

**SCHOOL DISTRICT OF
SUSSEX COUNTY TECHNICAL**

**Sussex County Technical School District
(a component unit of the County of Sussex)
Sparta, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

**Comprehensive Annual
Financial Report**

of the

**Sussex County Technical School District
Board of Education**

(a component unit of the County of Sussex)

Sparta, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

**Sussex County Technical School District
Business Office**

SUSSEX COUNTY TECHNICAL SCHOOL
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INTRODUCTORY SECTION



SUSSEX COUNTY TECHNICAL SCHOOL

105 North Church Road, Sparta, New Jersey 07871

Robert T. Clark
Business Administrator\Board Secretary

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November 9, 2012

The Honorable President and Members of the Board of Education
Sussex County Technical School
105 North Church Road
Sparta, NJ 07871

Dear Board Members:

The comprehensive annual financial report of the Sussex County Technical School District (the "District") for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES: The Sussex County Technical School District is a component unit of the County of Sussex within the criteria adopted by the Governmental Accounting Standards Board (GASB) in codification section 2100. All funds of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels 9 through 12 and an adult evening school. The District also has several management agreements with other agencies to provide services. Transportation services are provided to Frankford Township Board of Education, Lafayette Township Board of Education and Sparta Township Board of Education. Fleet maintenance services are provided to Newton Board of Education and Sparta Township Board of Education. Food Services are provided to the Sussex County Educational Services Commission, the Sussex County Charter School for Technology, and Willowglen Academy.

The District completed the 2011-12 fiscal year with an average daily enrollment of 651.7. The following details the changes in the student enrollment of the District over the last five years. The figures were taken from the District's Application for State School Aid (ASSA) and include both high school and post-secondary day students.

<u>School Year</u>	<u>Enrollment</u>
2011-12	659.0
2010-11	615.5
2009-10	571.5
2008-09	603.5
2007-08	601.5

2. ECONOMY: The County has shifted from a principally agricultural, mining and recreational-based economy to one which is more diversified. The growth of population in the County has led to the development of substantial construction activity, increased retail and office development, as well as other service sector jobs that are supported by the increasing population. The County encourages economic growth that is consistent with its zoning and subdivision laws. Sixty percent of county residents are employed outside the County. These commuters are employed in Morris, Bergen, and Essex Counties in New Jersey as well as in New York City. The development of commercial complexes in Morris County has supported the residential growth in Sussex County.

Adjacent to Sussex County are the Picatinny Arsenal, a US military installation, and the International Trade Zone, an authorized Foreign Trade Zone developed by the Rockefeller Group. The Picatinny Arsenal employs civilian and military personnel, of which some are Sussex County residents. The International Trade Center is home to foreign-owned manufacturing, assembly, and distribution operations that employs a percentage of County residents. The Center has developed 2 million square feet of office and light industrial space with plans to develop up to 3 million additional square feet.

Agriculture's contribution to County business was \$19.85 million based on the 1992 census report. The County ranks third in milk production, second in the number of sheep, third in hay production, second in cattle, and is tied for fourth in sweet corn in the State. A shift in agricultural products has shown increases in wholesale nursery operations and fruit and Christmas tree farms. The loss of farms is being offset by the move to higher value products, more intensive use of the land, and higher gross receipts due to direct marketing.

3. MAJOR INITIATIVES: The Sussex County Technical School continues to thrive as a significant secondary school of choice for students, remaining a viable resource to Sussex County residents. For the second consecutive year, enrollment increased and is projected to increase for the 2013/2014 school year. The district continues to focus on managing student population and program growth in conjunction with demonstrated fiscal responsibility and budget constraint. At all times, the Board of Education and the administration remain responsive to the needs of county taxpayers and our need to remain accountable to our constituents.

In spite of significant fiscal restraints, the district maintains a superior offering of twenty-two shop programs with a new program, Visual and Performing Arts, anticipated for the 2013/2014 school year. The Law and Public Safety Program opened during the 2012/2013 school year and will be expanded to grades 9-11 for the 2013/2014 school year. An academic program for full-time students is staffed by Highly Qualified faculty, with most holding Masters degrees. The District continues to serve a significant number of special needs students; thereby adding to our overall enrollment increase as well as to our level of financial efficiency and stability. Serving a broader population also expands the District's role as an important resource to county sending districts. The Concurrent/College credit program continues to expand, offering students exposure to college level work at a tremendous cost savings to parents. The above ever-expanding program benefits students and parents and also serves to strengthen the school's foundation as a very viable option for students. In addition to providing Sussex County residents with many outstanding educational opportunities, the district provides businesses with skilled employees who drive the local economy through their work and entrepreneurship. A Cooperative Industrial Education Program (CIE) affords eligible seniors the opportunity to participate in paid internships or regular employment related to their technical shop. Recruitment efforts remain a key element aimed at attracting and maintaining student and parent interest as well as to educate sending school staff about the benefits of a technical school education. Quality Professional Development programs are offered to staff, many times provided by State Department of Education personnel or other "no cost" agency representatives, thereby conserving funds for other purposes.

The "Go Green Initiative" formally ended during the 2010/2011 school year but will continue with the District's participation in the Sussex County-Wide Renewable Energy Program and replacement of the main boiler system in the summer of 2012. The district is participating in the Sussex County Solar Energy Project which, when completed, will result in reduced energy costs. As funds permit, energy conservation measures will continue to be implemented throughout the school facilities including the areas of lighting, window and door upgrades and replacement. Thanks to the utilization of state construction grants plus significant support of the Freeholder Board and the Board of Education, major repairs to the roof and exterior block of the McNeice Auditorium are nearly completed. The McNeice building continues to attract a considerable rental population during the school year by outside organizations and will house the anticipated Visual and Performing Arts Program. The McNeice Auditorium improvements further substantiate the District's position as a viable Sussex County resource.

Technology use continues to expand at Sussex County Technical School, both for student use as well as for administrative and support staff use. The overall goal of the above initiative remains to reduce the use and storage of paper and rely more on electronic record storage and retrieval.

A new District website will be fully operational shortly offering the capability of teacher sites for homework and other instructional tools for students and for parents. The entire admissions process is online, permitting Admissions Committee members to view all applications online, including data received from sending schools.

The Sussex County Technical School continues to serve the needs of Sussex County secondary students in an exemplary manner. The Board of Education, school administration and the Sussex County Freeholder Board work together to preserve what is in existence and to explore ways and means of better serving youth while

remaining mindful of the needs and limited means of taxpayers.

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Capital improvements are funded by the County of Sussex, which pays the resulting debt service. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2012.

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

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

8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Public Entity Group Administrative Services oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

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

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

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

Respectfully submitted,



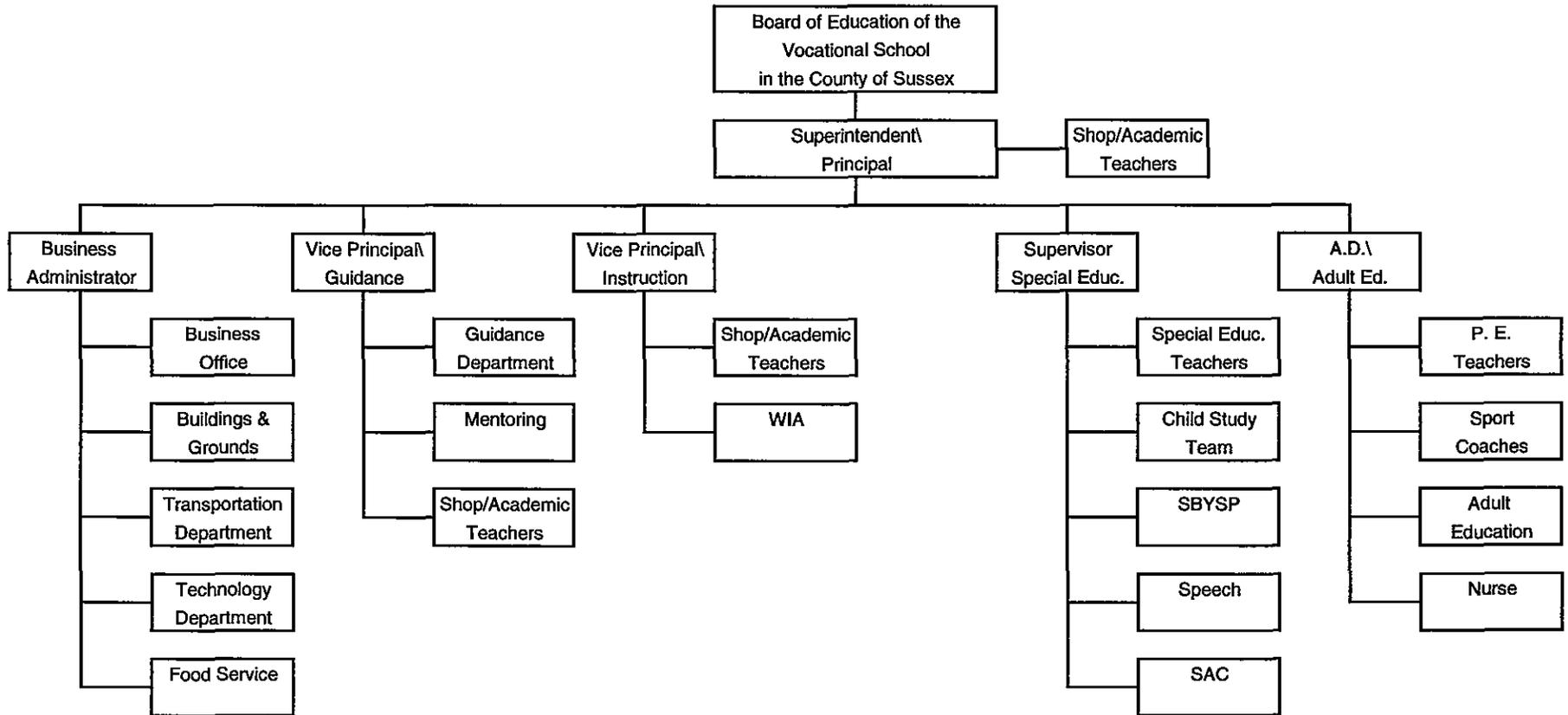
Anthony Macerino
Interim Superintendent/Principal



Robert T. Clark
Business Administrator/Board Secretary

BOARD OF EDUCATION OF THE VOCATIONAL SCHOOL IN THE COUNTY OF SUSSEX

Organizational Chart



**SUSSEX COUNTY TECHNICAL SCHOOL
 ROSTER OF OFFICIALS
 JUNE 30, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jarrod Cofrancesco, President	10/2013
Susan Shake, Vice President	10/2014
Mark Fiedorczyk	10/2012
Diane Wexler	10/2015
Rosalie S. Lamonte, County Superintendent	N/A

Other OfficersTitle

Anthony Macerino
 Robert T. Clark
 Eileen Kithcart

Interim Superintendent of Schools/Principal
 Board Secretary/School Business Administrator
 Treasurer

SUSSEX COUNTY TECHNICAL SCHOOL
Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
11 Lawrence Road
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and
Mount Arlington Corporate Center
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Parsippany, NJ 07054

Official Depository

Lakeland Bank
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FINANCIAL SECTION



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Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Sussex County Technical School
 County of Sussex, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Sussex County Technical School, a component unit of the County of Sussex, as of and for the fiscal year ended June 30, 2012 which collectively comprise the School District's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Sussex County Technical School in the County of Sussex as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

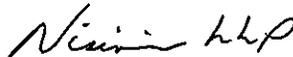
In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2012 on our consideration of the Board of Education of the Sussex County Technical School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable President and Members
of the Board of Education
Sussex County Technical School
Page 2

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Sussex County Technical School's basic financial statements. The accompanying supplementary information schedules such as the combining and individual nonmajor fund financial statements and the Schedules of Expenditures of Federal and State Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information such as the combining and individual nonmajor fund financial statements and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the financial statements as a whole. The accompanying other information, such as the introductory and statistical sections, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

November 9, 2012
Mount Arlington, New Jersey


NISIVOCCIA LLP



Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis (Unaudited)

This section of Sussex County Technical School's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status improved significantly on a District wide and Fund basis, primarily due to recognition of \$2.31 million receivable from the County of Sussex for various improvements/renovations to the District.
- Overall, the revenue was \$18.33 million.

Overview of the Financial Statements

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

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates like a business, such as food services.
- *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. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District's Financial Report

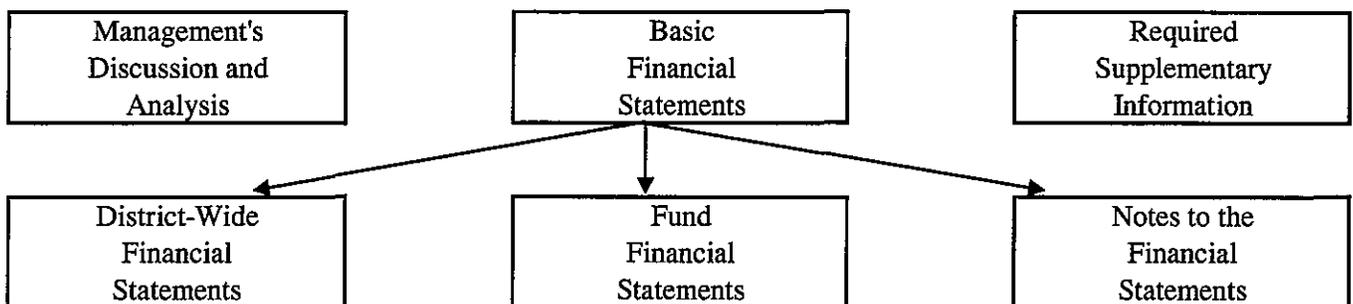


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service, juvenile detention center, swimming pool, transportation, use of facilities and charter school are included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

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

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.
- *Notes to the basic financial statements:* The notes provide information essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Assets. The District's combined net assets increased by \$2,478,614 primarily due to the approval of and expenses related to two new capital projects by the Board of School Estimate for \$2,309,642, which will be raised and contributed by the County of Sussex through County bond ordinance proceeds; an excess of \$42,396 in revenue from local sources and unexpended budget appropriations of \$285,593 (net of year end encumbrances); and a net decrease of \$115,712 in long-term debt as a result of current year retirement payouts and the pay down of existing capital leases; offset by a \$43,014 cancellation of prior year intergovernmental accounts receivable due from the County and the SDA and a net increase in capital assets of \$244,474. Net assets from governmental activities increased by \$2,432,753 and net assets from business-type activities increased by \$45,861. Net assets invested in capital assets increased by \$244,474 as a result of current year additions of \$760,748 and pay down of \$108,917 in capital leases; offset by depreciation expense of \$599,908 and current year disposals of \$25,283, net of related accumulated depreciation. Restricted net assets increased by \$1,983,783 and unrestricted net assets increased by \$250,357.

Figure A-3

Condensed Statement of Net Assets

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	
Current and							
Other Assets	\$ 1,455,278	\$ 3,687,989	\$ 10,103	\$ 22,303	\$ 1,465,381	\$ 3,710,292	153.20%
Capital Assets	8,588,061	8,773,274	451,304	401,648	9,039,365	9,174,922	1.50%
Total Assets	<u>10,043,339</u>	<u>12,461,263</u>	<u>461,407</u>	<u>423,951</u>	<u>10,504,746</u>	<u>12,885,214</u>	22.66%
Other Liabilities	253,350	282,093	11,674	497	265,024	282,590	6.63%
Long-Term Debt							
Outstanding	794,731	751,159	331,840	259,700	1,126,571	1,010,859	-10.27%
Total Liabilities	<u>1,048,081</u>	<u>1,033,252</u>	<u>343,514</u>	<u>260,197</u>	<u>1,391,595</u>	<u>1,293,449</u>	-7.05%
Net Assets:							
Invested in Capital Assets, Net of Related Debt	8,501,170	8,723,160	119,464	141,948	8,620,634	8,865,108	2.84%
Restricted	904,291	2,888,074			904,291	2,888,074	219.37%
Unrestricted/(Deficit)	<u>(410,203)</u>	<u>(183,223)</u>	<u>(1,571)</u>	<u>21,806</u>	<u>(411,774)</u>	<u>(161,417)</u>	60.80%
Total Net Assets	<u>\$ 8,995,258</u>	<u>\$ 11,428,011</u>	<u>\$ 117,893</u>	<u>\$ 163,754</u>	<u>\$ 9,113,151</u>	<u>\$ 11,591,765</u>	27.20%

Changes in Net Assets. The District's combined net assets were \$11,591,765 on June 30, 2012 (See Figure A-3).

Figure A-4

Changes in Net Assets from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	
Revenue:							
Program Revenue:							
Charges for Services		\$ 1,267,527	\$ 1,160,727	\$ 1,250,554	\$ 1,160,727	\$ 2,518,081	116.94%
Operating Grants and Contributions	\$ 1,937,007	2,254,343	83,172	97,904	2,020,179	2,352,247	16.44%
Capital Grants and Contributions	255,449	127,670			255,449	127,670	-50.02%
General Revenue:							
Property Taxes	7,826,010	6,561,362			7,826,010	6,561,362	-16.16%
State and Federal Aid not Restricted	3,624,889	3,785,435			3,624,889	3,785,435	4.43%
County Bond Ordinance Proceeds	717,600	2,309,642			717,600	2,309,642	221.86%
Tuition Charges	15,810				15,810		-100.00%
Other	200,683	677,115		38	200,683	677,153	237.42%
Total Revenue	14,577,448	16,983,094	1,243,899	1,348,496	15,821,347	18,331,590	15.87%
Expenses:							
Instruction	7,284,337	7,573,199			7,284,337	7,573,199	3.97%
Pupil and Instruction Services	2,032,388	2,076,490			2,032,388	2,076,490	2.17%
Administrative and Business	1,389,262	1,400,113			1,389,262	1,400,113	0.78%
Maintenance and Operations	1,750,396	2,330,740			1,750,396	2,330,740	33.16%
Pupil Transportation	141,247	295,552			141,247	295,552	109.24%
Special Schools	596,556	137,487			596,556	137,487	-76.95%
Capital Outlay	35,841	305,009			35,841	305,009	751.01%
Other	307,277	388,737	1,322,611	1,273,359	1,629,888	1,662,096	1.98%
Total Expenses	13,537,304	14,507,327	1,322,611	1,273,359	14,859,915	15,780,686	6.20%
Transfers	(14,258)		14,258				
Other	(190,000)	(43,014)	(15,985)	(29,276)	(205,985)	(72,290)	-64.91%
Increase/(Decrease) in Net Assets	\$ 835,886	\$ 2,432,753	\$ (80,439)	\$ 45,861	\$ 755,447	\$ 2,478,614	228.10%

Revenue Sources. The District's total revenue for the 2011/12 school year was \$18,331,590. (See Figure A-5). Property taxes accounted for a substantial portion of the District's revenue, with the County tax levy accounting for \$6,561,362 of the total, or 35.79% percent. Another 34.18% percent came from state and federal aid for specific programs and state formula aid with the remainder from other sources and charges for services.

