

**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, 2013**

**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, 2013**

**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

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Robert T. Clark  
Business Administrator\Board Secretary

Phone: (973) 383-6700  
Extension 214  
Fax: (973) 383-0337

November 12, 2013

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, 2013, 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 Frankford Township Board of Education, 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 2012-13 fiscal year with an average daily enrollment of 708.9. This figure was taken from the District's Application for State School Aid (ASSA) and includes both high school and post-secondary day students.

**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 third consecutive year, enrollment increased and is projected to increase for the 2014/2015 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.

The District maintains a superior offering of twenty-two shop programs. Visual and Performing Arts opened during the 2013/2014 school year and will be expanded to grades 9-10 for the 2014/2015 school year. An academic program for fulltime 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 offer students exposure to college level work at a tremendous cost savings to parents. The above 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.

The 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.

The District is participating in the Sussex County Solar Energy Project which, when completed, will result in reduced energy costs. 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 McNiece Auditorium have been completed. The McNiece building continues to attract a considerable rental population during the school year by outside organizations. Also, a resurfacing of our existing track was completed, which was a major upgrade to the athletic facilities at Sussex Tech.

During the 2012/13 school year a new teacher evaluation systems was developed in accordance with the TEACHNJ Act. The administration and staff developed this new evaluation system collaboratively and a significant amount of professional development time was dedicated to training teachers on the new process. This goal will continue to support individual professional growth and improved/sustained student achievement. 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 system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to 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, 2013.

**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.

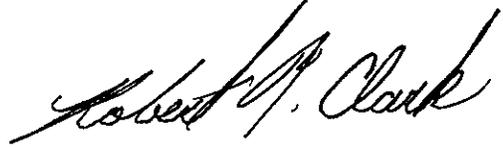
**9. OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, 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 and *Government Auditing Standards* 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,



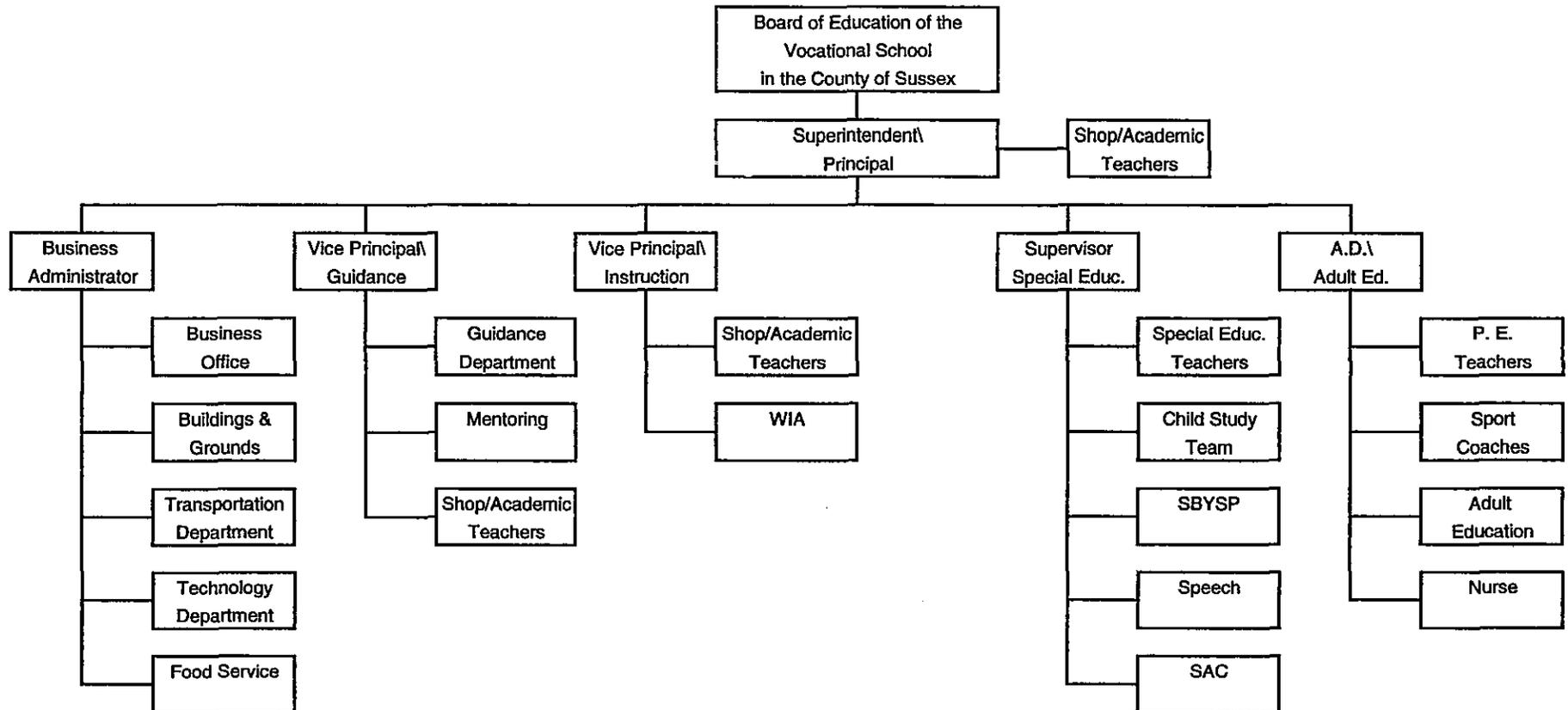
Augustus Modla  
Superintendent/Principal



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, 2013**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jarrold Cofrancesco, President	10/2013
Susan Shake, Vice President	10/2014
John Miller	10/2016
Diane Wexler	10/2015
Rosalie S. Lamonte, County Superintendent	N/A

<u>Other Officers</u>	<u>Title</u>
Anthony Macerino	Interim Superintendent of Schools/Principal (until 12/31/12)
Augustus Modla	Superintendent of Schools/Principal (from 01/01/13)
Robert T. Clark	Board Secretary/School Business Administrator
Eileen Kithcart	Treasurer

**SUSSEX COUNTY TECHNICAL SCHOOL**  
**Consultants and Advisors**

**Audit Firm**

Nisivoccia LLP, CPAs  
11 Lawrence Road  
Newton, NJ 07860  
and  
Mount Arlington Corporate Center  
200 Valley Road Suite 300  
Mount Arlington, NJ 07856-1320

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Weiner & Lesniak  
629 Parsippany Road  
Parsippany, NJ 07054

**Official Depository**

Lakeland Bank  
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Lafayette, NJ 07848

FINANCIAL SECTION



Mount Arlington Corporate Center  
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 Mt. Arlington, NJ 07856  
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 11 Lawrence Road  
 Newton, NJ 07860  
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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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sussex County Technical School (the "District"), a component unit of the County of Sussex, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sussex County Technical School, a component unit of the County of Sussex, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

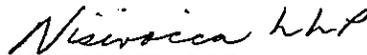
The Honorable President and Members  
of the Board of Education  
Sussex County Technical School  
Page 2

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 12, 2013  
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, 2013. 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 basis.
- Overall, the revenue was \$18.17 million and expenses were \$17.21 million.
- Enrollment in the District increased approximately 8% from the prior year.

### 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

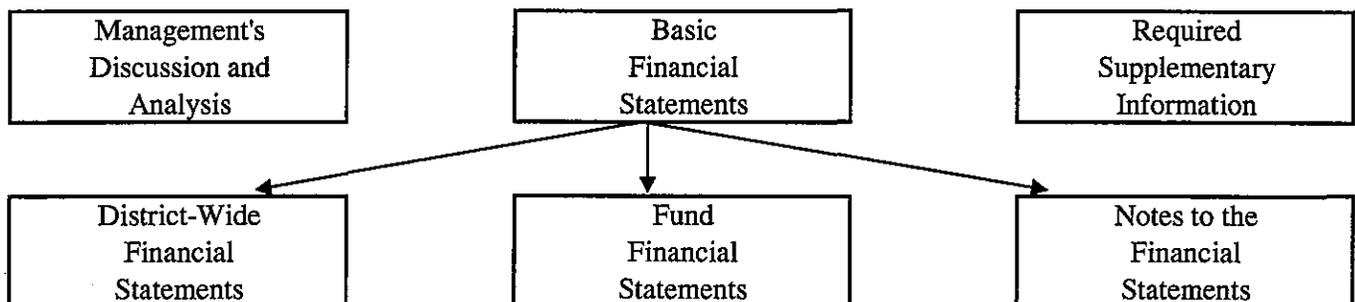


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## District-wide Statements

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

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

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

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. 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, transportation and use of facilities 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 Position.* The District's combined net position was \$13,462,964 on June 30, 2013, an increase of \$1,871,199 or 16.14% over the previous year (See Figure A-3). Net investment in capital assets increased by \$2,263,990 as a result of current year additions of \$2,796,621 and the pay down of \$105,554 of capital leases; offset by depreciation expense of \$607,225 and current year disposals of \$30,960, net of related accumulated depreciation. Restricted net position decreased by \$343,843 due to an increase of \$540 in the Capital Reserve account; net of a decrease of \$344,383 in Capital Projects Fund fund balance as a result of further progress on construction projects offset by the recognition of \$1.28 million receivable from the County of Sussex for track and field improvements at the District. Unrestricted net position decreased by \$48,948.

