

# **Comprehensive Annual Financial Report**

**of the**

**Gloucester County  
Vocational-Technical School District**

**Deptford, New Jersey**

**For The Fiscal Year Ended  
June 30, 2013**

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
**Table of Contents**

---

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	3
Organizational Chart	9
Roster of Officials	10
Consultants and Advisors	11
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	<b>13</b>
<b>Required Supplementary Information – Part I Management’s Discussion and Analysis</b>	<b>19</b>
<b>Basic Financial Statements</b>	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	26
A-2 Statement of Activities	27
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	30
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	31
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Proprietary Funds:	
B-4 Statement of Net Position	33
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	34
B-6 Statement of Cash Flows	35
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	36
B-8 Statement of Changes in Fiduciary Net Position	37
<b>Notes to the Financial Statements</b>	<b>38</b>
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	63
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	N/A
C-1b Budgetary Comparison Schedule – General Fund – Education Jobs Fund 18	69
C-2 Budgetary Comparison Schedule – Special Revenue Fund	70
<b>Notes to the Required Supplementary Information</b>	
C-3 Budgetary Comparison Schedule – Note to RSI	71

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
**Table of Contents (Cont'd)**

---

	<b>Page</b>
<b>Other Supplementary Information</b>	
D. School Based Budget Schedules:	NA
D-1 Combining Balance Sheet	
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	NA
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	NA
E. Special Revenue Fund:	
E-1 Combining Schedule(s) of Program Revenues and Expenditures – Budgetary Basis	74
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	NA
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	NA
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis	NA
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	NA
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	77
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	78
G-3 Combining Statement of Cash Flows	79
Internal Service Fund:	
G-4 Combining Schedule of Net Assets	NA
G-5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets	NA
G-6 Combining Schedule of Cash Flows	NA
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	81
H-2 Combining Statement of Changes in Fiduciary Net Position	82
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	83
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	84

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
**Table of Contents (Cont'd)**

	<b>Page</b>
<b>Other Supplementary Information (Cont'd)</b>	
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	NA
I-2 Schedule of Obligations under Capital Leases	NA
I-3 Debt Service Fund Budgetary Comparison Schedule	NA

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends**

J-1 Net Assets by Component	87
J-2 Changes in Net Position	88
J-3 Fund Balances—Governmental Funds	90
J-4 Changes in Fund Balances—Governmental Funds	91
J-5 General Fund Other Local Revenue by Source	92

**Revenue Capacity**

J-6 Assessed Value and Estimated Actual Value of Taxable Property	NA
J-7 Direct and Overlapping Property Tax Rates	NA
J-8 Principal Property Taxpayers	NA
J-9 Property Tax Levies and Collections	NA

**Debt Capacity**

J-10 Ratios of Outstanding Debt by Type	NA
J-11 Ratios of General Bonded Debt Outstanding	NA
J-12 Direct and Overlapping Governmental Activities Debt	NA
J-13 Legal Debt Margin Information	NA

**Demographic and Economic Information**

J-14 Demographic and Economic Statistics	94
J-15 Principal Employers	95

**Operating Information**

J-16 Full-time Equivalent District Employees by Function/Program	NA
J-17 Operating Statistics	97
J-18 School Building Information	98
J-19 Schedule of Required Maintenance Expenditures by School Facility	99
J-20 Insurance Schedule	100

**SINGLE AUDIT SECTION**

K-1 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	16
K-2 Independent Auditor's Report on Compliance for Each Major Program and Report On Internal Control Over Compliance Required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB	102
K-3 Schedule of Expenditures of Federal Awards, Schedule A	104
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	106
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	108
K-6 Schedule of Findings and Questioned Costs	110
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	115

## INTRODUCTORY SECTION



## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

---

1360 TANYARD ROAD · SEWELL, NEW JERSEY 08080  
856-468-1445 · FAX 856-468-3397

December 3, 2013

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organization chart, and a list of principal officials. The financial section includes the independent auditor's report, required supplementary information – part I (Management's Discussion & Analysis), the basic financial statements, notes to the financial statements, required supplementary information – part II, notes to the required supplementary information and other supplementary 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 the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## 1. Reporting Entity and Its Services

The Gloucester County Vocational-Technical School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Gloucester County Vocational-Technical School District Board of Education and all of its programs and projects constitute the District's reporting entity.

The Gloucester County Vocational-Technical School District is one of 21 county career-technical schools in New Jersey. The District successfully completed its conversion to a comprehensive full-time high school. Applications for acceptance to the Gloucester County Institute of Technology continue to exceed seats available. A list of programs offered to incoming students in the 2012-2013 school year follows:

### A. Career-Technical Programs

- Construction Technology
- Cosmetology
- Culinary Arts
- Performing Arts (Dance/Drama)
- Transportation Technology

### B. Academies

- Allied Health and Medical Science
- Engineering
- Finance and Business Management
- Information Technology and Digital Communication
- Transportation Technology

### C. Shared-Time Vocational Programs – Senior Year Option

- Emergency Response (Fire Science and Law Enforcement)
- STEP Programs

### D. Post-Secondary Adult Programs

Career-Technical Training Programs	Adult Regional High School
Customized Training Programs	Youth One Stop Program

### E. Community Use of Facilities

Aquatics Center	Fitness Center
-----------------	----------------

## **2. Major Initiatives**

### **A. Current Year Accomplishments**

Gloucester County Vocational-Technical School District's Gloucester County Institute of Technology (GCIT) used to be called area education's best-kept secret, but the record number of applicants substantiates its solid reputation and growing popularity in the county, making GCIT a school of choice for many high school students.

Thanks to our supportive Board of Education, faculty, staff, parents, and students, GCIT is ranked high on the list of New Jersey high schools, winning a best practice award on two occasions and the coveted NJ Star School designation from the New Jersey Department of Education.

Since its inception in 2000, full-time Academy Programs offer students a well-rounded education, integrating career, academic, and industry excellence. Students who pursue post-secondary high school goals have been successful in both attaining college and/or post-secondary training goals.

The diverse academy student population at GCIT is afforded high-tech instruction as students participate in interactive distance learning and receive complementary and cutting-edge instruction via mobile computer labs, software, and smart-board technology.

Career-Technical programs at GCIT prepare students for careers in demand through hands-on learning—integrating academics and industry standards. A record number of students have applied for admission to GCIT indicating the necessity of career-technical education and post-secondary opportunity.

Career-Technical students have several options awaiting them upon graduation. These options include entering the workforce, apprenticeship programs, and a pathway to college or other post-secondary training options. GCIT participates in an articulation agreement with Gloucester County College through which GCIT students may earn college credits while still in high school.

With guidance from business and industry, our school-to-careers program provides valuable work experience, income, and graduation credits for interested students.

### **B. District Goals for 2012-2013**

- Maintain and enhance all current programs for the school district.
- Continue to explore cost-saving green initiatives to reduce utilities cost.
- Support the development of the Excellent Educators for New Jersey Teacher and Principal Evaluation initiatives in preparation for full implementation beginning in September 2013.
- Continue to revise the curriculum and assessment models for both school districts as they relate to the New Jersey Department of Education Core Curriculum Standards (NJCCS) and Partnership for Assessment of Readiness for College and Careers initiatives.

- Continue to maintain close supervision of fiscal operations and seek every opportunity to reduce operating costs through attrition and shared services.
- Prepare for the updating of the District's Long Range Facility and Technology plans.
- Conclude contract negotiations with the Vocational-Technical Education Association.
- Revise and update the District's literature and webpage to reflect current programming.
- Ensure that the Board of Education policies and meeting minutes are posted on the District's webpage.

### **3. Internal Accounting Controls**

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

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

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

### **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 Board of School Estimate. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects funds. 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2013.

## **5. Accounting System and Reports**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups.

## **6. Cash Management**

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

## **7. Risk Management**

The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, worker's compensation, disability, and student insurance. During 2012-2013 insurance coverage of the Gloucester County Vocational-Technical School District was carried via the New Jersey School Boards Association Insurance Group, administered by Hardenbergh Insurance Group.

## **8. Other Information**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company, LLP, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the financial statements and the combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

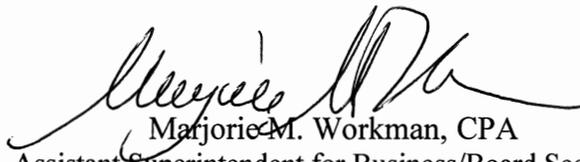
**9. Acknowledgments**

We would like to express our appreciation to the members of The Board of Education of the Special Services School District and the Vocational School District of the County of Gloucester, and to the Gloucester County Board of Chosen Freeholders 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 our Business Office Staff.

Respectfully submitted,



Michael C. Dicken  
Superintendent



Marjorie M. Workman, CPA  
Assistant Superintendent for Business/Board Secretary

**THE BOARD OF EDUCATION OF THE SPECIAL SERVICES SCHOOL DISTRICT AND  
THE VOCATIONAL SCHOOL DISTRICT OF THE COUNTY OF GLOUCESTER**

**GCIT**

**\*\* Michael C. Dicken  
Superintendent**

**\*\* Marjorie Workman  
Asst. Superintendent for Business/Bd. Sec.**

**\*\*Brian Shakespeare  
Director of Curriculum &  
Instruction/Professional Development**

**\*\*Kathleen White  
Supervisor of Student Assessment**

**Gina Mateka  
Dir. of Career & Tech. Prog./Principal**

**James Clarke  
Assistant Principal/Athletic Director**

**Gregory Wright  
Assistant Principal**

**\*\*James Dundee  
Director of Special/Vocational Education**

**Donna Fondacaro  
Supervisor of Student  
Management/Discipline**

**Christine Deek  
Director of Pupil Personnel Services**

**Donna Wynne  
Supervisor of Guidance**

**\*\*Susan Heiken  
Director of Clinical Services**

**GCIT  
ADMINISTRATIVE  
ORGANIZATION  
CHART**

**\*\*Shared employment with GCSSSD  
June 30, 2013**

**BOARD OF EDUCATION  
GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT  
SEWELL, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2013**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Anthony W. Wilcox, President	6/30/2014
Marlene A. McConnell, Vice President	6/30/2014
Frank J. DiMarco	6/30/2013
Albert F. Frattali	6/30/2015
William C. Packer	6/30/2013
Robert P. Wooton	6/30/2015
Thomas J. Dowd, Interim Executive County Superintendent	
<b><u>Other Officials</u></b>	
Michael Dicken, Superintendent	
Marjorie M. Workman, Assistant Superintendent for Business/Board Secretary	
Lisa Finnegan, Comptroller	

**BOARD OF EDUCATION  
GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

Bowman & Company LLP  
6 N. Broad Street, Suite 201  
Woodbury, New Jersey 08096

**Attorneys**

**Board Solicitor**

Louis Cappelli Jr., Esq.  
Florio, Perrucci, Steinhardt & Fader  
1010 Kings Highway South  
Cherry Hill, NJ 08034

**Labor Attorney**

William M. Tambussi, Esq.  
Brown & Connery, LLP  
360 Haddon Avenue  
Westmont, New Jersey 08108

**Construction Attorney**

Richard W. Hunt, Esq.  
Parker McCay  
9000 Midlantic Drive, Suite 300  
Mt. Laurel, New Jersey 08054

**Official Depositories**

Bank of America  
1355 N. Delsea Drive  
Deptford, NJ 08096

TD Bank  
1701 Route 70 East  
Cherry Hill, New Jersey 08034

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Gloucester County Special Services School District

### ***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 Gloucester County Vocational Technical School District, a component unit of the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and 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 School 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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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.

## **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 Gloucester County Vocational Technical School District in the County of Gloucester, State of New Jersey, as of June 30, 2013, 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 1 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gloucester County Vocational Technical School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have 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 them.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2013 on our consideration of the Gloucester County Vocational Technical School 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 Gloucester County Vocational Technical School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 3, 2013

**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 AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gloucester County Vocational Technical School District, a component unit of the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 3, 2013.

***Internal Control Over Financial Reporting***

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 3, 2013

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

The discussion and analysis of the Gloucester County Vocational-Technical School District's (the School District or "GCVTSD") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to review the District's financial performance as a whole; readers are advised to read it in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the District's performance.

The Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report ("CAFR") is an element of Required Supplementary Information specified in the Governmental Accounting Standard's Board's (GASB) Statement Number 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments that was issued in June 1999. Certain comparative information between the current year (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2012-2013 fiscal year are as follows:

- The District's net position decreased by a total of \$1,250,366 as a result of this year's operations. Net position of our business-type activities increased by \$46,473. Net position of our governmental activities decreased by \$1,296,839.
- During the year, the District generated \$21,255,047 in revenues from governmental activities, an increase of \$870,308 from the previous fiscal year. This variance was due to the additional funds received for Federal, State and Local Aid.
- In the District's business-type activities, operating revenues decreased by \$69,041 while operating expenses also decreased by \$471,511. The reduced expenses are a result of a change in the allocation of utility and insurance expenses in the Aquatics and Fitness Fund.

### **USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can first understand the District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

- The first two statements are *district-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on the District's most significant funds, reporting on the District's operations in *more detail* than the district-wide financial 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.
  - *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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. 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.

## Reporting the School District as a Whole

The Statement of Net position includes all of the District's assets and liabilities and uses the accrual basis of accounting similar to the accounting used by most private-sector businesses. 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. These statements report the District's *net position* and how they have changed. Net position are the difference between the District's assets and liabilities, and represent one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base, current laws and policies affecting school districts in New Jersey, educational programs offered, the condition of school buildings and other facilities, and other factors must be considered.

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 alternative and special education. State Aid, the County tax levy and, to a lesser degree, Tuition, 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 enterprise funds are included here.

## Reporting the District's Most Significant Funds

The *fund financial statements* focus on the District's most significant funds, reporting on the District's operations in *more detail* than the district-wide financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. 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 how cash and other financial assets that can be converted to cash flow in and out, and the balances left at year-end that are available for future spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that are available for spending 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 provided 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 student activity funds. The District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong. 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 may not use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

### Net position

The District's overall financial position and operations for the past two years are summarized as follows based on the information included in the government-wide financial statements.

The District's net position at fiscal year-end June 30, 2013 is \$46,409,364. This is a \$1,250,366 decrease from last year's net position of \$47,659,730. The following table provides a summary of the District's net position:

	<u>Summary of Net Position</u>					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 3,779,334	\$ 1,838,367	\$ 1,148,481	\$ 1,101,340	\$ 4,927,815	\$ 2,939,707
Capital assets	<u>44,602,871</u>	<u>45,736,506</u>	<u>124,759</u>	<u>125,762</u>	<u>44,727,630</u>	<u>45,862,268</u>
Total assets	<u>48,382,205</u>	<u>47,574,873</u>	<u>1,273,240</u>	<u>1,227,102</u>	<u>49,655,445</u>	<u>48,801,975</u>
Long-term liabilities	822,621	794,814			822,621	794,814
Other liabilities	<u>2,407,778</u>	<u>331,414</u>	<u>15,682</u>	<u>16,017</u>	<u>2,423,460</u>	<u>347,431</u>
Total liabilities	<u>3,230,399</u>	<u>1,126,228</u>	<u>15,682</u>	<u>16,017</u>	<u>3,246,081</u>	<u>1,142,245</u>
Net position:						
Net Investment in Capital Assets	44,602,871	45,736,506	124,759	125,762	44,727,630	45,862,268
Restricted	836,920	311,715			836,920	311,715
Unrestricted	<u>(287,985)</u>	<u>400,424</u>	<u>1,132,799</u>	<u>1,085,323</u>	<u>844,814</u>	<u>1,485,747</u>
Total net position	<u>\$ 45,151,806</u>	<u>\$ 46,448,645</u>	<u>\$ 1,257,558</u>	<u>\$ 1,211,085</u>	<u>\$ 46,409,364</u>	<u>\$ 47,659,730</u>

## Changes in Net position

The following table provides a summary of the District's changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services			\$ 1,190,807	\$ 1,208,394	\$ 1,190,807	\$ 1,208,394
Operating grants and contributions	\$ 2,535,494	\$ 2,288,305	122,923	117,504	2,658,417.00	2,405,809.00
General revenues:					-	-
County tax levy	7,625,000	7,608,629			7,625,000.00	7,608,629.00
Federal and State Aid	7,600,048	7,425,427			7,600,048.00	7,425,427.00
Tuition charges	3,167,718	2,921,707			3,167,718.00	2,921,707.00
Other	326,787	140,671	(59,241)	(2,368)	267,546	138,303
Total revenues	<u>21,255,047</u>	<u>20,384,739</u>	<u>1,254,489</u>	<u>1,323,530</u>	<u>22,509,536</u>	<u>21,708,269</u>
Expenses:						
Instruction	10,060,204	9,965,347			10,060,204	9,965,347
Support services	12,169,812	11,262,373			12,169,812	11,262,373
Special Schools	258,990	233,692			258,990	233,692
Capital Outlay	62,880				62,880	-
Food service			429,292	466,909	429,292	466,909
Other activities			778,724	1,212,618	778,724	1,212,618
Total expenses	<u>22,551,886</u>	<u>21,461,412</u>	<u>1,208,016</u>	<u>1,679,527</u>	<u>23,759,902</u>	<u>23,140,939</u>
Change in net position	(1,296,839)	(1,076,673)	46,473	(355,997)	(1,250,366)	(1,432,670)
Beginning net position	<u>46,448,645</u>	<u>47,525,318</u>	<u>1,211,085</u>	<u>1,567,082</u>	<u>47,659,730</u>	<u>49,092,400</u>
Ending net position	<u>\$ 45,151,806</u>	<u>\$ 46,448,645</u>	<u>\$ 1,257,558</u>	<u>\$ 1,211,085</u>	<u>\$ 46,409,364</u>	<u>\$ 47,659,730</u>

## THE DISTRICT'S FUNDS

Governmental funds reported ending fund balances of \$1,407,581. Assigned fund balance includes \$687,575 committed to liquidate encumbrances and \$116,336 designated for subsequent year's expenditures. Restricted fund balances include the capital reserve account with \$536,520 of funds available, the maintenance reserve account with \$300,400 of funds available. The unassigned general fund balance has a deficit of \$233,250 due to the delayed State Aid payment of \$757,374.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Reimbursements for pension and Social Security contributions of \$1,497,128 are non-budgeted items in both revenues and appropriations.

## CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2013, was \$44,602,871 and \$125,763, respectively. See Note 6 for additional information about changes in capital assets during the fiscal year.