Figure A-5

Sources of Revenue for Fiscal Year 2012

	Amount	Percentage
Sources of Income:		
State Formula Aid	\$ 3,785,435	20.65%
County Tax Levy	6,561,362	35.79%
Federal and State Categorical Grants	2,479,917	13.53%
Charges for Services	2,518,081	13.74%
County Bond Ordinance Proceeds	2,309,642	12.60%
Other	677,153	3.69%
	\$ 18,331,590	100.00%

The total cost of all programs and services was \$15,780,686. The District's expenses are predominantly related to instructing, caring for students (pupil services) and special schools (62.02 percent). (See Figure A-6). The District's administrative and business activities accounted for 8.87 percent of total costs.

Figure A-6
Expenses for Fiscal Year 2012

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 7,573,199	47.99%
Pupil and Instruction Services	2,076,490	13.16%
Administrative and Business	1,400,113	8.87%
Maintenance and Operations	2,330,740	14.77%
Pupil Transportation	295,552	1.88%
Special Schools	137,487	0.87%
Capital Outlay	305,009	1.93%
Other	1,662,096	10.53%
	<u>\$ 15,780,686</u>	<u>100.00%</u>

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly.

However, careful management of expenses remains essential for the District to sustain its financial health and increase the efficiencies within the District. Among the costs savings activities implemented during the 2011-12 fiscal year are the following:

- Completed energy savings measures
- Expanded cooperative purchasing

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

Figure A-7

Net Cost of Governmental Activities

	<u>Total Cost of</u> <u>Services</u> <u>2010/11</u>	<u>Total Cost of</u> <u>Services</u> <u>2011/12</u>	<u>Net Cost of</u> <u>Services</u> <u>2010/11</u>	<u>Net Cost of</u> <u>Services</u> <u>2011/12</u>
Functional Expenses:				
Instruction	\$ 7,284,337	\$ 7,573,199	\$ 6,223,104	\$ 5,559,152
Pupil and Instruction Services	2,032,388	2,076,490	1,426,183	1,286,515
Administrative and Business	1,389,262	1,400,113	1,301,711	1,167,124
Maintenance and Operations	1,750,396	2,330,740	1,428,760	1,860,719
Pupil Transportation	141,247	295,552	134,963	248,253
Special Schools	596,556	137,487	487,009	42,278
Capital Outlay	35,841	305,009	35,841	305,009
Other	307,277	388,737	307,277	388,737
	<u>\$ 13,537,304</u>	<u>\$ 14,507,327</u>	<u>\$ 11,344,848</u>	<u>\$ 10,857,787</u>

The cost of all governmental activities this year was \$14.51 million.

- The federal and state governments subsidized certain programs with grants and contributions (approximately \$6.17 million).
- Approximately 42.58% of the District's costs (\$6.56 million) were financed with the County Tax Levy.
- The remainder of the funding came from tuition, miscellaneous revenue, charges for services and other sources.

Business-Type Activities

Net assets from the District's business-type activities increased by \$45,861. The primary contributing factors to this result were the following:

- Operating income of \$20,116 in the Transportation Fund due to an increase in fees charged to participating school districts as a result of rising fuel and maintenance costs.
- Increase in Use of Facilities revenue of approximately \$35,000 due to an increase in the number of rentals.
- Increase in the number of meals claimed for federal and state lunch reimbursements of approximately \$14,740.
- Cancellation of \$29,276 of prior year accounts receivable in the Transportation, Use of Facilities and Food Service Funds.

Financial Analysis of the District's Funds

The District's overall fund balance improved significantly primarily due to the recognition of \$2.31 million receivable from the County of Sussex for various improvements/renovations to the District. The County reduced the tax levy for the 2011-12 school year due to the collection of tuition revenue from sending districts. The District has increased enrollment and will open a law enforcement program for the 2012-13 school year.

General Fund Budgetary Highlights

The budgeted revenue projections for the 2011-12 fiscal year were realized. The rate of execution for the expense side of the budget was more than 98% of the current expense budget for the 2011-12 fiscal year.

Capital Asset and Debt Administration

Figure A-8

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	
Sites	\$ 2,764,300	\$ 2,764,300			\$ 2,764,300	\$ 2,764,300	0.00%
Construction in Progress	1,213,310	676,650			1,213,310	676,650	-44.23%
Buildings and Building Improvements	3,652,067	4,290,062			3,652,067	4,290,062	17.47%
Furniture, Machinery and Equipment	958,384	1,042,262	\$ 451,304	\$ 401,648	1,409,688	1,443,910	2.43%
Total Capital Assets (Net of Depreciation)	\$ 8,588,061	\$ 8,773,274	\$ 451,304	\$ 401,648	\$ 9,039,365	\$ 9,174,922	1.50%

Long-term Debt

At year-end, the District had \$1,101,859 of other long-term debt – a net decrease of \$115,712 from last year– as shown in Figure A-9. The County of Sussex is responsible for the issuance and repayment of long-term debt in the form of bonds and notes.

Figure A-9

Outstanding Long-Term Debt

	Total School District		Total Change Percentage
	2010/11	2011/12	
Other Long-Term Debt	<u>\$ 1,126,571</u>	<u>\$ 1,010,859</u>	<u>-10.27%</u>

The following factors contributed to the decrease in long-term debt:

- The District continued to pay down its debt, retiring \$108,917 of leases payable.
- A net decrease in compensated absences of \$6,795.

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

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

- Maintenance cost of aging facilities and systems
- Continued increases in health insurance and energy costs that exceed state imposed caps on school budgets.
- Implementation of tuition to sending districts

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 105 North Church Road, Sparta, New Jersey 07871.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Interfund Receivable - Fiduciary Fund	\$ 79		\$ 79
Internal Balances	89,132	\$ (89,132)	
Receivable from State Government	49,115	157	49,272
Receivable from Federal Government	83,464	5,073	88,537
Receivables from Other Governments	2,843,096	3,038	2,846,134
Other Receivables	398,102	95,238	493,340
Inventory		7,929	7,929
Restricted Assets:			
Capital Reserve Account - Cash	225,001		225,001
Capital Assets, Net			
Sites (Land) and Construction in Progress	3,440,950		3,440,950
Depreciable Furniture, Buildings and Building Improvements and Machinery and Equipment	5,332,324	401,648	5,733,972
Total Assets	<u>12,461,263</u>	<u>423,951</u>	<u>12,885,214</u>
<u>LIABILITIES</u>			
Accounts Payable - Vendors	266,734	120	266,854
Payable to State Government	654		654
Deferred Revenue	14,705	377	15,082
Noncurrent Liabilities:			
Due Within One Year	99,732	67,101	166,833
Due Beyond one Year	651,427	192,599	844,026
Total Liabilities	<u>1,033,252</u>	<u>260,197</u>	<u>1,293,449</u>
<u>NET ASSETS/(Deficit)</u>			
Invested in Capital Assets, Net of Related Debt	8,723,160	141,948	8,865,108
Restricted for:			
Capital Projects	2,888,074		2,888,074
Unrestricted	(183,223)	21,806	(161,417)
Total Net Assets	<u>\$ 11,428,011</u>	<u>\$ 163,754</u>	<u>\$ 11,591,765</u>

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

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 3,551,917	\$ 309,789	\$ 600,057		\$ (2,642,071)		\$ (2,642,071)
Special Education	485,510	18,064	521,137		53,691		53,691
Other Special Instruction	75,119	9,235			(65,884)		(65,884)
Vocational Education	2,798,254	273,219	174,923		(2,350,112)		(2,350,112)
School-Sponsored/Other Instruction	662,399	62,997	44,626		(554,776)		(554,776)
Support Services:							
Student & Instruction Related Services	2,076,490	197,840	592,135		(1,286,515)		(1,286,515)
General Administrative Services	350,707	35,420	19,092		(296,195)		(296,195)
School Administrative Services	426,091	37,558	35,450		(353,083)		(353,083)
Central Services	498,783	45,213	39,038		(414,532)		(414,532)
Administrative Information Technology	124,532	10,838	10,380		(103,314)		(103,314)
Plant Operations and Maintenance	2,330,740	241,718	100,633	\$ 127,670	(1,860,719)		(1,860,719)
Pupil Transportation	295,552	25,636	21,663		(248,253)		(248,253)
Special Schools	137,487		95,209		(42,278)		(42,278)
Capital Outlay	305,009				(305,009)		(305,009)
Unallocated Depreciation	388,737				(388,737)		(388,737)
Total Governmental Activities	14,507,327	1,267,527	2,254,343	127,670	(10,857,787)		(10,857,787)
Business-Type Activities:							
Transportation	803,412	823,528				\$ 20,116	20,116
Use of Facilities	110,855	162,705				51,850	51,850
Food Service	359,092	264,321	97,904			3,133	3,133
Total Business-Type Activities	1,273,359	1,250,554	97,904			75,099	75,099
Total Primary Government	\$ 15,780,686	\$ 2,518,081	\$ 2,352,247	\$ 127,670	(10,857,787)	75,099	(10,782,688)

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
General Revenues:						
Taxes:						
County Tax Levy					\$ 6,561,362	\$ 6,561,362
Federal and State Aid not Restricted					3,785,435	3,785,435
Net County Bond Ordinance Proceeds					2,309,642	2,309,642
Miscellaneous Income					677,115	\$ 677,153
Cancellation of Prior Year Accounts Receivables						\$ (29,276)
Cancellation of Intergovernmental Accounts Receivable - SDA					(22,718)	(22,718)
Cancellation of Intergovernmental Accounts Receivable - County					(20,296)	(20,296)
Total General Revenues and Special Items					<u>13,290,540</u>	<u>13,261,302</u>
Change in Net Assets					2,432,753	45,861
Net Assets - Beginning					<u>8,995,258</u>	<u>117,893</u>
Net Assets - Ending					<u>\$ 11,428,011</u>	<u>\$ 163,754</u>

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

FUND FINANCIAL STATEMENTS

Exhibit B-1

SUSSEX COUNTY TECHNICAL SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Interfund Receivable	\$ 263,187			\$ 263,187
Receivables From State Government	19,181	\$ 29,934		49,115
Receivables From Federal Government		83,464		83,464
Receivables From Other Governments	66,749		\$ 2,776,347	2,843,096
Other Accounts Receivables	393,224	4,878		398,102
Restricted Cash and Cash Equivalents	225,001			225,001
Total Assets	\$ 967,342	\$ 118,276	\$ 2,776,347	\$ 3,861,965
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable		\$ 65,109	\$ 108,867	\$ 173,976
Accounts Payable - Vendors	\$ 224,519	37,808	4,407	266,734
Payable to State Government		654		654
Deferred Revenue		14,705		14,705
Total Liabilities	224,519	118,276	113,274	456,069
Fund Balances:				
Restricted:				
Capital Reserve Account	225,001			225,001
Committed:				
Capital Projects			2,663,073	2,663,073
Assigned:				
Other Purposes	486,476			486,476
Designated for Subsequent Year's Expenditures	31,346			31,346
Total Fund Balances	742,823		2,663,073	3,405,896
Total Liabilities and Fund Balances	\$ 967,342	\$ 118,276	\$ 2,776,347	

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 \$23,089,782 and the Accumulated
Depreciation is \$14,316,508.

8,773,274

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

(751,159)

Net Assets of Governmental Activities

\$ 11,428,011

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

Exhibit B-2

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
County Tax Levy	\$ 6,561,362			\$ 6,561,362
Tuition from LEA's	1,265,627			1,265,627
Other Tuition	1,900			1,900
Other Restricted Miscellaneous Revenue	84,785			84,785
Unrestricted Miscellaneous Revenue	592,330			592,330
Total - Local Sources	8,506,004			8,506,004
State Sources	4,999,995	\$ 335,635	\$ 127,670	5,463,300
Federal Sources	152,302	551,846		704,148
Total Revenues	13,658,301	887,481	127,670	14,673,452
EXPENDITURES:				
Current:				
Instruction:				
Regular Instruction	2,361,591	158,205		2,519,796
Special Education Instruction		146,933		146,933
Other Special Instruction	75,119			75,119
Vocational Education Instruction	2,187,483	34,856		2,222,339
School-Sponsored/Other Instruction	512,410			512,410
Support Services and Undistributed Costs:				
Student and Other Instruction Related Services	1,200,470	408,743		1,609,213
General Administration	288,104			288,104
School Administration	305,489			305,489
Central Services	367,761			367,761
Administrative Information Technology	88,157			88,157
Plant Operations and Maintenance	1,966,107			1,966,107
Student Transportation	208,523			208,523
Unallocated Benefits	3,276,828			3,276,828
Capital Outlay	439,332	65,627	535,515	1,040,474
Special Schools	35,742	73,117		108,859
Total Expenditures	13,313,116	887,481	535,515	14,736,112
Excess/(Deficit) of Revenue Over/(Under) Expenditures	345,185		(407,845)	(62,660)
Other Financing Sources/(Uses):				
Net County Bond Ordinance Proceeds			2,309,642	2,309,642
Cancel Accounts Receivable from SDA			(22,718)	(22,718)
Cancel Accounts Receivable from County			(20,296)	(20,296)
Total Other Financing Sources/(Uses)			2,266,628	2,266,628
Net Change in Fund Balances	345,185		1,858,783	2,203,968
Fund Balance - July 1	397,638		804,290	1,201,928
Fund Balance - June 30	\$ 742,823	\$ -0-	\$ 2,663,073	\$ 3,405,896

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

Exhibit B-3

SUSSEX COUNTY TECHNICAL SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 2,203,968
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation and deletions in the period.		
Depreciation Expense	\$ (550,252)	
Deletions, Net of Related Depreciation Expense	(25,283)	
Capital Outlays	<u>760,748</u>	
		185,213
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
		36,777
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>6,795</u>
Change in Net Assets of Governmental Activities (A-2)		<u>\$ 2,432,753</u>

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Programs</u>	<u>Major Program Transportation</u>	<u>Total Enterprise</u>
ASSETS:			
Current Assets:			
Intrafund Receivable	\$ 72,844		\$ 72,844
Intergovernmental Accounts Receivable:			
State	157		157
Federal	5,073		5,073
Other	3,038		3,038
Other Accounts Receivable	37,160	\$ 58,078	95,238
Inventories	7,929		7,929
Total Current Assets	<u>126,201</u>	<u>58,078</u>	<u>184,279</u>
Non-Current Assets:			
Capital Assets	68,464	415,296	483,760
Less: Accumulated Depreciation	<u>(23,503)</u>	<u>(58,609)</u>	<u>(82,112)</u>
Total Non-Current Assets	<u>44,961</u>	<u>356,687</u>	<u>401,648</u>
Total Assets	<u>171,162</u>	<u>414,765</u>	<u>585,927</u>
LIABILITIES:			
Current Liabilities:			
Intrafund Payable		72,844	72,844
Interfund Payable		89,132	89,132
Accounts Payable - Vendors		120	120
Deferred Revenue	377		377
Total Current Liabilities	<u>377</u>	<u>162,096</u>	<u>162,473</u>
Noncurrent Liabilities:			
Capital Leases Payable:			
Due Within One Year		67,101	67,101
Due Beyond One Year		192,599	192,599
Total Noncurrent Liabilities		<u>259,700</u>	<u>259,700</u>
Total Liabilities	<u>377</u>	<u>421,796</u>	<u>422,173</u>
NET ASSETS:			
Investment in Capital Assets Net of Related Debt	44,961	96,987	141,948
Unrestricted	<u>125,824</u>	<u>(104,018)</u>	<u>21,806</u>
Total Net Assets	<u>\$ 170,785</u>	<u>\$ (7,031)</u>	<u>\$ 163,754</u>

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

Exhibit B-5

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		
	Non-Major Programs	Major Program Transportation	Total Enterprise
Operating Revenue:			
Daily Sales - Reimbursable Programs	\$ 129,099		\$ 129,099
Daily Sales - Non-Reimbursable Programs	50,601		50,601
Program Fees	162,705	\$ 823,528	986,233
Special Events	60,709		60,709
Miscellaneous Revenue	23,912		23,912
Total Operating Revenue	427,026	823,528	1,250,554
Operating Expenses:			
Cost of Sales	154,171		154,171
Salaries	132,252	448,174	580,426
Employee Benefits	40,566	168,620	209,186
Purchased Professional Educational Services	21,199		21,199
Maintenance		29,971	29,971
Lease Purchase Payment		37,351	37,351
Other Purchased Services	56,178	13,000	69,178
Supplies and Materials	8,420	64,211	72,631
Energy	38,503		38,503
Miscellaneous Expenditures	10,887	200	11,087
Depreciation Expense	7,771	41,885	49,656
Total Operating Expenses	469,947	803,412	1,273,359
Operating Income/(Loss)	(42,921)	20,116	(22,805)
Non-Operating Revenue:			
Interest Income	38		38
State Sources:			
State School Lunch Program	2,950		2,950
Federal Sources:			
National School Lunch Program	70,889		70,889
School Breakfast Program	12,840		12,840
Food Distribution Program	11,225		11,225
Total Non-Operating Revenue	97,942		97,942
Change in Net Assets Before Other Financing Uses	55,021	20,116	75,137
Other Financing Uses:			
Cancellation of Prior Year Accounts Receivable	(7,095)	(22,181)	(29,276)
Change in Net Assets	47,926	(2,065)	45,861
Net Assets - Beginning of Year	122,859	(4,966)	117,893
Net Assets - End of Year	\$ 170,785	\$ (7,031)	\$ 163,754

