	47,046,000	3	0.46%
Food Manufacturers, Inc.	45,316,900	4	0.44%
DSM Nutritional Products, Inc.	44,838,700	5	0.44%
Green Eagle Properties	33,190,600	6	0.32%
Phillipsburg Mall	32,712,700	7	0.32%
Morris Park Associates	27,356,000	8	0.27%
Pohatcong Associates	24,789,600	9	0.24%
National Realty Dev. Co.	24,235,000	10	0.24%
	<u>\$ 584,559,258</u>		<u>5.68%</u>

<u>Taxpayer</u>	2005		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
INFORMATION IS NOT AVAILABLE			

Exhibit J-9

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 3,872,866	\$ 3,872,866	100.00%	\$ -0-
2007	4,012,290	4,012,290	100.00%	-0-
2008	3,978,054	3,978,054	100.00%	-0-
2009	3,995,172	3,995,172	100.00%	-0-
2010	3,995,172	3,995,172	100.00%	-0-
2011	3,995,172	3,995,172	100.00%	-0-
2012	3,995,172	3,995,172	100.00%	-0-
2013	3,995,172	3,995,172	100.00%	-0-
2014	3,995,172	3,995,172	100.00%	-0-
2015	3,995,172	3,995,172	100.00%	-0-

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

Source: School District records

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

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANs)	Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Capital Leases						
2006	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	0.0000%	\$ -0-	
2007	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2008	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2009	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2010	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2011	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2012	-0-	-0-	37,376	-0-	-0-	-0-	37,376	0.0007%	0.34	
2013	-0-	-0-	31,108	-0-	-0-	-0-	31,108	0.0006%	0.29	
2014	-0-	-0-	24,076	-0-	-0-	-0-	24,076	0.0005%	0.23	
2015	-0-	-0-	16,187	-0-	-0-	-0-	16,187	0.0003%	0.15	

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

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



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

Year	Population <sup>a</sup>	Warren County Per Capita Personal Income <sup>b</sup>	Total County Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	109,450	\$ 40,606	\$ 4,444,326,700	4.10%
2007	109,684	42,842	4,699,081,928	3.70%
2008	109,897	44,210	4,858,546,370	5.00%
2009	109,638	43,864	4,809,161,232	8.80%
2010	108,676	43,962	4,777,614,312	9.10%
2011	108,138	46,070	4,981,917,660	8.40%
2012	107,550	48,115	5,174,768,250	8.20%
2013	106,839	49,040	5,239,384,560	7.20%
2014	106,917	49,040 *	5,243,209,680 ***	6.10%
2015	106,917 **	49,040 *	5,243,209,680 ***	N/A

\* - Latest Warren County per capita personal income available (2013) was used for calculation purposes.

\*\* - Latest population data available (2014) was used for calculation purposes.

\*\*\* - Latest available population data (2014) and latest available Warren County per capita personal income (2013) was used for calculation purposes

N/A - Information unavailable.

Source: <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Per Capita Personal Income provided by the NJ Dept of Labor and Workforce Development

<sup>c</sup> Total County personal income estimated based upon population times County per capita personal income

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

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

<u>Employer</u>	<u>Employees</u>	2014	<u>Percentage of Total Employment</u>
		<u>Rank (Optional)</u>	

INFORMATION IS NOT AVAILABLE

<u>Employer</u>	<u>Employees</u>	2005	<u>Percentage of Total Employment</u>
		<u>Rank (Optional)</u>	

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	19.3	21.0	19.2	22.0	25.0	29.0	34.0	34.0	34.0	34.0
Vocational	18.5	19.0	14.8	15.0	17.0	22.0	17.0	17.0	18.0	18.0
Adult/Continuing Education Programs	3.0	3.0	3.0	3.0	3.0	3.0	6.0	6.0	5.0	5.0
Support Services:										
Student and Instruction Related Services	7.5	8.5	9.0	9.0	7.0	7.0	7.0	7.0	7.0	7.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Administrative Services	5.0	5.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Central Services	2.8	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Plant Operations and Maintenance	8.0	8.0	8.0	8.0	8.0	7.0	7.0	5.0	8.0	8.0
Special Schools	3.4	4.0	4.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	<u>69.5</u>	<u>74.0</u>	<u>69.0</u>	<u>69.0</u>	<u>73.0</u>	<u>81.0</u>	<u>84.0</u>	<u>82.0</u>	<u>85.0</u>	<u>85.0</u>