### Capital Assets (Net of Depreciation) at June 30

	<u>2013</u>	<u>2012</u>
Governmental Activities		
Buildings and Building Improvements	\$ 43,283,738	\$ 44,640,129
Machinery and Equipment	<u>1,319,134</u>	<u>1,096,378</u>
Total	<u>44,602,871</u>	<u>45,736,506</u>
Business-type Activities		
Machinery and Equipment	<u>\$ 124,759</u>	<u>\$ 125,762</u>

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Like the rest of the United States, the State of New Jersey was heavily impacted by the failing economy. For that reason, there is no assurance that state and federal funding can be maintained at current levels. The Gloucester County Board of Chosen Freeholders has a history of maintaining adequate funding for the District through generous contributions to ensure that the Board of Education of the Special Services School District and the Vocational School District of the County of Gloucester ("Board of Education") and administration could continue to carry out the District's mission, yet Gloucester County is also feeling the impact of the economy and is experiencing significant unemployment. Currently the demand for admission to GCIT continues to exceed the spaces available, validating the need for career-technical education and post-secondary opportunities. The level of interest in the Gloucester County Vocational-Technical School District remains high, particularly in terms of those seeking career training.

The Board of Education plans for the District's future by working closely with the Gloucester County Workforce Investment Board and area colleges to ensure that the programs it offers are relevant in the current economy.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide New Jersey citizens and taxpayers and our customers with a general overview of the District's finances and to demonstrate the District's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional financial information, contact the District Office, 1360 Tanyard Road, Sewell, NJ 08080.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**

Statement of Net Position

June 30, 2013

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,262,653.77	\$ 1,125,720.87	\$ 3,388,374.64
Receivables, net	679,760.62	9,699.45	689,460.07
Inventory		13,061.12	13,061.12
Restricted Assets:			
Capital Reserve Account - Cash	536,520.00		536,520.00
Maintenance Reserve Account - Cash	300,400.00		300,400.00
Capital Assets, net (Note 6)	<u>44,602,871.09</u>	<u>124,759.18</u>	<u>44,727,630.27</u>
<b>Total Assets</b>	<u>48,382,205.48</u>	<u>1,273,240.62</u>	<u>49,655,446.10</u>
<b>LIABILITIES:</b>			
Cash Overdraft	113,450.52		113,450.52
Accounts Payable	258,302.99	15,324.64	273,627.63
Unearned Revenue	2,000,000.00	357.50	2,000,357.50
Noncurrent Liabilities (Note 7):			
Due within One Year	36,024.68		36,024.68
Due beyond One Year	<u>822,621.31</u>		<u>822,621.31</u>
<b>Total Liabilities</b>	<u>3,230,399.50</u>	<u>15,682.14</u>	<u>3,246,081.64</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	44,602,871.09	124,759.18	44,727,630.27
Restricted for:			
Capital Projects			-
Other Purposes	836,920.00		836,920.00
Unrestricted	<u>(287,985.11)</u>	<u>1,132,799.30</u>	<u>844,814.19</u>
<b>Total Net Position</b>	<u>\$ 45,151,805.98</u>	<u>\$ 1,257,558.48</u>	<u>\$ 46,409,364.46</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ending June 30, 2013

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 4,736,041.35		\$ 368,004.52	\$ (4,368,036.83)		\$ (4,368,036.83)
Special Instruction	626,841.52			(626,841.52)		(626,841.52)
Vocational	4,165,029.84			(4,165,029.84)		(4,165,029.84)
School Sponsored Cocurricular Activities	141,016.16			(141,016.16)		(141,016.16)
School Sponsored Athletics	391,275.56			(391,275.56)		(391,275.56)
Undistributed Expenditures and Support Services:						
Attendance and Social Work	32.00			(32.00)		(32.00)
Health Services	181,375.65			(181,375.65)		(181,375.65)
Student - Related Services	37,299.25			(37,299.25)		(37,299.25)
Students - Regular	894,829.60			(894,829.60)		(894,829.60)
Students - Special	493,460.83			(493,460.83)		(493,460.83)
Improvement of Instruction Services	148,472.11			(148,472.11)		(148,472.11)
Educational Media Services/School Library	248,006.00			(248,006.00)		(248,006.00)
Instructional Staff Training Services	17,397.02			(17,397.02)		(17,397.02)
General Administration	324,808.01			(324,808.01)		(324,808.01)
School Administration	544,555.82			(544,555.82)		(544,555.82)
Central Services	234,405.31			(234,405.31)		(234,405.31)
Administration Information Technology	69,763.45			(69,763.45)		(69,763.45)
Operation and Maintenance of Plant Services	3,218,080.28		-	(3,218,080.28)		(3,218,080.28)
Care and Upkeep of Grounds	78,454.75			(78,454.75)		(78,454.75)
Security	373,427.16			(373,427.16)		(373,427.16)
Student Transportation Services	57,878.09			(57,878.09)		(57,878.09)
Unallocated Benefits	3,124,965.98			(3,124,965.98)		(3,124,965.98)
On-Behalf Pension Contributions	971,490.00		971,490.00	-		-
Reimbursed TPAF Social Security	525,637.89		525,637.89	-		-
Support Services	625,473.00		625,473.00	-		-
Capital Outlay	62,880.00		44,888.87	(17,991.13)		(17,991.13)
Special Schools	258,989.74			(258,989.74)		(258,989.74)
<b>Total Governmental Activities</b>	<b>22,551,886.37</b>	<b>-</b>	<b>2,535,494.28</b>	<b>(20,016,392.09)</b>	<b>-</b>	<b>(20,016,392.09)</b>
<b>Business-Type Activities:</b>						
Food Service	429,292.31	\$ 285,975.05	122,923.58		\$ (20,393.68)	(20,393.68)
Other Enterprise Funds	778,723.79	904,831.82			126,108.03	126,108.03
<b>Total Business-Type Activities</b>	<b>1,208,016.10</b>	<b>1,190,806.87</b>	<b>122,923.58</b>	<b>-</b>	<b>105,714.35</b>	<b>105,714.35</b>
<b>Total Primary Government</b>	<b>\$ 23,759,902.47</b>	<b>\$ 1,190,806.87</b>	<b>\$ 2,658,417.86</b>	<b>(20,016,392.09)</b>	<b>105,714.35</b>	<b>(19,910,677.74)</b>

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ending June 30, 2013

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
County Appropriations	\$ 7,625,000.00		\$ 7,625,000.00
Federal and State Aid not Restricted	7,600,047.52		7,600,047.52
Tuition Received	2,945,642.79		2,945,642.79
Non-Resident Fees	222,075.00		222,075.00
Miscellaneous Income	323,110.61		323,110.61
Special Item --			
Transfers	57,678.65	\$ (57,678.65)	-
Net Adjustment on Disposal of Fixed Assets	(54,001.79)	-	(54,001.79)
Cancellation of Prior Year Receivables		(1,562.50)	(1,562.50)
	<u>18,719,552.78</u>	<u>(59,241.15)</u>	<u>18,660,311.63</u>
Total General Revenues, Special Items, Extraordinary Items and Transfers			
Change in Net Position	(1,296,839.31)	46,473.20	(1,250,366.11)
Net Position -- July 1	<u>46,448,645.29</u>	<u>1,211,085.28</u>	<u>47,659,730.57</u>
Net Position -- June 30	<u>\$ 45,151,805.98</u>	<u>\$ 1,257,558.48</u>	<u>\$ 46,409,364.46</u>

FUND FINANCIAL STATEMENTS

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Balance Sheet  
Governmental Funds  
June 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,262,653.77		\$ 2,262,653.77
Cash - Capital Reserve Account	536,520.00		536,520.00
Cash - Maintenance Reserve Account	300,400.00		300,400.00
Receivables, net	642.78		642.78
Due from Other Funds	4,000.00		4,000.00
Receivables from Other Governments	33,770.71	\$ 115,251.13	149,021.84
Receivables - Tuition	526,096.00		526,096.00
	<u>3,664,083.26</u>	<u>115,251.13</u>	<u>3,779,334.39</u>
<b>Total Assets</b>	<b>\$ 3,664,083.26</b>	<b>\$ 115,251.13</b>	<b>\$ 3,779,334.39</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
Cash Overdraft		\$ 113,450.52	\$ 113,450.52
Accounts Payable	\$ 256,502.38	1,800.61	258,302.99
Unearned Revenue	2,000,000.00		2,000,000.00
	<u>2,256,502.38</u>	<u>115,251.13</u>	<u>2,371,753.51</u>
<b>Total Liabilities</b>	<b>2,256,502.38</b>	<b>115,251.13</b>	<b>2,371,753.51</b>
<b>Fund Balances:</b>			
<b>Restricted:</b>			
Capital Reserve Account	536,520.00		536,520.00
Maintenance Reserve Account	300,400.00		300,400.00
<b>Assigned</b>			
Other Purposes	116,336.10		116,336.10
Subsequent Year's Expenditures	687,575.00		687,575.00
<b>Unassigned:</b>			
General Fund	(233,250.22)		(233,250.22)
	<u>1,407,580.88</u>	<u>-</u>	<u>1,407,580.88</u>
<b>Total Fund Balances</b>	<b>1,407,580.88</b>	<b>-</b>	<b>1,407,580.88</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,664,083.26</b>	<b>\$ 115,251.13</b>	

Amounts reported for *governmental activities* in the statement of net assets (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 \$83,691,820.09 and the accumulated depreciation is \$39,088,949.00

44,602,871.09

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

(858,645.99)

Net position of governmental activities

\$ 45,151,805.98

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Fiscal Year Ending June 30, 2013

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES:</b>			
County Appropriations	\$ 7,625,000.00		\$ 7,625,000.00
Tuition Charges	2,945,642.79		2,945,642.79
Non-Resident Fees	222,075.00		222,075.00
Unrestricted Miscellaneous Revenues	323,110.61	\$ 9,541.00	332,651.61
State Sources	9,094,532.89	177,087.40	9,271,620.29
Federal Sources	2,642.52	851,737.99	854,380.51
<b>Total Revenues</b>	<b>20,213,003.81</b>	<b>1,038,366.39</b>	<b>21,251,370.20</b>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Regular Instruction	4,140,438.09	368,004.52	4,508,442.61
Special Instruction	626,841.52		626,841.52
Vocational Programs	3,045,615.65		3,045,615.65
School Sponsored Cocurricular Activities	141,016.16		141,016.16
School Sponsored Athletics	391,275.56		391,275.56
<b>Undistributed Expenditures and Support Services:</b>			
Attendance and Social Work	32.00		32.00
Health Services	181,375.65		181,375.65
Student - Related Services	37,299.25		37,299.25
Students - Regular	894,829.60		894,829.60
Students - Special	493,460.83		493,460.83
Improvement of Instruction Services	148,472.11		148,472.11
Educational Media Services/School Library	232,523.09		232,523.09
Instructional Staff Training Services	17,397.02		17,397.02
General Administration	298,487.07		298,487.07
School Administration	481,075.90		481,075.90
Central Services	234,405.31		234,405.31
Administration Information Technology	69,763.45		69,763.45
Operation and Maintenance of Plant Services	3,122,086.25	-	3,122,086.25
Care and Upkeep of Grounds	78,454.75		78,454.75
Security	373,427.16		373,427.16
Student Transportation Services	57,878.09		57,878.09
Business and Other Support Services	-		-
Unallocated Benefits	3,096,432.26		3,096,432.26
On-Behalf Pension Contributions	971,490.00		971,490.00
Reimbursed TPAF Social Security Contributions	525,637.89		525,637.89
Support Services		625,473.00	625,473.00
Capital Outlay	486,648.26	44,888.87	531,537.13
Special Schools	258,989.74		258,989.74
<b>Total Expenditures</b>	<b>20,405,352.66</b>	<b>1,038,366.39</b>	<b>21,443,719.05</b>
Excess (Deficiency) of Revenues over Expenditures	(192,348.85)	-	(192,348.85)
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	57,678.65	-	57,678.65
<b>Total Other Financing Sources and Uses</b>	<b>57,678.65</b>	<b>-</b>	<b>57,678.65</b>
Net Change in Fund Balances	(134,670.20)	-	(134,670.20)
Fund Balance -- July 1	1,542,251.08	-	1,542,251.08
Fund Balance -- June 30	\$ 1,407,580.88	\$ -	\$ 1,407,580.88

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ending June 30, 2013

---

Total Net Change in Fund Balances - Governmental Funds	\$	(134,670.20)
--	----	--------------

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

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

Depreciation Expense	\$	(1,548,290.73)	
Retirements		(54,001.79)	
Capital Outlays		468,657.13	
		468,657.13	(1,133,635.39)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 (+).

(28,533.72)

Change in Net Position of Governmental Activities	\$	<u><u>(1,296,839.31)</u></u>
---	----	------------------------------

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Net Position  
Proprietary Funds  
June 30, 2013

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 49,484.98	\$ 1,076,235.89	\$ 1,125,720.87
Accounts Receivable:			
State	104.82		104.82
Federal	4,088.85		4,088.85
Other	753.00	4,752.78	5,505.78
Inventory	8,071.63	4,989.49	13,061.12
<b>Total Current Assets</b>	<u>62,503.28</u>	<u>1,085,978.16</u>	<u>1,148,481.44</u>
<b>Noncurrent Assets:</b>			
Furniture, Machinery and Equipment	13,215.00	240,701.60	253,916.60
Less Accumulated Depreciation	<u>(11,230.13)</u>	<u>(117,927.29)</u>	<u>(129,157.42)</u>
<b>Total Noncurrent Assets</b>	<u>1,984.87</u>	<u>122,774.31</u>	<u>124,759.18</u>
<b>Total Assets</b>	<u>64,488.15</u>	<u>1,208,752.47</u>	<u>1,273,240.62</u>
<b>LIABILITIES :</b>			
<b>Current Liabilities:</b>			
Accounts Payable	95.00	15,229.64	15,324.64
Deferred Revenue		357.50	357.50
<b>Total Current Liabilities</b>	<u>95.00</u>	<u>15,587.14</u>	<u>15,682.14</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	1,984.87	122,774.31	124,759.18
Unrestricted	<u>62,408.28</u>	<u>1,070,391.02</u>	<u>1,132,799.30</u>
<b>Total Net Position</b>	<u>\$ 64,393.15</u>	<u>\$ 1,193,165.33</u>	<u>\$ 1,257,558.48</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Fiscal Year Ending June 30, 2013

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Enterprise Funds	Total
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 17,860.00		\$ 17,860.00
Daily Sales - Non-Reimbursable Programs	268,115.05		268,115.05
County Budget Appropriation		\$ 375,000.00	375,000.00
Other Revenue		529,831.82	529,831.82
	<u>285,975.05</u>	<u>904,831.82</u>	<u>1,190,806.87</u>
Total Operating Revenues			
<b>OPERATING EXPENSES:</b>			
Cost of Goods Sold	204,614.27	76,615.96	281,230.23
Salaries	170,017.25	432,191.62	602,208.87
Employee Benefits	45,666.40	71,787.01	117,453.41
Purchased Technical Services		59,351.53	59,351.53
Other Purchased Services		1,067.32	1,067.32
Purchased Property Services	350.00	46,572.79	46,922.79
Contracted Services		614.00	614.00
Non-Instructional Equipment		2,979.50	2,979.50
Postage Expense		23.26	23.26
General Supplies	8,238.89	31,126.01	39,364.90
Utilities		32,942.99	32,942.99
Miscellaneous	50.00		50.00
Depreciation	355.50	23,451.80	23,807.30
	<u>429,292.31</u>	<u>778,723.79</u>	<u>1,208,016.10</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(143,317.26)</u>	<u>126,108.03</u>	<u>(17,209.23)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	2,699.54		2,699.54
Federal Sources:			
National School Lunch Program	79,143.68		79,143.68
National School Breakfast Program	14,652.75		14,652.75
Food Distribution Program	26,427.61		26,427.61
Cancellation of Prior Year Receivables		(1,562.50)	(1,562.50)
	<u>122,923.58</u>	<u>(1,562.50)</u>	<u>121,361.08</u>
Total Non Operating Revenues (Expenses)			
Income (Loss) before Contributions and Transfers	(20,393.68)	124,545.53	104,151.85
Transfers (To) / From Other Funds		(57,678.65)	(57,678.65)
Change in Net Position	(20,393.68)	66,866.88	46,473.20
Total Net Position -- July 1	<u>84,786.83</u>	<u>1,126,298.45</u>	<u>1,211,085.28</u>
Total Net Position -- June 30	<u>\$ 64,393.15</u>	<u>\$ 1,193,165.33</u>	<u>\$ 1,257,558.48</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ending June 30, 2013

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 285,222.05	\$ 540,860.15	\$ 826,082.20
County Budget Appropriation		375,000.00	375,000.00
Payments to Employees	(170,017.25)	(328,382.12)	(498,399.37)
Payments for Employee Benefits	(45,666.40)	(34,185.47)	(79,851.87)
Payments to Suppliers	<u>(217,064.29)</u>	<u>(393,592.59)</u>	<u>(610,656.88)</u>
Net Cash Provided by (used for) Operating Activities	<u>(147,525.89)</u>	<u>159,699.97</u>	<u>12,174.08</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
State Sources	2,654.19		2,654.19
Federal Sources	118,274.15		118,274.15
Transfers (To) / From Other Funds		<u>(57,678.65)</u>	<u>(57,678.65)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>120,928.34</u>	<u>(57,678.65)</u>	<u>63,249.69</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of Capital Assets		<u>(22,804.07)</u>	<u>(22,804.07)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>(22,804.07)</u>	<u>(22,804.07)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(26,597.55)	79,217.25	52,619.70
Balances -- July 1	<u>76,082.53</u>	<u>997,018.64</u>	<u>1,073,101.17</u>
Balances -- June 30	<u>\$ 49,484.98</u>	<u>\$ 1,076,235.89</u>	<u>\$ 1,125,720.87</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (143,317.26)	\$ 126,108.03	\$ (17,209.23)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	355.50	23,451.80	23,807.30
(Increase) Decrease in Accounts Receivable, net	(753.00)	10,850.83	10,097.83
(Increase) Decrease in Other Current Assets	(3,906.13)	(280.34)	(4,186.47)
Increase (Decrease) in Accounts Payable	95.00	(1,396.56)	(1,301.56)
Increase (Decrease) in Other Current Liabilities		<u>966.21</u>	<u>966.21</u>
Total Adjustments	<u>(4,208.63)</u>	<u>33,591.94</u>	<u>29,383.31</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (147,525.89)</u>	<u>\$ 159,699.97</u>	<u>\$ 12,174.08</u>

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	Unemployment Compensation <u>Trust</u>	Student Activity	<u>Payroll</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 67,274.89	\$ 252,194.51	\$ 17,878.43
Total Assets	<u>67,274.89</u>	<u>\$ 252,194.51</u>	<u>\$ 17,878.43</u>
<b>LIABILITIES:</b>			
Interfund Accounts Payable:			
Due General Fund			\$ 4,000.00
Payable to Student Groups		\$ 252,194.51	-
Payroll Deductions and Withholdings			<u>13,878.43</u>
Total Liabilities	<u>-</u>	<u>\$ 252,194.51</u>	<u>\$ 17,878.43</u>
<b>NET POSITION:</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>67,274.89</u>		
Total Net Position	<u>\$ 67,274.89</u>		

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

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ending June 30, 2013

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Plan member	\$ <u>31,671.61</u>
Total Contributions	<u>31,671.61</u>
Net Investment Earnings	<u>-</u>
Total Additions	<u>31,671.61</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	<u>27,976.62</u>
Total Deductions	<u>27,976.62</u>
Change in Net Position	3,694.99
Net Position -- July 1	<u>63,579.90</u>
Net Position -- June 30	<u>\$ <u>67,274.89</u></u>

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

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2013

---

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

The financial statements of the Gloucester County Vocational Technical School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Reporting Entity**

The School District is a Type I district located in the County of Gloucester, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of seven members, six members are appointed by the Director of the Board of Chosen Freeholders, and the seventh member is the County School Superintendent. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades 9 through 12 in a job skill in addition to giving them academic training necessary to receive a high school diploma. The School District has an approximate enrollment at June 30, 2013 of 1,327 Secondary students and 196 Post-Secondary students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. 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 School District is not includable in any other reporting entity on the basis of such criteria.