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

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		
	Non-Major Programs	Major Program Transportation	Total Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 411,291	\$ 807,704	\$ 1,218,995
Interfund Advanced	(72,844)	161,976	89,132
Collection of Prior Year Interfund Receivable	25,196		25,196
Settlement of Prior Year Interfund Payable		(125,606)	(125,606)
Payments to/for Employees	(172,818)	(616,794)	(789,612)
Payments to Suppliers	(278,361)	(155,140)	(433,501)
Net Cash Used for Operating Activities	<u>(87,536)</u>	<u>72,140</u>	<u>(15,396)</u>
Cash flows from Financing Activities:			
Interest Income	38		38
Net Cash Provided by Financing Activities	<u>38</u>		<u>38</u>
Cash flows from Capital and Related Financing Activities:			
Lease Purchase Principal Payment		(72,140)	(72,140)
Net Cash Used for Capital and Related Financing Activities		<u>(72,140)</u>	<u>(72,140)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	3,005		3,005
Federal Sources	84,493		84,493
Net Cash Provided by Noncapital Financing Activities	<u>87,498</u>		<u>87,498</u>
Net Decrease in Cash and Cash Equivalents	-0-	-0-	-0-
Cash and Cash Equivalents, July 1	-0-	-0-	-0-
Cash and Cash Equivalents, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Income/(Loss)	\$ (42,921)	\$ 20,116	\$ (22,805)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:			
Depreciation	7,771	41,885	49,656
Food Distribution Program	11,225		11,225
Changes in Assets and Liabilities:			
(Increase) in Accounts Receivable	(15,735)	(15,824)	(31,559)
(Increase) in Intrafund Receivable	(54,294)	(6,646)	(60,940)
Increase in Interfund Payable	6,646	43,016	49,662
(Decrease) in Accounts Payable		(10,407)	(10,407)
(Decrease) in Deferred Revenue	(770)		(770)
Decrease in Inventory	542		542
Net Cash Used for Operating Activities	<u>\$ (87,536)</u>	<u>\$ 72,140</u>	<u>\$ (15,396)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Donated Commodities through the Food Distribution Program valued at \$10,456 and utilized Commodities valued at \$11,225. The Transportation Fund paid down \$72,140 of lease purchase payable.

Exhibit B-7

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2012

	<u>Agency</u>	<u>Health Promotion Trust</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 112,910	\$ 2,517	\$ 120,973
Investments		5,768	
Total Assets	<u>112,910</u>	<u>8,285</u>	<u>120,973</u>
<u>LIABILITIES:</u>			
Interfund Payable:			
General Fund	79		
Payroll Deductions and Withholdings	25,810		
Due to Student Groups	87,021		
Total Liabilities	<u>112,910</u>		
<u>NET ASSETS:</u>			
Held in Trust for Unemployment Claims			120,973
Reserved for Health Promotion Expenses		8,285	
Total Net Assets	<u>\$ -0-</u>	<u>\$ 8,285</u>	<u>\$ 120,973</u>

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

Exhibit B-8

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Health Promotion Trust</u>	<u>Unemployment Compensation Trust</u>
ADDITIONS:		
Contributions:		
Plan Members		\$ 15,454
Budget Appropriation:		
General Fund		75,000
Total Contributions		<u>90,454</u>
Investment Earnings:		
Interest	\$ 48	234
Net Investment Earnings	<u>48</u>	<u>234</u>
Total Additions	<u>48</u>	<u>90,688</u>
DEDUCTIONS:		
Unemployment Benefit Claims		86,393
Health Promotion Expenses	99	
Total Deductions	<u>99</u>	<u>86,393</u>
Change in Net Assets	(51)	4,295
Net Assets - Beginning of the Year	<u>8,336</u>	<u>116,678</u>
Net Assets - End of the Year	<u>\$ 8,285</u>	<u>\$ 120,973</u>

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Accordingly, the Sussex County Technical School is a component unit of the County of Sussex under the provisions of Governmental Accounting Standards Board's Codification Section 2100. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria other than the County of Sussex.

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

B. Basis of Presentation: (Cont'd)

Additionally, the District reports the following fund types:

Enterprise Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's Enterprise Funds. The District operates several Enterprise Funds. The District's Enterprise Funds are comprised of the Transportation, Use of Facilities and the Food Service Funds. These Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students or to the public on a continuing basis are financed or recovered primarily through user charges. None of the District's individual Enterprise Funds is a major fund.

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

C. Measurement Focus and Basis of Accounting (Cont'd)

Reports for the District's Enterprise Funds are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

D. Budgets/Budgetary Control:

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

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

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

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

School Development Authority ("SDA") grants in the Capital Projects Fund are recognized on the budgetary basis when awarded; while on a GAAP basis, revenue is recognized based on actual expenditures and when funds are requested for reimbursement.

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

	<u>Capital Projects Fund</u>
Committed	\$ 1,854,548
Committed - Year End Encumbrances	<u>2,547,725</u>
Total Fund Balance - Budgetary Basis	4,402,273
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(1,739,200)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,663,073</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

D. Budgets/Budgetary Control (Cont' d)

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

		<u>Capital Projects Fund</u>
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$	3,711,642
SDA Grant Revenue not Recognized on GAAP Basis		(1,402,000)
SDA Grant Revenue Recognized on GAAP Basis		<u>127,670</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$	<u><u>2,437,312</u></u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 13,682,913	\$ 866,392
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(4,705)
Cancellation of Prior Year Encumbrances		(148)
Prior Year Encumbrances		25,942
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	384,156	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(408,768)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 13,658,301</u>	<u>\$ 887,481</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 13,313,116	\$ 866,392
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(4,705)
Cancellation of Prior Year Encumbrances		(148)
Prior Year Encumbrances		25,942
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 13,313,116</u>	<u>\$ 887,481</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

E. Cash and Cash Equivalents and Investments

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

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

N.J.S.A. 17:9-41 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 depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

H. 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.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

K. Capital Assets:

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

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line.

The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

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

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net assets, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond issuance costs as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year, therefore, there are no accrued salaries and wages as of June 30, 2012.

N. Compensated Absences

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

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

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

O. Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1D regarding the special revenue fund.

P. Fund Balance Appropriated

General Fund: Of the \$742,823 General Fund fund balance at June 30, 2012, \$486,476 is assigned for year-end encumbrances; \$225,001 is restricted in the capital reserve account; \$31,346 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2013, which is \$14,466 less than on a budgetary basis due to the final State Aid payments that are not recognized until the fiscal year ending June 30, 2013; and there is \$- in unassigned fund balance, which is \$394,302 less than the calculated maximum unassigned fund balance due to the final State Aid payments that are not recognized until the fiscal year ending June 30, 2013.

Capital Projects Fund: The Capital Projects Fund has \$2,663,073 of committed fund balance at June 30, 2012, which is \$1,739,200 less on a GAAP basis due to the SDA grants not being recognized until funds are requested for reimbursement.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (§1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus at June 30, 2012.

Unassigned fund balance, on a GAAP basis, is less than the budgetary basis in the General Fund by \$394,302 and assigned fund balance designated for subsequent year's expenditures in the General Fund is less on a GAAP basis than the budgetary basis in the amount of \$14,466 as of June 30, 2012 as reported in the fund statements. P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable.

Q. Deficit Fund Balances/Net Assets

The Transportation Enterprise Fund has a deficit in unrestricted net assets of \$104,018, due to the deficit in operations in prior years that have not been recovered. The District will resolve this deficit with contributions from either the General Fund or the other Enterprise Funds during the fiscal year ended June 30, 2013. The District also has a deficit in unrestricted net assets of \$183,223 in governmental activities, which is due to the \$701,045 of compensated absences payable, net of General Fund year end encumbrances of \$486,476 and \$31,346 of General Fund fund balance designated for subsequent year's expenditures. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are 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. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

S. Fund Balance Restrictions, Commitments and Assignments:

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the prior fiscal year. The objective of this standard 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 (as detailed in Note 1B). This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

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

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2012.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2012. However, these assignments are eliminated on the governmental fund balance sheet at June 30, 2012 due to the last two state aid payments, which are not being recognized on a GAAP basis until the fiscal year ended June 30, 2013.

T. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

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

Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: county taxes available as an advance, interest and tuition.

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

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

Deposits:

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

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

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

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

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

Investments:

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

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

Investments: (Cont'd)

- (b) the custody of collateral is transferred to a third party;
- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in statute; and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Capital Reserve Account	Investments	Total
Checking and Savings Accounts	\$ 72,035	\$ 225,001		\$ 297,036
Certificates of Deposit			\$ 5,768	5,768
	\$ 72,035	\$ 225,001	\$ 5,768	\$ 302,804

During the period ended June 30, 2012, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2012, was \$302,804 and the bank balance was \$726,933. The cash and cash equivalents balance at June 30, 2012 of \$302,804 differs from the total of \$467,169 on the Governmental Funds Balance Sheet and Proprietary Fund and Fiduciary Fund Statements of Net Assets at June 30, 2012 by \$164,365. This difference is the result of cash deficit in the Special Revenue Fund of \$65,109 due to outstanding federal grants receivables, cash deficit of \$108,867 in the Capital Projects Fund due to outstanding SDA receivables and a cash deficit of \$89,132 in the Transportation Enterprise Fund due to operating losses in the prior years. These cash deficits total \$263,108, which is offset by General Fund cash and cash equivalent balance of \$98,743. This cash deficit of \$164,365 is included as accounts payable on the Balance Sheet.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on October 10, 2000 in the amount of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

Balance at June 30, 2011	\$ 100,001
Add:	
Transfer from Unassigned Fund Balance per Board Resolution - June 28, 2012	125,000
Balance at June 30, 2012	\$ 225,001

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects at June 30, 2012 exceeds the balance in the capital reserve account at June 30, 2012.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2012 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 2,764,300			\$ 2,764,300
Construction in Progress	1,213,310	\$ 535,514	\$ (1,072,174)	676,650
Total Capital Assets Not Being Depreciated	3,977,610	535,514	(1,072,174)	3,440,950
Capital Assets Being Depreciated:				
Buildings and Building Improvements	15,627,792		1,000,567	16,628,359
Machinery and Equipment	2,871,632	225,234	(76,393)	3,020,473
Total Capital Assets Being Depreciated	18,499,424	225,234	924,174	19,648,832
Governmental Activities Capital Assets	22,477,034	760,748	(148,000)	23,089,782
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(11,975,725)	(362,572)		(12,338,297)
Machinery and Equipment	(1,913,248)	(187,680)	122,717	(1,978,211)
	(13,888,973)	(550,252)	122,717	(14,316,508)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 8,588,061	\$ 210,496	\$ (25,283)	\$ 8,773,274
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 483,760			\$ 483,760
Less Accumulated Depreciation	(32,456)	(49,656)		(82,112)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 451,304	\$ (49,656)	\$ -0-	\$ 401,648

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

B. Capital Leases Payable (Cont'd):

Year	Amount
2013	\$ 115,930
2014	81,919
2015	80,796
2016	53,620
	332,265
Less: Amount representing interest	(22,451)
Present value of net minimum lease payments	\$ 309,814

The current portion of Capital Leases payable at June 30, 2012 is \$105,554 and the long-term portion is \$204,260. The General Fund and Transportation Enterprise Fund will be used to liquidate the capital leases payable.

C. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$61,278 and is separated from the long-term liability balance of compensated absences of \$639,767.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, no liability existed for compensated absences in the Enterprise Funds.

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

NOTE 7. PENSION PLANS

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

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

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Effective with the first payroll to be paid on or after October 1, 2011, the employee contributions for PERS and TPAF went from 5.5% to 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions of 5.5% of employees' annual compensation for DCRP are matched by a 3% employer contribution.

District Contributions to PERS amounted to \$220,208, \$196,542 and \$169,204 for the fiscal years ended June 30, 2012, 2011 and 2010, respectively. The employer contributions to DCRP for fiscal year 2012, 2011 and 2010 were \$2,657, \$-0- and \$-0-, respectively. The employee contributions to DCRP for fiscal year 2012, 2011 and 2010 were \$4,239, \$-0- and \$-0-, respectively.

During the fiscal years ended June 30, 2012, 2011 and 2010 the State of New Jersey contributed \$183,105, \$-0- and \$-0-, respectively, to the TPAF for normal pension benefits on-behalf of the District.

NOTE 8. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one-half of 1% of the active State payroll each year.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, TPAF and the Alternate Benefit Program who retired from a Board of Education or County College with 25 years of service. In fiscal year 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$368,089, \$360,911 and \$370,576 for 2012, 2011 and 2010, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 9. RISK MANAGEMENT

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance

The District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

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

The audit report for the year ending June 30, 2012 was not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2011 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 36,448,099
Net Assets	\$ 12,502,179
Total Revenue	\$ 29,577,140
Total Expenses	\$ 28,589,235
Change in Net Assets	\$ 987,905
Net Assets Distribution to Participating Members	\$ 1,223,485

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

Public Entity Group Administrative Services
51 Everet Drive
West Windsor, NJ 08550-5374
(609) 275-1155

New Jersey Unemployment Compensation Insurance

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)New Jersey Unemployment Compensation Insurance (Cont'd)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ 75,000	\$ 234	\$ 15,454	\$ 86,393	\$ 120,973
2010-2011	169,682	345	14,796	185,631	116,678
2009-2010	116,744	186	12,517	54,264	117,486

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 263,187	
Special Revenue Fund		\$ 65,109
Capital Projects Fund		108,867
Enterprise Funds		89,132
Fiduciary Funds		79
	<u>\$ 263,187</u>	<u>\$ 263,187</u>

The interfund receivable in the General Fund and the interfund payables in the Special Revenue Fund, the Capital Projects Fund and the Enterprise Funds are interfund loans from the General Fund to the Special Revenue Fund, the Capital Projects Fund and the Enterprise Funds for cash flow purposes. The interfund payable in the Fiduciary Funds represents employee contributions for health benefits costs due to the General Fund.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of the following 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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 12. DEFERRED COMPENSATION (Cont'd)

The 403(b) plan administrators are as follows:

- Thomas Seely
- Security First
- Lincoln Investments
- Fidelity Investment
- Equitable/Equi-Vest

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

NOTE 13. TAX CALENDAR

Property taxes are levied by the County as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

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

NOTE 14. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The School is periodically involved in lawsuits. The School estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the School.

Encumbrances

At June 30, 2012, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 486,476	\$ 4,705	\$ 2,547,725	\$ 3,038,906

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 14. CONTINGENT LIABILITIES (Cont'd)

Encumbrances (Cont'd)

On the District's Governmental Funds Balance Sheet as of June 30, 2012, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$4,705 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in deferred revenue. The \$2,547,725 year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$2,663,073 committed fund balance on a GAAP basis at June 30, 2012. On the District's Governmental Funds Balance Sheet as of June 30, 2012, \$486,476 is assigned for year-end encumbrances in the General Fund.