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil<sup>d</sup></u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio High School</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2006	409.0	\$ 6,731,383	\$ 16,458	-1.60%	36	1:12.0	409.0	380.0	1.11%	92.91%
2007	417.0	7,529,116	18,055	9.70%	46	1:9.7	417.0	395.4	1.96%	94.82%
2008	446.0	7,689,436	17,241	-4.51%	48	1:9.3	446.0	400.0	6.95%	89.69%
2009	449.0	7,923,430	17,647	2.35%	49	1:9.1	429.2	407.6	-3.77%	94.97%
2010	456.0	7,885,349	17,292	-2.01%	47	1:10.9	441.2	415.2	2.80%	94.11%
2011	469.0	7,883,057	16,808	-2.80%	47	1:10.0	454.7	429.7	3.06%	94.50%
2012	456.0	8,044,939	17,642	4.96%	44	1:10.4	443.1	420.6	-2.55%	94.92%
2013	481.0	8,308,796	17,274	-2.09%	45	1:10.7	438.3	416.3	-1.08%	94.98%
2014	498.0	8,381,681	16,831	-2.57%	46	1:10.8	459.5	442.5	4.84%	96.30%
2015	482.0	8,733,201	18,119	7.65%	47	1:10.0	480.0	452.1	4.46%	94.19%

Note: Enrollment based on annual October district count.

<sup>a</sup> Operating expenditures equal total expenditures less debt service, capital outlay and special schools.

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

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

<sup>d</sup> Cost per pupil represents operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Buildings</u>										
High School										
Square Feet	151,926	151,926	151,926	151,926	151,926	151,926	151,926	151,926	151,926	151,926
Capacity (students)	484	484	484	484	484	484	484	484	484	484
Enrollment	409	417	446	449	456	469	456	481	498	482
Board Office										
Square Feet	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046
Number of Schools at June 30, 2015										
High School = 1										

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

Source: School District Facilities Office

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

Undistributed Expenditures - Required Maintenance for School Facilities

Account # 11-000-261-xxx

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>High</u> <u>School</u>	<u>Board</u> <u>Office</u>	<u>Total</u>
2006	\$ 182,678	\$ 9,615	\$ 192,293
2007	180,983	9,525	190,508
2008	273,907		273,907
2009	357,512		357,512
2010	393,619		393,619
2011	362,773		362,773
2012	402,626		402,626
2013	468,162		468,162
2014	491,797		491,797
2015	489,581		489,581

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

Source: School District records.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2015  
UNAUDITED

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

Source: District's Insurance Agent

SINGLE AUDIT SECTION





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 Mt. Arlington, NJ 07856  
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Report on Internal Control over Financial Reporting and  
 on Compliance and Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Warren County Vocational-Technical School (the "District"), a component unit of the County of Warren as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District'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 District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

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

### Compliance and Other Matters

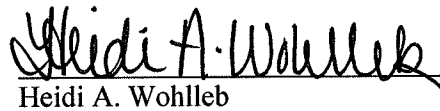
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### Purpose of this Report

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

November 25, 2015  
Mount Arlington, New Jersey

NISIVOCCIA LLP

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



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Report on Compliance For Each Major State Program;  
 Report on Internal Control Over Compliance Required by  
 OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08

Independent Auditors' Report

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

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

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

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 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 state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

***Opinions on Each Major State Program***

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

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04 and 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 District's internal control over compliance.

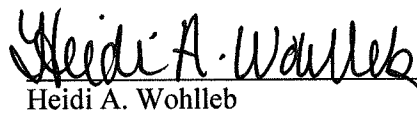
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