Figure A-3

#### Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	
Current and							
Other Assets	\$ 3,687,989	\$ 3,744,286	\$ 22,303	\$ 165,808	\$ 3,710,292	\$ 3,910,094	5.39%
Capital Assets	8,773,274	10,960,862	401,648	372,496	9,174,922	11,333,358	23.53%
Total Assets	<u>12,461,263</u>	<u>14,705,148</u>	<u>423,951</u>	<u>538,304</u>	<u>12,885,214</u>	<u>15,243,452</u>	18.30%
Other Liabilities	282,093	798,316	497	44,705	282,590	843,021	198.32%
Long-Term Debt							
Outstanding	<u>751,159</u>	<u>744,868</u>	<u>259,700</u>	<u>192,599</u>	<u>1,010,859</u>	<u>937,467</u>	-7.26%
Total Liabilities	<u>1,033,252</u>	<u>1,543,184</u>	<u>260,197</u>	<u>237,304</u>	<u>1,293,449</u>	<u>1,780,488</u>	37.65%
Net Position:							
Net Investment in							
Capital Assets	8,723,160	10,949,201	141,948	179,897	8,865,108	11,129,098	25.54%
Restricted	2,888,074	2,544,231			2,888,074	2,544,231	-11.91%
Unrestricted/(Deficit)	<u>(183,223)</u>	<u>(331,468)</u>	<u>21,806</u>	<u>121,103</u>	<u>(161,417)</u>	<u>(210,365)</u>	-30.32%
Total Net Position	<u>\$ 11,428,011</u>	<u>\$ 13,161,964</u>	<u>\$ 163,754</u>	<u>\$ 301,000</u>	<u>\$ 11,591,765</u>	<u>\$ 13,462,964</u>	16.14%

*Changes in Net Position.* The District's combined net position was \$13,462,964 on June 30, 2013 (See Figure A-3).

Figure A-4

## Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	
<b>Revenue:</b>							
<b>Program Revenue:</b>							
Charges for Services	\$ 1,267,527	\$ 1,386,790	\$ 1,250,554	\$ 1,514,182	\$ 2,518,081	\$ 2,900,972	15.21%
Operating Grants and Contributions	2,254,343	2,220,638	97,904	107,992	2,352,247	2,328,630	-1.00%
Capital Grants and Contributions	127,670	971,004			127,670	971,004	660.56%
<b>General Revenue:</b>							
Property Taxes	6,561,362	6,692,589			6,561,362	6,692,589	2.00%
State and Federal Aid not Restricted	3,785,435	3,848,619			3,785,435	3,848,619	1.67%
County Bond Ordinance Proceeds	2,309,642	1,280,000			2,309,642	1,280,000	-44.58%
Other	130,369	149,874	38	81	130,407	149,955	14.99%
<b>Total Revenue</b>	<b>16,436,348</b>	<b>16,549,514</b>	<b>1,348,496</b>	<b>1,622,255</b>	<b>17,784,844</b>	<b>18,171,769</b>	<b>2.18%</b>
<b>Expenses:</b>							
Instruction	7,573,199	7,719,084			7,573,199	7,719,084	1.93%
Pupil and Instruction Services	2,076,490	2,302,096			2,076,490	2,302,096	10.86%
Administrative and Business	1,400,113	1,409,483			1,400,113	1,409,483	0.67%
Maintenance and Operations	2,330,740	2,431,393			2,330,740	2,431,393	4.32%
Pupil Transportation	295,552	343,543			295,552	343,543	16.24%
Special Schools	137,487	116,993			137,487	116,993	-14.91%
Capital Outlay	305,009	1,000,431			305,009	1,000,431	228.00%
Other	388,737	398,567	1,273,359	1,484,208	1,662,096	1,882,775	13.28%
<b>Total Expenses</b>	<b>14,507,327</b>	<b>15,721,590</b>	<b>1,273,359</b>	<b>1,484,208</b>	<b>15,780,686</b>	<b>17,205,798</b>	<b>9.03%</b>
Insurance Recoveries	546,746	973,388			546,746	973,388	78.03%
Other	(43,014)	(67,359)	(29,276)	(801)	(72,290)	(68,160)	5.71%
<b>Increase/(Decrease) in Net Position</b>	<b>\$ 2,432,753</b>	<b>\$ 1,733,953</b>	<b>\$ 45,861</b>	<b>\$ 137,246</b>	<b>\$ 2,478,614</b>	<b>\$ 1,871,199</b>	<b>-24.51%</b>

*Revenue Sources.* The District's total revenue for the 2012/13 school year was \$18,171,769. (See Figure A-5). Property taxes accounted for a substantial portion of the District's revenue, with the County tax levy accounting for \$6,692,589 of the total, or 36.83% percent. Another 39.34% percent came from state and federal aid for specific programs and state formula aid with the remainder from other sources, county bond ordinance proceeds and charges for services.

Figure A-5

## Sources of Revenue for Fiscal Year 2013

	Amount	Percentage
<b>Sources of Income:</b>		
State Formula Aid	\$ 3,848,619	21.18%
County Tax Levy	6,692,589	36.83%
Federal and State Categorical Grants	3,299,634	18.16%
Charges for Services	2,900,972	15.96%
County Bond Ordinance Proceeds	1,280,000	7.04%
Other	149,955	0.83%
	<b>\$ 18,171,769</b>	<b>100.00%</b>

The total cost of all programs and services was \$17,205,798. The District's expenses are predominantly related to instructing, caring for students (pupil services) and special schools (58.92 percent). (See Figure A-6). The District's administrative and business activities accounted for 8.19 percent of total costs.

**Figure A-6**  
**Expenses for Fiscal Year 2013**

Expense Category:	Amount	Percentage
Instruction	\$ 7,719,084	44.86%
Pupil and Instruction Services	2,302,096	13.38%
Administrative and Business	1,409,483	8.19%
Maintenance and Operations	2,431,393	14.13%
Pupil Transportation	343,543	2.00%
Special Schools	116,993	0.68%
Capital Outlay	1,000,431	5.82%
Other	1,882,775	10.94%
	<u>\$ 17,205,798</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 2012-13 fiscal year are the following:

- Completed planning for renewable energy project
- Installed new energy efficient boiler
- Continue to expanded cooperative purchasing options

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

Functional Expenses:	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
	2011/12	2012/13	2011/12	2012/13
Instruction	\$ 7,573,199	\$ 7,719,084	\$ 5,559,152	\$ 5,731,829
Pupil and Instruction Services	2,076,490	2,302,096	1,286,515	1,463,684
Administrative and Business	1,400,113	1,409,483	1,167,124	1,144,766
Maintenance and Operations	2,330,740	2,431,393	1,860,719	1,078,233
Pupil Transportation	295,552	343,543	248,253	286,573
Special Schools	137,487	116,993	42,278	39,075
Capital Outlay	305,009	1,000,431	305,009	1,000,431
Other	388,737	398,567	388,737	398,567
	<u>\$ 14,507,327</u>	<u>\$ 15,721,590</u>	<u>\$ 10,857,787</u>	<u>\$ 11,143,158</u>

The cost of all governmental activities this year was \$15.72 million.

- The federal and state governments subsidized certain programs with grants and contributions (approximately \$7.04 million).
- Approximately 38.90% of the District's costs (\$6.69 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 position from the District's business-type activities increased by \$137,246. The primary contributing factors to this result were the following:

- Operating income of \$71,771 in the Transportation Fund due to an increase in the number of routes contracted with other districts and an increase in fees charged to participating school districts as a result of rising fuel and maintenance costs.
- Increase of approximately \$10,000 in federal and state lunch and breakfast reimbursements due to the increase in reimbursement rates and the addition of the HHFKA program, despite a decrease in the number of meals claimed in the Food Service Fund.
- Use of Facilities Fund revenue exceeded expenses by \$60,104, accounting for all the increase in the net position of that fund.

### Financial Analysis of the District's Funds

The District's overall fund balance improved significantly primarily due to the recognition of \$1.28 million in revenue from the County of Sussex for various improvements/renovations to the District. The County has continued to support the district by increasing the tax levy by the 2% permissible by law. The District has increased enrollment and opened a theater arts program during the 2012-13 school year.

### General Fund Budgetary Highlights

The budgeted revenue projections for the 2012-13 fiscal year were realized. The rate of execution for the expense side of the budget was more than 96% of the current expense budget for the 2012-13 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
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	
Sites	\$ 2,764,300	\$ 2,764,300			\$ 2,764,300	\$ 2,764,300	0.00%
Construction in Progress	676,650	375,203			676,650	375,203	-44.55%
Buildings and Building Improvements	4,290,062	6,814,927			4,290,062	6,814,927	58.85%
Furniture, Machinery and Equipment	1,042,262	1,006,432	\$ 401,648	\$ 372,496	1,443,910	1,378,928	-4.50%
<b>Total Capital Assets (Net of Depreciation)</b>	<b>\$ 8,773,274</b>	<b>\$ 10,960,862</b>	<b>\$ 401,648</b>	<b>\$ 372,496</b>	<b>\$ 9,174,922</b>	<b>\$ 11,333,358</b>	<b>23.53%</b>

### Long-term Debt

At year-end, the District had \$197,467 of other long-term debt – a net decrease of \$73,392 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
	2011/12	2012/13	
Other Long-Term Debt	\$ 1,010,859	\$ 937,467	-7.26%

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

- The District continued to pay down its debt, retiring \$105,554 of leases payable.
- A net increase in compensated absences of \$32,162.