BUDGETARY COMPARISON SCHEDULES

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
County Tax Levy	\$ 6,561,362		\$ 6,561,362	\$ 6,561,362	
Tuition from LEA's	1,159,000		1,159,000	1,265,627	\$ 106,627
Tuition From Individuals				1,900	1,900
Other Restricted Miscellaneous Revenue	129,000		129,000	84,785	(44,215)
Unrestricted Miscellaneous Revenues	67,500	\$ 546,746	614,246	592,330	(21,916)
Total - Local Sources	<u>7,916,862</u>	<u>546,746</u>	<u>8,463,608</u>	<u>8,506,004</u>	<u>42,396</u>
State Sources:					
Special Education Aid	279,364		279,364	279,364	
Equalization Aid	2,149,036		2,149,036	2,149,036	
Categorical Security Aid	45,759		45,759	45,759	
Adjustment Aid	1,492,795	122,447	1,615,242	1,615,242	
Anti-Bullying Aid				164	164
TPAF On-Behalf Pension Contribution (Non-Budgeted)				183,105	183,105
TPAF Post Retirement Contributions (Non-Budgeted)				368,089	368,089
TPAF Reimbursed Social Security (Non-Budgeted)				383,848	383,848
Total State Sources	<u>3,966,954</u>	<u>122,447</u>	<u>4,089,401</u>	<u>5,024,607</u>	<u>935,206</u>
Federal Sources:					
Education Jobs Fund	147,676	4,626	152,302	152,302	
Total Federal Sources	<u>147,676</u>	<u>4,626</u>	<u>152,302</u>	<u>152,302</u>	
Total Revenues	<u>12,031,492</u>	<u>673,819</u>	<u>12,705,311</u>	<u>13,682,913</u>	<u>977,602</u>

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 1,882,701	\$ 284,944	\$ 2,167,645	\$ 2,157,235	\$ 10,410
Purchased Professional-Educational Services		4,240	4,240	3,479	761
Other Purchased Services	2,250		2,250	1,386	864
General Supplies	82,700	68,625	151,325	139,138	12,187
Textbooks	2,000	53,620	55,620	53,333	2,287
Regular Programs - Home Instruction:					
Salaries of Teachers	6,000	1,300	7,300	7,020	280
Purchased Professional/Educational Services	1,500	2,940	4,440		4,440
Total Regular Programs - Instruction	<u>1,977,151</u>	<u>415,669</u>	<u>2,392,820</u>	<u>2,361,591</u>	<u>31,229</u>
Special Education Instruction:					
Resource Room/Resource Center:					
General Supplies	4,015	(4,015)			
Total Resource Room/Resorce Center	<u>4,015</u>	<u>(4,015)</u>			
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	74,447	(17,800)	56,647	52,640	4,007
Other Salaries for Instruction	21,989	1,000	22,989	21,989	1,000
General Supplies	2,588	(2,000)	588	490	98
Total Resource Room/Resorce Center	<u>99,024</u>	<u>(18,800)</u>	<u>80,224</u>	<u>75,119</u>	<u>5,105</u>
Regular Vocational Programs:					
Salaries of Teachers	1,182,228	(43,000)	1,139,228	1,083,657	55,571
Other Purchased Services	40,558	1,700	42,258	30,664	11,594

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Vocational Programs: (Cont'd)					
General Supplies	\$ 260,314	\$ 69,494	\$ 329,808	\$ 301,961	\$ 27,847
Textbooks	20,053	(9,600)	10,453	9,595	858
Total Regular Vocational Programs	<u>1,503,153</u>	<u>18,594</u>	<u>1,521,747</u>	<u>1,425,877</u>	<u>95,870</u>
Special Vocational Programs:					
Salaries of Teachers	981,839	(294,844)	686,995	674,896	12,099
Other Salaries for Instruction	57,927	1,000	58,927	58,927	
Other Purchased Services	2,931	(360)	2,571	869	1,702
General Supplies	33,975	(3,000)	30,975	24,672	6,303
Textbooks		2,300	2,300	2,242	58
Special Vocational Programs	<u>1,076,672</u>	<u>(294,904)</u>	<u>781,768</u>	<u>761,606</u>	<u>20,162</u>
School-Sponsored Cocurricular Activities:					
Salaries	59,814	5,750	65,564	65,501	63
Purchased Services	1,000		1,000		1,000
Supplies and Materials	11,000	(4,900)	6,100	3,467	2,633
Other Objects	47,100	13,000	60,100	59,852	248
Total School-Sponsored Cocurricular Activities	<u>118,914</u>	<u>13,850</u>	<u>132,764</u>	<u>128,820</u>	<u>3,944</u>
School-Sponsored Athletics:					
Salaries	290,542	550	291,092	279,755	11,337
Purchased Services	24,980	(10,900)	14,080	8,748	5,332
Supplies and Materials	34,970		34,970	28,068	6,902
Other Objects	68,000		68,000	67,019	981
Total School-Sponsored Athletics	<u>418,492</u>	<u>(10,350)</u>	<u>408,142</u>	<u>383,590</u>	<u>24,552</u>

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Total Instruction	\$ 5,197,421	\$ 120,044	\$ 5,317,465	\$ 5,136,603	\$ 180,862
Undist. Expend. - Attendance and Social Work Services:					
Salaries	21,270	4,350	25,620	25,292	328
Supplies and Materials	3,100	(1,110)	1,990	1,843	147
Total Undist: Expend. - Attendance and Social Work Services	<u>24,370</u>	<u>3,240</u>	<u>27,610</u>	<u>27,135</u>	<u>475</u>
Undist. Expend. - Health Services:					
Salaries	58,855	360	59,215	59,215	
Purchased Professional and Technical Services	2,000	(2,000)			
Other Purchased Services	275		275	250	25
Supplies and Materials	3,350	(1,220)	2,130	1,733	397
Total Undist. Expend. - Health Services	<u>64,480</u>	<u>(2,860)</u>	<u>61,620</u>	<u>61,198</u>	<u>422</u>
Undist. Expend. - Speech, OT, PT and Related Services:					
Salaries	40,232	36,233	76,465	76,442	23
Supplies and Materials	300		300		300
Total Undist. Expend. - Speech, OT, OT and Related Services	<u>40,532</u>	<u>36,233</u>	<u>76,765</u>	<u>76,442</u>	<u>323</u>
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	277,286	16,210	293,496	293,060	436
Salaries of Secretarial and Clerical Assistants	70,689	2,900	73,589	73,439	150
Other Purchased Professional and Technical Services	19,425	2,475	21,900	21,799	101
Other Purchased Services	3,680	(1,678)	2,002	2,002	
Supplies and Materials	4,000	3,150	7,150	7,088	62

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Guidance: (Cont'd)					
Other Objects	\$ 12,200	\$ 8,568	\$ 20,768	\$ 19,835	\$ 933
Total Undist. Expend. - Guidance	<u>387,280</u>	<u>31,625</u>	<u>418,905</u>	<u>417,223</u>	<u>1,682</u>
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	326,795	19,765	346,560	346,335	225
Salaries of Secretarial and Clerical Assistants	45,616	3,950	49,566	49,541	25
Other Purchased Professional and Technical Services	4,500	50	4,550	4,550	
Other Purchased Services	2,305	(650)	1,655	1,371	284
Supplies and Materials	2,400		2,400	2,314	86
Total Undist. Expend. - Child Study Team	<u>381,616</u>	<u>23,115</u>	<u>404,731</u>	<u>404,111</u>	<u>620</u>
Undist. Expend. - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	47,320	(1,525)	45,795	45,522	273
Salaries of Other Professional Staff	37,000	(14,340)	22,660	22,660	
Other Purchased Services	1,239		1,239	1,102	137
Supplies and Materials	1,500	1,325	2,825	2,559	266
Total Undist. Expend. - Improvement of Instruction Services	<u>87,059</u>	<u>(14,540)</u>	<u>72,519</u>	<u>71,843</u>	<u>676</u>
Undist. Expend. - Educational Media Services/School Library:					
Salaries	59,115	300	59,415	59,395	20
Purchased Professional and Technical Services	32,600	2,500	35,100	35,064	36
Other Purchased Services	13,820	(1,610)	12,210	11,669	541
Supplies and Materials	7,500	3,100	10,600	10,416	184
Total Undist. Expend. - Educational Media Services/School Library	<u>113,035</u>	<u>4,290</u>	<u>117,325</u>	<u>116,544</u>	<u>781</u>

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Instructional Staff Training Services:					
Salaries of Other Professional Staff		\$ 16,500	\$ 16,500	\$ 16,424	\$ 76
Purchased Professional Educational Services	\$ 6,500	(1,040)	5,460	5,449	11
Other Purchased Services	4,000	1,440	5,440	4,101	1,339
Total Undist. Expend. - Instructional Staff Training Services	<u>10,500</u>	<u>16,900</u>	<u>27,400</u>	<u>25,974</u>	<u>1,426</u>
Undist. Expend. - Support Services - General Administration:					
Salaries	149,424	(1,600)	147,824	147,712	112
Legal Services	60,000	(17,800)	42,200	38,782	3,418
Audit Fees	35,000		35,000	35,000	
Architectural/ Engineering Services	10,000	14,500	24,500	8,805	15,695
Other Purchased Professional Services	17,113		17,113	17,008	105
Communications/Telephone	20,590	(5,125)	15,465	9,960	5,505
Board of Education Other Purchased Services	2,000	560	2,560	2,535	25
General Supplies	6,000	(2,860)	3,140	2,949	191
Miscellaneous Expenditures	5,850		5,850	5,048	802
Board of Education Membership Dues and Fees	21,595	(319)	21,276	20,305	971
Total Undist. Expend. - Support Services - General Administration	<u>327,572</u>	<u>(12,644)</u>	<u>314,928</u>	<u>288,104</u>	<u>26,824</u>
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	178,407	5,220	183,627	183,594	33
Salaries of Secretarial and Clerical Assistants	93,707	(2,700)	91,007	90,670	337
Purchased Professional and Technical Services	7,088	180	7,268	5,475	1,793
Other Purchased Services	2,130	(1,790)	340		340
Supplies and Materials	20,000	2,010	22,010	21,791	219

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Support Services - School Administration:					
Other Objects	\$ 4,300	\$ 2,000	\$ 6,300	\$ 3,959	\$ 2,341
Total Undist. Expend. - Support Services - School Administration	305,632	4,920	310,552	305,489	5,063
Undistributed Expenditures - Central Services:					
Salaries	291,027	11,056	302,083	302,022	61
Purchased Technical Services	19,700		19,700	19,700	
Miscellaneous Purchased Services	8,050	(4,860)	3,190	2,414	776
Supplies and Materials	3,500	350	3,850	3,782	68
Interest on Current Loans		270	270		270
Interest on Lease Purchase Agreements	1,576		1,576	1,576	
Miscellaneous Expenditures	12,105	26,180	38,285	38,267	18
Total Undistributed Expenditures - Central Services	335,958	32,996	368,954	367,761	1,193
Undistributed Expend. - Administrative Information Technology:					
Salaries	88,266	(7,420)	80,846	80,305	541
Purchased Technical Services		8,090	8,090	7,852	238
Total Undistributed Expenditures - Admin. Info. Technology	88,266	670	88,936	88,157	779
Required Maintenance for School Facilities:					
Salaries	375,657	61,622	437,279	436,222	1,057
Cleaning, Repair and Maintenance Services	196,875	259,451	456,326	399,514	56,812
General Supplies	108,486	9,049	117,535	117,513	22
Other Objects	2,000	605	2,605	2,605	
Total Required Maintenance for School Facilities	683,018	330,727	1,013,745	955,854	57,891

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Custodial Services:					
Salaries	\$ 217,761	\$ 66,465	\$ 284,226	\$ 284,171	\$ 55
Other Purchased Property Services	49,605	61,808	111,413	101,286	10,127
Insurance	42,875	(1,750)	41,125	40,602	523
Miscellaneous Purchased Services	1,000		1,000	996	4
General Supplies	39,748	(30,260)	9,488	9,436	52
Energy (Natural Gas)	24,900	41,790	66,690	60,971	5,719
Energy (Electricity)	318,150	(37,615)	280,535	256,678	23,857
Energy (Oil)	266,400	(99,940)	166,460	166,207	253
Energy (Gasoline)		28,300	28,300	28,204	96
Total Undist. Expend. - Custodial Services	<u>960,439</u>	<u>28,798</u>	<u>989,237</u>	<u>948,551</u>	<u>40,686</u>
Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	6,240	(2,000)	4,240	4,020	220
Cleaning, Repair and Maintenance Services	6,874	(3,510)	3,364	3,126	238
General Supplies	5,000	(4,300)	700	400	300
Total Undist. Expend. - Care and Upkeep of Grounds	<u>18,114</u>	<u>(9,810)</u>	<u>8,304</u>	<u>7,546</u>	<u>758</u>
Undist. Expend. - Security:					
Salaries	28,832	25,400	54,232	54,156	76
Total Undist. Expend. - Security	<u>28,832</u>	<u>25,400</u>	<u>54,232</u>	<u>54,156</u>	<u>76</u>
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transportation:					
Salaries of Non-Instructional Aides	30,000	49,250	79,250	79,250	
Between Home and School - Regular	48,203	40,150	88,353	88,352	

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undist. Expend. - Student Transportation Services: (Cont'd)					
Cleaning, Repair and Maintenance Services	\$ 40,000		\$ 40,000	\$ 39,988	\$ 12
Other Objects	1,000		1,000	933	67
Total Undist. Expend. - Student Transportation Services	<u>119,203</u>	<u>\$ 89,400</u>	<u>208,603</u>	<u>208,523</u>	<u>80</u>
Unallocated Benefits:					
Social Security Contributions	184,877	23,779	208,656	207,933	723
Other Retirement Contributions - PERS	231,676	(11,468)	220,208	220,208	
Other Retirement Contributions - Regular		4,688	4,688	2,657	2,031
Unemployment Compensation	250,000	(175,000)	75,000	75,000	
Workmen's Compensation	141,702	(10,681)	131,021	131,021	
Health Benefits	1,619,419	(134,898)	1,484,521	1,483,653	868
Tuition Reimbursement	32,602	27,950	60,552	56,814	3,738
Other Employee Benefits	117,048	49,401	166,449	164,500	1,949
Total Unallocated Benefits	<u>2,577,324</u>	<u>(226,229)</u>	<u>2,351,095</u>	<u>2,341,786</u>	<u>9,309</u>
On-Behalf Contributions:					
TPAF On-Behalf Pension Contribution (Non-Budgeted)				183,105	(183,105)
On-Behalf Post Retirement Contributions (non-budgeted)				368,089	(368,089)
Reimbursed TPAF Social Security Contributions (non-budgeted)				383,848	(383,848)
Total On-Behalf Contributions				<u>935,042</u>	<u>(935,042)</u>
Total Personal Services - Employee Benefits	<u>2,577,324</u>	<u>(226,229)</u>	<u>2,351,095</u>	<u>3,276,828</u>	<u>(925,733)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>6,553,230</u>	<u>362,231</u>	<u>6,915,461</u>	<u>7,701,439</u>	<u>(785,978)</u>

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
TOTAL GENERAL CURRENT EXPENSE	\$ 11,750,651	\$ 482,275	\$ 12,232,926	\$ 12,838,042	\$ (605,116)
CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	39,389	51,238	90,627	50,627	40,000
Vocational Programs:					
Regular Programs	9,464	2,000	11,464	11,262	202
Undistributed:					
Support Serv. - Students - Regular		12,400	12,400	12,340	60
School Administration	8,351		8,351	8,351	
Central Services	13,926	2,555	16,481	16,481	
Required Maintenance for School Facilities	31,689		31,689	31,689	
Total Equipment	<u>102,819</u>	<u>68,193</u>	<u>171,012</u>	<u>130,750</u>	<u>40,262</u>
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services		90,839	90,839	3,240	87,599
Construction Services	153,449	458,281	611,730	303,639	308,091
Other Objects		1,703	1,703	1,703	
Total Facilities Acquisition and Construction Services	<u>153,449</u>	<u>550,823</u>	<u>704,272</u>	<u>308,582</u>	<u>395,690</u>
TOTAL CAPITAL OUTLAY	<u>256,268</u>	<u>619,016</u>	<u>875,284</u>	<u>439,332</u>	<u>435,952</u>

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
SPECIAL SCHOOLS:					
Vocational Evening - Local - Instruction:					
Salaries of Teachers	\$ 35,500	\$ (20,795)	\$ 14,705	\$ 14,705	
General Supplies	13,470	(10,525)	2,945	2,560	\$ 385
Textbooks	3,000	(3,000)			
Other Objects	3,000		3,000	3,000	
Total Vocational Evening - Local - Instruction	<u>54,970</u>	<u>(34,320)</u>	<u>20,650</u>	<u>20,265</u>	<u>385</u>
Vocational Evening - Local - Support Services:					
Salaries	132,203	(132,203)			
Personal Services - Employee Benefits	37,624	(30,761)	6,863	3,321	3,542
Other Purchased Services	18,608	(6,788)	11,820	9,632	2,188
Supplies and Materials	226,000	(223,400)	2,600	2,524	76
Total Vocational Evening - Local - Support Services	<u>414,435</u>	<u>(393,152)</u>	<u>21,283</u>	<u>15,477</u>	<u>5,806</u>
TOTAL SPECIAL SCHOOLS	<u>469,405</u>	<u>(427,472)</u>	<u>41,933</u>	<u>35,742</u>	<u>6,191</u>
TOTAL EXPENDITURES	<u>12,476,324</u>	<u>673,819</u>	<u>13,150,143</u>	<u>13,313,116</u>	<u>(162,973)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(444,832)</u>		<u>(444,832)</u>	<u>369,797</u>	<u>814,629</u>
Fund Balance, July 1	<u>781,794</u>		<u>781,794</u>	<u>781,794</u>	
Fund Balance, June 30	<u>\$ 336,962</u>	<u>\$ -0-</u>	<u>\$ 336,962</u>	<u>\$ 1,151,591</u>	<u>\$ 814,629</u>

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 225,001	
Assigned:					
Year End Encumbrances				486,476	
Designated for Subsequent Year's Expenditures				45,812	
Unassigned				394,302	
				<u>1,151,591</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not recognized on a GAAP basis				<u>(408,768)</u>	
Fund Balance per Governmental Funds (GAAP)				<u><u>\$ 742,823</u></u>	

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources	\$ 334,876	\$ 5,866	\$ 340,742	\$ 329,535	\$ (11,207)
Federal Sources	493,822	47,570	541,392	536,857	(4,535)
Total Revenues	<u>828,698</u>	<u>53,436</u>	<u>882,134</u>	<u>866,392</u>	<u>(15,742)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	250,141	(39,393)	210,748	210,747	1
Purchased Professional - Educational Services		1,050	1,050	1,050	
Purchased Professional and Technical Services		1,439	1,439	767	672
General Supplies	184,459	22,043	206,502	195,876	10,626
Total Instruction	<u>434,600</u>	<u>(14,861)</u>	<u>419,739</u>	<u>408,440</u>	<u>11,299</u>
Support Services:					
Salaries of Program Directors	18,798	(1,898)	16,900	16,900	
Salaries of Other Professional Staff	253,028	3,575	256,603	256,218	385
Personal Services - Employee Benefits	54,358	33,998	88,356	87,740	616
Purchased Professional and Technical Services	8,000	4,750	12,750	11,000	1,750
Purchased Professional - Educational Services		4,272	4,272	4,250	22
Other Purchased Services	31	200	231		231
Transportation	9,000		9,000	9,000	
Supplies and Materials	10,812	5,830	16,642	15,242	1,400
Other Objects	7,374	(871)	6,503	6,464	39
Total Support Services	<u>361,401</u>	<u>49,856</u>	<u>411,257</u>	<u>406,814</u>	<u>4,443</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	32,697	18,441	51,138	51,138	
Total Facilities Acquisition and Construction Services	<u>32,697</u>	<u>18,441</u>	<u>51,138</u>	<u>51,138</u>	
Total Expenditures	<u>\$ 828,698</u>	<u>\$ 53,436</u>	<u>\$ 882,134</u>	<u>\$ 866,392</u>	<u>\$ 15,742</u>

SUSSEX COUNTY TECHNICAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 13,682,913	\$ 866,392
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(4,705)
Cancellation of Prior Year Encumbrances		(148)
Prior Year Encumbrances		25,942
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	384,156	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(408,768)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 13,658,301</u>	<u>\$ 887,481</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 13,313,116	\$ 866,392
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(4,705)
Cancellation of Prior Year Encumbrances		(148)
Prior Year Encumbrances		25,942
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 13,313,116</u>	<u>\$ 887,481</u>