**Component Units**

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provide guidance that all entities associated with a primary government are potential component units, and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. In addition, GASB Statement No. 61 clarifies the manner in which component units are presented (discretely presented, blended, or included in the fiduciary fund financial statements).

The Gloucester County Vocational Technical School District is a component unit of the County of Gloucester as described in Governmental Accounting Standards Board Statement No. 14. These financial statements would be either blended or discretely presented as part of the County's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - The School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

The governmental funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The proprietary fund is accounted for on an "economic resources" measurement focus. Accordingly, statement of revenues, expenses and changes in fund net position for the proprietary fund reports increases and decreases in total economic worth. The private-purpose trust fund is reported using the economic resources measurement focus.

**Governmental Funds** - Governmental funds are those through which most School District functions are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities, except those accounted for in the proprietary fund and fiduciary funds, are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the School District's major governmental funds:

***General Fund*** - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

**General Fund** - As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2013 is considered to be attributable to Ed Jobs. Ed Jobs expenditures during the fiscal year ended June 30, 2013 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

**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.

**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 New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Proprietary Funds**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as non-operating revenues and expenses.

The School District maintains the following enterprise funds:

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the School District.

**Aquatics & Fitness** - This fund accounts for financial activity related to the Floyd D. McLean Fitness and the GCIT Aquatics Center utilized by many different individuals and organizations.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Proprietary Funds (Cont'd)**

***Automotive*** - This fund accounts for financial activity related to student "Live Work" being provided to various outside customers for work performed on automotive vehicles and other recreational-type modes of transportation.

***Culinary Arts*** – This fund accounts for the financial transactions related to the operations of the restaurant at the Gloucester County Vocational Technical School.

***Channel 5*** - This fund accounts for the financial activity related to the operations of the Channel 5 Television Studio for the School District.

***Cisco*** – This fund accounts for the financial activity related to providing computer repair and Cisco Network training to local schools that participate in the Cisco Networking Academy.

***Cosmetology Clinic*** - This fund accounts for the financial transactions related to the operations of the Hair Salon in providing services such as haircuts, perms, highlighting, etc.

***Evening School*** - This fund accounts for the financial transactions related to the evening school educational opportunities provided by the School District for the community.

***Printing and Duplication*** - This fund accounts for the financial transactions related to the operations of the various print work services provided for a fee to customers of the shop such as the design and production of silk screened tee-shirts and sweatshirts for organizations in the community.

**Fiduciary Funds**

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The School District maintains the following fiduciary funds:

***Agency Funds*** - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

***Private-Purpose Trust Funds*** - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

**Scholarship Fund** - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

**New Jersey Unemployment Compensation Insurance Trust Fund** - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

**Modified Accrual**

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e. both available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants, and interest on investments. The School District considers all revenues, with the exception of the expenditure-driven grants, as available if they are collected within sixty (60) days after fiscal year-end. The expenditure driven grants are considered available if received within one fiscal year from the balance sheet date. Property tax revenue is recognized when taxes are received, except at fiscal year-end when revenue is recognized for taxes received by the School District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, claims and judgments and certain prepaids which are recognized when due / paid.

In applying the susceptible to accrual concept to revenues from federal and state sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the School District will receive any amounts; therefore, revenues are recognized based on the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In cases where monies are received and all eligibility requirements, including timing, have been satisfied, but the occurrence of expenditure has yet to happen, amounts are reported as unearned revenue. Conversely, where monies are received but eligibility requirements, including timing, have yet to be satisfied, such amounts are reported as deferred inflows of resources.

**Accrual**

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

**Revenue Recognition**

**Property Taxes** - Ad valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general and special revenue funds, and are submitted to the county office. The budgets are submitted to the county office and are voted upon at the Board of School Estimates in April. 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. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments 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. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1 and Exhibit C-2 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Encumbrances (Cont'd)**

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.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Tuition Receivable**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Prepaid Expenses (Cont'd)**

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 20 Years
Motor Vehicles	5 - 10 Years
Buildings and Improvements	10 - 50 Years
Land Improvements	10 - 20 Years

The School District does not possess any infrastructure assets.

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2013 and 2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accrued Salaries and Wages**

Certain School District employees who provide services to the School 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 but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. An expenditure is recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Unrestricted*** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

***Nonspendable*** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

***Restricted*** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

***Unassigned*** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. 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 proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASBS 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for periods beginning after December 15, 2011. The School District does not have any SCAs and therefore the adoption of GASBS 60 does not have any impact on the School District's financial statements.

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASBS 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This Statement is effective for periods beginning after June 15, 2012. The School District elected to early implement GASBS 61 effective for fiscal year 2013. The adoption of GASBS 61, however, does not have any impact on the School District's financial statements.

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011. The adoption of GASBS 62 does not have any impact on the School District's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This Statement is effective for financial statements for periods beginning after December 15, 2011. The adoption of GASBS 63, however, does not have a material impact on the School District's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The School District elected to early implement GASBS 65 effective for fiscal year 2013. The adoption of GASBS 65 did not materially affect the classification of balances on the statement of net position.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)**

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2013, the School District's bank balances of \$5,344,431.76 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 160,647.26</u>
--------------------------------	----------------------

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$10,000.00 on September 27, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

**Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)**

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either 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. 6A: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.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012		\$ 11,515.00
Increased by:		
Interest Earnings	\$ 5.00	
Deposits:		
Board Resolution 6/25/13	525,000.00	
Interest Earnings		525,005.00
Ending Balance, June 30, 2013		<u>\$ 536,520.00</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted projects exceeds the capital reserve balance at June 30, 2013.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2013 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 33,770.71	\$ 115,251.13	\$ 4,193.67		\$ 153,215.51
Other	526,738.78		753.00	\$ 4,752.78	532,244.56
	<u>\$ 560,509.49</u>	<u>\$ 115,251.13</u>	<u>\$ 4,946.67</u>	<u>\$ 4,752.78</u>	<u>\$ 685,460.07</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2013 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 11,729.46
Supplies	<u>1,331.66</u>
	<u><u>\$ 13,061.12</u></u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>Governmental Activities:</b>				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 3,752,926.35	\$ 471,636.63	\$ (120,130.00)	\$ 4,104,432.98
Buildings and Improvements	79,582,244.11			79,582,244.11
Land Improvements	<u>5,143.00</u>			<u>5,143.00</u>
Total Capital Assets, being Depreciated	<u>83,340,313.46</u>	<u>471,636.63</u>	<u>(120,130.00)</u>	<u>83,691,820.09</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(2,656,548.58)	(191,899.54)	63,148.71	(2,785,299.41)
Buildings and Improvements	(34,942,115.40)	(1,356,391.19)		(36,298,506.59)
Land Improvements	<u>(5,143.00)</u>			<u>(5,143.00)</u>
Total Accumulated Depreciation	<u>(37,603,806.98)</u>	<u>(1,548,290.73)</u>	<u>63,148.71</u>	<u>(39,088,949.00)</u>
Total Capital Assets, being Depreciated, Net	<u>45,736,506.48</u>	<u>(1,076,654.10)</u>	<u>(56,981.29)</u>	<u>44,602,871.09</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 45,736,506.48</u></u>	<u><u>\$ (1,076,654.10)</u></u>	<u><u>(56,981.29)</u></u>	<u><u>\$ 44,602,871.09</u></u>

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>Business-Type Activities:</b>				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 231,112.53	\$ 22,804.07		\$ 253,916.60
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(105,350.12)	(23,807.30)		(129,157.42)
Business-Type Activities Capital Assets, Net	<u>\$ 125,762.41</u>	<u>\$ (1,003.23)</u>	<u>\$ -</u>	<u>\$ 124,759.18</u>

**Note 6: CAPITAL ASSETS (CONT'D)**

Depreciation expense was charged to functions / programs of the School District as follows:

**Governmental Activities:**

Instruction-Regular	(227,598.74)
Instruction-Vocational	(851,559.90)
Instruction - Community Services Programs/Operations	(267,854.30)
Undistributed Exp-Ed Media Services/School Library	(15,482.91)
Undistributed Exp-General Admin	(26,320.94)
Undistributed Exp-School Admin	(63,479.92)
Undistributed Exp-Oper & Maint of Plant Services	(95,994.03)

Total Depreciation Expense - Governmental Activities	<u>\$ (1,548,290.73)</u>
--	--------------------------

**Business-Type Activities:**

Food Service	\$ (355.50)
Automotive	(9,917.22)
Aquatics & Fitness	(5,204.75)
Culinary Arts	(743.55)
Channel 5	(7,586.28)

Total Depreciation Expense - Business-Type Activities	<u>\$ (23,807.30)</u>
---	-----------------------

**Note 7: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2013, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities:</b>				
Other Liabilities:				
Compensated Absences	\$ 830,112.27	\$ 28,533.72	\$ 858,645.99	\$ 36,024.68
Governmental Activity Long-Term Liabilities	<u>\$ 830,112.27</u>	<u>\$ 28,533.72</u>	<u>\$ 858,645.99</u>	<u>\$ 36,024.68</u>

Compensated absences liabilities are liquidated by the general fund.

**Compensated Absences** - Compensated absences will be paid from the fund from which the employees' salaries are paid.

**Note 8: OPERATING LEASES**

At June 30, 2013, the School District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2014	\$ 40,234.44
2015	12,452.61
2016	3,192.00
2017	<u>532.00</u>
	<u>\$ 56,411.05</u>

Rental payments under operating leases for the fiscal year ended June 30, 2013 were \$40,234.44.

**Note 9: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund ("TPAF") is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years, which began July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

**Note 9: PENSION PLANS (CONT'D)**

**Public Employees' Retirement System** - The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Regular Pension Contributions</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by School District</u>
2013	\$ 82,348.00	\$ 196,896.00	\$ 279,244.00	\$ 16,620.00	\$ 295,864.00
2012	96,336.00	192,672.00	289,008.00	18,413.00	307,421.00
2011	103,398.00	164,758.00	268,156.00	20,366.00	288,522.00

**Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees receiving postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. 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 P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

**Note 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$455,939.00 and \$515,551.00, respectively.

**Note 12: RISK MANAGEMENT**

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

**Property and Liability Insurance** - The School District maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2013	\$ 31,671.61		\$ 27,976.62	\$ 67,274.89
2012	80,607.90	\$ 10.83	55,359.30	63,579.90
2011	29,132.83	52.22	26,752.30	38,320.47

**Joint Insurance Pool** - The School District is a member of the New Jersey School Boards Association Insurance Group Joint Insurance Fund. The Fund provides its members with the following coverage:

Property (Including Crime and Auto Physical Damage)  
 General Liability  
 Automobile Liability  
 Workers' Compensation  
 Educator's Legal Liability  
 Boiler and Machinery

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the School District with the following coverage:

Property - Blanket Building and Grounds  
 General and Automobile Liability  
 Workers' Compensation and Employers' Liability  
 School Leaders Errors and Omissions

**Note 12: RISK MANAGEMENT (CONT'D)**

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2013, which can be obtained from:

New Jersey School Boards Association Insurance Group  
450 Veterans Drive  
Burlington, New Jersey 08016

**Note 13: DEFERRED COMPENSATION**

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. 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:

Advanced Asset Planning Service  
Lincoln Investment Planning Resources Trust  
Advantage Capital  
The Equitable

**Note 14: COMPENSATED ABSENCES**

The School 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.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2013, the liability for compensated absences reported on the government-wide statement of net position was \$858,645.99.

**Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2013 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Fiduciary	\$ 4,000.00	\$ 4,000.00
	<u>\$ 4,000.00</u>	<u>\$ 4,000.00</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2013, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

	<u>Transfer In</u>
	<u>General Fund</u>
<u>Transfer Out:</u>	
Other Enterprise Funds	\$ 57,678.85
Total Transfers	<u>\$ 57,678.85</u>

**Note 16: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$233,250.22 in the general fund and as of June 30, 2013 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute 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 June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$233,250.22 is less than the June state aid payments.

**Note 17: FUND BALANCES****NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. As of June 30, 2013, the District did not have any nonspendable fund balances.

**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund -**

**For Capital Reserve Account** - As of June 30, 2013, the balance in the capital reserve account is \$536,520.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2013, the balance in the maintenance reserve account is \$300,400.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**COMMITTED**

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. The District did not have any committed balances as of June 30, 2013.

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund -**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2014 \$687,575.00 of general fund balance at June 30, 2013.

**Other Purposes** - As of June 30, 2013, the School District had \$116,336.10 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2013, \$(233,250.22) of general fund balance (deficit) was unassigned.

**Note 18: LITIGATION**

The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Budgetary Comparison Schedule  
General Fund

For the Fiscal Year Ending June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
County Budget Appropriation	\$ 7,625,000.00		\$ 7,625,000.00	\$ 7,625,000.00	
Tuition	2,947,680.00		2,947,680.00	2,945,642.79	\$ (2,037.21)
Non-Resident Fees	170,375.00		170,375.00	222,075.00	51,700.00
Unrestricted Miscellaneous Revenue	153,890.00	\$ 6,391.38	160,281.38	323,110.61	162,829.23
<b>Total - Local Sources</b>	<b>10,896,945.00</b>	<b>6,391.38</b>	<b>10,903,336.38</b>	<b>11,115,828.40</b>	<b>212,492.02</b>
State Sources:					
Categorical Special Education Aid	652,996.00	-	652,996.00	652,996.00	
Equalization Aid	7,126,802.00	-	7,126,802.00	6,958,486.00	(168,316.00)
Categorical Security Aid	25,210.00	-	25,210.00	25,210.00	
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)					
Teacher's Pension and Annuity Fund		-		455,939.00	455,939.00
Teacher's Pension and Annuity Fund - Post Retirement Costs		-		515,551.00	515,551.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)		-		525,637.89	525,637.89
<b>Total - State Sources</b>	<b>7,805,008.00</b>		<b>7,805,008.00</b>	<b>9,133,819.89</b>	<b>1,328,811.89</b>
Federal Sources:					
Medicaid Reimbursement	7,667.00	-	7,667.00	1,982.52	(5,684.48)
Education Jobs Fund - ARRA EJF	-	660.00	660.00	660.00	
<b>Total - Federal Sources</b>	<b>7,667.00</b>	<b>660.00</b>	<b>8,327.00</b>	<b>2,642.52</b>	<b>(5,684.48)</b>
<b>Total Revenues</b>	<b>18,709,620.00</b>	<b>7,051.38</b>	<b>18,716,671.38</b>	<b>20,252,290.81</b>	<b>1,535,619.43</b>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers	3,226,135.00	66,031.82	3,292,166.82	3,228,419.53	63,747.29
Purchased Professional/Educational Services	16,225.00	(400.00)	15,825.00	11,557.54	4,267.46
Purchased Technical Services	15,250.00	206,992.20	222,242.20	218,751.74	3,490.46
Cleaning/Repair/Main.	45,550.00	(16,520.00)	29,030.00	27,579.84	1,450.16
Rentals	24,200.00	-	24,200.00	24,150.84	49.16
Communication/Telephone	-	4,200.00	4,200.00	3,767.16	432.84
Travel-Conference/Workshops	-	650.00	650.00	523.54	126.46
General Supplies	307,129.00	296,981.13	604,110.13	573,304.83	30,805.30
Textbooks	175,000.00	(145,531.19)	29,468.81	29,149.15	319.66
Other Objects	500.00	(150.00)	350.00	-	350.00
<b>Total Regular Programs - Instruction</b>	<b>3,809,989.00</b>	<b>412,253.96</b>	<b>4,222,242.96</b>	<b>4,117,204.17</b>	<b>105,038.79</b>
Regular Programs - Home Instruction					
Salaries of Teachers	5,500.00	9,042.96	14,542.96	14,542.96	
Purchased Professional/Educational Services	7,000.00	1,690.96	8,690.96	8,690.96	
General Supplies	200.00	-	200.00	-	200.00
<b>Total Home Instruction</b>	<b>12,700.00</b>	<b>10,733.92</b>	<b>23,433.92</b>	<b>23,233.92</b>	<b>200.00</b>
Special Education Instruction - Resource Room/Resource Center:					
Salaries of Teachers	533,450.00	2,198.95	535,648.95	523,941.20	11,707.75
Other Salaries for Instruction	97,625.00	848.60	98,473.60	98,473.40	0.20
General Supplies	1,384.00	-	1,384.00	1,266.84	117.16
<b>Total Special Education - Instruction</b>	<b>632,459.00</b>	<b>3,047.55</b>	<b>635,506.55</b>	<b>623,681.44</b>	<b>11,825.11</b>
Special Education Instruction - Home Instruction:					
Salaries of Teachers	5,500.00	(5,500.00)	-	-	
Purchased Professional/Educational Services	11,000.00	(7,839.92)	3,160.08	3,160.08	
General Supplies	200.00	-	200.00	-	200.00
<b>Total Special Education - Instruction</b>	<b>16,700.00</b>	<b>(13,339.92)</b>	<b>3,360.08</b>	<b>3,160.08</b>	<b>200.00</b>
Regular Vocational Programs - Instruction:					
Salaries of Teachers	2,313,705.00	(48,728.67)	2,264,976.33	2,223,119.48	41,856.85
Other Salaries for Instruction	297,605.00	22,393.08	319,998.08	308,137.53	11,860.55
Purchased Professional-Educational Services	56,700.00	(22,856.86)	33,843.14	19,674.54	14,168.60
Purchased Technical Services	34,300.00	14,850.60	49,150.60	45,458.00	3,692.60
Cleaning/Repair/Maintenance	4,350.00	(604.00)	3,746.00	1,941.11	1,804.89
Rentals	3,000.00	-	3,000.00	2,952.00	48.00
Other Purchased Services	500.00	81.00	581.00	80.67	500.33
Travel	500.00	-	500.00	-	500.00
General Supplies	371,878.00	144,243.32	516,121.32	399,517.35	116,603.97
Textbooks	-	19,098.58	19,098.58	19,098.58	
Other Objects	9,600.00	20,539.28	30,139.28	25,636.39	4,502.89
<b>Total - Regular Vocational Programs - Instruction</b>	<b>3,092,138.00</b>	<b>149,016.33</b>	<b>3,241,154.33</b>	<b>3,045,615.65</b>	<b>195,538.68</b>
<b>Total Vocational Programs</b>	<b>3,092,138.00</b>	<b>149,016.33</b>	<b>3,241,154.33</b>	<b>3,045,615.65</b>	<b>195,538.68</b>