**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 POSITION  
JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 12,146	\$ 147,170	\$ 159,316
Internal Balances	119,241	(119,241)	
Receivable from State Government	467,533	375	467,908
Receivable from Federal Government	149,610	6,687	156,297
Receivables from Other Governments	2,490,698	76,646	2,567,344
Other Receivables	279,517	42,847	322,364
Inventory		11,324	11,324
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	225,541		225,541
Capital Assets, Net			
Sites (Land) and Construction in Progress	3,139,503		3,139,503
Depreciable Furniture, Buildings and Building Improvements and Machinery and Equipment	7,821,359	372,496	8,193,855
Total Assets	<u>14,705,148</u>	<u>538,304</u>	<u>15,243,452</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	200,476	43,708	244,184
Payable to State Government	4,789		4,789
Payable to Other Government	568,651		568,651
Unearned Revenue	24,400	997	25,397
Noncurrent Liabilities:			
Due Within One Year	62,532	69,226	131,758
Due Beyond one Year	682,336	123,373	805,709
Total Liabilities	<u>1,543,184</u>	<u>237,304</u>	<u>1,780,488</u>
<b><u>NET POSITION/(Deficit)</u></b>			
Net Investment in Capital Assets	10,949,201	179,897	11,129,098
Restricted for:			
Capital Projects	2,544,231		2,544,231
Unrestricted	(331,468)	121,103	(210,365)
Total Net Position	<u>\$ 13,161,964</u>	<u>\$ 301,000</u>	<u>\$ 13,462,964</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, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 3,465,198	\$ 338,937	\$ 439,724		\$ (2,686,537)		\$ (2,686,537)
Special Education	526,185	19,764	580,447		74,026		74,026
Other Special Instruction	850	10,104			9,254		9,254
Vocational Education	3,012,477	298,926	176,992		(2,536,559)		(2,536,559)
School-Sponsored/Other Instruction	714,374	68,924	53,437		(592,013)		(592,013)
<b>Support Services:</b>							
Student & Instruction Related Services	2,302,096	216,455	621,957		(1,463,684)		(1,463,684)
General Administrative Services	323,626	38,753	21,948		(262,925)		(262,925)
School Administrative Services	407,811	41,092	40,642		(326,077)		(326,077)
Central Services	548,860	49,467	47,867		(451,526)		(451,526)
Administrative Information Technology	129,186	11,858	13,090		(104,238)		(104,238)
Plant Operations and Maintenance	2,431,393	264,462	117,694	\$ 971,004	(1,078,233)		(1,078,233)
Pupil Transportation	343,543	28,048	28,922		(286,573)		(286,573)
Special Schools	116,993		77,918		(39,075)		(39,075)
Capital Outlay	1,000,431				(1,000,431)		(1,000,431)
Unallocated Depreciation	398,567				(398,567)		(398,567)
<b>Total Governmental Activities</b>	<b>15,721,590</b>	<b>1,386,790</b>	<b>2,220,638</b>	<b>971,004</b>	<b>(11,143,158)</b>		<b>(11,143,158)</b>
<b>Business-Type Activities:</b>							
Transportation	991,447	1,063,218				\$ 71,771	71,771
Use of Facilities	110,165	170,269				60,104	60,104
Food Service	382,596	280,695	107,992			6,091	6,091
<b>Total Business-Type Activities</b>	<b>1,484,208</b>	<b>1,514,182</b>	<b>107,992</b>			<b>137,966</b>	<b>137,966</b>
<b>Total Primary Government</b>	<b>\$ 17,205,798</b>	<b>\$ 2,900,972</b>	<b>\$ 2,328,630</b>	<b>\$ 971,004</b>	<b>(11,143,158)</b>	<b>137,966</b>	<b>(11,005,192)</b>

SUSSEX COUNTY TECHNICAL SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
General Revenues and Special Items:							
Taxes:							
	County Tax Levy				\$ 6,692,589		\$ 6,692,589
	Federal and State Aid not Restricted				3,848,619		3,848,619
	Net County Bond Ordinance Proceeds				1,280,000		1,280,000
	Miscellaneous Income				149,874	\$ 81	149,955
Special Items:							
	Insurance Recovery Related to Fire Damage				450,604		450,604
	Insurance Recovery Related to Other Costs of Super Storm Sandy				522,784		522,784
	Cancellation of Prior Year Accounts Receivable					(801)	(801)
	Cancellation of Intergovernmental Accounts Receivable - County				(67,359)		(67,359)
	<b>Total General Revenues and Special Items</b>				<b>12,877,111</b>	<b>(720)</b>	<b>12,876,391</b>
	Change in Net Position				1,733,953	137,246	1,871,199
	Net Position - Beginning				11,428,011	163,754	11,591,765
	Net Position - Ending				<b>\$ 13,161,964</b>	<b>\$ 301,000</b>	<b>\$ 13,462,964</b>

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, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 12,146			\$ 12,146
Interfund Receivable	632,721			632,721
Receivables From State Government	19,401	\$ 15,928	\$ 432,204	467,533
Receivables From Federal Government		149,610		149,610
Receivables From Other Governments	181,717	1,934	2,307,047	2,490,698
Other Accounts Receivables	279,517			279,517
Restricted Cash and Cash Equivalents	225,541			225,541
<b>Total Assets</b>	<u>\$ 1,351,043</u>	<u>\$ 167,472</u>	<u>\$ 2,739,251</u>	<u>\$ 4,257,766</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Interfund Payable		\$ 92,919	\$ 420,561	\$ 513,480
Accounts Payable	\$ 155,112	45,364		200,476
Payable to State Government		4,789		4,789
Payable to Other Government	568,651			568,651
Unearned Revenue		24,400		24,400
<b>Total Liabilities</b>	<u>723,763</u>	<u>167,472</u>	<u>420,561</u>	<u>1,311,796</u>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve Account	225,541			225,541
Capital Projects			2,318,690	2,318,690
<b>Assigned:</b>				
Other Purposes	161,029			161,029
Designated for Subsequent Year's Expenditures	124,330			124,330
Unassigned	116,380			116,380
<b>Total Fund Balances</b>	<u>627,280</u>		<u>2,318,690</u>	<u>2,945,970</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,351,043</u>	<u>\$ 167,472</u>	<u>\$ 2,739,251</u>	

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

Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds. The cost of the Assets is \$25,823,122 and the Accumulated Depreciation is \$14,862,260.

10,960,862

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.

(744,868)

Net Position of Governmental Activities

\$ 13,161,964

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

**SUSSEX COUNTY TECHNICAL SCHOOL**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>				
<b>Local Sources:</b>				
County Tax Levy	\$ 6,692,589			\$ 6,692,589
Tuition from LEA's	1,386,790			1,386,790
Interest Earned on Capital Reserve Funds	540			540
Other Restricted Miscellaneous Revenue	99,771			99,771
Unrestricted Miscellaneous Revenue	49,563			49,563
<b>Total - Local Sources</b>	<b>8,229,253</b>			<b>8,229,253</b>
State Sources	5,272,833	\$ 324,396	\$ 971,004	6,568,233
Federal Sources		472,028		472,028
<b>Total Revenues</b>	<b>13,502,086</b>	<b>796,424</b>	<b>971,004</b>	<b>15,269,514</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular Instruction	2,378,256	118,752		2,497,008
Special Education Instruction		151,409		151,409
Other Special Instruction	850			850
Vocational Education Instruction	2,428,552	9,284		2,437,836
School-Sponsored/Other Instruction	551,444			551,444
<b>Support Services and Undistributed Costs:</b>				
Student and Other Instruction Related Services	1,339,339	384,771		1,724,110
General Administration	264,899			264,899
School Administration	301,919			301,919
Central Services	403,477			403,477
Administrative Information Technology	88,230			88,230
Plant Operations and Maintenance	2,034,839			2,034,839
Student Transportation	254,549			254,549
Unallocated Benefits	3,385,220			3,385,220
Capital Outlay	1,123,132	91,143	2,528,028	3,742,303
Special Schools	36,311	41,065		77,376
<b>Total Expenditures</b>	<b>14,591,017</b>	<b>796,424</b>	<b>2,528,028</b>	<b>17,915,469</b>
<b>Excess/(Deficit) of Revenue Over/(Under) Expenditures</b>	<b>(1,088,931)</b>		<b>(1,557,024)</b>	<b>(2,645,955)</b>
<b>Other Financing Sources/(Uses):</b>				
Net County Bond Ordinance Proceeds			1,280,000	1,280,000
Insurance Recovery Related to Fire Damage	450,604			450,604
Insurance Recovery Related to Other Costs of Super Storm Sandy	522,784			522,784
Cancel Accounts Receivable from County			(67,359)	(67,359)
<b>Total Other Financing Sources/(Uses)</b>	<b>973,388</b>		<b>1,212,641</b>	<b>2,186,029</b>
<b>Net Change in Fund Balances</b>	<b>(115,543)</b>		<b>(344,383)</b>	<b>(459,926)</b>
<b>Fund Balance - July 1</b>	<b>742,823</b>		<b>2,663,073</b>	<b>3,405,896</b>
<b>Fund Balance - June 30</b>	<b>\$ 627,280</b>	<b>\$ -0-</b>	<b>\$ 2,318,690</b>	<b>\$ 2,945,970</b>

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, 2013

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ (459,926)
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 differ from depreciation and deletions in the period.		
Depreciation Expense	\$ (554,284)	
Deletions, Net of Related Depreciation Expense	(30,960)	
Capital Outlays	<u>2,772,832</u>	
		2,187,588
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		38,453
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>(32,162)</u>
Change in Net Position of Governmental Activities (A-2)		<u>\$ 1,733,953</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			Total Enterprise
	Non-Major Fund	Major Funds		
		Transportation	Food Service	
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents			\$ 147,170	\$ 147,170
Intrafund Receivable	\$ 115,638		22,000	137,638
Intergovernmental Accounts Receivable:				
State			375	375
Federal			6,687	6,687
Other		\$ 76,646		76,646
Other Accounts Receivable	32,981	300	9,566	42,847
Inventories			11,324	11,324
Total Current Assets	148,619	76,946	197,122	422,687
Non-Current Assets:				
Capital Assets		435,575	71,974	507,549
Less: Accumulated Depreciation		(104,411)	(30,642)	(135,053)
Total Non-Current Assets		331,164	41,332	372,496
Total Assets	148,619	408,110	238,454	795,183
<b>LIABILITIES:</b>				
Current Liabilities:				
Intrafund Payable		137,638		137,638
Interfund Payable			119,241	119,241
Accounts Payable - Vendors		13,133	30,575	43,708
Unearned Revenue			997	997
Total Current Liabilities		150,771	150,813	301,584
Noncurrent Liabilities:				
Capital Leases Payable:				
Due Within One Year		69,226		69,226
Due Beyond One Year		123,373		123,373
Total Noncurrent Liabilities		192,599		192,599
Total Liabilities		343,370	150,813	494,183
<b>NET POSITION:</b>				
Net Investment in Capital Assets		138,565	41,332	179,897
Unrestricted/(Deficit)	148,619	(73,825)	46,309	121,103
Total Net Position	\$ 148,619	\$ 64,740	\$ 87,641	\$ 301,000