SUSSEX COUNTY TECHNICAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

SUSSEX COUNTY TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Adolescent Pregnancy Prevention Initiative	School Based Youth Services	Apprenticeship Coordinator	Carl D. Perkins	
				Post Secondary	Secondary
REVENUES					
State Sources	\$ 62,777	\$ 256,033	\$ 10,725		
Federal Sources				\$ 93,308	\$ 69,356
Total Revenues	<u>62,777</u>	<u>256,033</u>	<u>10,725</u>	<u>93,308</u>	<u>69,356</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers					
Purchased Professional - Educational Services					
Purchased Professional - Technical Services				767	
General Supplies				68,179	34,856
Total Instruction				<u>68,946</u>	<u>34,856</u>
Support Services:					
Salaries of Program Directors			9,725	3,875	3,300
Salaries of Other Professional Staff	42,575	196,718		296	253
Personal Services - Employee Benefits	11,769	38,422	1,000		
Purchased Professional - Technical Services	4,000	4,000			
Purchased Professional - Educational Services					
Transportation					
Supplies and Materials	3,304	11,558			
Other Objects	1,129	5,335			
Total Support Services	<u>62,777</u>	<u>256,033</u>	<u>10,725</u>	<u>4,171</u>	<u>3,553</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment				20,191	30,947
Total Facilities Acquisition and Construction Services				<u>20,191</u>	<u>30,947</u>
Total Expenditures	<u>\$ 62,777</u>	<u>\$ 256,033</u>	<u>\$ 10,725</u>	<u>\$ 93,308</u>	<u>\$ 69,356</u>

SUSSEX COUNTY TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Rural Education Achievement Program		No Child Left Behind			
	FY 12	Carryover FY 11	Title I	Title I FY 11	Title II A	Title II D FY 11
REVENUES						
State Sources						
Federal Sources	\$ 50,986	\$ 46,049	\$ 52,246	\$ 3,000	\$ 6,964	\$ 56
Total Revenues	50,986	46,049	52,246	3,000	6,964	56
EXPENDITURES						
Instruction:						
Salaries of Teachers			43,682		5,942	
Purchased Professional - Educational Services			1,050			
General Supplies	50,986	41,799				56
Total Instruction	50,986	41,799	44,732		5,942	56
Support Services:						
Salaries of Program Directors						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits			7,514		1,022	
Purchased Professional - Technical Services				3,000		
Purchased Professional - Educational Services		4,250				
Transportation						
Supplies and Materials						
Other Objects						
Total Support Services		4,250	7,514	3,000	1,022	
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 50,986	\$ 46,049	\$ 52,246	\$ 3,000	\$ 6,964	\$ 56

SUSSEX COUNTY TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	I.D.E.A. Part B, Basic	Workforce Investment Act Program	Teacher to Ranger to Teacher Program	Total
REVENUES				
State Sources				\$ 329,535
Federal Sources	\$ 172,206	\$ 40,286	\$ 2,400	536,857
Total Revenues	<u>172,206</u>	<u>40,286</u>	<u>2,400</u>	<u>866,392</u>
EXPENDITURES				
Instruction:				
Salaries of Teachers	146,933	14,190		210,747
Purchased Professional - Educational Services				1,050
General Supplies				195,876
Total Instruction	<u>146,933</u>	<u>14,190</u>		<u>408,440</u>
Support Services:				
Salaries of Program Directors				16,900
Salaries of Other Professional Staff		13,976	2,400	256,218
Personal Services - Employee Benefits	25,273	2,740		87,740
Purchased Professional - Technical Services				11,000
Purchased Professional - Educational Services				4,250
Transportation		9,000		9,000
Supplies and Materials		380		15,242
Other Objects				6,464
Total Support Services	<u>25,273</u>	<u>26,096</u>	<u>2,400</u>	<u>406,814</u>
Facilities Acquisition and Construction Services:				
Instructional Equipment				51,138
Total Facilities Acquisition and Construction Services				<u>51,138</u>
Total Expenditures	<u>\$ 172,206</u>	<u>\$ 40,286</u>	<u>\$ 2,400</u>	<u>\$ 866,392</u>

CAPITAL PROJECTS FUND

Exhibit F-1

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 1,402,000
County Bond Ordinance Proceeds	<u>2,309,642</u>
Total Revenue and Other Financing Sources	<u>3,711,642</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	158,653
Construction Services	376,862
Cancel Accounts Receivables from SDA	36,248
Cancel Accounts Receivable from County	<u>20,296</u>
Total Expenditures	<u>592,059</u>
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	3,119,583
Fund Balance - Beginning of Year	<u>1,282,690</u>
Fund Balance - End of Year	<u>\$ 4,402,273</u>
<u>Recapitulation:</u>	
Committed	\$ 1,854,548
Committed - Year End Encumbrances	<u>2,547,725</u>
Total Fund Balance - Budgetary Basis	4,402,273
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on the GAAP Basis	<u>(1,739,200)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,663,073</u>

Exhibit F-1A

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
VARIOUS IMPROVEMENTS TO THE SUSSEX COUNTY TECHNICAL SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
County Bond Ordinance Proceeds	\$ 800,000		\$ 800,000	\$ 800,000
Revenue and Other Financing Sources	<u>800,000</u>		<u>800,000</u>	<u>800,000</u>
Expenditures:				
Purchased Professional and Technical Services	12,776	\$ 201	12,977	
Construction Services	<u>746,499</u>	<u>40,524</u>	<u>787,023</u>	<u>800,000</u>
Total Expenditures	<u>759,275</u>	<u>40,725</u>	<u>800,000</u>	<u>800,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 40,725</u>	<u>\$ (40,725)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

County Bond Ordinance Authorization Date	3/11/09
County Bond Ordinance Authorized	\$ 800,000
Original Authorized Cost	\$ 800,000
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 800,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	11/09
Revised Target Completion Date	06/12

Exhibit F-1B

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
CONNECTION TO SPARTA TOWNSHIP WATER SUPPLY SYSTEM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 190,000	\$ (6,076)	\$ 183,924	\$ 190,000
County Bond Ordinance Proceeds	310,000	190,000	500,000	500,000
Revenue and Other Financing Sources	<u>500,000</u>	<u>183,924</u>	<u>683,924</u>	<u>690,000</u>
Expenditures:				
Purchased Professional and Technical Services	24,598	2,902	27,500	22,500
Construction Services	396,398	71,951	468,349	667,500
Total Expenditures	<u>420,996</u>	<u>74,853</u>	<u>495,849</u>	<u>690,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 79,004</u>	<u>\$ 109,071</u>	<u>\$ 188,075</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	5110-010-09-GOXR
Grant Date	11/24/10
County Bond Ordinance Authorization Date	10/14/09
County Bond Ordinance Authorized	\$ 500,000
Original Authorized Cost	\$ 500,000
Additional Authorized Cost	190,000
Revised Authorized Cost	\$ 690,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	73%
Original Target Completion Date	06/11
Revised Target Completion Date	10/12

Exhibit F-1C

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
KITCHEN HVAC AND ELECTRICAL UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 188,000		\$ 188,000	\$ 188,000
County Bond Ordinance Proceeds	282,000		282,000	282,000
Total Revenue and Other Financing Sources	470,000		470,000	470,000
Expenditures:				
Purchased Professional and Technical Services	4,100	\$ 29,834	33,934	41,000
Construction Services		4,407	4,407	429,000
Total Expenditures	4,100	34,241	38,341	470,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 465,900	\$ (34,241)	\$ 431,659	\$ -0-

Additional Project Information:

Project Numbers	5110-010-09-G0XO
Grant Date	6/1/11
County Bond Ordinance Authorization Date	3/9/11
County Bond Ordinance Authorized	\$ 282,000
Original Authorized Cost	\$ 470,000
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 470,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	8%
Original Target Completion Date	10/12
Revised Target Completion Date	10/12

Exhibit F-1D

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
MAIN ELECTRICAL SERVICE PANELS REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 52,400	\$ (12,150)	\$ 40,250	\$ 40,250
County Bond Ordinance Proceeds	78,600	(18,226)	60,374	60,374
Total Revenue and Other Financing Sources	131,000	(30,376)	100,624	100,624
Expenditures:				
Purchased Professional and Technical Services	9,339	2,855	12,194	11,100
Construction Services		88,430	88,430	89,524
Total Expenditures	9,339	91,285	100,624	100,624
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 121,661	\$ (121,661)	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	5110-010-09-G0XP
Grant Date	6/1/11
County Bond Ordinance Authorization Date	3/9/11
County Bond Ordinance Authorized	\$ 78,600
Original Authorized Cost	\$ 131,000
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 131,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	10/11
Revised Target Completion Date	10/11

Exhibit F-1E

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
BOILER REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 168,000		\$ 168,000	\$ 168,000
County Bond Ordinance Proceeds	252,000		252,000	252,000
Total Revenue and Other Financing Sources	420,000		420,000	420,000
Expenditures:				
Purchased Professional and Technical Services	19,600	\$ 12,049	31,649	35,000
Construction Services				385,000
Total Expenditures	19,600	12,049	31,649	420,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 400,400	\$ (12,049)	\$ 388,351	\$ -0-

Additional Project Information:

Project Numbers	5110-010-09-G0XQ
Grant Date	6/1/11
County Bond Ordinance Authorization Date	3/9/11
County Bond Ordinance Authorized	\$ 252,000
Original Authorized Cost	\$ 420,000
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 420,000
Percentage Increase over Original Authorized Cost	7.54%
Percentage Completion	8%
Original Target Completion Date	10/12
Revised Target Completion Date	10/12

Exhibit F-1F

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
TELEPHONE SYSTEM REPLACEMENT/UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 30,000	\$ (1,357)	\$ 28,643	\$ 28,643
County Bond Ordinance Proceeds	45,000	(2,036)	42,964	42,964
Total Revenue and Other Financing Sources	<u>75,000</u>	<u>(3,393)</u>	<u>71,607</u>	<u>71,607</u>
Expenditures:				
Purchased Professional and Technical Services				9,000
Construction Services		71,607	71,607	62,607
Total Expenditures		<u>71,607</u>	<u>71,607</u>	<u>71,607</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 75,000</u>	<u>\$ (75,000)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	5110-010-09-G0XU
Grant Date	6/1/11
County Bond Ordinance Authorization Date	3/9/11
County Bond Ordinance Authorized	\$ 45,000
Original Authorized Cost	\$ 75,000
Additional Authorized Cost	(3,393)
Revised Authorized Cost	\$ 71,607
Percentage Decrease under Original Authorized Cost	-4.52%
Percentage Completion	100.00%
Original Target Completion Date	12/11
Revised Target Completion Date	12/11

Exhibit F-1G

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
TECHNOLOGY SYSTEM UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 40,000	\$ (23)	\$ 39,977	\$ 39,977
County Bond Ordinance Proceeds	60,000	(34)	59,966	59,966
Total Revenue and Other Financing Sources	<u>100,000</u>	<u>(57)</u>	<u>99,943</u>	<u>99,943</u>
Expenditures:				
Purchased Professional and Technical Services				11,943
Construction Services		99,943	99,943	88,000
Total Expenditures		<u>99,943</u>	<u>99,943</u>	<u>99,943</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 100,000</u>	<u>\$ (100,000)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	5110-010-09-G0XV
Grant Date	6/1/11
County Bond Ordinance Authorization Date	3/9/11
County Bond Ordinance Authorized	\$ 60,000
Original Authorized Cost	\$ 100,000
Additional Authorized Cost	(57)
Revised Authorized Cost	\$ 99,943
Percentage Decrease under Original Authorized Cost	-0.06%
Percentage Completion	100.00%
Original Target Completion Date	12/11
Revised Target Completion Date	12/11

Exhibit F-1H

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
VARIOUS EXTERIOR IMPROVEMENTS TO THE MCNIECE BUILDING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 706,000	\$ 706,000	\$ 706,000
County Bond Ordinance Proceeds		1,059,000	1,059,000	1,059,000
Revenue and Other Financing Sources		<u>1,765,000</u>	<u>1,765,000</u>	<u>1,765,000</u>
Expenditures:				
Purchased Professional and Technical Services		110,812	110,812	292,400
Construction Services				1,472,600
Total Expenditures		<u>110,812</u>	<u>110,812</u>	<u>1,765,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ 1,654,188</u>	<u>\$ 1,654,188</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	5110-010-09-G0XS
Grant Date	4/26/12
County Bond Ordinance Authorization Date	1/25/12
County Bond Ordinance Authorized	\$ 1,059,000
Original Authorized Cost	\$ 1,765,000
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 1,765,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	6%
Original Target Completion Date	11/12
Revised Target Completion Date	11/12

Exhibit F-11

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
VARIOUS AIR QUALITY IMPROVEMENTS TO MCNIECE AUDITORIUM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 696,000	\$ 696,000	\$ 696,000
County Bond Ordinance Proceeds		1,044,000	1,044,000	1,044,000
		<u>1,740,000</u>	<u>1,740,000</u>	<u>1,740,000</u>
Revenue and Other Financing Sources		<u>1,740,000</u>	<u>1,740,000</u>	<u>1,740,000</u>
Expenditures:				
Purchased Professional and Technical Services				290,000
Construction Services				1,450,000
				<u>1,740,000</u>
Total Expenditures				<u>1,740,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ 1,740,000</u>	<u>\$ 1,740,000</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	5110-010-09-G0XN
Grant Date	4/26/12
County Bond Ordinance Authorization Date	1/25/12
County Bond Ordinance Authorized	\$ 1,044,000
Original Authorized Cost	\$ 1,740,000
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 1,740,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	10/13
Revised Target Completion Date	10/13

PROPRIETARY FUNDS

Exhibit G-1

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Transportation</u>	<u>Use of Facilities</u>	<u>Food Service</u>	<u>Totals</u>
ASSETS:				
Current Assets:				
Intrafund Receivable		\$ 52,140	\$ 20,704	\$ 72,844
Intergovernmental Accounts Receivable:				
State			157	157
Federal			5,073	5,073
Other			3,038	3,038
Other Accounts Receivable	\$ 58,078	37,160		95,238
Inventories			7,929	7,929
Total Current Assets	<u>58,078</u>	<u>89,300</u>	<u>36,901</u>	<u>184,279</u>
Non-Current Assets:				
Capital Assets	415,296		68,464	483,760
Less: Accumulated Depreciation	(58,609)		(23,503)	(82,112)
Total Non-Current Assets	<u>356,687</u>		<u>44,961</u>	<u>401,648</u>
Total Assets	<u>414,765</u>	<u>89,300</u>	<u>81,862</u>	<u>585,927</u>
LIABILITIES:				
Current Liabilities:				
Interfund Payable	161,976			161,976
Accounts Payable	120			120
Deferred Revenue			377	377
Total Current Liabilities:	<u>162,096</u>		<u>377</u>	<u>162,473</u>
Noncurrent Liabilities:				
Capital Leases Payable:				
Due Within One Year	67,101			67,101
Due Beyond One Year	192,599			192,599
Total Noncurrent Liabilities	<u>259,700</u>			<u>259,700</u>
Total Liabilities	<u>421,796</u>		<u>\$ 377</u>	<u>422,173</u>
NET ASSETS:				
Investment in Capital Assets Net of Related Debt	96,987		44,961	141,948
Unrestricted/(Deficit)	(104,018)	\$ 89,300	36,524	21,806
Total Net Assets/(Deficit)	<u>\$ (7,031)</u>	<u>\$ 89,300</u>	<u>\$ 81,485</u>	<u>\$ 163,754</u>

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Transportation</u>	<u>Use of Facilities</u>	<u>Food Service</u>	<u>Totals</u>
Operating Revenue:				
Daily Sales - Reimbursable Programs			\$ 129,099	\$ 129,099
Daily Sales - Non-Reimbursable Programs			50,601	50,601
Charges for Services - Program Fees	\$ 823,528	\$ 162,705		986,233
Special Events			60,709	60,709
Miscellaneous Revenue			23,912	23,912
Total Operating Revenue	823,528	162,705	264,321	1,250,554
Operating Expenses:				
Cost of Sales			154,171	154,171
Salaries	448,174	41,936	90,316	580,426
Employee Benefits	168,620	4,717	35,849	209,186
Purchased Professional Technical Services		21,199		21,199
Maintenance	29,971			29,971
Lease Purchase Payment	37,351			37,351
Other Purchased Services	13,000		56,178	69,178
Supplies and Materials	64,211		8,420	72,631
Energy		38,503		38,503
Miscellaneous Expenditures	200	4,500	6,387	11,087
Depreciation Expense	41,885		7,771	49,656
Total Operating Expenses	803,412	110,855	359,092	1,273,359
Operating Income/(Loss)	20,116	51,850	(94,771)	(22,805)
Non-Operating Revenue:				
Interest Income			38	38
State Sources:				
State School Lunch Program			2,950	2,950
Federal Sources:				
National School Lunch Program			70,889	70,889
School Breakfast Program			12,840	12,840
Food Distribution Program			11,225	11,225
Total Non-Operating Revenue			97,942	97,942
Change in Net Assets Before Other Financing Uses	20,116	51,850	3,171	75,137

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Transportation</u>	<u>Use of Facilities</u>	<u>Food Service</u>	<u>Totals</u>
Other Financing Uses:				
Cancellation of Prior Year Accounts Receivable	<u>\$ (22,181)</u>	<u>\$ (6,897)</u>	<u>\$ (198)</u>	<u>\$ (29,276)</u>
Total Other Financing Uses	<u>(22,181)</u>	<u>(6,897)</u>	<u>(198)</u>	<u>(29,276)</u>
Change in Net Assets	(2,065)	44,953	2,973	45,861
Net Assets/(Deficit) - Beginning of Year	<u>(4,966)</u>	<u>44,347</u>	<u>78,512</u>	<u>117,893</u>
Net Assets/(Deficit) - End of Year	<u>\$ (7,031)</u>	<u>\$ 89,300</u>	<u>\$ 81,485</u>	<u>\$ 163,754</u>