(Continued)

GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ending June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
School Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 25,000.00	\$ 5,893.00	\$ 30,893.00	\$ 30,893.00	
Purchase Prof / Tech Services	-	6,000.00	6,000.00	4,141.20	\$ 1,858.80
Other Prof / Tech Services		-		-	
Travel	60,000.00	44,740.00	104,740.00	99,221.96	5,518.04
General Supples	500.00	-	500.00	-	500.00
Other Objects	6,000.00	760.00	6,760.00	6,760.00	
<b>Total School Sponsored Cocurricular Activities - Instruction</b>	<b>91,500.00</b>	<b>57,393.00</b>	<b>148,893.00</b>	<b>141,016.16</b>	<b>7,876.84</b>
School Sponsored Athletics - Instruction					
Salaries	312,700.00	3,800.00	316,500.00	314,856.00	1,644.00
Other Professional / Technical Services	35,230.00	5,000.00	40,230.00	31,964.00	8,266.00
Main - Copier & Excess	2,144.00	-	2,144.00	1,578.02	565.98
Rentals	8,100.00	(6,600.00)	1,500.00	1,500.00	
Purchased Services	-	3,550.00	3,550.00	3,454.50	95.50
Travel	-	2,590.00	2,590.00	400.96	2,189.04
General Supplies	27,856.00	(8,300.00)	19,556.00	14,986.53	4,569.47
Other Objects	33,610.00	(5,108.00)	28,502.00	22,535.55	5,966.45
<b>Total Other Instructional Programs - Instruction</b>	<b>419,640.00</b>	<b>(5,068.00)</b>	<b>414,572.00</b>	<b>391,275.56</b>	<b>23,296.44</b>
Undistributed Expenditures - Attendance & Social Work					
General Supplies	-	32.00	32.00	32.00	
<b>Total Undistributed Expenditures - Attendance &amp; Social Work</b>	<b>-</b>	<b>32.00</b>	<b>32.00</b>	<b>32.00</b>	<b>-</b>
Undistributed Expenditures - Health Services:					
Salaries	118,850.00	2,133.75	120,983.75	120,141.75	842.00
Salaries - Secr/Clerk	52,400.00	681.08	53,081.08	53,081.08	
Purchased Professional and Technical Services	10,000.00	(6,178.75)	3,821.25	2,724.00	1,097.25
Cleaning/Repair/Main	300.00	-	300.00	-	300.00
Travel - Conf./Workshops	600.00	200.00	800.00	548.53	251.47
General Supplies	5,659.00	1,100.00	6,759.00	4,880.29	1,878.71
Other Objects	200.00	-	200.00	200.00	
<b>Total Undistributed Expenditures - Health Services</b>	<b>188,009.00</b>	<b>(2,063.92)</b>	<b>185,945.08</b>	<b>181,375.65</b>	<b>4,569.43</b>
Undistributed Expenditures - Speech, OT, PT & Related Services - Students - Related Service:					
Other Salaries for Instruction	34,700.00	(8,663.93)	26,036.07	17,935.25	8,100.82
Purchased Professional - Educational Services	24,500.00	-	24,500.00	19,364.00	5,136.00
<b>Total Undistributed Expenditures - Speech, OT, PT &amp; Related Services - Students - Related Services</b>	<b>59,200.00</b>	<b>(8,663.93)</b>	<b>50,536.07</b>	<b>37,299.25</b>	<b>13,236.82</b>
Undistributed Expenditures - Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	626,370.00	1,013.50	627,383.50	563,032.57	64,350.93
Salaries of Secretarial and Clerical Assistants	189,200.00	(24,251.60)	164,948.40	163,969.84	978.56
Other Salaries	63,250.00	-	63,250.00	61,759.75	1,490.25
Purchased Professional - Educational Services	53,164.00	-	53,164.00	53,164.00	
Other Purchase Prof. & Tech. Services	74,445.00	(6,200.00)	68,245.00	12,415.00	55,830.00
Cleaning/Repair/Main.	1,200.00	4,000.00	5,200.00	3,729.56	1,470.44
Rentals	4,000.00	-	4,000.00	3,998.76	1.24
Travel	700.00	2,244.00	2,944.00	92.07	2,851.93
Misc. Purchased Services	35,000.00	(2,513.50)	32,486.50	18,303.82	14,182.68
General Supplies	21,000.00	(259.00)	20,741.00	12,394.43	8,346.57
Other Objects	2,800.00	225.00	3,025.00	1,969.80	1,055.20
<b>Total Undistributed Expenditures - Other Support Services - Students - Regular</b>	<b>1,071,129.00</b>	<b>(25,741.60)</b>	<b>1,045,387.40</b>	<b>894,829.60</b>	<b>150,557.80</b>
<b>Total Undistributed Expenditures - Other Support Services - Students</b>	<b>1,071,129.00</b>	<b>(25,741.60)</b>	<b>1,045,387.40</b>	<b>894,829.60</b>	<b>150,557.80</b>
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	474,900.00	(1,062.00)	473,838.00	416,061.46	57,776.54
Salaries of Secretarial and Clerical Assistants	43,240.00	18,008.70	61,248.70	61,248.70	
Purchased Professional - Educational Services	16,500.00	(1,500.00)	15,000.00	5,595.10	9,404.90
Main - Copier & Excess	1,200.00	-	1,200.00	453.94	746.06
Rentals	2,400.00	792.00	3,192.00	3,192.00	
Other Purchased Services	500.00	-	500.00	-	500.00
Miscellaneous Purchased Services/Conference Workshops	2,600.00	-	2,600.00	36.44	2,563.56
General Supplies	6,200.00	1,500.00	7,700.00	6,873.19	826.81
<b>Total Undistributed Expenditures - Other Support Services - Students - Special</b>	<b>547,540.00</b>	<b>17,738.70</b>	<b>565,278.70</b>	<b>493,460.83</b>	<b>71,817.87</b>

(Continued)

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ending June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Improvement of Instruction Services/Other Support					
Services - Instructional Staff:					
Other Salaries		\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	
Purchased Professional - Educational Services	\$ 137,000.00	17,312.00	154,312.00	143,707.11	\$ 10,604.89
Other Purchased Prof. & Tech Services	-	5,000.00	5,000.00	465.00	4,535.00
Travel	500.00	-	500.00	-	500.00
General Supplies	1,000.00	-	1,000.00	1,000.00	
Total Undistributed Expenditures - Improvement of Instruction Services	138,500.00	25,612.00	164,112.00	148,472.11	15,639.89
Undistributed Expenditures - Educational Media Services / School					
Library:					
Salaries	60,810.00	465.00	61,275.00	60,843.41	431.59
Salaries of Technology Coordinators	150,325.00	(2,200.00)	148,125.00	110,636.62	37,488.38
Purchased Professional - Educational Services	46,320.00	-	46,320.00	41,173.33	5,146.67
Purchased Professional - Technical Services - Shared	13,000.00	(105.00)	12,895.00	6,446.00	6,449.00
Cleaning/Repair/Main	250.00	200.00	450.00	270.82	179.18
Rentals	1,700.00	-	1,700.00	-	1,700.00
Travel	2,050.00	400.00	2,450.00	15.00	2,435.00
General Supplies	21,200.00	-	21,200.00	13,032.91	8,167.09
Other Objects		105.00	105.00	105.00	
Total Undistributed Expenditures - Educational Media Services / School Library	295,655.00	(1,135.00)	294,520.00	232,523.09	61,996.91
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	-	5,300.00	5,300.00		5,300.00
Travel	13,515.00	11,510.00	25,025.00	17,397.02	7,627.98
Total Undistributed Expenditures - Instructional Staff Training Services	13,515.00	16,810.00	30,325.00	17,397.02	12,927.98
Undistributed Expenditures - Support Services - General Administration					
Legal Services	35,000.00	14,617.50	49,617.50	24,293.55	25,323.95
Audit Fees	50,500.00	-	50,500.00	50,500.00	
Other Purchased Professional Services	3,750.00	3,482.50	7,232.50	7,232.50	
Purchased Technical Services	80,000.00	-	80,000.00	80,000.00	
Maint/Repair Tech	-	2,200.00	2,200.00	2,200.00	
INS-Student	30,000.00	-	30,000.00	28,633.00	1,367.00
Communications / Telephone	120,000.00	(5,304.25)	114,695.75	77,558.20	37,137.55
BOE Other Purchased Services	2,000.00	-	2,000.00	-	2,000.00
Other Purchased Services	4,800.00	-	4,800.00	1,794.00	3,006.00
Legal Advertisements	1,100.00	-	1,100.00	531.15	568.85
General Supplies	4,500.00	(1,900.00)	2,600.00	2,534.67	65.33
BOE In-House Training/Meeting Supplies	3,000.00	5,554.25	8,554.25	5,787.40	2,766.85
Judgments Against the School District	-	450.00	450.00	409.20	40.80
Miscellaneous Expenditures	10,750.00	-	10,750.00	10,580.00	170.00
BOE Membership Dues and Fees	7,000.00	(550.00)	6,450.00	6,433.40	16.60
Total Undistributed Expenditures - Support Services - General Administration	352,400.00	18,550.00	370,950.00	298,487.07	72,462.93
Undistributed Expenditures - Support Services - School					
Administration:					
Salaries of Principals / Assistant Principals	310,425.00	(31,023.35)	279,401.65	279,216.88	184.77
Salaries of Secretarial and Clerical Assistants	143,600.00	15,367.57	158,967.57	158,965.17	2.40
Purchased Technical Services	4,450.00	4,496.33	8,946.33	8,946.33	
Rentals	8,950.00	-	8,950.00	8,892.84	57.16
Travel	3,000.00	(1,000.00)	2,000.00	146.80	1,853.20
General Supplies	5,000.00	1,133.63	6,133.63	6,087.37	46.26
Other Objects	26,850.00	(3,974.18)	22,875.82	18,820.51	4,055.31
Total Undistributed Expenditures - Support Services - School Administration	502,275.00	(15,000.00)	487,275.00	481,075.90	6,199.10
Undistributed Expenditures - Central Services					
Salaries-Secr/Clerk	94,100.00	(53,067.58)	41,032.42	41,032.42	
Other Salaries	149,050.00	(6,461.65)	142,588.35	138,294.60	4,293.75
Purchased Professional Services	7,000.00	-	7,000.00	5,300.00	1,700.00
Purchased Technical Services	35,000.00	(4,000.00)	31,000.00	30,258.95	741.05
Main/Rep Tec Cen Srv	-	245.65	245.65	245.65	
Miscellaneous Purchased Services	8,600.00	2,661.50	11,261.50	10,731.36	530.14
General Supplies	7,000.00	(1,736.50)	5,263.50	4,272.24	991.26
Miscellaneous Expenditures	250.00	4,075.00	4,325.00	4,270.09	54.91
Total Undistributed Expenditures - Central Services	301,000.00	(58,283.58)	242,716.42	234,405.31	8,311.11

(Continued)

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ending June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Administration Information					
Technology					
Salaries	\$ 6,000.00	\$ (6,000.00)	\$ -	\$ -	\$ -
Purchased Technical Services	35,000.00	35,449.20	70,449.20	50,552.81	19,896.39
Travel	2,000.00	(2,000.00)	-	-	-
General Supplies	28,260.00	(6,999.95)	21,260.05	19,210.64	2,049.41
Other Objects-Technology	3,000.00	(3,000.00)	-	-	-
Total Undistributed Expenditures - Administration Information	74,260.00	17,449.25	91,709.25	69,763.45	21,945.80
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries		16,400.00	16,400.00	14,065.08	2,334.92
Cleaning, Repair and Maintenance Services	288,000.00	79,722.31	367,722.31	362,828.26	4,894.05
General Supplies	15,000.00	209,246.30	224,246.30	222,361.89	1,884.41
Other Objects	1,000.00	1,000.00	2,000.00	1,699.00	301.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	304,000.00	306,368.61	610,368.61	600,954.23	9,414.38
Undistributed Expenditures - Other Operation and Maintenance of Plant Services:					
Salaries	1,053,700.00	(39,018.06)	1,014,681.94	995,865.20	18,816.74
Purchase Tech Services	75,000.00	12,448.24	87,448.24	10,631.18	76,817.06
Other Prof/Tech Services	65,000.00	(65,000.00)	-	-	-
Cleaning, Repair and Maintenance Services	106,000.00	(24,947.19)	81,052.81	77,141.95	3,910.86
Rental of Land and Buildings Other than Lease Purchase Agreements	2,000.00	-	2,000.00	1,337.50	662.50
Other Purchased Property Services	21,000.00	-	21,000.00	11,504.45	9,495.55
Insurance	122,500.00	51,043.00	173,543.00	173,543.00	-
Miscellaneous Purchases	1,000.00	300.00	1,300.00	805.40	494.60
General Supplies	271,000.00	(54,760.42)	216,239.58	216,239.58	-
Energy (Natural Gas)	240,000.00	10,066.58	250,066.58	240,726.41	9,340.17
Energy (Electricity)	675,000.00	86,364.50	761,364.50	761,364.50	-
Energy (Oil)	1,000.00	-	1,000.00	-	1,000.00
Energy (Gasoline)	20,000.00	3,373.05	23,373.05	23,373.05	-
Other Objects	8,000.00	6,316.38	14,316.38	8,599.80	5,716.58
Total Undistributed Expenditures - Other Operation and Maintenance of Plant Services	2,661,200.00	(13,813.92)	2,647,386.08	2,521,132.02	126,254.06
Total Operation and Maintenance of Plant Services	2,965,200.00	292,554.69	3,257,754.69	3,122,086.25	135,668.44
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	64,960.00	(18,713.00)	46,247.00	46,247.00	-
Purchased Professional and Technical Services	8,000.00	-	8,000.00	-	8,000.00
Cleaning, Repair, and Maintenance Services	7,500.00	-	7,500.00	2,231.75	5,268.25
General Supplies	15,000.00	20,000.00	35,000.00	29,501.11	5,498.89
Other Objects	2,500.00	-	2,500.00	474.89	2,025.11
Total Undistributed Expenditures - Care and Upkeep of Grounds	97,960.00	1,287.00	99,247.00	78,454.75	20,792.25
Undistributed Expenditures - Security:					
Salaries	159,375.00	54,014.09	213,389.09	211,274.63	2,114.46
Purchased Professional and Technical Services	180,000.00	(32,374.99)	147,625.01	132,024.36	15,600.65
Purchase Tech Services	15,000.00	-	15,000.00	5,125.00	9,875.00
Cleaning, Repair, and Maintenance Services	10,000.00	9,200.00	19,200.00	13,221.10	5,978.90
General Supplies	30,000.00	(7,200.00)	22,800.00	11,657.07	11,142.93
Other Objects	2,000.00	-	2,000.00	125.00	1,875.00
Total Undistributed Expenditures - Security	396,375.00	23,639.10	420,014.10	373,427.16	46,586.94
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Other than Between Home and School)	22,000.00	5,090.00	27,090.00	26,752.50	337.50
Other Prof/Tech Services	200.00	300.00	500.00	320.50	179.50
Cleaning, Repair and Maintenance Services	10,000.00	(300.00)	9,700.00	3,067.13	6,632.87
Contracted Services - (Not Home/School) - Vendors	42,900.00	6,007.50	48,907.50	23,813.55	25,093.95
Misc. Purchased Services - Transportation	1,000.00	-	1,000.00	717.50	282.50
General Supplies	1,000.00	-	1,000.00	-	1,000.00
Transportation Supplies	18,000.00	(3,824.50)	14,175.50	2,681.91	11,493.59
Other Objects	500.00	100.00	600.00	525.00	75.00
Total Undistributed Expenditures - Student Transportation Services	95,600.00	7,373.00	102,973.00	57,878.09	45,094.91