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

SUSSEX COUNTY TECHNICAL SCHOOL  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			
	Non-Major Fund	Major Funds		Total Enterprise
		Transportation	Food Service	
Operating Revenue:				
Daily Sales - Reimbursable Programs			\$ 119,155	\$ 119,155
Daily Sales - Non-Reimbursable Programs			98,690	98,690
Program Fees	\$ 170,269	\$ 1,063,218		1,233,487
Special Events			46,930	46,930
Miscellaneous Revenue			15,920	15,920
<b>Total Operating Revenue</b>	<b>170,269</b>	<b>1,063,218</b>	<b>280,695</b>	<b>1,514,182</b>
Operating Expenses:				
Cost of Sales			167,782	167,782
Salaries	54,112	503,042	101,951	659,105
Employee Benefits	4,267	191,743	39,490	235,500
Purchased Professional Technical Services	25,992			25,992
Maintenance		80,499		80,499
Lease Purchase Payment		42,092		42,092
Other Purchased Services		13,650	52,872	66,522
Supplies and Materials		114,619	10,102	124,721
Energy	25,664			25,664
Miscellaneous Expenditures	130		3,260	3,390
Depreciation Expense		45,802	7,139	52,941
<b>Total Operating Expenses</b>	<b>110,165</b>	<b>991,447</b>	<b>382,596</b>	<b>1,484,208</b>
<b>Operating Income/(Loss)</b>	<b>60,104</b>	<b>71,771</b>	<b>(101,901)</b>	<b>29,974</b>
Non-Operating Revenue:				
Local Sources:				
Interest Income			81	81
State Sources:				
State School Lunch Program			3,042	3,042
Federal Sources:				
National School Lunch Program			79,690	79,690
School Breakfast Program			13,772	13,772
Food Distribution Program			11,488	11,488
<b>Total Non-Operating Revenue</b>			<b>108,073</b>	<b>108,073</b>
<b>Change in Net Position Before Other Items</b>	<b>60,104</b>	<b>71,771</b>	<b>6,172</b>	<b>138,047</b>
Other Items:				
Cancellation of Prior Year Accounts Receivable	(785)		(16)	(801)
<b>Change in Net Position</b>	<b>59,319</b>	<b>\$ 71,771</b>	<b>6,156</b>	<b>137,246</b>
<b>Net Position/(Deficit) - Beginning of Year</b>	<b>89,300</b>	<b>(7,031)</b>	<b>81,485</b>	<b>163,754</b>
<b>Net Position - End of Year</b>	<b>\$ 148,619</b>	<b>\$ 64,740</b>	<b>\$ 87,641</b>	<b>\$ 301,000</b>

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, 2013

	Business-Type Activities - Enterprise Funds			
	Non-Major Fund	Major Funds		Total Enterprise
		Transportation	Food Service	
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ 173,663	\$ 1,044,349	\$ 274,151	\$ 1,492,163
Interfund Advanced	(115,638)	137,638	(22,000)	
Collection of Prior Year Interfund Receivable	52,140		20,704	72,844
Settlement of Prior Year Interfund Payable		(72,844)		(72,844)
Payments to/for Employees	(58,379)	(694,785)	(141,441)	(894,605)
Payments to Suppliers	(51,786)	(237,847)	(194,727)	(484,360)
<b>Net Cash Provided by/(Used for) Operating Activities</b>		<b>176,511</b>	<b>(63,313)</b>	<b>113,198</b>
<b>Cash flows from Financing Activities:</b>				
Interest Income			81	81
<b>Net Cash Provided by Financing Activities</b>			<b>81</b>	<b>81</b>
<b>Cash flows from Capital and Related Financing Activities:</b>				
Purchase of Capital Assets		(20,279)	(3,510)	(23,789)
Lease Purchase Principal Payment		(67,100)		(67,100)
<b>Net Cash Used for Capital and Related Financing Activities</b>		<b>(87,379)</b>	<b>(3,510)</b>	<b>(90,889)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Interfund Advanced - General Fund			119,241	119,241
Interfund Returned - General Fund		(89,132)		(89,132)
State Sources			2,824	2,824
Federal Sources			91,847	91,847
<b>Net Cash Provided by/(Used for) Noncapital Financing Activities</b>		<b>(89,132)</b>	<b>213,912</b>	<b>124,780</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>-0-</b>	<b>-0-</b>	<b>147,170</b>	<b>147,170</b>
Cash and Cash Equivalents, July 1	-0-	-0-	-0-	-0-
<b>Cash and Cash Equivalents, June 30</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 147,170</b>	<b>\$ 147,170</b>

SUSSEX COUNTY TECHNICAL SCHOOL  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			
	Non-Major Fund	Major Funds		Total Enterprise
		Transportation	Food Service	
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Operating Income/(Loss)	\$ 60,104	\$ 71,771	\$ (101,901)	\$ 29,974
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:				
Depreciation		45,802	7,139	52,941
Food Distribution Program			11,488	11,488
Changes in Assets and Liabilities:				
(Increase)/Decrease in Other Accounts Receivable	3,394	(18,869)	(6,544)	(22,019)
(Increase) in Intrafund Receivable	(63,498)		(1,296)	(64,794)
Increase in Intrafund Payable		64,794		64,794
Increase in Accounts Payable		13,013	30,575	43,588
Increase in Unearned Revenue			620	620
(Increase) in Inventory			(3,394)	(3,394)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ -0-</u>	<u>\$ 176,511</u>	<u>\$ (63,313)</u>	<u>\$ 113,198</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 \$12,108 and utilized Commodities valued at \$11,488. The Transportation Fund paid down \$67,100 of capital leases payable.

Exhibit B-7

SUSSEX COUNTY TECHNICAL SCHOOL  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2013

	<u>Agency</u>	<u>Health Promotion Trust</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 119,757	\$ 2,508	\$ 87,537
Investments		5,799	
Total Assets	<u>119,757</u>	<u>8,307</u>	<u>87,537</u>
<u>LIABILITIES:</u>			
Payroll Deductions and Withholdings	24,616		
Due to Student Groups	<u>95,141</u>		
Total Liabilities	<u>119,757</u>		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims			87,537
Restricted for Health Promotion Expenses		<u>8,307</u>	
Total Net Position	<u>\$ -0-</u>	<u>\$ 8,307</u>	<u>\$ 87,537</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 POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Health Promotion Trust</u>	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>		
Contributions:		
Plan Members		\$ 11,499
Total Contributions		<u>11,499</u>
Investment Earnings:		
Interest	\$ 36	188
Net Investment Earnings	<u>36</u>	<u>188</u>
Total Additions	<u>36</u>	<u>11,687</u>
<b>DEDUCTIONS:</b>		
Unemployment Benefit Claims		45,123
Health Promotion Expenses	14	
Total Deductions	<u>14</u>	<u>45,123</u>
Change in Net Position	22	(33,436)
Net Position - Beginning of the Year	<u>8,285</u>	<u>120,973</u>
Net Position - End of the Year	<u>\$ 8,307</u>	<u>\$ 87,537</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, 2013

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 and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Accordingly, the 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 position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. 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, 2013

(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, 2013

(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 position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are voted upon by the County Board of School Estimate, which consists of three 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	\$ 2,492,926
Committed - Year End Encumbrances	521,764
Total Fund Balance - Budgetary Basis	<u>3,014,690</u>
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(696,000)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 2,318,690</u></u>

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(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>General Fund</u>	<u>Capital Projects Fund</u>
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule		\$ 1,280,000
SDA Grant Revenue Recognized on GAAP Basis		<u>971,004</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		<u>\$ 2,251,004</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 13,509,189	\$ 820,150
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		(28,431)
Prior Year Encumbrances		4,705
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	408,768	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(415,871)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 13,502,086</u>	<u>\$ 796,424</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 14,591,017	\$ 820,150
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		(28,431)
Prior Year Encumbrances		4,705
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 14,591,017</u>	<u>\$ 796,424</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(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 position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(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, 2013.

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, 2013

(Continued)

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

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond 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, 2013.

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 Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue

Unearned revenue 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 \$627,280 General Fund fund balance at June 30, 2013, \$161,029 is assigned for year-end encumbrances; \$225,541 is restricted in the capital reserve account; \$124,330 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2014; and there is \$116,380 in unassigned fund balance, which is \$415,871 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, 2014.

Capital Projects Fund: The Capital Projects Fund has \$2,318,690 of committed fund balance at June 30, 2013, which is \$696,000 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, 2013

(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 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus at June 30, 2013.

Unassigned fund balance, on a GAAP basis, is less than the budgetary basis in the General Fund by \$415,871 as of June 30, 2013 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 Position

The Transportation Enterprise Fund has a deficit in unrestricted net position of \$73,825, 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, 2014. The District also has a deficit in unrestricted net position of \$331,468 in the governmental activities, which is due to the \$733,207 of compensated absences payable, net of General Fund year end encumbrances of \$161,029, \$124,330 of General Fund fund balance designated for subsequent year's expenditures and \$116,380 of unassigned General Fund fund balance. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have any deferred inflows or outflows of resources at June 30, 2013.

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

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

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

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

R. Net Position (Cont'd)

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. 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, 2013.

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, 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.

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

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

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

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

Revenue from 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.

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

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

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2013, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital Reserve Account</u>	<u>Investments</u>	<u>Total</u>
Checking and Savings Accounts	\$ 369,118	\$ 225,541		\$ 594,659
Certificates of Deposit			\$ 5,799	5,799
	<u>\$ 369,118</u>	<u>\$ 225,541</u>	<u>\$ 5,799</u>	<u>\$ 600,458</u>

During the period ended June 30, 2013, 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, 2013, was \$600,458 and the bank balance was \$898,834.