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Transportation</u>	<u>Use of Facilities</u>	<u>Food Service</u>	<u>Totals</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 807,704	\$ 141,395	\$ 269,896	\$ 1,218,995
Intrafund Advanced	161,976	(52,140)	(20,704)	89,132
Collection of Prior Year Intrafund Receivable		21,600	3,596	25,196
Settlement of Prior Year Intrafund Payable	(125,606)			(125,606)
Payments to/for Employees	(616,794)	(46,653)	(126,165)	(789,612)
Payments to Suppliers	(155,140)	(64,202)	(214,159)	(433,501)
Net Cash Provided by/(Used for) Operating Activities	<u>72,140</u>		<u>(87,536)</u>	<u>(15,396)</u>
Cash Flows from Financing Activities:				
Interest Income			38	38
Net Cash Provided by Financing Activities			<u>38</u>	<u>38</u>
Cash Flows from Capital and Related Financing Activities:				
Lease Purchase Principal Payment	(72,140)			(72,140)
Net Cash Used for Capital and Related Financing Activities	<u>(72,140)</u>			<u>(72,140)</u>
Cash Flows by Noncapital Financing Activities:				
State Sources			3,005	3,005
Federal Sources			84,493	84,493
Net Cash Provided by Noncapital Financing Activities			<u>87,498</u>	<u>87,498</u>
Net (Decrease) in Cash and Cash Equivalents	-0-	-0-	-0-	-0-
Cash and Cash Equivalents, July 1	-0-	-0-	-0-	-0-
Cash and Cash Equivalents, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Transportation</u>	<u>Use of Facilities</u>	<u>Food Service</u>	<u>Totals</u>
Operating Income/(Loss)	\$ 20,116	\$ 51,850	\$ (94,771)	\$ (22,805)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) for Operating Activities:				
Depreciation	41,885		7,771	49,656
Food Distribution Program			11,225	11,225
Changes in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	(15,824)	(21,310)	5,575	(31,559)
(Increase)/Decrease in Intrafund Receivable	(6,646)	(30,540)	(23,754)	(60,940)
Increase in Intrafund Payable	43,016		6,646	49,662
(Decrease) in Accounts Payable	(10,407)			(10,407)
(Decrease) in Deferred Revenue			(770)	(770)
Decrease in Inventory			542	542
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 72,140</u>	<u>\$ -0-</u>	<u>\$ (87,536)</u>	<u>\$ (15,396)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Donated Commodities through the Food Distribution Program valued at \$10,456 and utilized Commodities valued at \$11,225. The Transportation Fund paid down \$72,140 of lease purchase payable.

FIDUCIARY FUNDS

Exhibit H-1

SUSSEX COUNTY TECHNICAL SCHOOL
FIDUCIARY FUND
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Agency</u>		<u>Total Agency</u>	<u>Health Promotion Trust</u>	<u>Unemployment Compensation Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 87,021	\$ 25,889	\$ 112,910	\$ 2,517	\$ 120,973
Investments				5,768	
Total Assets	<u>87,021</u>	<u>25,889</u>	<u>112,910</u>	<u>8,285</u>	<u>120,973</u>
<u>LIABILITIES:</u>					
Interfund Payable:					
General Fund		79	79		
Payroll Deductions and Withholdings		25,810	25,810		
Due to Student Groups	87,021		87,021		
Total Liabilities	<u>87,021</u>	<u>25,889</u>	<u>112,910</u>		
<u>NET ASSETS:</u>					
Held in Trust for Unemployment Claims					120,973
Restricted for Health Promotion Expenses				8,285	
Total Net Assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 8,285</u>	<u>\$ 120,973</u>

Exhibit H-2

SUSSEX COUNTY TECHNICAL SCHOOL
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Health Promotion Trust	Unemployment Compensation Trust
ADDITIONS:		
Contributions:		
Plan Members		\$ 15,454
Budget Appropriation:		
General Fund		75,000
Investment Earnings:		
Interest	\$ 48	234
Net Investment Earnings	48	234
Total Additions	48	90,688
DEDUCTIONS:		
Unemployment Benefit Claims		86,393
Health Promotion Expenses	99	
Total Deductions	99	86,393
Change in Net Assets	(51)	4,295
Net Assets - Beginning of the Year	8,336	116,678
Net Assets - End of the Year	\$ 8,285	\$ 120,973

SUSSEX COUNTY TECHNICAL SCHOOL
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 57,513	\$ 246,593	\$ 217,085	\$ 87,021
Total Assets	<u>\$ 57,513</u>	<u>\$ 246,593</u>	<u>\$ 217,085</u>	<u>\$ 87,021</u>
 <u>LIABILITIES:</u>				
Due to Student Groups	\$ 57,513	\$ 246,593	\$ 217,085	\$ 87,021
Total Liabilities	<u>\$ 57,513</u>	<u>\$ 246,593</u>	<u>\$ 217,085</u>	<u>\$ 87,021</u>

Exhibit H-4

SUSSEX COUNTY TECHNICAL SCHOOL
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 24,379	\$ 14,688,026	\$ 14,686,516	\$ 25,889
Total Assets	<u>\$ 24,379</u>	<u>\$ 14,688,026</u>	<u>\$ 14,686,516</u>	<u>\$ 25,889</u>
 <u>LIABILITIES:</u>				
Interfund Payable:				
General Fund	\$ 3,161	\$ 79	\$ 3,161	\$ 79
Payroll Deductions and Withholdings	<u>21,218</u>	<u>14,687,947</u>	<u>14,683,355</u>	<u>25,810</u>
Total Liabilities	<u>\$ 24,379</u>	<u>\$ 14,688,026</u>	<u>\$ 14,686,516</u>	<u>\$ 25,889</u>

LONG-TERM DEBT

Exhibit I-1

SUSSEX COUNTY TECHNICAL SCHOOL
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2011</u>	<u>Matured</u>	<u>Balance June 30, 2012</u>
Two 2009 54-Passenger School Buses	4.00%	\$ 155,792	\$ 63,910	\$ 31,289	\$ 32,621
Savin Digital Imaging System	5.90%	29,098	22,981	5,488	17,493
40-Passenger Bus with Wheelchair Lift	3.88%	99,900	78,340	18,520	59,820
Three Type C 54-Passenger School Buses	2.88%	253,500	<u>253,500</u>	<u>53,620</u>	<u>199,880</u>
			<u>\$ 418,731</u>	<u>\$ 108,917</u>	<u>\$ 309,814</u>
					Governmental Activities \$ 50,114
					Business-Type Activities <u>259,700</u>
					<u>\$ 309,814</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

SUSSEX COUNTY TECHNICAL SCHOOL
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 8,212,744	\$ 7,765,311	\$ 7,646,547	\$ 7,318,782	\$ 7,662,551	\$ 8,135,523	\$ 8,501,170	\$ 8,723,160
Restricted/(Deficit)	212,264	(17,500)	405,056	467,105	962,480	792,365	904,291	2,888,074
Unrestricted/(Deficit)	<u>(2,443,611)</u>	<u>(2,154,519)</u>	<u>(1,754,201)</u>	<u>(1,437,682)</u>	<u>(1,522,644)</u>	<u>(768,516)</u>	<u>(410,203)</u>	<u>(183,223)</u>
Total Governmental Activities Net Assets	<u>\$ 5,981,397</u>	<u>\$ 5,593,292</u>	<u>\$ 6,297,402</u>	<u>\$ 6,348,205</u>	<u>\$ 7,102,387</u>	<u>\$ 8,159,372</u>	<u>\$ 8,995,258</u>	<u>\$ 11,428,011</u>
Business-Type Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 1,612	\$ 1,382	\$ 1,152	\$ 21,502	\$ 30,951	\$ 100,408	\$ 119,464	\$ 141,948
Unrestricted/(Deficit)	<u>95,329</u>	<u>134,244</u>	<u>155,897</u>	<u>216,986</u>	<u>274,994</u>	<u>97,924</u>	<u>(1,571)</u>	<u>21,806</u>
Total Business-Type Activities Net Assets	<u>\$ 96,941</u>	<u>\$ 135,626</u>	<u>\$ 157,049</u>	<u>\$ 238,488</u>	<u>\$ 305,945</u>	<u>\$ 198,332</u>	<u>\$ 117,893</u>	<u>\$ 163,754</u>
District-Wide:								
Invested in Capital Assets, Net of Related Debt	\$ 8,214,356	\$ 7,766,693	\$ 7,647,699	\$ 7,340,284	\$ 7,693,502	\$ 8,235,931	\$ 8,620,634	\$ 8,865,108
Restricted/(Deficit)	212,264	(17,500)	405,056	467,105	962,480	792,365	904,291	2,888,074
Unrestricted/(Deficit)	<u>(2,348,282)</u>	<u>(2,020,275)</u>	<u>(1,598,304)</u>	<u>(1,220,696)</u>	<u>(1,247,650)</u>	<u>(670,592)</u>	<u>(411,774)</u>	<u>(161,417)</u>
Total District Net Assets	<u>\$ 6,078,338</u>	<u>\$ 5,728,918</u>	<u>\$ 6,454,451</u>	<u>\$ 6,586,693</u>	<u>\$ 7,408,332</u>	<u>\$ 8,357,704</u>	<u>\$ 9,113,151</u>	<u>\$ 11,591,765</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

SUSSEX COUNTY TECHNICAL SCHOOL
CHANGES IN NET ASSETS, LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:								
Governmental Activities:								
Instruction:								
Regular	\$ 3,369,890	\$ 3,339,925	\$ 2,985,514	\$ 3,400,265	\$ 3,567,971	\$ 3,352,925	\$ 3,014,188	\$ 3,551,917
Special Education	240,993	258,916	242,686	205,202	515,844	515,634	369,177	485,510
Other Special Instruction	123,926	147,648	223,261	247,074	145,436	170,273	177,878	75,119
Vocational Education	3,161,510	3,135,878	3,224,780	3,230,634	3,070,617	2,736,234	3,057,019	2,798,254
School-Sponsored/Other Instruction	595,948	594,230	661,116	584,005	659,416	677,808	666,075	662,399
Support Services:								
Student and Instruction Related Services	1,738,584	1,906,543	2,075,835	1,811,315	2,140,572	2,009,482	2,032,388	2,076,490
General Administrative Services	457,316	455,235	398,084	422,633	372,621	410,736	385,125	350,707
School Administrative Services	353,154	470,894	513,836	536,642	557,053	511,940	428,820	426,091
Central Services	434,604	521,266	463,044	402,774	517,469	412,099	453,552	498,783
Administrative Information Technology	142,313	115,601	141,090	113,641	55,773	101,361	121,765	124,532
Plant Operations and Maintenance	1,723,985	1,716,764	1,867,812	1,715,959	1,682,487	1,712,496	1,750,396	2,330,740
Pupil Transportation	542,583	642,003	713,802	260,186	156,698	129,353	141,247	295,552
Special Schools	285,976	286,915	331,689	476,119	516,417	435,073	596,556	137,487
Capital Outlay	36,583	471,290	65,362	115,191	33,242	32,058	35,841	305,009
Unallocated Depreciation	322,779	601,292	348,429	351,212	318,180	328,004	307,277	388,737
Total Governmental Activities Expenses	13,530,144	14,664,400	14,256,340	13,872,852	14,309,796	13,535,476	13,537,304	14,507,327
Business-Type Activities:								
Juvenile Detention Center	157,977	173,596	167,982	184,743	156,214	173,807	4,682	
Swimming Pool	115,795	107,411	123,585	136,443	109,641	112,018	28,245	
Transportation				548,991	703,465	756,640	782,002	803,412
Use of Facilities				71,866	73,239	83,640	113,829	110,855
Charter School				127,771	132,269	152,154	53,608	
ETTC	92,495	60,753	59,909					
Food Service	318,046	327,952	349,791	367,563	435,902	366,462	340,245	359,092
Total Business-Type Activities Expense	684,313	669,712	701,267	1,437,377	1,610,730	1,644,721	1,322,611	1,273,359
Total District Expenses	14,214,457	15,334,112	14,957,607	15,310,229	15,920,526	15,180,197	14,859,915	15,780,686

SUSSEX COUNTY TECHNICAL SCHOOL
CHANGES IN NET ASSETS, LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues:								
Governmental Activities:								
Charges for Services:								
Tuition								\$ 1,267,527
Pupil Transportation	\$ 405,410	\$ 456,402	\$ 469,505					
Operating Grants and Contributions	3,211,575	3,479,483	3,866,481	\$ 3,973,180	\$ 2,369,888	\$ 2,181,752	\$ 1,937,007	2,254,343
Capital Grants and Contributions	59,029						255,449	127,670
Total Governmental Activities Program Revenues	<u>3,676,014</u>	<u>3,935,885</u>	<u>4,335,986</u>	<u>3,973,180</u>	<u>2,369,888</u>	<u>2,181,752</u>	<u>2,192,456</u>	<u>3,649,540</u>
Business-Type Activities:								
Charges for Services:								
Juvenile Detention Center	169,008	169,008	187,858	180,000	170,000	82,500		
Swimming Pool	120,696	112,743	110,206	134,365	110,791	102,570	5,805	
Transportation				537,220	781,666	755,238	719,144	823,528
Use of Facilities				87,123	73,797	100,985	127,752	162,705
Charter School				136,097	150,792	151,259	53,608	
ETTC	77,970	51,703	57,804					
Food Service	266,432	311,578	306,853	274,233	323,428	274,247	254,418	264,321
Operating Grants and Contributions	66,325	63,365	59,969	57,465	57,748	67,497	83,172	97,904
Total Business-Type Activities Program Revenues	<u>700,431</u>	<u>708,397</u>	<u>722,690</u>	<u>1,406,503</u>	<u>1,668,222</u>	<u>1,534,296</u>	<u>1,243,899</u>	<u>1,348,458</u>
Total District Program Revenues	<u>4,376,445</u>	<u>4,644,282</u>	<u>5,058,676</u>	<u>5,379,683</u>	<u>4,038,110</u>	<u>3,716,048</u>	<u>3,436,355</u>	<u>4,997,998</u>
Net (Expense)/Revenue:								
Governmental Activities	(9,854,130)	(10,728,515)	(9,920,354)	(9,899,672)	(11,939,908)	(11,353,724)	(11,344,848)	(10,857,787)
Business-Type Activities	16,118	38,685	21,423	(30,874)	57,492	(110,425)	(78,712)	75,099
Total District-Wide Net Expense	<u>(9,838,012)</u>	<u>(10,689,830)</u>	<u>(9,898,931)</u>	<u>(9,930,546)</u>	<u>(11,882,416)</u>	<u>(11,464,149)</u>	<u>(11,423,560)</u>	<u>(10,782,688)</u>
General Revenues and Other Changes in Net Assets:								
Governmental Activities:								
County Tax Levy	6,582,646	6,582,646	7,047,646	7,047,646	7,561,362	7,561,362	\$ 7,826,010	\$ 6,561,362
Tuition	11,328	25,620	22,287	18,529	41,428	21,356	15,810	
Federal and State Aid not Restricted	2,649,048	2,518,025	2,518,025	2,638,903	3,827,325	4,148,033	3,624,889	3,785,435
NJEDA Project Grant				134,256				
Transfers				(67,664)			(14,258)	

SUSSEX COUNTY TECHNICAL SCHOOL
CHANGES IN NET ASSETS, LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets (Cont'd):								
Governmental Activities (Cont'd):								
Miscellaneous Income	\$ 624,365	\$ 557,702	\$ 598,603	\$ 178,805	\$ 172,978	\$ 179,958	\$ 200,683	\$ 677,115
Sale of Administration Building		952,423						
Special Item - Transfer of Portion of Proceeds from Sale of Administrative Building to Sussex County to Offset Existing Debt Service on the Original Purchase of the Administrative Building		(296,006)						
County Bond Ordinance Proceeds and Capital Lease Proceeds	503,458		437,903		1,090,997	500,000	717,600	2,309,642
Cancellation of Intergovernmental Accts Receivable							(190,000)	(43,014)
Total Governmental Activities	<u>10,370,845</u>	<u>10,340,410</u>	<u>10,624,464</u>	<u>9,950,475</u>	<u>12,694,090</u>	<u>12,410,709</u>	<u>12,180,734</u>	<u>13,290,540</u>
Business-Type Activities:								
Miscellaneous Income	38,671			44,649				38
Transfers				67,664			14,258	
Cancellation of Prior Year Accounts Receivable					(948)	(3,661)	(15,985)	(29,276)
Cancellation of Prior Year Accounts Payable					10,913	6,473		
Total Business-Type Activities	<u>38,671</u>			<u>112,313</u>	<u>9,965</u>	<u>2,812</u>	<u>(1,727)</u>	<u>(29,238)</u>
Total District-Wide	<u>10,409,516</u>	<u>10,340,410</u>	<u>10,624,464</u>	<u>10,062,788</u>	<u>12,704,055</u>	<u>12,413,521</u>	<u>12,179,007</u>	<u>13,261,302</u>
Change in Net Assets:								
Governmental Activities	516,715	(388,105)	704,110	50,803	754,182	1,056,985	835,886	2,432,753
Business-Type Activities	54,789	38,685	21,423	81,439	67,457	(107,613)	(80,439)	45,861
Total District	<u>\$ 571,504</u>	<u>\$ (349,420)</u>	<u>\$ 725,533</u>	<u>\$ 132,242</u>	<u>\$ 821,639</u>	<u>\$ 949,372</u>	<u>\$ 755,447</u>	<u>\$ 2,478,614</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