November 25, 2015  
Mount Arlington, New Jersey

NISIVOCCIA LLP

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

**WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Cash Received	Budgetary Expenditures	Adjustment	Cancellation of Prior Year Encumbrance Payable	Repayment of Prior Years' Balances	Balance at June 30, 2015		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor						Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
<b>U.S. Department of Agriculture</b>															
Passed-through State Department of Agriculture:															
Child Nutrition Cluster:															
Food Distribution Program	10.555	N/A	7/1/14-6/30/15	\$ 8,484			\$ 8,484	\$ (7,388)						\$ 1,096	
Food Distribution Program	10.555	N/A	7/1/13-6/30/14	8,881		\$ 1,411		(1,411)							
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	64,026			62,115	(64,026)					\$ (1,911)		
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	60,579	\$ (4,353)		4,353								
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	14,931			14,080	(14,931)					(851)		
School Breakfast Program	10.553	N/A	7/1/13-6/30/14	7,441	(596)		596								
Total Child Nutrition Cluster					(4,949)	1,411	89,628	(87,756)					(2,762)	1,096	
Total U.S. Department of Agriculture					(4,949)	1,411	89,628	(87,756)					(2,762)	1,096	
<b>U.S. Department of Education</b>															
Special Revenue Fund:															
Rural Education Achievement Program	84.358A	S358A107754	7/1/12-9/30/13	49,481			\$ 232								\$ 232
Total Rural Education Achievement Program							232								232
Passed-through State Department of Education:															
No Child Left Behind:															
Title I	84.010A	NCLB546015C	7/1/14-6/30/15	90,508			38,041	(43,977)					(5,936)		
Title I	84.010A	NCLB546014C	7/1/13-6/30/14	82,883	(2,189)		11,050								8,861
Total Title I					(2,189)		49,091	(43,977)					(5,936)		8,861
Title IIA	84.367A	NCLB546015C	7/1/14-6/30/15	14,809			5,018	(4,447)							571
Title IIA	84.367A	NCLB546014C	7/1/13-6/30/14	19,001	(2,647)		2,308			\$ 339					
Total Title IIA					(2,647)		7,326	(4,447)		339					571
Carl D. Perkins Secondary	84.048	PERK546015	7/1/14-6/30/15	61,910			61,364	(57,353)							4,011
Carl D. Perkins Post Secondary	84.048	PERK546015	7/1/14-6/30/15	84,789			84,789	(84,789)							
Carl D. Perkins Post Secondary	84.048	PERK546014	7/1/13-6/30/14	80,563			5,335								5,335
Total Carl D. Perkins							5,335	146,153	(142,142)						9,346
Special Education Cluster:															
I.D.E.A. Part B, Basic	84.027	IDEA546015	7/1/14-6/30/15	122,677			121,004	(122,677)					(1,673)		
Total Special Education Cluster							121,004	(122,677)					(1,673)		
Passed Through Morris County Technical School:															
Adult Basic Skills Education	84.002	ABS-14-15-37	7/1/14-6/30/15	83,011			50,328	(83,011)					(32,683)		
Adult Basic Skills Education	84.002	ABS-14-14-37	7/1/13-6/30/14	125,181	(52,444)		49,464		\$ 2,944	36					
Adult Basic Skills Education	84.002	ABS-14-11-37	7/1/10-6/30/11	116,200			3,491				\$ (3,491)				
					(52,444)	3,491	99,792	(83,011)	2,944	36	(3,491)		(32,683)		
Total U.S. Department of Education					(57,280)	9,058	423,366	(396,254)	2,944	375	(3,491)		(40,292)		\$ 19,010
Total Federal Awards					\$ (62,229)	\$ 1,411	\$ 9,058	\$ 512,994	\$ (484,010)	\$ 2,944	\$ 375	\$ (3,491)	\$ (43,054)	\$ 1,096	\$ 19,010