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ending June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Business and Other Support Services - Employee Benefits					
Social Security Contributions	\$ 252,000.00	-	\$ 252,000.00	\$ 249,929.96	\$ 2,070.04
Other Retirement Contributions - Regular	302,151.00	\$ (42,370.00)	259,781.00	259,780.53	0.47
Unemployment Compensation	59,541.00	(58,954.50)	586.50	586.50	
Workers Compensation	180,000.00	2,036.23	182,036.23	181,908.00	128.23
Health Benefits	2,695,477.00	(364,164.92)	2,331,312.08	2,331,312.08	
Tuition Reimbursement	35,500.00	(15,639.32)	19,860.68	17,848.00	2,012.68
Other Employee Benefits	5,100.00	52,524.06	57,624.06	55,067.19	2,556.87
<b>Total Business and Other Support Services - Employee Benefits</b>	<b>3,529,769.00</b>	<b>(426,568.45)</b>	<b>3,103,200.55</b>	<b>3,096,432.26</b>	<b>6,768.29</b>
Undistributed Expenditures - Food Services					
Transfers to Cover Deficit (Enterprise Fund)	75,060.00	-	75,060.00	-	75,060.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)					
Teacher's Pension and Annuity Fund		-		455,939.00	(455,939.00)
Teacher's Pension and Annuity Fund - Post Retirement Costs		-		515,551.00	(515,551.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)		-		525,637.89	(525,637.89)
<b>Total On-Behalf T.P.A.F. Social Security/Pension Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,497,127.89</b>	<b>(1,497,127.89)</b>
<b>Total Undistributed Expenditures</b>	<b>10,703,447.00</b>	<b>(116,410.74)</b>	<b>10,587,036.26</b>	<b>11,314,527.68</b>	<b>(727,491.42)</b>
<b>Total Current Expense</b>	<b>18,778,573.00</b>	<b>497,626.10</b>	<b>19,276,199.10</b>	<b>19,659,714.66</b>	<b>(383,515.56)</b>
Capital Outlay:					
Equipment:					
Grades 9-12	171,000.00		244,529.99	244,529.99	
Vocational Programs:					
Regular Programs	21,100.00	21,435.38	42,535.38	37,686.64	4,848.74
Undistributed Expenditures:					
Health Services		2,745.00	2,745.00	2,745.00	
Admissions		2,374.99	2,374.99	2,374.99	
Educational Media	14,600.00	(14,600.00)	-	-	
Admin Info Tech	36,400.00	31,007.46	67,407.46	67,406.51	0.95
Required Maintenance for School Facilities	82,615.00	-	82,615.00	35,898.00	46,717.00
Other Operations & Maintenance of Plant Services	25,000.00	8,127.13	33,127.13	33,127.13	
Other Objects	62,880.00	(62,880.00)	-	-	
Assess SDA Funding	-	62,880.00	62,880.00	62,880.00	
<b>Total Equipment</b>	<b>413,595.00</b>	<b>51,089.96</b>	<b>538,214.95</b>	<b>486,648.26</b>	<b>51,566.69</b>
<b>Total Capital Outlay</b>	<b>413,595.00</b>	<b>51,089.96</b>	<b>538,214.95</b>	<b>486,648.26</b>	<b>51,566.69</b>
Special Schools:					
Post-Secondary Programs - Instruction:					
Salaries of Teachers	105,000.00	18,094.00	123,094.00	123,094.00	
Purchased Professional and Technical Services	300.00	-	300.00	-	300.00
General Supplies	20,000.00	10,650.00	30,650.00	30,360.57	289.43
<b>Total Post-Secondary Programs - Instruction</b>	<b>125,300.00</b>	<b>28,744.00</b>	<b>154,044.00</b>	<b>153,454.57</b>	<b>589.43</b>
Post-Secondary Programs - Support Services:					
Salaries	48,000.00	-	48,000.00	47,661.50	338.50
Personal Services - Employee Benefits	11,705.00	1,357.79	13,062.79	13,062.79	
Misc. Purchase Services	2,000.00	500.00	2,500.00	2,404.45	95.55
<b>Total Post-Secondary Programs - Support Services</b>	<b>61,705.00</b>	<b>1,857.79</b>	<b>63,562.79</b>	<b>63,128.74</b>	<b>434.05</b>
<b>Total Post-Secondary Programs</b>	<b>187,005.00</b>	<b>30,601.79</b>	<b>217,606.79</b>	<b>216,583.31</b>	<b>1,023.48</b>
Summer School - Instruction:					
Salaries of Teachers	22,000.00	(8,141.33)	13,858.67	13,858.67	
Educational Software	8,400.00	-	8,400.00	8,400.00	
<b>Total Summer School - Instruction</b>	<b>30,400.00</b>	<b>(8,141.33)</b>	<b>22,258.67</b>	<b>22,258.67</b>	<b>-</b>
Summer School - Support Services:					
Salaries of Teachers	1,650.00	-	1,650.00	1,060.19	589.81
<b>Total Summer School - Support Services</b>	<b>1,650.00</b>	<b>-</b>	<b>1,650.00</b>	<b>1,060.19</b>	<b>589.81</b>
Accredited Evening / Adult High School - Instruction:					
Salaries of Teachers	6,000.00	(2,641.33)	3,358.67	2,932.50	426.17
Shared Education Software	7,500.00	-	7,500.00	7,500.00	
General Supplies	100.00	150.00	250.00	190.98	59.02
<b>Total Accredited Evening / Adult High School - Instruction</b>	<b>13,600.00</b>	<b>(2,491.33)</b>	<b>11,108.67</b>	<b>10,623.48</b>	<b>485.19</b>
Accredited Evening/Adult H.S./Post-Graduate - Support Services					
Salaries Other Professional-Extra	8,000.00	-	8,000.00	7,676.25	323.75

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ending June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Special Schools (Cont'd):					
Accredited Evening/Adult H.S./Post-Graduate - Support Services (Cont'd)					
Social Security Contributions	\$ 1,071.00	-	\$ 1,071.00	\$ 787.84	\$ 283.16
Total Accredited Evening/Adult H.S./Post-Graduate - Support Services	9,071.00	-	9,071.00	8,464.09	606.91
Total Accredited Evening/Adult H.S./Post-Graduate	22,671.00	\$ (2,491.33)	20,179.67	19,087.57	1,092.10
Total Special Schools	241,726.00	19,969.13	261,695.13	258,989.74	2,705.39
Total Expenditures	19,433,894.00	568,685.19	20,076,109.18	20,405,352.66	(329,243.48)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(724,274.00)	(561,633.81)	(1,359,437.80)	(153,061.85)	1,206,375.95
Other Financing Sources (Uses):					
Operating Transfers In		-		57,678.65	57,678.65
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(724,274.00)	(561,633.81)	(1,359,437.80)	(95,383.20)	1,264,054.60
Fund Balances, July 1	2,260,338.08	-	2,260,338.08	2,260,338.08	
Fund Balances, June 30	\$ 1,536,064.08	\$ (561,633.81)	\$ 900,900.28	\$ 2,164,954.88	\$ 1,264,054.60
<b>Recapitulation:</b>					
Restricted					
Capital Reserve Account				\$ 536,520.00	
Maintenance Reserve Account				300,400.00	
Assigned					
Other Purpose				116,336.10	
Designated for Subsequent Year's Expenditures				687,575.00	
Unassigned					
General Fund				524,123.78	
				2,164,954.88	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				757,374.00	
Fund Balance per Governmental Funds (GAAP)				\$ 1,407,580.88	

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule -- Education Jobs  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Federal Sources:					
Education Jobs	_____	\$ 660.00	\$ 660.00	\$ 660.00	_____ -
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Other Operation and Maintenance of Plant Services:					
Salaries	_____	660.00	660.00	660.00	_____ -
Total Expenditures	_____ -	660.00	660.00	660.00	_____ -
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ending June 30, 2013

	Original Budget	Original/ Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>				
State Sources	\$ 202,067.58	\$ 202,067.58	\$ 177,087.40	\$ (24,980.18)
Federal Sources	975,569.00	975,569.00	851,737.99	(123,831.01)
Other Sources	16,190.00	16,190.00	9,541.00	(6,649.00)
<b>Total Revenues</b>	<b>1,193,826.58</b>	<b>1,193,826.58</b>	<b>1,038,366.39</b>	<b>(155,460.19)</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers	72,424.13	72,424.13	35,464.64	36,959.49
Purchased Professional Technical Services	10,642.00	10,642.00	10,642.00	-
Purchased Educational Services	51,856.10	51,856.10	51,856.03	0.07
Supplies and Materials	258,443.87	258,443.87	248,884.21	9,559.66
Miscellaneous Expenditures	10,959.67	10,959.67	9,447.64	1,512.03
Other Objects	11,710.00	11,710.00	11,710.00	-
<b>Total Instruction</b>	<b>416,035.77</b>	<b>416,035.77</b>	<b>368,004.52</b>	<b>48,031.25</b>
<b>Support Services:</b>				
Salaries of Personnel Services	93,975.50	93,975.50	87,917.63	6,057.87
Salaries of Principals/Assistant Principals	66,340.16	66,340.16	56,862.96	9,477.20
Salaries of Other Professional Staff	7,245.00	7,245.00	-	7,245.00
Salaries of Secretaries & Clerical Assistants	49,079.52	49,079.52	41,987.75	7,091.77
Other Salaries	67,419.08	67,419.08	15,793.80	51,625.28
Other Employee Benefits	36,473.25	36,473.25	26,672.22	9,801.03
Health Benefits	16,317.60	16,317.60	13,857.42	2,460.18
Purchased Educational Services	183,448.60	183,448.60	183,448.60	-
Purchased Technical Services	151,917.00	151,917.00	151,917.00	-
Other Purchased Services	2,045.01	2,045.01	945.50	1,099.51
Purchased Property Services	3,267.00	3,267.00	2,191.00	1,076.00
Supplies and Materials	3,951.23	3,951.23	2,853.22	1,098.01
Travel	36,527.21	36,527.21	34,920.12	1,607.09
Miscellaneous Expenditures	14,831.78	14,831.78	6,105.78	8,726.00
Other Objects	64.00	64.00	-	64.00
<b>Total Support Services</b>	<b>732,901.94</b>	<b>732,901.94</b>	<b>625,473.00</b>	<b>107,428.94</b>
<b>Facilities Acquisition and Construction Services:</b>				
<b>Buildings</b>				
Instructional Equipment	35,963.87	35,963.87	35,963.87	-
Non-Instructional Equipment	8,925.00	8,925.00	8,925.00	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>44,888.87</b>	<b>44,888.87</b>	<b>44,888.87</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,193,826.58</b>	<b>1,193,826.58</b>	<b>1,038,366.39</b>	<b>155,460.19</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Fiscal Year Ending June 30, 2013

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 20,252,290.81	\$ 1,038,366.39
<b>Difference - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2012.	718,087.00	-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2013.	<u>(757,374.00)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 20,213,003.81</u>	<u>\$ 1,038,366.39</u>
<b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 20,405,352.66	\$ 1,038,366.39
<b>Difference - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 20,405,352.66</u>	<u>\$ 1,038,366.39</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ending June 30, 2013

	No Child Left Behind		Perkins Post Secondary	Perkins Basic Secondary	Perkins Secondary Reserve	I.D.E.A. 2012-13	Youth One-Stop for at Risk Summer	Total Carried Forward
	Title I - A 2012-13	Title II - A 2012-13						
<b>REVENUES:</b>								
Federal Sources	\$ 80,885.00	\$ 10,438.00	\$ 86,647.00	\$ 135,559.00	\$ 42,931.00	\$ 166,515.09	\$ 7,889.31	\$ 530,864.40
State Sources								-
Local Sources								-
<b>Total Revenues</b>	<b>\$ 80,885.00</b>	<b>\$ 10,438.00</b>	<b>\$ 86,647.00</b>	<b>\$ 135,559.00</b>	<b>\$ 42,931.00</b>	<b>\$ 166,515.09</b>	<b>\$ 7,889.31</b>	<b>\$ 530,864.40</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers					\$ 1,380.00			1,380.00
Purchased Technical Services		\$ 1,800.00	\$ 587.00	\$ 835.00	7,420.00			10,642.00
Supplies & Materials	\$ 20,794.00		66,480.39	24,650.44	8,643.72	\$ 123,940.94	\$ 2,537.30	247,046.79
Miscellaneous Expenditures							2,536.97	2,536.97
Other Objects			1,150.00	10,560.00				11,710.00
<b>Total Instruction</b>	<b>20,794.00</b>	<b>1,800.00</b>	<b>68,217.39</b>	<b>36,045.44</b>	<b>17,443.72</b>	<b>123,940.94</b>	<b>5,074.27</b>	<b>273,315.76</b>
Support Services:								
Salaries of Personnel Services			6,210.00	13,175.00	21,418.50		2,615.00	43,418.50
Other Employee Benefits				1,007.89	1,744.08		200.04	2,952.01
Purchased Technical Services	55,000.00	8,638.00		55,200.00	2,299.00	23,606.00		144,743.00
Other Purchased Services			700.00					700.00
Purchased Property Services	2,191.00							2,191.00
Travel	2,900.00		1,808.00	14,425.11	25.70	8,421.45		27,580.26
<b>Total Support Services</b>	<b>60,091.00</b>	<b>8,638.00</b>	<b>8,718.00</b>	<b>83,808.00</b>	<b>25,487.28</b>	<b>32,027.45</b>	<b>2,815.04</b>	<b>221,584.77</b>
Facilities Acquisition & Construction Services:								
Instructional Equipment			9,711.61	15,705.56		10,546.70		35,963.87
Non-Instructional Equipment								-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>9,711.61</b>	<b>15,705.56</b>	<b>-</b>	<b>10,546.70</b>	<b>-</b>	<b>35,963.87</b>
<b>Total Expenditures</b>	<b>\$ 80,885.00</b>	<b>\$ 10,438.00</b>	<b>\$ 86,647.00</b>	<b>\$ 135,559.00</b>	<b>\$ 42,931.00</b>	<b>\$ 166,515.09</b>	<b>\$ 7,889.31</b>	<b>\$ 530,864.40</b>

(Continued)

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ending June 30, 2013

	Total Brought Forward	Youth One-Stop for at Risk 2012-13	Apprentice Coordinator 2012-13	VSO HOSA 2011-12	VSO HOSA 2012-13	New Jersey School Board Association Insurance	Race to the Top 3	Total
<b>REVENUES:</b>								
Federal Sources	\$ 530,864.40	\$ 314,224.59					\$ 6,649.00	\$ 851,737.99
State Sources	-		\$ 35,000.00	\$ 20,567.58	\$ 121,519.82			177,087.40
Local Sources	-					\$ 9,541.00		9,541.00
<b>Total Revenues</b>	<b>\$ 530,864.40</b>	<b>\$ 314,224.59</b>	<b>35,000.00</b>	<b>\$ 20,567.58</b>	<b>\$ 121,519.82</b>	<b>\$ 9,541.00</b>	<b>\$ 6,649.00</b>	<b>\$ 1,038,366.39</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	\$ 1,380.00	\$ 34,084.64						\$ 35,464.64
Purchased Technical Services	10,642.00							10,642.00
Purchased Educational Services	-	51,856.03						51,856.03
Supplies & Materials	247,046.79	1,837.42						248,884.21
Miscellaneous Expenditures	2,536.97	6,910.67						9,447.64
Other Objects	11,710.00							11,710.00
<b>Total Instruction</b>	<b>273,315.76</b>	<b>94,688.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368,004.52</b>
<b>Support Services:</b>								
Salaries of Personnel Services	43,418.50	9,499.13	\$ 35,000.00					87,917.63
Salaries of Principals/Assistant Principals	-			\$ 9,477.16	\$ 47,385.80			56,862.96
Salaries of Secretaries & Clerical Assistants	-	3,978.71		6,334.84	31,674.20			41,987.75
Other Salaries	-	10,055.28		866.80	4,871.72			15,793.80
Other Employee Benefits	2,952.01	5,354.99		1,272.28	17,092.94			26,672.22
Health Benefits	-			2,191.60	11,665.82			13,857.42
Purchased Educational Services	-	183,448.60						183,448.60
Purchased Technical Services	144,743.00					\$ 525.00	\$ 6,649.00	151,917.00
Other Purchased Services	700.00	80.01			165.49			945.50
Purchased Property Services	2,191.00							2,191.00
Supplies and Materials	-	1,045.33		392.90	1,323.99	91.00		2,853.22
Travel	27,580.26				7,339.86			34,920.12
Miscellaneous Expenditures	-	6,073.78		32.00				6,105.78
<b>Total Support Services</b>	<b>221,584.77</b>	<b>219,535.83</b>	<b>35,000.00</b>	<b>20,567.58</b>	<b>121,519.82</b>	<b>616.00</b>	<b>6,649.00</b>	<b>625,473.00</b>
<b>Facilities Acquisition &amp; Construction Services:</b>								
Instructional Equipment	35,963.87							35,963.87
Non-Instructional Equipment	-					8,925.00		8,925.00
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>35,963.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,925.00</b>	<b>-</b>	<b>44,888.87</b>
<b>Total Expenditures</b>	<b>\$ 530,864.40</b>	<b>\$ 314,224.59</b>	<b>\$ 35,000.00</b>	<b>\$ 20,567.58</b>	<b>\$ 121,519.82</b>	<b>\$ 9,541.00</b>	<b>\$ 6,649.00</b>	<b>\$ 1,038,366.39</b>

PROPRIETARY FUNDS

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Net Position  
June 30, 2013

	<u>Food Service</u>	<u>Aquatics &amp; Fitness</u>	<u>Automotive</u>	<u>Culinary Arts</u>	<u>Channel 5</u>	<u>Cisco</u>	<u>Cosmetology Clinic</u>	<u>Evening School</u>	<u>Printing and Duplication</u>	<u>Total</u>
<b>ASSETS:</b>										
<b>Current Assets:</b>										
Cash and Cash Equivalents	\$ 49,484.98	\$ 678,137.48	\$ 12,787.64	\$ 276,956.29	\$ 26,479.66	\$ 8,701.12	\$ 70,723.85		\$ 2,449.85	\$ 1,125,720.87
Accounts Receivable:										
State	104.82									104.82
Federal	4,088.85									4,088.85
Other	753.00	67.28		100.00	4,200.00				385.50	5,505.78
Inventory	8,071.63			4,989.49						13,061.12
<b>Total Current Assets</b>	<u>62,503.28</u>	<u>678,204.76</u>	<u>12,787.64</u>	<u>282,045.78</u>	<u>30,679.66</u>	<u>8,701.12</u>	<u>70,723.85</u>	<u>-</u>	<u>2,835.35</u>	<u>1,148,481.44</u>
<b>Noncurrent Assets:</b>										
Furniture, Machinery and Equipment	13,215.00	64,378.95	79,341.25	11,153.32	85,828.08					253,916.60
Less Accumulated Depreciation	(11,230.13)	(25,211.84)	(67,145.61)	(5,328.78)	(20,241.06)					(129,157.42)
<b>Total Noncurrent Assets</b>	<u>1,984.87</u>	<u>39,167.11</u>	<u>12,195.64</u>	<u>5,824.54</u>	<u>65,587.02</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,759.18</u>
<b>Total Assets</b>	<u>64,488.15</u>	<u>717,371.87</u>	<u>24,983.28</u>	<u>287,870.32</u>	<u>96,266.68</u>	<u>8,701.12</u>	<u>70,723.85</u>	<u>-</u>	<u>2,835.35</u>	<u>1,273,240.62</u>
<b>LIABILITIES:</b>										
Accounts Payable	95.00	13,601.26	788.71		839.67					15,324.64
Unearned Revenue		357.50								357.50
<b>Total Current Liabilities</b>	<u>95.00</u>	<u>13,958.76</u>	<u>788.71</u>	<u>-</u>	<u>839.67</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,682.14</u>
<b>Total Liabilities</b>	<u>95.00</u>	<u>13,958.76</u>	<u>788.71</u>	<u>-</u>	<u>839.67</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,682.14</u>
<b>NET POSITION:</b>										
Net Investment in Capital Assets	1,984.87	39,167.11	12,195.64	5,824.54	65,587.02	-	-	-	-	124,759.18
Unrestricted	62,408.28	664,246.00	11,998.93	282,045.78	29,839.99	8,701.12	70,723.85	-	2,835.35	1,132,799.30
<b>Total Net Position</b>	<u>\$ 64,393.15</u>	<u>\$ 703,413.11</u>	<u>\$ 24,194.57</u>	<u>\$ 287,870.32</u>	<u>\$ 95,427.01</u>	<u>\$ 8,701.12</u>	<u>\$ 70,723.85</u>	<u>\$ -</u>	<u>\$ 2,835.35</u>	<u>\$ 1,257,558.48</u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ending June 30, 2013