SUSSEX COUNTY TECHNICAL SCHOOL
FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:								
Reserved/Restricted	\$ 28,988	\$ 68,777	\$ 90,325	\$ 138,268	\$ 128,238	\$ 213,682	\$ 100,001	\$ 225,001
Assigned							297,637	517,822
Unreserved/(Deficit)	<u>(29,137)</u>	<u>312,130</u>	<u>278,023</u>	<u>36,905</u>	<u>(172,457)</u>	<u>42,943</u>		
Total General Fund	<u>\$ (149)</u>	<u>\$ 380,907</u>	<u>\$ 368,348</u>	<u>\$ 175,173</u>	<u>\$ (44,219)</u>	<u>\$ 256,625</u>	<u>\$ 397,638</u>	<u>\$ 742,823</u>
All Other Governmental Funds:								
Reserved/Restricted	\$ 286,135	\$ 16,213	\$ 80,343	\$ 130,829	\$ 27,410	\$ 8,597		
Committed							\$ 804,290	\$ 2,663,073
Unreserved/(Deficit), Reported In:								
Special Revenue Fund	(775)	(775)	(775)	(775)				
Capital Projects Fund	<u>(102,084)</u>	<u>(101,715)</u>	<u>235,163</u>	<u>198,782</u>	<u>806,832</u>	<u>570,086</u>		
Total All Other Governmental Funds	<u>\$ 183,276</u>	<u>\$ (86,277)</u>	<u>\$ 314,731</u>	<u>\$ 328,836</u>	<u>\$ 834,242</u>	<u>\$ 578,683</u>	<u>\$ 804,290</u>	<u>\$ 2,663,073</u>
Governmental Funds:								
Reserved/Restricted	\$ 315,123	\$ 84,990	\$ 170,668	\$ 269,097	\$ 155,648	\$ 222,279	\$ 100,001	\$ 225,001
Committed							804,290	2,663,073
Assigned							297,637	517,822
Unreserved/(Deficit)	<u>(131,996)</u>	<u>209,640</u>	<u>512,411</u>	<u>234,912</u>	<u>634,375</u>	<u>613,029</u>		
Total Governmental Funds	<u>\$ 183,127</u>	<u>\$ 294,630</u>	<u>\$ 683,079</u>	<u>\$ 504,009</u>	<u>\$ 790,023</u>	<u>\$ 835,308</u>	<u>\$ 1,201,928</u>	<u>\$ 3,405,896</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

SUSSEX COUNTY TECHNICAL SCHOOL
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:								
County Tax Levy	\$ 6,582,646	\$ 6,582,646	\$ 7,047,646	\$ 7,047,646	\$ 7,561,362	\$ 7,561,362	\$ 7,826,010	\$ 6,561,362
Tuition from LEA's	1,328	10,620	14,247	11,029	31,428	18,856	13,310	1,265,627
Other Tuition	10,000	15,000	8,040	7,500	10,000	2,500	2,500	1,900
Transportation Fees from Other LEA's	405,410	456,402	469,505					
Other Restricted Miscellaneous Revenue	510,127	488,344	500,509	54,897	112,069	98,164	118,253	84,785
Unrestricted Miscellaneous Revenue	114,523	77,861	101,206	123,907	61,170	83,168	83,345	592,330
State Sources	5,442,424	5,478,673	5,955,911	6,190,855	5,359,701	5,131,702	5,267,495	5,463,300
Federal Sources	476,943	510,332	425,483	555,484	837,251	1,196,709	548,935	704,148
Total Revenue	13,543,401	13,619,878	14,522,547	13,991,318	13,972,981	14,092,461	13,859,848	14,673,452
Expenditures:								
Instruction:								
Regular Instruction	2,438,652	2,289,051	2,363,803	2,414,759	2,393,859	2,419,298	2,113,452	2,519,796
Special Education Instruction	238,905	211,400	204,660	212,184	196,601	240,874	144,386	146,933
Other Special Instruction	123,926	147,648	149,074	161,348	145,436	170,273	177,878	75,119
Vocational Education Instruction	2,377,150	2,325,064	2,245,240	2,287,526	2,479,059	2,490,274	2,383,526	2,222,339
School-Sponsored/Other Instruction	477,845	454,070	436,177	458,840	509,460	548,040	518,769	512,410
Support Services:								
Student and Instruction Related Services	1,388,617	1,448,081	1,569,017	1,434,453	1,697,894	1,671,028	1,613,906	1,609,213
General Administrative Services	409,850	346,019	354,953	371,332	312,174	337,696	342,265	288,104
School Administrative Services	309,673	336,535	343,121	383,093	391,267	375,799	317,765	305,489
Central Services	358,800	367,264	369,432	324,751	339,622	327,461	342,185	367,761
Administrative Information Technology	79,358	84,613	88,375	76,015	57,899	72,871	84,876	88,157
Plant Operations and Maintenance	1,455,792	1,423,522	1,526,633	1,419,324	1,373,494	1,432,266	1,469,974	1,966,107
Pupil Transportation	414,721	450,784	573,794	95,816	129,721	105,784	102,704	208,523
Unallocated Benefits	2,833,840	3,190,337	3,675,965	3,655,797	3,475,120	3,044,776	3,083,644	3,276,828
Special Schools	285,057	331,927	330,420	474,721	496,712	350,654	496,746	108,859
Capital Outlay	732,803	892,453	341,337	332,766	623,856	989,180	804,804	1,040,474
Total Expenditures	13,924,989	14,298,768	14,572,001	14,102,725	14,622,174	14,576,274	13,996,880	14,736,112
Deficit of Revenues Under Expenditures	(381,588)	(678,890)	(49,454)	(111,407)	(649,193)	(483,813)	(137,032)	(62,660)

SUSSEX COUNTY TECHNICAL SCHOOL
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses):								
County Bond Ordinance Proceeds	\$ 503,458		\$ 437,903		\$ 935,207	\$ 500,000	\$ 717,600	\$ 2,309,642
Sale of Administration Building		\$ 952,423						
Residual Deficit Transfer from Enterprise Funds				\$ (67,663)			(23,948)	
Special Item - Transfer of Portion of Proceeds from Sale of Administrative Building to Sussex County to Offset Existing Debt Service on the Original Purchase of the Administrative Building		(296,006)						
Capital Leases (Non-Budgeted)	53,900	133,976				29,098		
Cancellation of Intergovernmental Accts Receivable							(190,000)	(43,014)
Total Other Financing Sources (Uses)	<u>557,358</u>	<u>790,393</u>	<u>437,903</u>	<u>(67,663)</u>	<u>935,207</u>	<u>529,098</u>	<u>503,652</u>	<u>2,266,628</u>
Net Change in Fund Balances	<u>\$ 175,770</u>	<u>\$ 111,503</u>	<u>\$ 388,449</u>	<u>\$ (179,070)</u>	<u>\$ 286,014</u>	<u>\$ 45,285</u>	<u>\$ 366,620</u>	<u>\$ 2,203,968</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

N/A - Not Applicable

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Evening School/ Other Program</u> <u>Fees</u>	<u>Transportation</u> <u>Fees</u>	<u>Interest on</u> <u>Investments</u>	<u>Insurance</u> <u>Claims for</u> <u>Fire Damage</u>	<u>Tuition</u>	<u>Use of</u> <u>Facilities</u> <u>Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
2003	\$ 156,015	\$ 365,451	\$ 159			\$ 102,933	\$ 156,364	\$ 780,922
2004	176,214	403,829	14,350			150,091	144,359	888,843
2005	260,169	405,410	18,965			148,467	208,092	1,041,103
2006	217,397	456,402	43,011			136,628	186,286	1,039,724
2007	208,269	469,505	57,556			160,771	194,294	1,090,395
2008	82,242		34,589				80,502	197,333
2009	71,632		10,949				131,825	214,406
2010	48,004		5,874				147,436	201,314
2011	64,975		4,027				147,491	216,493
2012	65,865		1,661	\$ 546,746	\$ 1,267,527		62,843	1,944,642

Source: Sussex County Technical School Records.

SUSSEX COUNTY TECHNICAL SCHOOL
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - COUNTY OF SUSSEX
LAST EIGHT YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2004	\$ 326,503,392	\$ 8,363,204,830	\$ 322,485,045	\$ 28,243,870	\$ 954,905,328	\$ 127,264,400	\$ 59,164,300	\$ 10,181,771,165	\$ 1,065,830,829	\$ 41,609,130	\$ 10,223,380,295	N/A	\$ 13,322,723,189
2005	329,856,482	8,748,339,330	347,304,245	30,284,560	981,004,712	133,172,300	61,940,500	10,631,902,129	1,082,352,979	37,710,586	10,669,612,715	N/A	15,302,213,079
2006	414,359,748	9,937,682,981	474,143,645	28,595,434	1,126,352,247	159,716,600	66,948,300	12,207,798,955	1,196,194,189	37,362,240	12,245,161,195	N/A	17,498,320,138
2007	418,601,914	11,318,102,014	497,170,600	30,229,684	1,199,892,682	157,424,500	63,576,300	13,684,997,694	1,496,537,911	35,395,191	13,720,392,885	N/A	19,828,925,789
2008	429,601,226	12,411,226,199	585,799,800	28,232,791	1,354,639,782	176,684,700	89,346,500	15,075,530,998	1,681,419,711	41,725,885	15,117,256,883	N/A	21,501,944,724
2009	478,591,800	14,170,397,149	622,201,400	29,726,448	1,519,357,862	189,601,400	88,826,800	17,098,702,859	1,799,332,757	43,009,952	17,141,712,811	N/A	20,797,257,348
2010	488,554,580	14,579,690,049	627,217,400	28,989,196	1,634,261,535	225,413,100	98,403,600	17,682,529,460	1,927,044,857	34,228,867	17,716,758,327	N/A	20,842,547,207
2011	464,189,940	14,362,628,590	632,384,300	29,157,336	1,577,641,135	197,931,200	94,613,100	17,358,545,601	1,934,993,757	31,414,462	17,389,960,063	N/A	19,877,491,206

N/A - Not Applicable

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

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

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Sussex County Tax Assessor

Exhibit J-8

SUSSEX COUNTY TECHNICAL SCHOOL
PRINCIPAL PROPERTY TAX PAYERS, COUNTY OF SUSSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2011		
	Taxable Assessed Value	Rank	% of Total County Net Assessed Value
Route 519 & North Park Drive, LLC	\$ 11,500,000	1	1.65%
Sussex Nine Inc c/o Barn Hill Conv	11,087,800	2	1.59%
Martin, Kenneth D & Assoc II, LLC	11,074,200	3	1.59%
Newton West LTD	9,433,400	4	1.35%
Newton 213 LLC c/o Ronetco	9,026,800	5	1.30%
Weis Markets, Inc.	7,965,000	6	1.14%
Meriam Gateway Apartments, Inc	7,349,200	7	1.06%
Holiday Inn Express c/o Patel	5,843,000	8	0.84%
Newtonian Associates, LLC	5,299,900	9	0.76%
Gordon Newton Assoc, LLC	4,820,800	10	0.69%
Total	<u>\$ 83,400,100</u>		<u>11.97%</u>

Taxpayer	2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Newton West LTD	\$ 6,000,000	1	1.64%
Meriam Gateway Apartments, Inc	5,442,300	2	1.49%
United Telephone Company of NJ	5,210,585	3	1.43%
PECD Realty (Ronetco)	4,940,600	4	1.35%
Sussex Nine Inc (Barnhill Convalescent)	4,405,200	5	1.21%
Weis Markets, Inc.	4,031,900	6	1.11%
Newtonian Gardens	3,450,500	7	0.95%
Newton Medical Building	2,482,200	8	0.68%
BLD, LLC	2,402,100	9	0.66%
Hillside Terrace Associates, LLC	2,234,200	10	0.61%
Total	<u>\$ 40,599,585</u>		<u>11.13%</u>

Exhibit J-9

SUSSEX COUNTY TECHNICAL SCHOOL
COUNTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 6,083,776	\$ 6,083,776	100.00%	-0-
2004	6,387,966	6,387,966	100.00%	-0-
2005	6,582,646	6,582,646	100.00%	-0-
2006	6,582,646	6,582,646	100.00%	-0-
2007	7,047,646	7,047,646	100.00%	-0-
2008	7,047,646	7,047,646	100.00%	-0-
2009	7,561,362	7,561,362	100.00%	-0-
2010	7,561,362	7,561,362	100.00%	-0-
2011	7,826,010	7,826,010	100.00%	-0-
2012	6,561,362	6,561,362	100.00%	-0-

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

Source: Sussex County Technical School records.

SUSSEX COUNTY TECHNICAL SCHOOL
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST EIGHT FISCAL YEARS
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities Capital Leases	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)				
2005	\$ -0-	\$ -0-	\$ 284,725	\$ -0-	\$ -0-	\$ 284,725	0.0047%	\$ 1.87
2006	-0-	-0-	276,486	-0-	-0-	276,486	0.0043%	1.83
2007	-0-	-0-	133,421	-0-	-0-	133,421	0.0019%	0.88
2008	-0-	-0-	221,811	-0-	-0-	221,811	0.0030%	1.46
2009	-0-	-0-	149,141	-0-	-0-	149,141	0.0020%	0.98
2010	-0-	-0-	122,637	-0-	-0-	122,637	0.0017%	0.81
2011	-0-	-0-	86,891	-0-	331,840	418,731	0.0057%	2.81
2012	-0-	-0-	50,114	-0-	259,700	309,814	0.0042%	2.09

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

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

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

Exhibit J-14

SUSSEX COUNTY TECHNICAL SCHOOL
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Sussex County Per Capita Personal Income ^b	Total County Personal Income	Unemployment Rate ^c
2003	149,553	\$ 39,331	\$ 5,882,069,043	5.50%
2004	150,360	40,736	6,125,064,960	4.10%
2005	150,764	42,409	6,393,750,476	3.80%
2006	151,250	45,436	6,872,195,000	4.10%
2007	151,632	48,201	7,308,814,032	3.90%
2008	151,431	49,575	7,507,191,825	5.00%
2009	151,118	47,479	7,174,931,522	8.70%
2010	149,198	49,207	7,341,585,986	9.30%
2011	148,517	49,207 *	7,308,076,019	9.10%
2012	148,517 **	49,207 *	7,308,076,019 ***	N/A

* - Latest Sussex County per capita personal income available (2010) was used for calculation purposes.

** - Latest population data available (2011) was used for calculation purposes.

*** - Latest available population data (2011) and latest available Warren County per capita personal income (2010) was used for calculation purposes

N/A - Information unavailable.

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

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

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

Exhibit J-15

SUSSEX COUNTY TECHNICAL SCHOOL
PRINCIPAL EMPLOYERS, COUNTY OF SUSSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2011		
	Employees	Rank (Optional)	Percentage of Total Employment
Crystal Springs Golf and Spa Resort	2,000	1	N/A
Newton Memorial Hospital	1,200	2	N/A
Selective Insurance	900	3	N/A
County of Sussex	830	4	N/A
Mountain Creek Resort	800	5	N/A
Ames Rubber Corp	445	6	N/A
Shop Rite Supermarkets (Ronetco)	301	7	N/A
Andover Subacute and Rehab Center	300	8	N/A
Sussex County Community College	300	9	N/A
SCARC, Inc.	287	10	N/A
	7,363		

Employer	2002		
	Employees	Rank (Optional)	Percentage of Total Employment
Selective Insurance	954	1	N/A
Andover Subacute and Rehab Center	900	2	N/A
Mountain Creek/Intrawest	800	3	N/A
County of Sussex	800	3	N/A
Newton Memorial Hospital	757	4	N/A
Vernon Township Bd. of Education	629	5	N/A
F.O. Phoenix, Inc.	600	6	N/A
Hopatcong Board of Education	450	7	N/A
Wal-Mart	380	8	N/A
Saint Claire's Hospital	300	9	N/A
Sparta Board of Education	300	9	N/A
Ames Rubber Corp.	300	9	N/A
SCARC, Inc.	296	10	N/A
	7,466		

N/A - Not Available

Source: Sussex County

SUSSEX COUNTY TECHNICAL SCHOOL
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction:								
Regular	36.0	34.4	33.7	33.0	33.0	33.0	30.0	32.0
Special Education	9.0	9.0	9.0	9.0	9.0	9.0	5.0	5.0
Other Special Education	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Vocational	23.5	23.5	23.5	23.0	23.0	23.0	24.0	24.0
Other Instruction	6.0	6.0	6.0	6.0	6.0	6.0	5.0	3.0
Adult/Continuing Education Programs	1.7	1.7	1.7	1.2	1.2	1.2		
Support Services:								
Student & Instruction Related Services	13.5	13.5	13.5	14.0	14.0	14.0	12.0	12.0
School Administrative Services	7.5	7.5	7.5	6.5	6.5	6.5	5.5	5.5
General Administrative Services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Central Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology	1.5	1.5	1.5	1.0	1.5	1.5	1.5	1.5
Plant Operations and Maintenance	16.8	15.8	15.9	15.8	15.5	15.5	15.0	14.5
Pupil Transportation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	125.0	122.4	121.8	119.0	119.2	119.2	107.5	107.0

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: District Personnel Records

SUSSEX COUNTY TECHNICAL SCHOOL
OPERATING STATISTICS
LAST EIGHT FISCAL YEARS
UNAUDITED

Fiscal Year	* Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio High School	* Average Daily Enrollment (ADE) ^c	* Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	629	\$ 13,192,186	\$ 20,973	-8.71%	83	1:9	629	583	13.54%	92.69%
2006	626	13,406,315	21,416	2.11%	80	1:9	626	582	-0.48%	93.00%
2007	599	14,230,664	23,757	10.93%	80	1:7.5	595	553	-4.95%	92.94%
2008	602	13,769,959	22,893	-3.64%	80	1:7.5	582	560	-2.18%	96.22%
2009	604	13,998,318	23,176	1.24%	80	1:7.5	598	578	2.75%	96.71%
2010	572	13,587,094	23,754	2.49%	80	1:7.5	565	547	-5.52%	96.81%
2011	616	13,192,076	21,433	-9.77%	68	1:9.2	592	554	4.78%	93.58%
2012	659	13,695,638	20,782	-3.04%	65	1:10.1	651	607	9.97%	93.24%

Note: Enrollment based on annual October district count.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

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

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

* Figures represent high school, grades 9-12 enrollment

The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Sources: School District records

SUSSEX COUNTY TECHNICAL SCHOOL
SCHOOL BUILDING INFORMATION
LAST EIGHT FISCAL YEARS
UNAUDITED

<u>District Buildings</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Vocational High School (1967)								
Square Feet	225,249	225,249	225,249	225,249	225,249	225,249	225,249	225,249
Capacity (students) *	734.4	734.4	734.4	734.4	734.4	734.4	734.4	734.4
Enrollment *	616.0	626.0	598.5	601.5	603.5	571.5	615.5	659.0
Number of Schools at June 30, 2011								
Vocational High School = 1								

* Represents high school, grades 9-12 enrollment

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October district count.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Facilities Office

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

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

Facility	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>School Facilities:</u>										
Sussex County Technical School	\$ 955,854	\$ 779,683	\$ 684,145	\$ 682,629	\$ 651,533	\$ 593,158	\$ 555,069	\$ 611,836	\$ 588,650	\$ 564,151
Total School Facilities	<u>955,854</u>	<u>779,683</u>	<u>684,145</u>	<u>682,629</u>	<u>651,533</u>	<u>593,158</u>	<u>555,069</u>	<u>611,836</u>	<u>588,650</u>	<u>564,151</u>
<u>Other Facilities:</u>										
Administrative Offices**								6,820	15,094	14,465
Grand Total	<u>\$ 955,854</u>	<u>\$ 779,683</u>	<u>\$ 684,145</u>	<u>\$ 682,629</u>	<u>\$ 651,533</u>	<u>\$ 593,158</u>	<u>\$ 555,069</u>	<u>\$ 618,656</u>	<u>\$ 603,744</u>	<u>\$ 578,616</u>

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

** Administrative Office Building was sold on July 15, 2005.

Source: School District records.