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, 2013  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

Balance at June 30, 2012	\$ 225,001
Add:	
Interest Earnings	540
Balance at June 30, 2013	\$ 225,541

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

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2013 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
<b>Governmental Activities:</b>				
<b>Capital Assets not Being Depreciated:</b>				
Sites (Land)	\$ 2,764,300			\$ 2,764,300
Construction in Progress	676,650	\$ 2,528,029	\$ (2,829,476)	375,203
<b>Total Capital Assets Not Being Depreciated</b>	<b>3,440,950</b>	<b>2,528,029</b>	<b>(2,829,476)</b>	<b>3,139,503</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Building Improvements	16,628,359	47,200	2,829,476	19,505,035
Machinery and Equipment	3,020,473	197,603	(39,492)	3,178,584
<b>Total Capital Assets Being Depreciated</b>	<b>19,648,832</b>	<b>244,803</b>	<b>2,789,984</b>	<b>22,683,619</b>
<b>Governmental Activities Capital Assets</b>	<b>23,089,782</b>	<b>2,772,832</b>	<b>(39,492)</b>	<b>25,823,122</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Building Improvements	(12,338,297)	(351,811)		(12,690,108)
Machinery and Equipment	(1,978,211)	(202,473)	8,532	(2,172,152)
	<b>(14,316,508)</b>	<b>(554,284)</b>	<b>8,532</b>	<b>(14,862,260)</b>
<b>Governmental Activities Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 8,773,274</b>	<b>\$ 2,218,548</b>	<b>\$ (30,960)</b>	<b>\$ 10,960,862</b>
<b>Business Type Activities:</b>				
<b>Capital Assets Being Depreciated:</b>				
Furniture and Equipment	\$ 483,760	\$ 23,789		\$ 507,549
Less Accumulated Depreciation	(82,112)	(52,941)		(135,053)
<b>Business Type Activities Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 401,648</b>	<b>\$ (29,152)</b>	<b>\$ -0-</b>	<b>\$ 372,496</b>

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

The District had active construction projects totaling \$3,014,690 as of June 30, 2013. These projects are for various improvements to the District. At year end, the District had \$521,764 in outstanding construction encumbrances which are committed in the Capital Projects Fund at June 30, 2013.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 8,519
Special Education Instruction	4,996
Vocational Instruction	45,696
School-Sponsored/Other Instruction	1,013
Student and Instruction Related Services	1,627
General Administration	835
Central Services	2,421
Administrative Information Technology	1,292
Operations and Maintenance of Plant	24,704
Transportation	33,979
Special Schools	30,635
Unallocated	<u>398,567</u>
	<u>\$ 554,284</u>

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2013, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2012</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2013</u>
Capital Leases	\$ 309,814		\$ 105,554	\$ 204,260
Compensated Absences Payable	701,045	\$ 116,036	83,874	733,207
	<u>\$ 1,010,859</u>	<u>\$ 116,036</u>	<u>\$ 189,428</u>	<u>\$ 937,467</u>

A. Bonds Payable:

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

B. Capital Leases Payable:

The District is leasing six buses and several copiers under capital leases valued at \$538,290 of which \$334,030 has been amortized. The capital leases are for terms of five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2013.

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

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

B. Capital Leases Payable (Cont'd):

<u>Year</u>	<u>Amount</u>
2014	\$ 81,919
2015	80,796
2016	<u>53,620</u>
	216,335
Less: Amount representing interest	<u>(12,075)</u>
Present value of net minimum lease payments	<u><u>\$ 204,260</u></u>

The current portion of Capital Leases payable at June 30, 2013 is \$75,425 and the long-term portion is \$128,835. The General Fund and Transportation Enterprise Fund will be used to liquidate the capital leases payable. The current portion of Capital Leases payable at June 30, 2013 is \$6,199 and the long-term portion is \$5,462 in the governmental activities. The current portion of Capital Leases payable at June 30, 2013 is \$69,226 and the long-term portion is \$123,373 in the business-type activities.

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 \$56,333 and is separated from the long-term liability balance of compensated absences of \$676,874.

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, 2013, 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, 2013  
(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 July 1, 2012, the employee contributions for PERS and TPAF increased from 6.5% to 6.64% of employees' annual compensation, as defined. Subsequent increases are being phased in over 7 years effective each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate 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 \$203,674, \$220,208 and \$196,542 for the fiscal years ended June 30, 2013, 2012 and 2011, respectively. The employer contributions to DCRP for fiscal year 2013, 2012 and 2011 were \$5,398, \$2,657 and \$-0-, respectively. The employee contributions to DCRP for fiscal year 2013, 2012 and 2011 were \$9,559, \$4,239 and \$-0-, respectively.

During the fiscal years ended June 30, 2013, 2012 and 2011 the State of New Jersey contributed \$339,475, \$183,105 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, 2012, there were 97,661 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 2012, the State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$383,861, \$368,089 and \$360,911 for 2013, 2012 and 2011, 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, 2013  
(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, 2013 was not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2012 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 36,551,011
Net Position	\$ 12,224,220
Total Revenue	\$ 28,022,109
Total Expenses	\$ 28,300,068
Change in Net Position	\$ (277,959)
Member Dividends	\$ -0-

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, 2013  
(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>
2012-2013	\$ -0-	\$ 188	\$ 11,499	\$ 45,123	\$ 87,537
2011-2012	75,000	234	15,454	86,393	120,973
2010-2011	169,682	345	14,796	185,631	116,678

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	\$ 632,721	
Special Revenue Fund		\$ 92,919
Capital Projects Fund		420,561
Enterprise Funds		119,241
	<u>\$ 632,721</u>	<u>\$ 632,721</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.

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.

The 403(b) plan administrators are as follows:

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

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 12. DEFERRED COMPENSATION (Cont'd)

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 position of the School.

Encumbrances

At June 30, 2013, 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
<u>\$ 161,029</u>	<u>\$ 28,431</u>	<u>\$ 521,764</u>	<u>\$ 711,224</u>

On the District's Governmental Funds Balance Sheet as of June 30, 2013, \$0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$28,431 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 unearned revenue. The \$521,764 year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$2,318,690 restricted fund balance on a GAAP basis at June 30, 2013. On the District's Governmental Funds Balance Sheet as of June 30, 2013, \$161,029 is assigned for year-end encumbrances in the General Fund.

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 15. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities and Business-Type Activities as of June 30, 2013 consisted of the following:

	<u>Governmental Activities</u>		<u>Business-Type</u>
	<u>General</u>	<u>Special</u>	<u>Activities</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Enterprise</u>
		<u>Fund</u>	<u>Funds</u>
		<u>Total</u>	
		<u>Governmental</u>	
		<u>Funds</u>	
Due to State of New Jersey		\$ 42,946	\$ 42,946
Vendors	155,112	2,418	\$ 43,708
	<u>\$ 155,112</u>	<u>\$ 45,364</u>	<u>\$ 43,708</u>

NOTE 16. OTHER RECEIVABLES

Other receivables recorded in the District's Governmental Activities and Business-Type Activities as of June 30, 2013 consisted of the following:

	<u>Governmental Activities</u>		<u>Business-Type</u>
	<u>General</u>	<u>Total</u>	<u>Activities</u>
	<u>Fund</u>	<u>Governmental</u>	<u>Enterprise</u>
		<u>Funds</u>	<u>Funds</u>
Insurance Claims Due for Fire Damage	\$ 225,123	\$ 225,123	
Insurance Claims Due for Super Storm Sandy	54,206	54,206	
Transportation Fees			\$ 300
Use of Facilities Fees			32,981
Food Functions Revenue			9,566
	<u>\$ 279,329</u>	<u>\$ 279,329</u>	<u>\$ 42,847</u>