	<u>Food Service</u>	<u>Aquatics &amp; Fitness</u>	<u>Automotive</u>	<u>Culinary Arts</u>	<u>Channel 5</u>	<u>Cisco</u>	<u>Cosmetology Clinic</u>	<u>Evening School</u>	<u>Printing and Duplication</u>	Total
OPERATING REVENUES:										
Charges for Services:										
Daily Sales - Reimbursable Programs	\$ 17,860.00									\$ 17,860.00
Daily Sales - Non-Reimbursable Programs	268,115.05									268,115.05
County Budget Appropriation		\$ 300,000.00			\$ 75,000.00					375,000.00
Other Revenue		338,445.79	\$ 20,416.28	\$ 124,420.90	34,845.22		\$ 11,318.13		\$ 385.50	529,831.82
<b>Total Operating Revenues</b>	<b>285,975.05</b>	<b>638,445.79</b>	<b>20,416.28</b>	<b>124,420.90</b>	<b>109,845.22</b>	<b>-</b>	<b>11,318.13</b>	<b>-</b>	<b>385.50</b>	<b>1,190,806.87</b>
OPERATING EXPENSES:										
Cost of Goods Sold	204,614.27		18,491.92	58,124.04						281,230.23
Salaries	170,017.25	307,490.88		20,891.24	103,809.50					602,208.87
Employee Benefits	45,666.40	30,847.00		3,338.47	37,601.54					117,453.41
Purchased Technical Services		35,791.78			23,559.75					59,351.53
Other Purchased Services		1,067.32								1,067.32
Purchased Property Services	350.00	46,572.79								46,922.79
Contracted Services		614.00								614.00
Non-Instructional Equipment		2,979.50								2,979.50
Postage Expense		23.26								23.26
General Supplies	8,238.89	20,248.76			6,901.42		3,975.83			39,364.90
Utilities		32,942.99								32,942.99
Miscellaneous	50.00									50.00
Depreciation	355.50	5,204.33	9,917.65	743.54	7,586.28					23,807.30
<b>Total Operating Expenses</b>	<b>429,292.31</b>	<b>483,782.61</b>	<b>28,409.57</b>	<b>83,097.29</b>	<b>179,458.49</b>	<b>-</b>	<b>3,975.83</b>	<b>-</b>	<b>-</b>	<b>1,208,016.10</b>
Operating Income / (Loss)	(143,317.26)	154,663.18	(7,993.29)	41,323.61	(69,613.27)	-	7,342.30	-	385.50	(17,209.23)
NONOPERATING REVENUES (EXPENSES):										
State Sources:										
State School Lunch Program	2,699.54									2,699.54
Federal Sources:										
National School Lunch Program	79,143.68									79,143.68
National School Breakfast Program	14,652.75									14,652.75
Food Distribution Program	26,427.61									26,427.61
Cancellation of Prior Year Receivables		(900.00)		(662.50)						(1,562.50)
<b>Total Non Operating Revenues (Expenses)</b>	<b>122,923.58</b>	<b>(900.00)</b>	<b>-</b>	<b>(662.50)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,361.08</b>
Income (Loss) Before Transfers	(20,393.68)	153,763.18	(7,993.29)	40,661.11	(69,613.27)	-	7,342.30	-	385.50	104,151.85
Transfers (To) / From Other Funds								\$ (57,678.65)		(57,678.65)
Change in Net Position	(20,393.68)	153,763.18	(7,993.29)	40,661.11	(69,613.27)	-	7,342.30	(57,678.65)	385.50	46,473.20
Net Position -- July 1	84,786.83	549,649.93	32,187.86	247,209.21	165,040.28	\$ 8,701.12	63,381.55	57,678.65	2,449.85	1,211,085.28
Net Position -- June 30	\$ 64,393.15	\$ 703,413.11	\$ 24,194.57	\$ 287,870.32	\$ 95,427.01	\$ 8,701.12	\$ 70,723.85	\$ -	\$ 2,835.35	\$ 1,257,558.48

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Enterprise Fund  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ending June 30, 2013

	<u>Food Service</u>	<u>Aquatics &amp; Fitness</u>	<u>Automotive</u>	<u>Culinary Arts</u>	<u>Channel 5</u>	<u>Cisco</u>	<u>Cosmetology Clinic</u>	<u>Evening School</u>	<u>Printing and Duplication</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>										
Receipts from Customers	\$ 285,222.05	\$ 353,059.62	\$ 20,416.28	\$ 124,320.90	\$ 31,745.22	-	\$ 11,318.13	-	-	\$ 826,082.20
County Budget Appropriation	-	300,000.00	-	-	75,000.00	-	-	-	-	375,000.00
Payments to Employees	(170,017.25)	(307,490.88)	-	(20,891.24)	-	-	-	-	-	(498,399.37)
Payments for Employee Benefits	(45,666.40)	(30,847.00)	-	(3,338.47)	-	-	-	-	-	(79,851.87)
Payments to Suppliers	(217,064.29)	(140,673.78)	(18,280.26)	(58,914.31)	(171,748.41)	-	(3,975.83)	-	-	(610,656.88)
Net Cash Provided by (used for) Operating Activities	<u>(147,525.89)</u>	<u>174,047.96</u>	<u>2,136.02</u>	<u>41,176.88</u>	<u>(65,003.19)</u>	<u>-</u>	<u>7,342.30</u>	<u>-</u>	<u>-</u>	<u>12,174.08</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>										
State Sources	2,654.19	-	-	-	-	-	-	-	-	2,654.19
Federal Sources	118,274.15	-	-	-	-	-	-	-	-	118,274.15
Transfers (To) / From Other Funds	-	-	-	-	-	-	\$ (57,678.65)	-	-	(57,678.65)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>120,928.34</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,678.65)</u>	<u>-</u>	<u>63,249.69</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>										
Purchases of Capital Assets	-	(15,347.84)	-	-	(7,456.23)	-	-	-	-	(22,804.07)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>(15,347.84)</u>	<u>-</u>	<u>-</u>	<u>(7,456.23)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,804.07)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(26,597.55)	158,700.12	2,136.02	41,176.88	(72,459.42)	-	7,342.30	(57,678.65)	-	52,619.70
Cash and Cash Equivalents -- July 1	76,082.53	519,437.36	10,651.62	235,779.41	98,939.08	\$ 8,701.12	63,381.55	57,678.65	\$ 2,449.85	1,073,101.17
Cash and Equivalents -- June 30	<u>\$ 49,484.98</u>	<u>\$ 678,137.48</u>	<u>\$ 12,787.64</u>	<u>\$ 276,956.29</u>	<u>\$ 26,479.66</u>	<u>\$ 8,701.12</u>	<u>\$ 70,723.85</u>	<u>\$ -</u>	<u>\$ 2,449.85</u>	<u>\$ 1,125,720.87</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>										
Operating Income (Loss)	\$ (143,317.26)	\$ 154,663.18	\$ (7,993.29)	\$ 41,323.61	\$ (69,613.27)	-	\$ 7,342.30	-	\$ 385.50	\$ (17,209.23)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:										
Depreciation and Net Amortization	355.50	5,204.33	9,917.65	743.54	7,586.28	-	-	-	-	23,807.30
(Increase) Decrease in Accounts Receivable, net	(753.00)	14,436.33	-	(100.00)	(3,100.00)	-	-	(385.50)	-	10,097.83
(Increase) Decrease in Other Current Assets	(3,906.13)	-	-	(280.34)	-	-	-	-	-	(4,186.47)
Increase (Decrease) in Accounts Payable	95.00	(433.38)	(577.05)	(509.93)	123.80	-	-	-	-	(1,301.56)
Increase (Decrease) in Other Current Liabilities	-	177.50	788.71	-	-	-	-	-	-	966.21
Total Adjustments	<u>(4,208.63)</u>	<u>19,384.78</u>	<u>10,129.31</u>	<u>(146.73)</u>	<u>4,610.08</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(385.50)</u>	<u>29,383.31</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (147,525.89)</u>	<u>\$ 174,047.96</u>	<u>\$ 2,136.02</u>	<u>\$ 41,176.88</u>	<u>\$ (65,003.19)</u>	<u>\$ -</u>	<u>\$ 7,342.30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,174.08</u>

FIDUCIARY FUNDS

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2013

	<u>Trust Funds</u>	<u>Agency Funds</u>		<u>Total</u>
	Unemployment Compensation <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>	
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 67,274.89	\$ 252,194.51	\$ 17,878.43	\$ 337,347.83
Total Assets	<u>67,274.89</u>	<u>\$ 252,194.51</u>	<u>\$ 17,878.43</u>	<u>337,347.83</u>
<b>LIABILITIES:</b>				
Interfund Accounts Payable:				
Due General Fund			\$ 4,000.00	4,000.00
Payable to Student Groups		\$ 252,194.51		252,194.51
Payroll Deductions and Withholdings			<u>13,878.43</u>	<u>13,878.43</u>
Total Liabilities	<u>-</u>	<u>\$ 252,194.51</u>	<u>\$ 17,878.43</u>	<u>270,072.94</u>
<b>NET POSITION:</b>				
Held in Trust for Unemployment Claims and Other Purposes	<u>67,274.89</u>			<u>67,274.89</u>
Total Net Position	<u>\$ 67,274.89</u>			<u>\$ 67,274.89</u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ending June 30, 2013

---

	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ <u>31,671.61</u>
Total Additions	<u>31,671.61</u>
DEDUCTIONS:	
Unemployment Claims	<u>27,976.62</u>
Total Deductions	<u>27,976.62</u>
Change in Net Position	3,694.99
Net Position -- July 1	<u>63,579.90</u>
Net Position -- June 30	<u><u>\$ 67,274.89</u></u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ending June 30, 2013

---

	<u>Balance</u> <u>June 30, 2012</u>		<u>Cash</u> <u>Receipts</u>		<u>Cash</u> <u>Disbursements</u>		<u>Balance</u> <u>June 30, 2013</u>
Clubs and Funds	\$ 174,404.93	\$	642,222.60	\$	582,946.35	\$	233,681.18
HOSA Funds	14,737.51		74,131.39		79,440.22		9,428.68
GCIT Memorial Scholarship	<u>9,077.81</u>		<u>6.84</u>		<u></u>		<u>9,084.65</u>
Total	<u>\$ 198,220.25</u>	\$	<u>716,360.83</u>	\$	<u>662,386.57</u>	\$	<u>252,194.51</u>

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ending June 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 6,333.72	\$ 14,744,437.42	\$ 14,732,892.71	\$ 17,878.43
Total Assets	<u>\$ 6,333.72</u>	<u>\$ 14,744,437.42</u>	<u>\$ 14,732,892.71</u>	<u>\$ 17,878.43</u>
Payroll Deductions and Withholdings	\$ 143.10	\$ 7,613,834.57	\$ 7,600,099.24	\$ 13,878.43
Net Payroll		7,126,511.60	7,126,511.60	-
Interfund Accounts Payable:				
Due General Fund	<u>6,190.62</u>	<u>4,091.25</u>	<u>6,281.87</u>	<u>4,000.00</u>
Total Liabilities	<u>\$ 6,333.72</u>	<u>\$ 14,744,437.42</u>	<u>\$ 14,732,892.71</u>	<u>\$ 17,878.43</u>

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

**Gloucester County Vocational-Technical School District**  
 Net Position by Component  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30, 2013									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net Investment in Capital Assets	\$ 44,602,871.09	\$ 45,736,506.48	\$ 47,507,703.13	\$ 47,184,142.41	\$ 38,491,757.58	\$ 32,064,329.09	\$ 28,140,769.56	\$ 25,582,600.25	\$ 21,469,243.64	\$ 16,990,057.63
Restricted	836,920.00	311,715.00	111,510.00	4,718,869.74	15,104,394.35	6,424,054.48	11,766,214.11	4,730,844.78	4,999,524.93	5,611,977.93
Unrestricted	(287,985.11)	400,423.81	(93,894.94)	212,629.97	2,320,182.14	1,095,737.01	(87,670.43)	(328,227.55)	(70,682.27)	(159,208.76)
Total Governmental Activities Net Position	<u>\$ 45,151,805.98</u>	<u>\$ 46,448,645.29</u>	<u>\$ 47,525,318.19</u>	<u>\$ 52,115,642.12</u>	<u>\$ 55,916,334.07</u>	<u>\$ 39,584,120.58</u>	<u>\$ 39,819,313.24</u>	<u>\$ 29,985,217.48</u>	<u>\$ 26,398,086.30</u>	<u>\$ 22,442,826.80</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 124,759.18	\$ 125,762.41	\$ 71,896.05	\$ 70,483.18	\$ 92,727.18	\$ 19,588.69	\$ 19,375.65	\$ 17,814.12	\$ 11,476.99	\$ -
Unrestricted	1,132,799.30	1,085,322.87	1,495,186.27	1,327,916.41	582,452.86	227,019.52	222,175.46	172,410.10	148,197.21	\$ 32,459.22
Total Business-type Activities Net Position	<u>\$ 1,257,558.48</u>	<u>\$ 1,211,085.28</u>	<u>\$ 1,567,082.32</u>	<u>\$ 1,398,399.59</u>	<u>\$ 675,180.04</u>	<u>\$ 246,608.21</u>	<u>\$ 241,551.11</u>	<u>\$ 190,224.22</u>	<u>\$ 159,674.20</u>	<u>\$ 32,459.22</u>
District-wide										
Net Investment in Capital Assets	\$ 44,727,630.27	\$ 45,862,268.89	\$ 47,579,599.18	\$ 47,254,625.59	\$ 38,584,484.76	\$ 32,083,917.78	\$ 28,160,145.21	\$ 25,600,414.37	\$ 21,480,720.63	\$ 16,990,057.63
Restricted	836,920.00	311,715.00	111,510.00	4,718,869.74	15,104,394.35	6,424,054.48	11,766,214.11	4,730,844.78	4,999,524.93	5,611,977.93
Unrestricted	844,814.19	1,485,746.68	1,401,291.33	1,540,546.38	2,902,635.00	1,322,756.53	134,505.03	(155,817.45)	77,514.94	(126,749.54)
Total District-wide Net Position	<u>\$ 46,409,364.46</u>	<u>\$ 47,659,730.57</u>	<u>\$ 49,092,400.51</u>	<u>\$ 53,514,041.71</u>	<u>\$ 56,591,514.11</u>	<u>\$ 39,830,728.79</u>	<u>\$ 40,060,864.35</u>	<u>\$ 30,175,441.70</u>	<u>\$ 26,557,760.50</u>	<u>\$ 22,475,286.02</u>

Source: District Records

**Gloucester County Vocational-Technical School District**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Net Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 4,736,041.35	\$ 4,115,757.97	\$ 3,853,864.10	\$ 3,738,734.36	\$ 2,953,460.10	\$ 3,243,451.31	\$ 2,541,018.21	\$ 2,095,360.71	\$ 2,066,092.10	\$ 2,033,053.77
Special Education	626,841.52	631,697.60	543,980.90	440,488.70	536,033.31	1,440.00	2,843.00	7,162.50	-	-
Vocational	4,165,029.84	4,773,904.46	4,373,052.58	4,016,818.39	3,286,730.11	3,122,531.19	3,243,814.52	2,433,105.57	3,082,891.94	3,104,324.31
Other Instruction	532,291.72	443,986.75	482,555.36	350,189.33	392,614.32	269,359.74	250,880.68	225,402.99	203,533.55	371,571.85
Support Services:										
Student & Instruction Related Services	2,020,872.46	1,960,989.49	1,852,970.97	1,749,257.32	1,566,517.74	1,425,616.38	1,151,512.78	979,352.16	1,037,254.60	1,096,601.77
General Administrative Services	324,808.01	372,782.97	256,838.63	326,683.97	282,346.71	330,112.15	487,273.77	511,535.11	482,632.49	557,356.68
School Administrative Services	614,319.27	593,036.85	686,068.03	677,814.59	714,989.80	656,047.99	575,168.64	527,068.50	419,333.77	376,343.66
Central Services	234,405.31	255,722.28	263,874.94	226,213.61	246,955.38	178,602.66	144,729.64	234,418.54	235,279.94	197,844.58
Plant Operations and Maintenance	3,218,080.28	2,223,893.63	2,689,210.85	2,407,022.86	2,258,980.40	2,359,777.06	2,408,780.17	1,959,235.57	1,802,432.22	1,375,052.89
Care and Upkeep of Grounds	78,454.75	54,822.19	71,516.22	63,552.97	-	-	-	-	-	-
Security	373,427.16	311,282.96	353,494.44	306,457.78	-	-	-	-	-	-
Pupil Transportation	57,878.09	63,820.36	88,293.09	80,230.23	75,526.38	75,289.09	27,271.62	12,277.84	6,545.58	5,331.97
Other Support Services	625,473.00	702,090.01	607,556.13	679,778.33	483,427.03	532,915.11	1,055,069.10	1,212,812.14	986,773.69	762,120.15
Unallocated Benefits	3,124,965.98	3,570,430.56	3,186,694.96	2,753,061.27	2,463,091.82	2,418,187.82	2,178,053.28	1,954,714.67	1,639,224.87	1,493,185.02
On-Behalf Pension Contributions	971,490.00	602,728.00	414,450.00	365,581.00	352,718.00	679,584.00	606,907.00	254,734.00	193,421.00	183,400.00
Reimbursed TPAF Social Security Contributions	525,637.89	550,773.96	520,294.72	469,032.52	441,961.52	410,204.24	386,323.47	371,776.74	356,708.69	344,123.81
Capital Outlay	62,880.00	-	76,928.00	49,138.23	45,181.31	-	254,463.37	150,230.42	(27,674.07)	36,194.89
Special Schools	258,989.74	233,692.40	208,913.88	267,602.49	228,747.71	317,083.21	511,539.85	678,652.83	1,071,020.87	969,569.00
Unallocated Depreciation	-	-	-	-	-	-	-	1,107,185.58	-	-
<b>Total Governmental Activities Expenses</b>	<b>22,551,886.37</b>	<b>21,461,412.44</b>	<b>20,530,557.80</b>	<b>18,967,657.95</b>	<b>16,329,281.64</b>	<b>16,020,201.95</b>	<b>15,825,649.10</b>	<b>14,715,025.87</b>	<b>13,555,471.24</b>	<b>12,906,074.35</b>
Business-type Activities:										
Food Service	429,292.31	466,908.64	456,703.27	415,858.13	413,331.52	279,748.74	240,784.65	208,959.49	156,274.44	136,368.06
Enterprise Other	778,723.79	1,212,617.70	1,236,352.75	1,281,772.84	1,887,208.72	1,348,040.66	1,626,615.05	1,636,668.85	1,286,531.58	1,075,531.22
<b>Total Business-type Activities Expense</b>	<b>1,208,016.10</b>	<b>1,679,526.34</b>	<b>1,693,056.02</b>	<b>1,697,630.97</b>	<b>2,300,540.24</b>	<b>1,627,789.40</b>	<b>1,867,399.70</b>	<b>1,845,628.34</b>	<b>1,442,806.02</b>	<b>1,211,899.28</b>
<b>Total District Expenses</b>	<b>\$ 23,759,902.47</b>	<b>\$ 23,140,938.78</b>	<b>\$ 22,223,613.82</b>	<b>\$ 20,665,288.92</b>	<b>\$ 18,629,821.88</b>	<b>\$ 17,647,991.35</b>	<b>\$ 17,693,048.80</b>	<b>\$ 16,560,654.21</b>	<b>\$ 14,998,277.26</b>	<b>\$ 14,117,973.63</b>
<b>Program Revenues</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 2,535,494.28	\$ 2,288,304.84	\$ 2,071,813.67	\$ 2,261,066.24	\$ 1,862,296.03	\$ 1,542,603.28	\$ 1,788,316.05	\$ 626,510.74	\$ 550,129.69	\$ 527,523.81
<b>Total Governmental Activities Program Revenues</b>	<b>2,535,494.28</b>	<b>2,288,304.84</b>	<b>2,071,813.67</b>	<b>2,261,066.24</b>	<b>1,862,296.03</b>	<b>1,542,603.28</b>	<b>1,788,316.05</b>	<b>626,510.74</b>	<b>550,129.69</b>	<b>527,523.81</b>
Business-type activities:										
Charges for services										
Food Service	285,975.05	370,455.50	371,389.65	301,924.88	386,049.70	240,233.23	185,420.96	161,418.26	94,769.10	122,576.68
Other	904,831.82	837,938.11	1,534,619.95	2,038,690.10	2,190,763.59	723,506.68	1,062,838.28	1,317,884.24	1,159,628.48	971,695.81
Operating Grants and Contributions	122,923.58	117,503.82	94,585.59	89,614.51	77,508.30	59,409.53	50,728.72	40,547.59	25,524.28	16,132.99
<b>Total Business-type Activities Program Revenues</b>	<b>1,313,730.45</b>	<b>1,325,897.43</b>	<b>2,000,595.19</b>	<b>2,430,229.49</b>	<b>2,654,321.59</b>	<b>1,023,149.44</b>	<b>1,298,987.96</b>	<b>1,519,850.09</b>	<b>1,279,921.86</b>	<b>1,110,405.48</b>
<b>Total District Program Revenues</b>	<b>\$ 3,849,224.73</b>	<b>\$ 3,614,202.27</b>	<b>\$ 4,072,408.86</b>	<b>\$ 4,691,295.73</b>	<b>\$ 4,516,617.62</b>	<b>\$ 2,565,752.72</b>	<b>\$ 3,087,304.01</b>	<b>\$ 2,146,360.83</b>	<b>\$ 1,830,051.55</b>	<b>\$ 1,637,929.29</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (20,016,392.09)	\$ (19,173,107.60)	\$ (18,458,744.13)	\$ (16,706,591.71)	\$ (14,466,985.61)	\$ (14,477,598.67)	\$ (14,037,333.05)	\$ (14,088,515.13)	\$ (13,005,341.55)	\$ (12,378,550.54)
Business-type Activities	105,714.35	(353,628.91)	307,539.17	732,598.52	353,781.35	(604,639.96)	(568,411.74)	(325,778.25)	(162,884.16)	(101,493.80)
<b>Total District-wide Net Expense</b>	<b>\$ (19,910,677.74)</b>	<b>\$ (19,526,736.51)</b>	<b>\$ (18,151,204.96)</b>	<b>\$ (15,973,993.19)</b>	<b>\$ (14,113,204.26)</b>	<b>\$ (15,082,238.63)</b>	<b>\$ (14,605,744.79)</b>	<b>\$ (14,414,293.38)</b>	<b>\$ (13,168,225.71)</b>	<b>\$ (12,480,044.34)</b>