N/A - Not Available/Applicable

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at	Cash	Budgetary	Balance at June 30, 2015			MEMO
				June 30, 2014			GAAP	Budgetary	Budgetary	Cumulative
				Budgetary	Received	Expenditures	Accounts	Due to	Receivable	Total
				Receivable			Receivable	Grantor		Expenditures
NJ Department of Education:										
<u>General Fund State Aid:</u>										
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 2,768,259		\$ 2,494,406	\$ (2,768,259)			\$ (273,853)	\$ 2,768,259
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	50,531		45,532	(50,531)			(4,999)	50,531
Special Education Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	269,146		242,520	(269,146)			(26,626)	269,146
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	25,413		22,899	(25,413)			(2,514)	25,413
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	4,450		4,010	(4,450)			(440)	4,450
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	4,450		4,010	(4,450)			(440)	4,450
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	261,832		261,832	(261,832)				261,832
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	2,768,259	\$ (273,844)	273,844					2,768,259
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	50,531	(4,999)	4,999					50,531
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	269,146	(26,625)	26,625					269,146
Categorical Security Aid	14-495-034-5120-084	7/1/13-6/30/14	25,413	(2,514)	2,514					25,413
<b>Total General Fund State Aid</b>				<b>(307,982)</b>	<b>3,383,191</b>	<b>(3,384,081)</b>			<b>(308,872)</b>	<b>6,497,430</b>
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	1,750		1,699	(1,750)	\$ (51)		(51)	1,750
State School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	1,683	(119)	119					1,683
<b>Total Enterprise Fund</b>				<b>(119)</b>	<b>1,818</b>	<b>(1,750)</b>	<b>(51)</b>		<b>(51)</b>	<b>3,433</b>
<b>Total NJ Department of Education</b>				<b>(308,101)</b>	<b>3,385,009</b>	<b>(3,385,831)</b>	<b>(51)</b>		<b>(308,923)</b>	<b>6,520,709</b>
<u>Special Revenue Fund:</u>										
NJ Department of Labor and Workforce Development:										
Workforce Development:										
Apprenticeship Coordinator	N/A	7/1/14-6/30/15	13,500		12,189	(7,866)		\$ 4,323		7,866
Apprenticeship Coordinator	N/A	7/1/13-6/30/14	10,000	(187)	848			661		9,339
<b>Total Department of Labor and Workforce Development</b>				<b>(187)</b>	<b>13,037</b>	<b>(7,866)</b>		<b>4,984</b>		<b>17,205</b>
<b>Total Special Revenue Fund</b>				<b>(187)</b>	<b>13,037</b>	<b>(7,866)</b>		<b>4,984</b>		<b>42,200</b>
<b>Total State Awards</b>				<b>\$ (308,288)</b>	<b>\$ 3,398,046</b>	<b>\$ (3,393,697)</b>	<b>\$ (51)</b>	<b>\$ 4,984</b>	<b>\$ (308,923)</b>	<b>\$ 6,543,063</b>

N/A - Not Available/Applicable

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

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Warren County Vocational-Technical School under programs of the federal and state governments for the fiscal year ended June 30, 2015. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The capital projects fund is presented in the accompanying schedules on the budgetary basis with the exception of the revenue recognition of the Schools Development Authority grants which are realized as revenue upon their award on the budgetary basis, whereas the GAAP basis recognizes the revenue to the extent of actual expenditures and when funds are submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$890) for the General Fund, (\$8,758) for the Special Revenue Fund and (\$556,000) for the Capital Projects Fund. See Exhibit C-3 and Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General, Special Revenue and Capital Projects Funds. Additionally, the schedule of expenditures of state awards does not include the TPAF On-Behalf Pension Contributions and Post Retirement Contributions revenue of \$188,895 and \$299,871 respectively. Awards and revenue are reported on the Board's basic financial statements on a GAAP basis as presented in the table on the following page.

WARREN COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,871,957	\$ 3,871,957
Special Revenue Fund	\$ 387,496	7,866	395,362
Enterprise Fund - Food Service Fund	87,756	1,750	89,506
Total Federal and State Awards	<u>\$ 475,252</u>	<u>\$ 3,881,573</u>	<u>\$ 4,356,825</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2015.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA GRANTS)

The District has been awarded a \$556,000 grant in the Capital Projects Fund from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, \$-0- of the grant fund has been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported under the NJSDA grant on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.



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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for its major state award programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2015 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The audit did not disclose any audit findings which are required to be reported in accordance with Section 510(a) of Federal OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*, or New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

<u>State:</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 2,768,259	\$ 2,768,259
Special Education Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	269,146	269,146
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	25,413	25,413
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	4,450	4,450
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	4,450	4,450

- The District was determined to be a "low-risk" auditee for state programs.
- The threshold used for distinguishing between Type A and B state programs was \$300,000.
- The single audit thresholds identified in Federal OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 were \$500,000.

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

Summary of Auditors' Results: (Cont'd)

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular and New Jersey's OMB Circulars 04-04 and 15-08.

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

Status of Prior Year Findings:

The District had no prior year audit findings.