BUDGETARY COMPARISON SCHEDULES

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
County Tax Levy	\$ 6,692,589		\$ 6,692,589	\$ 6,692,589	
Tuition from LEA's	1,309,915		1,309,915	1,386,790	\$ 76,875
Interest Earned on Capital Reserve Funds	250		250	540	290
Other Restricted Miscellaneous Revenue	94,000		94,000	99,771	5,771
Unrestricted Miscellaneous Revenues	67,250		67,250	49,563	(17,687)
<b>Total - Local Sources</b>	<u>8,164,004</u>		<u>8,164,004</u>	<u>8,229,253</u>	<u>65,249</u>
<b>State Sources:</b>					
Special Education Aid	310,050		310,050	310,050	
Equalization Aid	2,195,692		2,195,692	2,195,692	
Categorical Security Aid	50,163		50,163	50,163	
Adjustment Aid	1,606,817		1,606,817	1,606,817	
TPAF On-Behalf Pension Contribution (Non-Budgeted)				339,475	339,475
TPAF Post Retirement Contributions (Non-Budgeted)				383,861	383,861
TPAF Reimbursed Social Security (Non-Budgeted)				393,878	393,878
<b>Total State Sources</b>	<u>4,162,722</u>		<u>4,162,722</u>	<u>5,279,936</u>	<u>1,117,214</u>
<b>Total Revenues</b>	<u>12,326,726</u>		<u>12,326,726</u>	<u>13,509,189</u>	<u>1,182,463</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Grades 9-12 - Salaries of Teachers	\$ 2,161,817	\$ (6,687)	\$ 2,155,130	\$ 2,150,094	\$ 5,036
Purchased Professional-Educational Services	3,000	(600)	2,400	1,402	998
Other Purchased Services	4,500	(3,000)	1,500	405	1,095
General Supplies	117,254	127,151	244,405	154,787	89,618
Textbooks	56,546	(6,350)	50,196	49,575	621
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	4,000	8,500	12,500	12,440	60
Purchased Professional/Educational Services	7,289	2,399	9,688	9,553	135
<b>Total Regular Programs - Instruction</b>	<u>2,354,406</u>	<u>121,413</u>	<u>2,475,819</u>	<u>2,378,256</u>	<u>97,563</u>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	78,653	(78,653)			
Other Salaries for Instruction	23,169	(22,319)	850	850	
General Supplies	2,588	(2,588)			
<b>Total Basic Skills/Remedial - Instruction</b>	<u>104,410</u>	<u>(103,560)</u>	<u>850</u>	<u>850</u>	
<b>Regular Vocational Programs:</b>					
Salaries of Teachers	1,268,872	(134,740)	1,134,132	1,130,366	3,766
Other Purchased Services	56,022	(4,510)	51,512	46,897	4,615
General Supplies	317,603	72,086	389,689	371,082	18,607
Textbooks	43,633	(19,381)	24,252	22,192	2,060
<b>Total Regular Vocational Programs</b>	<u>1,686,130</u>	<u>(86,545)</u>	<u>1,599,585</u>	<u>1,570,537</u>	<u>29,048</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Special Vocational Programs:					
Salaries of Teachers	\$ 647,482	\$ 76,719	\$ 724,201	\$ 724,000	\$ 201
Other Salaries for Instruction	58,796	39,820	98,616	98,545	71
Other Purchased Services	2,406	(135)	2,271	1,318	953
General Supplies	34,385	(190)	34,195	29,846	4,349
Textbooks	6,297	(1,983)	4,314	4,306	8
Special Vocational Programs	<u>749,366</u>	<u>114,231</u>	<u>863,597</u>	<u>858,015</u>	<u>5,582</u>
School-Sponsored Cocurricular Activities:					
Salaries	63,117	(7,000)	56,117	56,079	38
Purchased Services	1,000		1,000		1,000
Supplies and Materials	11,000	(10,000)	1,000	300	700
Other Objects	52,100	(3,548)	48,552	48,515	37
Total School-Sponsored Cocurricular Activities	<u>127,217</u>	<u>(20,548)</u>	<u>106,669</u>	<u>104,894</u>	<u>1,775</u>
School-Sponsored Athletics:					
Salaries	309,846	(3,635)	306,211	304,090	2,121
Purchased Services	26,200	5,099	31,299	31,120	179
Supplies and Materials	44,354	(750)	43,604	42,915	689
Other Objects	69,190	(200)	68,990	68,425	565
Total School-Sponsored Athletics	<u>449,590</u>	<u>514</u>	<u>450,104</u>	<u>446,550</u>	<u>3,554</u>
Total Instruction	<u>5,471,119</u>	<u>25,505</u>	<u>5,496,624</u>	<u>5,359,102</u>	<u>137,522</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Undist. Expend. - Attendance and Social Work Services:</b>					
Salaries	\$ 24,405	\$ 17,065	\$ 41,470	\$ 41,470	
Supplies and Materials	4,100	(2,000)	2,100	1,134	\$ 966
<b>Total Undist. Expend. - Attendance and Social Work Services</b>	<u>28,505</u>	<u>15,065</u>	<u>43,570</u>	<u>42,604</u>	<u>966</u>
<b>Undist. Expend. - Health Services:</b>					
Salaries	59,738	812	60,550	60,550	
Purchased Professional and Technical Services	3,000	(2,780)	220	219	1
Other Purchased Services	275		275	141	134
Supplies and Materials	3,350	(1,100)	2,250	1,703	547
<b>Total Undist. Expend. - Health Services</b>	<u>66,363</u>	<u>(3,068)</u>	<u>63,295</u>	<u>62,613</u>	<u>682</u>
<b>Undist. Expend. - Speech, OT, PT and Related Services:</b>					
Salaries	81,672	295	81,967	81,967	
Supplies and Materials	300	(300)			
<b>Total Undist. Expend. - Speech, OT, OT and Related Services</b>	<u>81,972</u>	<u>(5)</u>	<u>81,967</u>	<u>81,967</u>	
<b>Undist. Expend. - Guidance:</b>					
Salaries of Other Professional Staff	281,337	(6,262)	275,075	275,009	66
Salaries of Secretarial and Clerical Assistants	73,146	(18,258)	54,888	54,879	9
Other Purchased Professional and Technical Services	19,745	(5,500)	14,245	14,100	145
Other Purchased Services	8,895	(4,750)	4,145	3,228	917
Supplies and Materials	6,000	(4,820)	1,180	728	452
Other Objects	31,300	(8,980)	22,320	22,316	4
<b>Total Undist. Expend. - Guidance</b>	<u>420,423</u>	<u>(48,570)</u>	<u>371,853</u>	<u>370,260</u>	<u>1,593</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Undist. Expend. - Child Study Team:</b>					
Salaries of Other Professional Staff	\$ 418,428	\$ 7,392	\$ 425,820	\$ 425,181	\$ 639
Salaries of Secretarial and Clerical Assistants	46,300	14,810	61,110	61,084	26
Other Purchased Professional and Technical Services	3,750	(3,000)	750	750	
Other Purchased Services	3,355	(1,000)	2,355	2,194	161
Supplies and Materials	3,400		3,400	3,239	161
<b>Total Undist. Expend. - Child Study Team</b>	<u>475,233</u>	<u>18,202</u>	<u>493,435</u>	<u>492,448</u>	<u>987</u>
<b>Undist. Expend. - Improvement of Instruction Services:</b>					
Salaries of Supervisors of Instruction	93,705	42,242	135,947	135,922	25
Salaries of Other Professional Staff	29,500	(13,860)	15,640	11,700	3,940
Other Purchased Services	1,308	2,550	3,858	3,477	381
Supplies and Materials	1,737	1,550	3,287	3,201	86
<b>Total Undist. Expend. - Improvement of Instruction Services</b>	<u>126,250</u>	<u>32,482</u>	<u>158,732</u>	<u>154,300</u>	<u>4,432</u>
<b>Undist. Expend. - Educational Media Services/School Library:</b>					
Salaries	64,822	(9,575)	55,247	55,247	
Purchased Professional and Technical Services	36,200		36,200	35,407	793
Other Purchased Services	17,400	(2,200)	15,200	13,309	1,891
Supplies and Materials	9,500	(4,040)	5,460	4,484	976
<b>Total Undist. Expend. - Educational Media Services/School Library</b>	<u>127,922</u>	<u>(15,815)</u>	<u>112,107</u>	<u>108,447</u>	<u>3,660</u>
<b>Undist. Expend. - Instructional Staff Training Services:</b>					
Salaries of Other Professional Staff		9,745	9,745	9,745	
Purchased Professional Educational Services	7,500	6,400	13,900	12,123	1,777

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Undist. Expend. - Instructional Staff Training Services (Cont'd):					
Other Purchased Services	\$ 4,755	\$ 1,000	\$ 5,755	\$ 4,832	\$ 923
Total Undist. Expend. - Instructional Staff Training Services	<u>12,255</u>	<u>17,145</u>	<u>29,400</u>	<u>26,700</u>	<u>2,700</u>
Undist. Expend. - Support Services - General Administration:					
Salaries	149,927	(1,994)	147,933	147,933	
Legal Services	35,000	(22,000)	13,000	13,000	
Audit Fees	36,000	500	36,500	36,500	
Architectural/ Engineering Services	25,675	(2,751)	22,924	15,086	7,838
Other Purchased Professional Services	17,858	(630)	17,228	17,176	52
Communications/Telephone	16,200	(14,000)	2,200	2,200	
Board of Education Other Purchased Services	4,150	(1,500)	2,650	2,147	503
General Supplies	8,500	(3,300)	5,200	5,057	143
Miscellaneous Expenditures	6,050	20	6,070	6,069	1
Board of Education Membership Dues and Fees	23,785	(3,170)	20,615	19,731	884
Total Undist. Expend. - Support Services - General Administration	<u>323,145</u>	<u>(48,825)</u>	<u>274,320</u>	<u>264,899</u>	<u>9,421</u>
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	179,346	1,641	180,987	180,953	34
Salaries of Secretarial and Clerical Assistants	91,179	1,803	92,982	92,982	
Purchased Professional and Technical Services	5,296	(2,010)	3,286	3,285	1
Other Purchased Services	2,130	(1,500)	630	214	416
Supplies and Materials	24,200	(4,125)	20,075	19,642	433
Other Objects	11,300	(6,255)	5,045	4,843	202
Total Undist. Expend. - Support Services - School Administration	<u>313,451</u>	<u>(10,446)</u>	<u>303,005</u>	<u>301,919</u>	<u>1,086</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Undistributed Expenditures - Central Services:</b>					
Salaries	\$ 314,018	\$ 9,468	\$ 323,486	\$ 322,630	\$ 856
Purchased Technical Services	20,000	1,633	21,633	21,590	43
Miscellaneous Purchased Services	15,350	(10,500)	4,850	4,290	560
Supplies and Materials	3,500	2,150	5,650	4,825	825
Interest on Lease Purchase Agreements	906		906	906	
Miscellaneous Expenditures	15,090	34,367	49,457	49,236	221
<b>Total Undistributed Expenditures - Central Services</b>	<b>368,864</b>	<b>37,118</b>	<b>405,982</b>	<b>403,477</b>	<b>2,505</b>
<b>Undistributed Expend. - Administrative Information Technology:</b>					
Salaries	89,617	261	89,878	88,230	1,648
<b>Total Undistributed Expenditures - Admin. Info. Technology</b>	<b>89,617</b>	<b>261</b>	<b>89,878</b>	<b>88,230</b>	<b>1,648</b>
<b>Undistributed Expend. - Required Maintenance for School Facilities:</b>					
Salaries	381,491	16,512	398,003	395,204	2,799
Cleaning, Repair and Maintenance Services	270,644	159,634	430,278	418,935	11,343
General Supplies	85,000	12,669	97,669	94,707	2,962
Other Objects	1,750	580	2,330	2,080	250
<b>Total Undistributed Expend. - Required Maintenance for School Facilities</b>	<b>738,885</b>	<b>189,395</b>	<b>928,280</b>	<b>910,926</b>	<b>17,354</b>
<b>Undist. Expend. - Custodial Services:</b>					
Salaries	316,267	13,860	330,127	330,122	5
Other Purchased Property Services	62,454	34,054	96,508	91,004	5,504
Insurance	42,632	5,130	47,762	47,762	
Miscellaneous Purchased Services	1,000	(40)	960	509	451