SUSSEX COUNTY TECHNICAL SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2012
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund (SAIF):		
School Package Policy:		
Building & Personal Property	\$ 250,000,000 Fund Aggregate	\$ 1,000
Inland Marine - Auto Physical Damage		
General Liability including Auto, Employee Benefits:		
Per Occurrence	5,000,000	
General Aggregate	50,000,000 Fund Aggregate	
Product/Completed Ops		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses (excluding students taking part in athletics)	10,000	
Automobile Coverage		
Environmental Impairment Liability	1,000,000 / 25,000,000 Fund Aggregate	5,000
Crime Coverage	50,000 Inside/Outside	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler and Machinery	100,000,000	1,000
Excess Liability	5,000,000	
School Board Legal Liability	5,000,000 / 5,000,000	5,000
Excess School Board Legal Liability	5,000,000 / 5,000,000	
Workers' Compensation:	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Student Accident including Football - School Alliance Insurance Fund (full excess plan)	Bollinger Student Accident Program	
Public Officials' Bonds - Selective Insurance Company		
Treasurer of School Monies	200,000	
School Business Administrator/Board Secretary	200,000	

Source: Sussex County Technical School Insurance Agent

SINGLE AUDIT



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

The Honorable President and Members
 of the Board of Education
 Sussex County Technical School
 County of Sussex, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the remaining fund information of the Board of Education of the Sussex County Technical School, in the County of Sussex (the "Board"), a component unit of the County of Sussex, as of, and for the fiscal year ended, June 30, 2012, which collectively comprise the School's basic financial statements, and have issued our report thereon dated November 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

The Honorable President and Members
of the Board of Education
Sussex County Technical School
Page 2

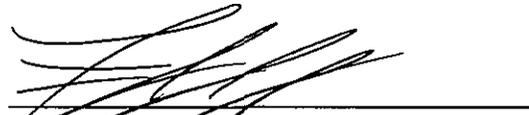
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. However, we noted certain matters that we have reported to the Board in a separate report, the *Auditors' Management Report on Administrative Findings – Financial, Compliance, and Performance*, dated November 9, 2012.

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

November 9, 2012
Mount Arlington, New Jersey


NISIVOCIA LLP


Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant



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Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04

The Honorable President and Members
 of the Board of Education
 Sussex County Technical School
 County of Sussex, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Sussex County Technical School in the County of Sussex (the "Board"), a component unit of the County of Sussex, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. The Board's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance with those requirements based on our audit.

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

In our opinion, the Board complied, in all material respects, with the 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, 2012.

The Honorable President and Members
of the Board of Education
Sussex County Technical School
Page 2

Internal Control Over Compliance

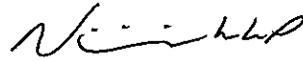
The management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grant agreements applicable to federal and state programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *New Jersey State Aid/Grant Compliance Supplement*, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board'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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weakness. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above.

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

November 9, 2012
Mount Arlington, New Jersey


NISIVOCCIA LLP


Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2011			Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012	
				Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Deferred Revenue
U.S. Department of Agriculture:												
Passed-through State Department of Education:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	7/1/11-6/30/12	\$ 10,455				\$ 10,455	\$ (10,078)				\$ 377
Food Distribution Program	10.555	7/1/10-6/30/11	11,277		\$ 1,147			(1,147)				
Total Food Distribution Program					1,147		10,455	(11,225)				377
School Breakfast Program	10.553	7/1/11-6/30/12	12,840				11,742	(12,840)			\$ (1,098)	
School Breakfast Program	10.553	7/1/10-6/30/11	12,790	\$ (1,437)			1,437					
National School Lunch Program	10.555	7/1/11-6/30/12	70,889				66,914	(70,889)			(3,975)	
National School Lunch Program	10.555	7/1/10-6/30/11	56,509	(4,400)			4,400					
Total Child Nutrition Cluster				(5,837)			84,493	(83,729)			(5,073)	
Total U.S. Department of Agriculture				(5,837)	1,147		94,948	(94,954)			(5,073)	377
U.S. Department of Education:												
<u>General Fund:</u>												
Passed-through State Department of Education:												
Education Jobs Fund	84.410	8/1/10-9/30/12	152,302				152,302	(152,302)				
							152,302	(152,302)				
<u>Special Revenue Fund:</u>												
Rural Education Achievement Program	84.358	7/1/11-6/30/12	50,986				50,986	(50,986)				
Rural Education Achievement Program	84.358	7/1/10-9/30/11	49,663	(999)			47,048	(46,049)				
Rural Education Achievement Program	84.358	7/1/09-9/30/10	45,622	(32,311)			32,311					
Rural Education Achievement Program	84.358	7/1/08-9/30/09	47,587			\$ 801				\$ (801)		
Rural Education Achievement Program	84.358	7/1/07-9/30/08	45,871	(177)					\$ 177			
Total Rural Education Achievement Program				(33,487)		801	130,345	(97,035)	177	(801)		
Passed-through State Department of Education:												
No Child Left Behind:												
Title I	84.010A	9/1/11-8/31/12	52,246				29,592	(52,246)			(22,654)	
Title I	84.010A	9/1/10-8/31/11	36,784	(13,728)			16,728	(3,000)				
ARRA - Title I	84.389	7/1/09-8/31/11	19,504	(3,884)			3,884					
Total Title I				(17,612)			50,204	(55,246)			(22,654)	
Title IIA	84.367A	9/1/11-8/31/12	6,964				4,060	(6,964)			(2,904)	
Title IIA	84.367A	9/1/10-8/31/11	7,305	(3,045)			3,045					
Total Title IIA				(3,045)			7,105	(6,964)			(2,904)	
Title IID	84.318X	9/1/10-8/31/11	86				56	(56)				
Total Title IID							56	(56)				

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2011			Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012	
				Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Deferred Revenue
<u>U.S. Department of Education:</u>												
Passed-through State Department of Education:												
Carl D. Perkins Secondary	84.048	7/1/11-6/30/12	\$ 71,106				\$ 68,852	\$ (69,356)			\$ (504)	
Carl D. Perkins Secondary	84.048	7/1/10-6/30/11	105,953	\$ (25,278)			25,278					
Carl D. Perkins Secondary	84.048	7/1/09-6/30/10	87,552			\$ 711				\$ (711)		
Carl D. Perkins Secondary	84.048	7/1/08-6/30/09	89,455			578				(578)		
Carl D. Perkins Post Secondary	84.048	7/1/11-6/30/12	93,980				93,308	(93,308)				
Carl D. Perkins Post Secondary	84.048	7/1/10-6/30/11	83,454	(3,178)			3,178					
Carl D. Perkins Post Secondary	84.048	7/1/08-6/30/09	83,454			319				(319)		
Total Carl D. Perkins				(28,456)		1,608	190,616	(162,664)		(1,608)	(504)	
Tech Prep Associate Degree	84.243	9/1/09-8/31/10	240,000	\$ (3,731)			3,731					
Total Tech Prep Associate Degree				(3,731)			3,731					
Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	9/1/11-8/31/12	172,206				114,804	(172,206)			(57,402)	
I.D.E.A. Part B, Basic	84.027	9/1/10-8/31/11	162,792	(40,698)			40,698					
ARRA - I.D.E.A. Part B, Basic	84.391	7/1/09-8/31/11	129,654	(20,616)			20,616					
Total Special Education Cluster				(61,314)			176,118	(172,206)			(57,402)	
Total U.S. Department of Education				(147,645)		\$ 2,409	710,477	(646,473)	\$ 177	(2,409)	(83,464)	
<u>U.S. Department of Labor:</u>												
(Passed Through Morris County Private Industry Council):												
Workforce Investment Act Program	17.259	7/1/11-6/30/12	41,751				40,286	(40,286)				
Workforce Investment Act Program	17.259	7/1/10-6/30/11	36,835	(3,055)			3,055					
Workforce Investment Act Program	17.259	7/1/06-6/30/07	45,714			257				(257)		
Workforce Investment Act Program	17.259	7/1/05-6/30/06	76,617			996				(996)		
				(3,055)		1,253	43,341	(40,286)		(1,253)		
<u>U.S. Department of the Interior:</u>												
National Park Services:												
Teacher to Ranger to Teacher Program	15.945	6/26/11-5/31/12	2,400				2,400	(2,400)				
							2,400	(2,400)				
Total Federal Awards				\$ (156,537)	\$ 1,147	\$ 3,662	\$ 851,166	\$ (784,113)	\$ 177	\$ (3,662)	\$ (88,537)	\$ 377

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011			Budgetary Expenditures	Adjustments	Cancellation of Prior Year Encumbrance	Repayment of Prior Years' Balances	Balance at June 30, 2012			MEMO Cumulative Total Expenditures	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received					Budgetary Deferred Revenue	Budgetary Due to Grantor	Budgetary Receivable		
NJ Department of Education:															
General Fund State Aid:															
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	\$ 2,149,036			\$ 1,934,223								\$ (214,813)	\$ 2,149,036
Special Education Categorical Aid	12-495-034-5120-089	7/1/11-6/30/12	279,364			251,439								(27,925)	279,364
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	45,759			41,185								(4,574)	45,759
Adjustment Aid	12-495-034-5120-085	7/1/11-6/30/12	1,615,242			1,453,786								(161,456)	1,615,242
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	383,848			364,667					\$ (19,181)			(19,181)	383,848
Anti-Bullying Bill of Rights	N/A	7/1/11-6/30/12	164			164									164
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	2,149,036	\$ (214,739)		214,739									2,149,036
Special Education Categorical Aid	11-495-034-5120-089	7/1/10-6/30/11	279,364	(27,915)		27,915									279,364
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	45,759	(4,572)		4,572									45,759
Adjustment Aid	11-495-034-5120-085	7/1/10-6/30/11	1,370,348	(136,930)		136,930									1,370,348
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	393,995	(19,197)		19,197									393,995
Total General Fund State Aid				(403,353)		4,448,817	(4,473,413)				(19,181)			(427,949)	8,711,915
Enterprise Fund:															
State School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	2,950			2,793								(157)	2,950
State School Lunch Program	11-100-010-3350-023	7/1/10-6/30/11	2,610	(212)		212								(157)	2,610
Total Enterprise Fund				(212)		3,005	(2,950)				(157)			(157)	5,560
Total NJ Department of Education				(403,565)		4,451,822	(4,476,363)				(19,338)			(428,106)	8,717,475
NJ Department of Human Services:															
Adolescent Pregnancy Prevention Initiative:															
FY12	#SB05037	7/1/11-6/30/12	62,777			62,777									62,777
FY11	#SB05037	7/1/10-6/30/11	62,777	(3,024)										(3,024)	62,777
FY10	#SB05037	7/1/09-6/30/10	62,777		\$ 4,209					\$ (4,209)					58,568
FY08	#SB05037	7/1/07-6/30/08	61,863		433					(433)					61,430
				(3,024)	4,642		62,777			(4,642)				(3,024)	245,552
School Based Youth Services:															
FY12	#SB05037	7/1/11-6/30/12	256,601			256,601								\$ 568	252,446
FY11	#SB05037	7/1/10-6/30/11	256,601	(16,333)				\$ 148						(16,185)	252,446
FY10	#SB05037	7/1/09-6/30/10	256,601		11,262					(11,262)					245,339
FY09	#SB05037	7/1/08-6/30/09	256,201	(1,000)		1,000									250,851
FY08	#SB05037	7/1/07-6/30/08	252,864		29					(29)					252,835
FY07	100-054-7500-068	7/1/06-6/30/07	234,797	(26,589)		26,799		\$ (210)							234,797
				(43,922)	11,291	284,400	(256,033)	(210)	148	(11,291)	(16,185)		568	(16,185)	1,488,714
Total NJ Department of Human Services				(46,946)	15,933	347,177	(318,810)	(210)	148	(15,933)	(19,209)		568	(19,209)	1,734,266

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011			Budgetary Expenditures	Adjustments	Cancellation of Prior Year Encumbrance	Repayment of Prior Years' Balances	Balance at June 30, 2012			MEMO Cumulative Total Expenditures	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received					GAAP Accounts Receivable	Budgetary Deferred Revenue	Budgetary Due to Grantor		Budgetary Receivable
NJ Department of Labor and Workforce Development:															
Apprenticeship Coordinator	100-062-4545-341-	7/1/11-6/30/12	\$ 11,364				\$ (10,725)				\$ (10,725)			\$ (10,725)	\$ 10,725
Apprenticeship Coordinator	6140	7/1/10-6/30/11	11,401	\$ (3,195)		\$ 3,195									10,650
Apprenticeship Coordinator		7/1/09-6/30/10	15,339		\$ 86								\$ 86		14,046
Apprenticeship Coordinator		7/1/07-6/30/08	20,250	(8,835)		8,835									20,250
Total Department of Labor and Workforce Development				(12,030)	86	12,030	(10,725)				(10,725)		86	(10,725)	55,671
NJ Department of Agriculture:															
Curriculum for Agricultural Science Education	N/A	4/1/12-8/30/13	10,000			10,000						\$ 10,000			
NJ School Development Authority:															
Capital Projects Fund:															
Educational Facilities Construction and Financing Act:															
Roof/Fire Alarm/Emergency Generator	5110-010-04-00QA	N/A	335,638	(65,449)		48,807		\$ 16,642							318,996
Connection to Municipal Water System	5110-010-09-GOXR	N/A	190,000	(190,000)		183,924		6,076							183,924
Total NJ School Development Authority				(255,449)		232,731		22,718							502,920
Total State Awards				\$ (717,990)	\$ 16,019	\$ 5,053,760	\$ (4,805,898)	\$ 22,508	\$ 148	\$ (15,933)	\$ (49,272)	\$ 10,000	\$ 654	\$ (458,040)	\$ 11,010,332

N/A - Not Available

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Sussex County Technical School under programs of the federal and state governments for the fiscal year ended June 30, 2012. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net assets or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Grant Revenue in the capital projects fund is recognized on the budgetary basis in the year of award while on a GAAP basis revenue is recognized based on actual expenditures and when funds are requested for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$24,612) for the general fund, \$21,089 for the special revenue fund and \$127,670 for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include the TPAF On-Behalf Contributions and the Post Retirement Contributions of \$183,105 and \$368,089, respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page:

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 152,302	\$ 4,999,995	\$ 5,152,297
Special Revenue Fund	551,846	335,635	887,481
Capital Projects Fund		127,670	127,670
Enterprise Fund	94,954	2,950	97,904
Total Federal and State Awards	<u>\$ 799,102</u>	<u>\$ 5,466,250</u>	<u>\$ 6,265,352</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2012.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANTS

During fiscal year 2012, the District has nine active grants in the amount of \$2,406,038 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2012, five of the nine projects have been completed. As of June 30, 2012, \$666,838 of the grant funds have been expended and drawn down on a GAAP basis on these nine grants. In the Capital Projects Fund, the District realized the full amount of the grant revenue on a budgetary basis in the year awarded and is realizing the grant revenue on a GAAP basis as it is expended and submitted for reimbursement.

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Summary of Auditors' Results:

- An unqualified report was issued on the District's financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the District.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District's major federal or state programs.
- An unqualified report was issued on the District's compliance for major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported under Federal OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

The District's major federal and state programs for the current fiscal year consisted of the following awards:

	<u>C.F.D.A./State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	\$ 2,149,036	\$2,149,036
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	279,364	279,364
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	45,759	45,759
Adjustment Aid	12-495-034-5120-085	7/1/11-6/30/12	1,615,242	1,615,242
<u>Federal:</u>				
<u>Special Education Cluster:</u>				
IDEA, Part B, Basic	84.027	9/1/11-8/31/12	172,206	172,206
Education Jobs Fund	84.410	8/1/10-9/30/12	152,302	152,302

- The District qualified as a "low-risk" auditee under the provisions of section 530 of the federal Circular.
- The threshold for determining federal and state Type A and B programs was \$300,000.
- The single audit thresholds identified in Federal OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04 were \$500,000.

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

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

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the federal Circular.

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

Summary of Auditors' Results: (Cont'd)

Findings and Questioned Costs for State Awards:

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

SUSSEX COUNTY TECHNICAL SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Status of Prior Year Findings:

There were no prior year findings.