**Gloucester County Vocational-Technical School District**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
County Appropriation	\$ 7,625,000.00	\$ 7,608,629.00	\$ 6,937,337.00	\$ 6,937,337.00	\$ 22,937,337.00	\$ 9,000,000.00	\$ 17,489,826.00	\$ 10,353,450.00	\$ 8,893,639.00	\$ 4,403,200.00
Unrestricted Grants and Contributions	7,600,047.52	7,425,427.39	7,016,578.61	5,884,404.84	6,838,412.00	5,658,595.00	5,328,967.00	4,689,555.00	4,680,506.20	4,533,851.00
Restricted Grants and Contributions						-	-	1,534,944.51	2,455,829.67	1,344,865.03
Tuition - LEA's	2,945,642.79	2,723,906.87	2,557,307.36	211,765.00	199,844.30	112,203.67	239,550.04	311,988.06	276,887.78	113,348.35
Non-Resident Fees	222,075.00	197,800.00	229,250.00	350,200.00	523,649.41	642,600.00	829,500.00	738,888.92	726,050.00	675,000.00
Miscellaneous Income	323,110.61	230,084.07	264,888.83	106,536.15	147,993.44	207,157.66	491,127.83	354,700.48	217,787.54	204,719.37
Special Item						(610,750.00)	(753,560.82)	(356,348.27)	(290,099.14)	(133,584.28)
Transfers	57,678.65		129,350.07							
Special Revenue Fund Adjustment			(7,501.50)		(435.11)	-	(14,035.30)			
Cancellation of Prior Year Payable/(Receivable)		(41,043.80)	(3,262,004.12)	(587,843.23)	(547.06)	(773,200.47)	239,382.06	48,467.61	-	-
Capital Contributions			3,213.95	3,500.00	152,945.12					
Net Adjustment on Disposal of Fixed Assets	(54,001.79)	(48,368.83)				5,800.15	20,672.00			
<b>Total Governmental Activities</b>	<b>18,719,552.78</b>	<b>18,096,434.70</b>	<b>13,868,420.20</b>	<b>12,905,899.76</b>	<b>30,799,199.10</b>	<b>14,242,406.01</b>	<b>23,871,428.81</b>	<b>17,675,646.31</b>	<b>16,960,601.05</b>	<b>11,141,399.47</b>
Business-type Activities:										
Transfers	(57,678.65)		(129,350.07)	-	-	610,750.00	753,560.82	356,348.27	290,099.14	133,584.28
Special Item										
Loss on Disposal of Fixed Assets			(9,506.37)	(6,887.24)		(1,052.94)	(2,105.33)			
Capital Contributions					74,790.48					
Cancellation of Prior Year Payable/(Receivable)	(1,562.50)	(2,368.13)		(2,491.73)	-		(131,716.86)			
<b>Total Business-type Activities</b>	<b>(59,241.15)</b>	<b>(2,368.13)</b>	<b>(138,856.44)</b>	<b>(9,378.97)</b>	<b>74,790.48</b>	<b>609,697.06</b>	<b>619,738.63</b>	<b>356,348.27</b>	<b>290,099.14</b>	<b>133,584.28</b>
<b>Total District-wide</b>	<b>\$ 18,660,311.63</b>	<b>\$ 18,094,066.57</b>	<b>\$ 13,729,563.76</b>	<b>\$ 12,896,520.79</b>	<b>\$ 30,873,989.58</b>	<b>\$ 14,852,103.07</b>	<b>\$ 24,491,167.44</b>	<b>\$ 18,031,994.58</b>	<b>\$ 17,250,700.19</b>	<b>\$ 11,274,983.75</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (1,296,839.31)	\$ (1,076,672.90)	\$ (4,590,323.93)	\$ (3,800,691.95)	\$ 16,332,213.49	\$ (235,192.66)	\$ 9,834,095.76	\$ 3,587,131.18	\$ 3,955,259.50	\$ (1,237,151.07)
Business-type Activities	46,473.20	(355,997.04)	168,682.73	723,219.55	428,571.83	5,057.10	51,326.89	30,570.02	127,214.98	32,090.48
<b>Total District</b>	<b>\$ (1,250,366.11)</b>	<b>\$ (1,432,669.94)</b>	<b>\$ (4,421,641.20)</b>	<b>\$ (3,077,472.40)</b>	<b>\$ 16,760,785.32</b>	<b>\$ (230,135.56)</b>	<b>\$ 9,885,422.65</b>	<b>\$ 3,617,701.20</b>	<b>\$ 4,082,474.48</b>	<b>\$ (1,205,060.59)</b>
Source: District Records										

**Gloucester County Vocational-Technical School District**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30.									
	2013	2012	2011(1)	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved				\$ 1,872,272.83	\$ 3,053,818.59	\$ 1,257,927.44	\$ 204,266.00	\$ 364,518.56	\$ 219,638.21	\$ 418,872.89
Unreserved				(733,982.95)	79,361.74	611,890.90	506,502.28	498,273.56	709,374.57	421,251.17
Restricted	\$ 836,920.00	\$ 311,715.00	\$ 111,510.00							
Assigned	803,911.10	1,359,437.80	813,331.00							
Unassigned	(233,250.22)	(128,901.72)	(55,805.19)							
<b>Total General Fund</b>	<b><u>\$ 1,407,580.88</u></b>	<b><u>\$ 1,542,251.08</u></b>	<b><u>\$ 869,035.81</u></b>	<b><u>\$ 1,138,289.88</u></b>	<b><u>\$ 3,133,180.33</u></b>	<b><u>\$ 1,869,818.34</u></b>	<b><u>\$ 710,768.28</u></b>	<b><u>\$ 862,792.12</u></b>	<b><u>\$ 929,012.78</u></b>	<b><u>\$ 840,124.06</u></b>
All Other Governmental Funds										
Reserved				\$ 4,607,364.74	\$ 15,092,894.35	\$ 6,412,654.48	\$ 11,754,914.11	\$ 4,383,217.50	\$ 4,844,963.88	\$ 5,347,212.91
Unreserved, Reported in:										
Special Revenue Fund						(713.00)	(713.00)	(713.00)	(713.00)	(713.80)
<b>Total All Other Governmental Funds</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,607,364.74</u></b>	<b><u>\$ 15,092,894.35</u></b>	<b><u>\$ 6,411,941.48</u></b>	<b><u>\$ 11,754,201.11</u></b>	<b><u>\$ 4,382,504.50</u></b>	<b><u>\$ 4,844,250.88</u></b>	<b><u>\$ 5,346,499.11</u></b>

(1) - GASB Statement No. 54 effective for the fiscal year ending June 30, 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. See the Notes to Financial Statements.

Source: District Records

**Gloucester County Vocational-Technical School District**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Revenues</b>										
County Appropriation	\$ 7,625,000.00	\$ 7,608,629.00	\$ 6,937,337.00	\$ 6,937,337.00	\$ 22,937,337.00	\$ 9,000,000.00	\$ 17,489,826.00	\$ 10,353,450.00	\$ 8,893,639.00	\$ 4,403,200.00
Tuition Charges	3,167,717.79	2,921,706.87	2,786,557.36	561,965.00	723,493.71	754,803.67	1,069,050.04	1,050,876.98	1,002,937.78	788,348.35
Miscellaneous	332,651.61	241,206.07	277,952.43	117,942.55	147,993.44	207,157.66	493,749.12	359,700.48	232,579.54	204,719.37
State Sources	9,271,620.29	8,526,493.23	8,165,385.66	5,658,412.87	7,796,883.61	6,275,232.95	6,049,300.33	5,601,553.43	6,337,404.77	5,281,238.97
Federal Sources	854,380.51	1,176,117.00	909,943.02	2,475,651.81	903,824.42	925,965.33	1,065,361.43	1,244,456.82	1,334,268.79	1,125,000.87
Total Revenue	<u>21,251,370.20</u>	<u>20,474,152.17</u>	<u>19,077,175.47</u>	<u>15,751,309.23</u>	<u>32,509,532.18</u>	<u>17,163,159.61</u>	<u>26,167,286.92</u>	<u>18,610,037.71</u>	<u>17,800,829.88</u>	<u>11,802,507.56</u>
<b>Expenditures</b>										
Instruction										
Regular Instruction	4,508,442.61	3,831,288.95	3,592,662.47	3,538,780.24	2,774,235.06	3,103,862.92	2,399,303.52	2,095,360.71	1,903,335.82	1,872,826.20
Special Education Instruction	626,841.52	631,697.60	543,980.90	440,488.70	536,033.31	1,440.00	2,843.00	7,162.50		
Vocational Education	3,045,615.65	3,374,781.34	3,088,367.00	3,033,370.59	2,405,235.52	2,435,984.26	2,713,589.49	2,433,105.57	2,473,939.87	2,504,833.40
Other Instruction	532,291.72	443,986.75	482,555.36	350,189.33	392,614.32	269,359.74	250,880.68	225,402.99	172,886.66	183,004.71
Support Services:										
Student & Instruction Related Services	2,005,389.55	1,941,637.86	1,835,202.15	1,735,655.00	1,554,325.56	1,416,120.57	1,141,872.32	979,352.16	1,026,182.74	1,085,701.94
General Administrative Services	298,487.07	339,885.19	226,631.64	303,560.02	261,620.00	411,281.54	470,885.00	511,535.11	463,810.34	444,851.96
School Administrative Services	481,075.90	477,442.93	566,501.24	570,922.72	537,630.44	519,802.92	535,642.77	527,068.50	373,939.16	331,654.34
Business Administrative Services	234,405.31	255,722.28	263,874.94	226,213.61	246,955.38	178,602.66	144,729.64	234,418.54	235,279.94	197,844.58
Administration Information Technology	69,763.45	36,252.22	46,714.63	51,122.35	127,371.42					
Plant Operations and Maintenance	3,122,086.25	2,103,913.50	2,579,044.17	2,322,688.47	2,228,833.54	2,344,059.41	2,389,992.68	2,018,031.38	1,789,636.39	1,461,735.05
Care and Upkeep of Grounds	78,454.75	54,822.19	71,516.22	63,552.97						
Security	373,427.16	311,282.96	353,494.44	306,457.78						
Pupil Transportation	57,878.09	63,820.36	88,293.09	80,230.23	75,526.38	75,289.09	27,271.62	12,277.84	6,545.58	5,331.97
Other Support Services	625,473.00	702,090.01	607,556.13	679,778.33	483,427.03	532,915.11	1,055,069.10	1,212,812.14	986,773.69	762,120.15
Unallocated Employee Benefits	3,096,432.26	3,591,739.04	3,149,429.12	2,740,404.55	2,423,561.96	2,442,645.20	2,234,306.96	1,956,456.28	1,528,657.87	1,493,185.02
On-Behalf Pension Contributions	971,490.00	602,728.00	414,450.00	365,581.00	352,718.00	679,584.00	606,907.00	254,734.00	193,421.00	183,400.00
Reimbursed TPAF Social Security	525,637.89	550,773.96	520,294.72	469,032.52	441,961.52	410,204.24	386,323.47	371,776.74	356,708.69	344,123.81
Special Schools	258,989.74	233,692.40	208,913.88	267,602.49	228,747.71	317,083.21	511,539.85	678,652.83	910,124.65	969,569.00
Capital Outlay	531,537.13	212,335.56	2,174,156.63	10,098,255.16	7,493,438.00	4,824,183.84	3,351,707.51	5,311,976.80	5,502,847.85	8,107,225.11
Total Expenditures	<u>21,443,719.05</u>	<u>19,759,893.10</u>	<u>20,813,638.73</u>	<u>27,643,886.06</u>	<u>22,564,235.15</u>	<u>19,962,418.71</u>	<u>18,222,864.61</u>	<u>18,830,124.09</u>	<u>17,924,090.25</u>	<u>19,947,407.24</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(192,348.85)	714,259.07	(1,736,463.26)	(11,892,576.83)	9,945,297.03	(2,799,259.10)	7,944,422.31	(220,086.38)	(123,260.37)	(8,144,899.68)
<b>Other Financing Sources (Uses)</b>										
Special Revenue Fund Adjustment			(7,501.50)		(435.11)		(14,035.30)			
Capital Projects Fund Adjustment										
Cancellation of Prior Year Payables/(Receivables)		(41,043.80)	(3,262,004.12)	(587,843.23)	(547.06)	(773,200.47)	22,174.58	48,467.61		
Refund of Prior Year Expenditures							20,672.00			
Transfers In/(Out)	57,678.55	-	129,350.07			(610,750.00)	(753,560.82)	(356,348.27)	(290,099.14)	(133,584.28)
Total Other Financing Sources (Uses)	<u>57,678.55</u>	<u>(41,043.80)</u>	<u>(3,140,155.55)</u>	<u>(587,843.23)</u>	<u>(982.17)</u>	<u>(1,383,950.47)</u>	<u>(724,749.54)</u>	<u>(307,880.66)</u>	<u>(290,099.14)</u>	<u>(133,584.28)</u>
Net Change in Fund Balances	<u>\$ (134,670.30)</u>	<u>\$ 673,215.27</u>	<u>\$ (4,876,618.81)</u>	<u>\$ (12,480,420.06)</u>	<u>\$ 9,944,314.86</u>	<u>\$ (4,183,209.57)</u>	<u>\$ 7,219,672.77</u>	<u>\$ (527,967.04)</u>	<u>\$ (413,359.51)</u>	<u>\$ (8,278,483.96)</u>

Source: District Records

**GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tuition - LEA's	\$ 2,919,685.79	\$ 2,693,204.37	\$ 2,557,307.36	\$ 211,765.00	\$ 199,844.30	\$ 112,203.67	\$ 72,550.00	\$ 311,988.06	\$ 276,887.78	\$ 113,348.35
Nonresident Fees	222,075.00	197,800.00	229,250.00	350,200.00	523,649.41	642,600.00	829,500.00	738,888.92	726,050.00	675,000.00
Interest Earned on Investments		2,110.05	5,974.05	15,479.92	26,922.30	49,420.46	100,965.24	67,447.13	29,104.31	5,461.77
Rent	175,000.00	146,035.00					-	-	143,215.84	-
Summer School	25,957.00	31,286.50								
Ford Asset							167,000.04	-	-	129,114.67
Miscellaneous	150,753.13	84,673.33	258,914.78	102,462.63	121,071.14	157,737.20	390,162.59	287,253.35	45,467.39	59,899.42
	<u>\$ 3,493,470.92</u>	<u>\$ 3,155,109.25</u>	<u>\$ 3,051,446.19</u>	<u>\$ 679,907.55</u>	<u>\$ 871,487.15</u>	<u>\$ 961,961.33</u>	<u>\$ 1,560,177.87</u>	<u>\$ 1,405,577.46</u>	<u>\$ 1,220,725.32</u>	<u>\$ 982,824.21</u>

Source: District Records

## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

**Gloucester County Vocational-Technical School District**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
 Unaudited

---

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2013	Unavailable	Unavailable	Unavailable	9.3%
2012	289,586	Unavailable	Unavailable	10.0%
2011	289,104	\$ 12,208,283,712	\$ 42,228	9.3%
2010	288,288	11,705,069,376	40,602	10.0%
2009	289,920	11,542,005,120	39,811	9.2%
2008	288,168	11,640,834,528	40,396	5.4%
2007	285,753	10,885,474,782	38,094	4.3%
2006	282,031	10,301,464,306	36,526	4.7%
2005	277,037	9,557,499,463	34,499	4.4%
2004	272,784	8,993,142,912	32,968	4.7%