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Undist. Expend. - Custodial Services (Cont'd):</b>					
General Supplies	\$ 34,440	\$ (18,046)	\$ 16,394	\$ 16,292	\$ 102
Energy (Natural Gas)	20,000	(8,600)	11,400	11,135	265
Energy (Electricity)	297,600		297,600	296,858	742
Energy (Oil)	244,608	8,000	252,608	252,608	
<b>Total Undist. Expend. - Custodial Services</b>	<u>1,019,001</u>	<u>34,358</u>	<u>1,053,359</u>	<u>1,046,290</u>	<u>7,069</u>
<b>Undist. Expend. - Care and Upkeep of Grounds:</b>					
Salaries	9,360	6,307	15,667	14,503	1,164
Cleaning, Repair and Maintenance Services	5,000	7,063	12,063	9,683	2,380
General Supplies	8,000	(6,000)	2,000		2,000
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<u>22,360</u>	<u>7,370</u>	<u>29,730</u>	<u>24,186</u>	<u>5,544</u>
<b>Undist. Expend. - Security:</b>					
Salaries	52,000	1,500	53,500	53,437	63
<b>Total Undist. Expend. - Security</b>	<u>52,000</u>	<u>1,500</u>	<u>53,500</u>	<u>53,437</u>	<u>63</u>
<b>Undist. Expend. - Student Transportation Services:</b>					
<b>Salaries for Pupil Transportation:</b>					
Salaries of Non-Instructional Aides	50,000	30,858	80,858	80,857	1
Between Home and School - Regular	81,186	32,896	114,082	114,082	
Cleaning, Repair and Maintenance Services	40,000	(25,000)	15,000	14,988	12
Contracted Services Between Home and School Vendors		20,000	20,000	19,941	59
Supplies and Materials		23,850	23,850	23,620	230
Other Objects	1,000	100	1,100	1,061	39
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>172,186</u>	<u>82,704</u>	<u>254,890</u>	<u>254,549</u>	<u>341</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Unallocated Benefits:</b>					
Social Security Contributions	\$ 169,924	\$ 41,714	\$ 211,638	\$ 187,448	\$ 24,190
Other Retirement Contributions - PERS	254,841	(50,140)	204,701	204,700	1
Other Retirement Contributions - Regular	7,462	150	7,612	5,398	2,214
Unemployment Compensation	50,000	(49,000)	1,000		1,000
Workmen's Compensation	141,248	(1,829)	139,419	136,594	2,825
Health Benefits	1,709,482	(106,450)	1,603,032	1,584,611	18,421
Tuition Reimbursement	63,704	(6,100)	57,604	38,649	18,955
Other Employee Benefits	99,423	14,700	114,123	110,606	3,517
<b>Total Unallocated Benefits</b>	<u>2,496,084</u>	<u>(156,955)</u>	<u>2,339,129</u>	<u>2,268,006</u>	<u>71,123</u>
<b>On-Behalf Contributions:</b>					
TPAF On-Behalf Pension Contribution (Non-Budgeted)				339,475	(339,475)
On-Behalf Post Retirement Contributions (non-budgeted)				383,861	(383,861)
Reimbursed TPAF Social Security Contributions (non-budgeted)				393,878	(393,878)
<b>Total On-Behalf Contributions</b>				<u>1,117,214</u>	<u>(1,117,214)</u>
<b>Total Personal Services - Employee Benefits</b>	<u>2,496,084</u>	<u>(156,955)</u>	<u>2,339,129</u>	<u>3,385,220</u>	<u>(1,046,091)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>6,934,516</u>	<u>151,916</u>	<u>7,086,432</u>	<u>8,072,472</u>	<u>(986,040)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>12,405,635</u>	<u>177,421</u>	<u>12,583,056</u>	<u>13,431,574</u>	<u>(848,518)</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CAPITAL OUTLAY:</b>					
<b>Equipment:</b>					
Regular Programs - Instruction:					
Grades 9-12	\$ 51,368	\$ (5,946)	\$ 45,422	\$ 41,570	\$ 3,852
Vocational Programs:					
Regular Programs	10,733		10,733	5,833	4,900
Undistributed Expenses:					
Instruction		15,000	15,000	14,166	834
Central Services	15,000	(15,000)			
Administrative Information Technology		15,000	15,000	12,923	2,077
<b>Total Equipment</b>	<u>77,101</u>	<u>9,054</u>	<u>86,155</u>	<u>74,492</u>	<u>11,663</u>
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	87,599	17,900	105,499	75,469	30,030
Construction Services	225,656	921,049	1,146,705	969,096	177,609
Assessment for Debt Service on SDA Funding		4,075	4,075	4,075	
<b>Total Facilities Acquisition and Construction Services</b>	<u>313,255</u>	<u>943,024</u>	<u>1,256,279</u>	<u>1,048,640</u>	<u>207,639</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>390,356</u>	<u>952,078</u>	<u>1,342,434</u>	<u>1,123,132</u>	<u>219,302</u>
<b>SPECIAL SCHOOLS:</b>					
Vocational Evening - Local - Instruction:					
Salaries of Teachers	20,000		20,000	19,980	20
General Supplies	18,100	(9,000)	9,100	8,152	948
Textbooks	3,000	(3,000)			

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(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 (Cont'd):					
Other Objects	\$ 3,000		\$ 3,000	\$ 1,653	\$ 1,347
Total Vocational Evening - Local - Instruction	<u>44,100</u>	<u>\$ (12,000)</u>	<u>32,100</u>	<u>29,785</u>	<u>2,315</u>
Vocational Evening - Local - Support Services:					
Salaries					
Personal Services - Employee Benefits	1,530	60	1,590	1,590	
Other Purchased Services	14,643	(7,559)	7,084	4,936	2,148
Supplies and Materials	2,500		2,500		2,500
Total Vocational Evening - Local - Support Services	<u>18,673</u>	<u>(7,499)</u>	<u>11,174</u>	<u>6,526</u>	<u>4,648</u>
TOTAL SPECIAL SCHOOLS	<u>62,773</u>	<u>(19,499)</u>	<u>43,274</u>	<u>36,311</u>	<u>6,963</u>
TOTAL EXPENDITURES	<u>12,858,764</u>	<u>1,110,000</u>	<u>13,968,764</u>	<u>14,591,017</u>	<u>(622,253)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(532,038)</u>	<u>(1,110,000)</u>	<u>(1,642,038)</u>	<u>(1,081,828)</u>	<u>560,210</u>
Other Financing Sources:					
Insurance Recovery Related to Fire Damage		460,000	460,000	450,604	(9,396)
Insurance Recovery Related to Other Costs of Super Storm Sandy		600,000	600,000	522,784	(77,216)
Total Other Financing Sources		<u>1,060,000</u>	<u>1,060,000</u>	<u>973,388</u>	<u>(86,612)</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>(532,038)</u>	<u>(50,000)</u>	<u>(582,038)</u>	<u>(108,440)</u>	<u>473,598</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	\$ 1,151,591		\$ 1,151,591	\$ 1,151,591	
Fund Balance, June 30	\$ 619,553	\$ (50,000)	\$ 569,553	\$ 1,043,151	\$ 473,598
Recapitulation:					
Restricted:					
Capital Reserve				\$ 225,541	
Assigned:					
Year End Encumbrances				161,029	
Designated for Subsequent Year's Expenditures				124,330	
Unassigned				532,251	
				1,043,151	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not recognized on a GAAP basis				(415,871)	
Fund Balance per Governmental Funds (GAAP)				\$ 627,280	

SUSSEX COUNTY TECHNICAL SCHOOL  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources		\$ 1,000	\$ 1,000	\$ 1,000	
State Sources	\$ 330,742	13,936	344,678	339,163	\$ (5,515)
Federal Sources	513,889	(30,819)	483,070	479,987	(3,083)
<b>Total Revenues</b>	<u>844,631</u>	<u>(15,883)</u>	<u>828,748</u>	<u>820,150</u>	<u>(8,598)</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	353,567	(130,923)	222,644	222,644	
General Supplies		104,957	104,957	102,115	2,842
<b>Total Instruction</b>	<u>353,567</u>	<u>(25,966)</u>	<u>327,601</u>	<u>324,759</u>	<u>2,842</u>
<b>Support Services:</b>					
Salaries of Program Directors	171,686	(165,052)	6,634	6,634	
Salaries of Other Professional Staff	319,378	(83,776)	235,602	234,971	631
Personal Services - Employee Benefits		101,670	101,670	97,485	4,185
Purchased Professional and Technical Services		14,500	14,500	14,500	
Transportation		10,000	10,000	10,000	
Supplies and Materials		32,500	32,500	31,561	939
Other Objects		4,198	4,198	4,198	
<b>Total Support Services</b>	<u>491,064</u>	<u>(85,960)</u>	<u>405,104</u>	<u>399,349</u>	<u>5,755</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment		96,043	96,043	96,042	1
<b>Total Facilities Acquisition and Construction Services</b>		<u>96,043</u>	<u>96,043</u>	<u>96,042</u>	<u>1</u>
<b>Total Expenditures</b>	<u>\$ 844,631</u>	<u>\$ (15,883)</u>	<u>\$ 828,748</u>	<u>\$ 820,150</u>	<u>\$ 8,598</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISION SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 13,509,189	\$ 820,150
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		(28,431)
Prior Year Encumbrances		4,705
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	408,768	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(415,871)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 13,502,086	\$ 796,424
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 14,591,017	\$ 820,150
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		(28,431)
Prior Year Encumbrances		4,705
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 14,591,017	\$ 796,424

SUSSEX COUNTY TECHNICAL SCHOOL  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISION SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(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, 2013