**Source:**

- (1) Information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Gloucester County Vocational-Technical School District**  
Principal Employers  
Current Year and Ten Years Ago  
Unaudited

<u>Employer</u>	<u>2013</u>			<u>2003</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Underwood Memorial Hospital	1,825	1	1.28%	N/A	N/A	N/A
Kennedy Memorial Hospital	1,675	2	1.17%	N/A	N/A	N/A
Rowan University	1,483	3	1.04%	N/A	N/A	N/A
Missa Bay, LLC	950	4	0.67%	N/A	N/A	N/A
U.S. FoodService	725	5	0.51%	N/A	N/A	N/A
ExxonMobil Corp	540	6	0.38%	N/A	N/A	N/A
LaBrea Bakery	525	7	0.37%	N/A	N/A	N/A
Delaware Valley Wholesale Florist	500	8	0.35%	N/A	N/A	N/A
Drugstore.com	450	9	0.32%	N/A	N/A	N/A
Hertiage Dairy Stores	450	9	0.32%	N/A	N/A	N/A
Johnson Matthey	437	10	0.31%	N/A	N/A	N/A
	<u>9,560</u>		<u>6.69%</u>			

**Source:** Gloucester County Department of Economic Development

## Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

**Gloucester County Vocational-Technical School District**  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2013	1,305.5	20,912,181.92	\$ 16,018.52	12.58%	110	1,305.5	1,262.9	5.87%	96.74%
2012	1,246.5	19,547,557.54	15,681.96	3.98%	107.0	1,246.5	1,208.1	7.19%	96.92%
2011	1,233.1	17,545,630.90	14,228.88	0.18%	107.0	1,233.1	1,192.7	16.21%	96.72%
2010	1,162.9	17,538,853.57	15,082.00	-4.91%	96.0	1,162.9	1,117.1	21.85%	96.06%
2009	1,061.1	15,070,797.15	14,202.99	-10.46%	72.0	1,061.1	1,022.4	16.99%	96.35%
2008	954.4	15,138,234.87	15,861.52	-3.26%	73.0	954.4	905.8	29.90%	94.91%
2007	907.0	14,871,157.10	16,395.98	-10.89%	75.0	907.0	865.5	37.13%	95.42%
2006	734.7	13,518,147.29	18,399.55	11.93%	67.1	734.7	699.7	18.04%	95.24%
2005	661.4	10,871,980.53	16,437.83	-2.77%	59.0	661.4	619.2	3.21%	93.62%
2004	622.4	10,522,203.48	16,905.85	-4.30%	60.1	622.4	580.0	4.48%	93.19%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Gloucester County Vocational-Technical School District**  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>District Building</b>										
<b>Vocational-Technical School</b>										
Gloucester County Institute of Technology (1972)										
Square Feet	378,676	378,676	378,676	378,676	328,509	297,879	297,879	297,879	280,064	280,064
Capacity (students) <sup>1</sup>										
Enrollment	1,305.5	1,246.5	1,233.1	1,162.9	1,061.1	905.8	907.0	734.7	661.4	622.4

Number of Schools at June 30, 2012  
 High School - 1

<sup>1</sup> N.J.S.A. 18A:7G et seq. provides no standard capacity for County Vocational-Technical School Districts due to the specialized programs offered

**Source:** District records, ASSA

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

**Gloucester County Vocational-Technical School District**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-XXX

* School Facilities	Gross Square Footage	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Gloucester County Institute of Technology	378,676	\$ 636,852	\$ 322,377	\$ 290,746	\$ 217,656	\$ 183,646	\$ 190,942	\$ 176,369	\$ 74,195	\$ 181,066	\$ 168,177
Total School Facilities		<u>\$ 636,852</u>	<u>\$ 322,377</u>	<u>\$ 290,746</u>	<u>\$ 217,656</u>	<u>\$ 183,646</u>	<u>\$ 190,942</u>	<u>\$ 176,369</u>	<u>\$ 74,195</u>	<u>\$ 181,066</u>	<u>\$ 168,177</u>

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

Source: District Records

## GLOUCESTER COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

Insurance Schedule

June 30, 2013

Unaudited

	<u>Coverage</u>		<u>Deductible</u>	
<b>Automobile Liability (1)</b>	\$	16,000,000	per occurrence	
		1,000,000	Combined Single Limit	
<b>Property (1)</b>				
Blanket Real and Personal Property	\$	400,000,000	per occurrence	\$ 5,000
Blanket Extra Expense		50,000,000		5,000
Blanket Valuable Papers and Records		10,000,000		5,000
Demolition and Increased Cost of Construction		10,000,000	per occurrence	
Pollutant Cleanup and Removal		250,000		
Earthquake		50,000,000	per occurrence	
		50,000,000	NJSBAIG annual aggregate	
Terrorism		1,000,000	per occurrence	
		1,000,000	NJSBAIG annual aggregate	
<b>Comprehensive General Liability (1)</b>				
Combined Single Limit for Bodily Injury & Property Damage	\$	16,000,000	Combined Single Limit for Bodily Injury & Property Damage	
Bodily Injury from Products and Completed Operations	\$	16,000,000	annual aggregate	
Sexual Abuse		16,000,000	per occurrence	
		17,000,000	annual pool aggregate	
Personal Injury and Advertising Injury		16,000,000	each occurrence	
		16,000,000	annual aggregate	
Employee Benefits Liability		16,000,000	per occurrence/ annual aggregate	\$ 1,000 per claim
Terrorism		1,000,000	per occurrence/ annual NJSBAIG aggregate	
<b>Worker's Compensation - Employers' Liability (1)</b>				
Bodily Injury by Accident	\$	2,000,000	each accident	
Bodily Injury by Disease		2,000,000	each employee	
		2,000,000	aggregate limit	
Part A		Statutory		
<b>School Leaders Errors &amp; Omissions (1)</b>				
Coverage A				
Limit of Liability:	\$	16,000,000	each policy period	\$ 5,000 each claim
Coverage B				
Limit of Liability:	\$	100,000	each claim	\$ 5,000 each claim
		300,000	each policy period	
<b>Public Official Bonds (2)</b>				
Assistant Superintendent for Business/Board Secretary	\$	215,000		
<b>Student Accident Policy (3)</b>				
Accident Medical Expense Benefit	\$	1,000,000		-
<b>Catastrophic Student Accident (4)</b>				
Catastrophic Student Accident Coverage	\$	5,000,000		

(1) - New Jersey School Boards Association Insurance Group Educational Risk and Insurance Consortium (ERIC South)

(2) - Western Surety

(3) - American International Insurance Company

(4) - National Union Fire Insurance Company of Pittsburgh, PA

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND  
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the Gloucester County Vocational Technical School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2013. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Gloucester County Vocational Technical School 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 federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

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

In our opinion, the Gloucester County Vocational Technical School 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 federal and state programs for the fiscal year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of the Gloucester County Vocational Technical School 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 School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, 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 School 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 and State of New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Public School Accountant No. CS 00886

Woodbury, New Jersey  
December 3, 2013

**Gloucester County Vocational Technical School District**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2013

Federal Grantor /Pass-through Grantor / Program Title	CFDA Number	Grant or Federal Project Number	Program or Award Amount	Grant Period	
				From	To
<b>General Fund:</b>					
<b>U.S. Department of Health and Human Services:</b>					
<b>Passed-through State Department of Education:</b>					
<b>Immunization Grant:</b>					
Medical Assistance Program	93.778	N/A	\$ 1,982.52	07/01/12	06/30/13
<b>U.S. Department of Education:</b>					
State Fiscal Stabilization Fund Cluster:					
Education Job Fund	84.410A	ARRA177511	256,200.00	8/10/2010	9/30/2012
<b>Total General Fund</b>					
<b>Special Revenue Fund:</b>					
<b>U.S. Department of Education:</b>					
<b>Passed-through State Department of Education:</b>					
No Child Left Behind:					
Title I - Part A Cluster:					
Title I	84.010	NCLB177513	80,885.00	9/1/2012	8/31/2013
Title I	84.010	NCLB177512	83,491.00	9/1/2011	8/31/2012
Total Title I - Part A Cluster					
Eisenhower Professional Development State Grants:					
Title II - Part A	84.367	NCLB177513	10,438.00	9/1/2012	8/31/2013
Total Title II Cluster					
Special Education Grants to States (IDEA) Cluster					
I.D.E.I.A. Part B Basic Regular	84.027	IDEA177513	167,884.00	9/1/2012	8/31/2013
I.D.E.I.A. Part B Basic Regular	84.027	IDEA177512	163,108.00	9/1/2011	8/31/2012
Total Special Education Grants to States (IDEA) Cluster					
Career and Technical Education - Basic Grants to States (Perkins IV)					
Post Secondary	84.048A	PSFS177513	86,647.00	7/1/2012	6/30/2013
Secondary Reserve	84.048A	PERK177513	42,931.00	7/1/2012	6/30/2013
Secondary	84.048A	PERK177513	135,559.00	7/1/2012	6/30/2013
Secondary	84.048A	PERK177512	198,764.00	9/1/2011	8/31/2012
Total Career and Technical Education - Basic Grants to States Cluster					
Race to the Top, Phase 3	84.413A	B413A120008	6,649.00	7/1/2012	11/30/2015
Total U.S. Department of Education (State)					
<b>U.S. Department of Labor:</b>					
<b>Passed-Through County of Gloucester:</b>					
W.I.A. Youth Activities:					
Youth One Stop Career Center "At Risk"	17.259	unavailable	323,000.00	9/1/2012	8/31/2013
Youth One Stop Career Center "At Risk"	17.259	unavailable	323,000.00	9/1/2011	8/31/2012
Youth Summer Program	17.259	unavailable	128,225.00	9/1/2012	8/31/2013
Total U.S. Department of Labor					
<b>Total Special Revenue Fund</b>					
<b>Enterprise Fund:</b>					
<b>U.S. Department of Agriculture</b>					
<b>Passed-through State Department of Education:</b>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	13-100-010-3350-021	14,652.75	7/1/2012	6/30/2013
School Breakfast Program	10.553	12-100-010-3350-021	13,720.13	7/1/2011	6/30/2012
National School Lunch Program:					
Food Distribution Program	10.555	unavailable	26,427.61	7/1/2012	6/30/2013
Food Distribution Program	10.555	unavailable	20,858.75	7/1/2011	6/30/2012
National School Lunch Program	10.555	13-100-010-3350-023	79,143.68	7/1/2012	6/30/2013
National School Lunch Program	10.555	12-100-010-3350-023	79,800.41	7/1/2011	6/30/2012
Total Child Nutrition Cluster					
<b>Total Enterprise Fund</b>					
<b>Total Federal Financial Assistance</b>					

(A) See Note 5 to the Schedules of Expenditures of Federal and State Financial Assistance

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Balance June 30, 2012 Unearned Revenue/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Adjustments (D)	Balance at June 30, 2013		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 1,982.52	\$ (1,982.52)				
\$ (83,258.76)	83,258.76	(660.00)		\$ (660.00)		
(83,258.76)	85,241.28	(2,642.52)	-	(660.00)	-	-
(965.00)	80,885.00 965.00	(80,885.00)				
(965.00)	81,850.00	(80,885.00)	-	-	-	-
	10,438.00	(10,438.00)				
-	10,438.00	(10,438.00)	-	-	-	-
(2,397.00)	163,773.00 2,397.91	(166,515.09)		(2,742.09)		
(2,397.00)	166,170.91	(166,515.09)	-	(2,742.09)	-	-
(19,915.00)	86,647.00 42,931.00 135,559.00 19,915.00	(86,647.00) (42,931.00) (135,559.00)				
(19,915.00)	285,052.00	(265,137.00)	-	-	-	-
	6,649.00	(6,649.00)				
(23,277.00)	550,159.91	(529,624.09)	-	(2,742.09)	-	-
(96,004.36)	245,270.06 96,004.36	(314,224.59)		(68,954.53)		
		(7,889.31)		(7,889.31)		
(96,004.36)	341,274.42	(322,113.90)	-	(76,843.84)		-
(119,281.36)	891,434.33	(851,737.99)	-	(79,585.93)	-	-
(513.68)	13,816.81 513.68	(14,652.75)		(835.94)		
1,042.16	26,427.61	(20,795.57)			\$ 5,632.04	
(1,625.28)	75,890.77 1,625.28	(1,042.16) (79,143.68)		(3,252.91)		
(1,096.80)	118,274.15	(115,634.16)	-	(4,088.85)	5,632.04	-
(1,096.80)	118,274.15	(115,634.16)	-	(4,088.85)	5,632.04	-
\$ (203,636.92)	\$ 1,094,949.76	\$ (970,014.67)	\$ -	\$ (84,334.78)	\$ 5,632.04	\$ -

**Gloucester County Vocational Technical School District**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2013

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2012 Unearned Revenue / (Accounts Receivable)</u>
			<u>From</u>	<u>To</u>	
<b>General Fund:</b>					
<b>State Department of Education:</b>					
Equalization Aid	13-495-034-5120-078	\$ 6,958,486.00	7/1/2012	6/30/2013	
Equalization Aid	12-495-034-5120-078	6,633,356.00	7/1/2011	6/30/2012	\$ (659,129.88)
Special Education Aid	13-495-034-5120-089	652,996.00	7/1/2012	6/30/2013	
Special Education Aid	12-495-034-5120-089	593,323.00	7/1/2011	6/30/2012	(58,956.12)
Security Aid	13-495-034-5120-084	25,210.00	7/1/2012	6/30/2013	
TPAF Social Security Contributions	13-100-034-5095-051	525,637.89	7/1/2012	6/30/2013	
TPAF Social Security Contributions	12-100-034-5095-051	550,773.96	7/1/2011	6/30/2012	(2,673.70)
Total General Fund					(720,759.70)
<b>Special Revenue Fund:</b>					
<b>State Department of Education:</b>					
Apprentice Coordinator	13-100-034-5062-032	35,000.00	7/1/2012	6/30/2013	
Apprentice Coordinator	12-100-034-5062-032	35,944.00	7/1/2011	6/30/2012	(10,716.90)
Vocational Student Organizations Statewide					
Leadership and Administrative Services (HOSA)	13-495-034-5062-002	146,500.00	9/1/2012	8/31/2013	
Leadership and Administrative Services (HOSA)	12-495-034-5062-002	140,000.00	9/1/2011	8/31/2012	(24,782.77)
Learn and Serve	11AMER312ALS	66,000.00	9/1/2010	8/31/2011	(16,500.00)
Total State Department of Education					(51,999.67)
Total Special Revenue Fund					(51,999.67)
<b>Enterprise Fund:</b>					
<b>State Department of Agriculture:</b>					
State School Lunch Program	13-100-010-3350-023	2,699.54	7/1/2012	6/30/2013	
State School Lunch Program	12-100-010-3350-023	3,124.53	7/1/2011	6/30/2012	(59.47)
Total Enterprise Fund					(59.47)
Total State Financial Assistance					\$ (772,818.84)

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of the schedule

Due to Grantor	Cash Received	Adjustments (A)	Budgetary Expenditures	Balance at	Memo		Cumulative Total Expenditures
				June 30, 2013	(Accounts Receivable)	Budgetary Receivable June 30, 2013	
	\$ 6,268,373.53		\$ (6,958,486.00)	\$ (690,112.47)	\$ (690,112.47)	\$ (690,112.47)	(6,958,486.00)
	659,129.88						(6,633,356.00)
	588,234.69		(652,996.00)	(64,761.31)	(64,761.31)	(64,761.31)	(652,996.00)
	58,956.12						(593,323.00)
	22,709.78		(25,210.00)	(2,500.22)	(2,500.22)	(2,500.22)	(25,210.00)
	499,368.33		(525,637.89)	(26,269.56)	(26,269.56)	(26,269.56)	(525,637.89)
	2,673.70						(550,773.96)
-	8,099,446.03	-	(8,162,329.89)	(783,643.56)	(783,643.56)	(783,643.56)	(15,939,782.85)
	25,006.00		(35,000.00)	(9,994.00)	(9,994.00)	(9,994.00)	(35,000.00)
	10,716.90						(35,723.00)
	95,848.62		(121,519.82)	(25,671.20)	(25,671.20)	(25,671.20)	(121,519.82)
	45,350.35		(20,567.58)	-	-	-	(140,000.00)
	16,500.00						(66,000.00)
-	193,421.87	-	(177,087.40)	(35,665.20)	(35,665.20)	(35,665.20)	(398,242.82)
-	193,421.87	-	(177,087.40)	(35,665.20)	(35,665.20)	(35,665.20)	(398,242.82)
	2,594.72		(2,699.54)	(104.82)	(104.82)	(104.82)	(2,699.54)
	59.47						(3,124.53)
-	2,654.19	-	(2,699.54)	(104.82)	(104.82)	(104.82)	(5,824.07)
\$ -	\$ 8,295,522.09	\$ -	\$ (8,342,116.83)	\$ (819,413.58)	\$ (819,413.58)	\$ (819,413.58)	\$ (16,343,849.74)

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2013

---

**Note 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Gloucester County Vocational Technical School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**Note 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using 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 School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June 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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$39,287.00 for the general fund and \$ -0- for the special revenue fund. An adjustment to reconcile expenditures from the budgetary basis to the GAAP basis for the general fund and special revenue fund was not required. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)**

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	2,642.52	8,123,042.89	8,125,685.41
Special Revenue	851,737.99	177,087.40	1,028,825.39
Food Service	<u>115,634.16</u>	<u>2,699.54</u>	<u>118,333.70</u>
Total Awards and Financial Assistance	<u>\$ 970,014.67</u>	<u>\$ 8,302,829.83</u>	<u>\$ 9,272,844.50</u>

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

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

**Note 5: OTHER**

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. TPAF social security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013.

**Note 6: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.



**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2013**

*Section 1- Summary of Auditor's Results (Cont'd)*

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes X no

Significant deficiency(ies) identified? \_\_\_ yes X none reported

Type of auditor's report issued on compliance for major programs UNMODIFIED

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 or New Jersey Circular 04-04-OMB? \_\_\_ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
13-495-034-5120-078	State Aid Public: Equalization Aid
13-495-034-5120-089	State Aid Public: Special Education Aid
13-495-034-5120-084	State Aid Public: Security Aid
13-100-034-5095-051	TPAF Social Security Contributions

Dollar threshold used to determine Type A programs \$300,000.00

Auditee qualified as low-risk auditee? X yes \_\_\_ no

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2013

---

***Section 2- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2013

---

***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

None

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2013

---

***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None

**GLOUCESTER COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

---

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**FINANCIAL STATEMENT FINDINGS**

None

**FEDERAL AWARDS**

None

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None