	Adolescent Pregnancy Prevention Initiative	School Based Youth Services	Apprenticeship Coordinator	Curriculum for Agricultural Science Education	Carl D. Perkins	
					Post Secondary	Secondary
REVENUES						
State Sources	\$ 62,777	\$ 256,698	\$ 9,688	\$ 10,000		
Federal Sources					\$ 81,022	\$ 62,129
Total Revenues	<u>62,777</u>	<u>256,698</u>	<u>9,688</u>	<u>10,000</u>	<u>81,022</u>	<u>62,129</u>
EXPENDITURES						
Instruction:						
Salaries of Teachers			9,000			1,860
General Supplies				10,000	38,209	9,314
Total Instruction			<u>9,000</u>	<u>10,000</u>	<u>38,209</u>	<u>11,174</u>
Support Services:						
Salaries of Program Directors					3,739	2,895
Salaries of Other Professional Staff	43,371	175,388			286	250
Personal Services - Employee Benefits	12,493	38,341	688			
Purchased Professional - Technical Services	4,000	10,500				
Transportation						
Supplies and Materials	2,455	28,729				
Other Objects	458	3,740				
Total Support Services	<u>62,777</u>	<u>256,698</u>	<u>688</u>		<u>4,025</u>	<u>3,145</u>
Facilities Acquisition and Construction Services:						
Instructional Equipment					38,788	47,810
Total Facilities Acquisition and Construction Services					<u>38,788</u>	<u>47,810</u>
Total Expenditures	<u>\$ 62,777</u>	<u>\$ 256,698</u>	<u>\$ 9,688</u>	<u>\$ 10,000</u>	<u>\$ 81,022</u>	<u>\$ 62,129</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Rural Education Achievement Program	No Child Left Behind		I.D.E.A. Part B, Basic	Workforce Investment Act Program	Local Donations	Total
		Title I	Title II A				
<b>REVENUES</b>							
Local Sources						\$ 1,000	\$ 1,000
State Sources							339,163
Federal Sources	\$ 53,036	\$ 47,928	\$ 6,656	\$ 184,552	\$ 44,664		479,987
<b>Total Revenues</b>	<b>53,036</b>	<b>47,928</b>	<b>6,656</b>	<b>184,552</b>	<b>44,664</b>	<b>1,000</b>	<b>820,150</b>
<b>EXPENDITURES</b>							
Instruction:							
Salaries of Teachers		39,321	5,461	151,409	15,593		222,644
General Supplies	43,592					1,000	102,115
<b>Total Instruction</b>	<b>43,592</b>	<b>39,321</b>	<b>5,461</b>	<b>151,409</b>	<b>15,593</b>	<b>1,000</b>	<b>324,759</b>
Support Services:							
Salaries of Program Directors							6,634
Salaries of Other Professional Staff					15,676		234,971
Personal Services - Employee Benefits		8,607	1,195	33,143	3,018		97,485
Purchased Professional - Technical Services							14,500
Transportation					10,000		10,000
Supplies and Materials					377		31,561
Other Objects							4,198
<b>Total Support Services</b>		<b>8,607</b>	<b>1,195</b>	<b>33,143</b>	<b>29,071</b>		<b>399,349</b>
Facilities Acquisition and Construction Services:							
Instructional Equipment	9,444						96,042
<b>Total Facilities Acquisition and Construction Services</b>	<b>9,444</b>						<b>96,042</b>
<b>Total Expenditures</b>	<b>\$ 53,036</b>	<b>\$ 47,928</b>	<b>\$ 6,656</b>	<b>\$ 184,552</b>	<b>\$ 44,664</b>	<b>\$ 1,000</b>	<b>\$ 820,150</b>

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, 2013

Revenue and Other Financing Sources:	
County Bond Ordinance Proceeds	\$ 1,280,000
	<hr/>
Total Revenue and Other Financing Sources	1,280,000
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	117,333
Construction Services	2,410,695
Cancel Accounts Receivables from SDA	72,196
Cancel Accounts Receivable from County	67,359
	<hr/>
Total Expenditures and Other Financing Uses	2,667,583
	<hr/>
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	(1,387,583)
	<hr/>
Fund Balance - Beginning of Year	4,402,273
	<hr/>
Fund Balance - End of Year	\$ 3,014,690
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted	\$ 2,492,926
Restricted - Year End Encumbrances	521,764
	<hr/>
Total Fund Balance - Budgetary Basis	3,014,690
	<hr/>
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on the GAAP Basis	(696,000)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 2,318,690
	<hr/> <hr/>

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, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
County Bond Ordinance Proceeds	\$ 800,000	\$ (28,102)	\$ 771,898	\$ 771,898
Revenue and Other Financing Sources	<u>800,000</u>	<u>(28,102)</u>	<u>771,898</u>	<u>771,898</u>
Expenditures:				
Purchased Professional and Technical Services	12,977		12,977	
Construction Services	<u>758,921</u>		<u>758,921</u>	<u>771,898</u>
Total Expenditures	<u>771,898</u>		<u>771,898</u>	<u>771,898</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 28,102</u>	<u>\$ (28,102)</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	\$ (28,102)
Revised Authorized Cost	\$ 771,898
Percentage Increase/Decrease over Original Authorized Cost	-4%
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  
(INCLUDING BOILER ROOM UPGRADES)  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 183,924		\$ 183,924	\$ 190,000
County Bond Ordinance Proceeds	500,000	\$ (25,000)	475,000	475,000
	<u>683,924</u>	<u>(25,000)</u>	<u>658,924</u>	<u>665,000</u>
<b>Revenue and Other Financing Sources</b>				
	<u>683,924</u>	<u>(25,000)</u>	<u>658,924</u>	<u>665,000</u>
<b>Expenditures:</b>				
Purchased Professional and Technical Services	27,500		27,500	22,500
Construction Services	468,349	163,075	631,424	642,500
	<u>495,849</u>	<u>163,075</u>	<u>658,924</u>	<u>665,000</u>
<b>Total Expenditures</b>				
	<u>495,849</u>	<u>163,075</u>	<u>658,924</u>	<u>665,000</u>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>				
	<u>\$ 188,075</u>	<u>\$ (188,075)</u>	<u>\$ -0-</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	\$ 165,000
Revised Authorized Cost	\$ 665,000
<b>Percentage Increase/Decrease over Original</b>	
Authorized Cost	33%
Percentage Completion	100%
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, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 188,000	\$ (63,519)	\$ 124,481	\$ 124,481
County Bond Ordinance Proceeds	282,000	(36,587)	245,413	245,413
<b>Total Revenue and Other Financing Sources</b>	<u>470,000</u>	<u>(100,106)</u>	<u>369,894</u>	<u>369,894</u>
<b>Expenditures:</b>				
Purchased Professional and Technical Services	33,934	\$ 8,770	42,704	41,000
Construction Services	4,407	264,093	268,500	328,894
<b>Total Expenditures</b>	<u>38,341</u>	<u>272,863</u>	<u>311,204</u>	<u>369,894</u>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<u>\$ 431,659</u>	<u>\$ (372,969)</u>	<u>\$ 58,690</u>	<u>\$ -0-</u>

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	\$ (100,106)
Revised Authorized Cost	\$ 369,894
Percentage Increase/Decrease over Original Authorized Cost	-21%
Percentage Completion	84%
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  
BOILER REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 168,000		\$ 168,000	\$ 168,000
County Bond Ordinance Proceeds	252,000	\$ 35,346	287,346	287,346
<b>Total Revenue and Other Financing Sources</b>	<u>420,000</u>	<u>35,346</u>	<u>455,346</u>	<u>455,346</u>
<b>Expenditures:</b>				
Purchased Professional and Technical Services	31,649	7,740	39,389	35,000
Construction Services	28,102	387,855	415,957	420,346
<b>Total Expenditures</b>	<u>59,751</u>	<u>395,595</u>	<u>455,346</u>	<u>455,346</u>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<u>\$ 360,249</u>	<u>\$ (360,249)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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	\$ 35,346
Revised Authorized Cost	\$ 455,346
Percentage Increase over Original Authorized Cost	8.42%
Percentage Completion	100%
Original Target Completion Date	10/12
Revised Target Completion Date	10/12

Exhibit F-1E

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, 2013

	<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	\$ (8,677)	\$ 697,323	\$ 697,323
County Bond Ordinance Proceeds	<u>1,059,000</u>	<u>(13,016)</u>	<u>1,045,984</u>	<u>1,045,984</u>
Revenue and Other Financing Sources	<u>1,765,000</u>	<u>(21,693)</u>	<u>1,743,307</u>	<u>1,743,307</u>
Expenditures:				
Purchased Professional and Technical Services	110,812	36,823	147,635	292,400
Construction Services	<u>                    </u>	<u>1,595,672</u>	<u>1,595,672</u>	<u>1,450,907</u>
Total Expenditures	<u>110,812</u>	<u>1,632,495</u>	<u>1,743,307</u>	<u>1,743,307</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 1,654,188</u>	<u>\$ (1,654,188)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Additional Project Information:</u>				
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	\$ (21,693)			
Revised Authorized Cost	\$ 1,743,307			
Percentage Increase/Decrease over Original Authorized Cost	-1%			
Percentage Completion	100%			
Original Target Completion Date	11/12			
Revised Target Completion Date	11/12			

Exhibit F-1F

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, 2013

	<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	<u>1,044,000</u>		<u>1,044,000</u>	<u>1,044,000</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		\$ 14,500	14,500	290,000
Construction Services				<u>1,450,000</u>
Total Expenditures		<u>14,500</u>	<u>14,500</u>	<u>1,740,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 1,740,000</u>	<u>\$ (14,500)</u>	<u>\$ 1,725,500</u>	<u>\$ -0-</u>
 <u>Additional Project Information:</u>				
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	1%			
Original Target Completion Date	10/13			
Revised Target Completion Date	12/14			

Exhibit F-1G

SUSSEX COUNTY TECHNICAL SCHOOL  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
TRACK AND PARKING LOT REPAIRS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
County Bond Ordinance Proceeds		\$ 1,280,000	\$ 1,280,000	\$ 1,280,000
Revenue and Other Financing Sources		1,280,000	1,280,000	1,280,000
Expenditures:				
Purchased Professional and Technical Services		49,500	49,500	213,754
Construction Services				1,066,246
Total Expenditures		49,500	49,500	1,280,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 1,230,500	\$ 1,230,500	\$ -0-

Additional Project Information:

Project Numbers	5110-010-13-200
Grant Date	N/A
County Bond Ordinance Authorization Date	5/22/13
County Bond Ordinance Authorized	\$ 1,280,000
Original Authorized Cost	\$ 1,280,000
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 1,280,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	4%
Original Target Completion Date	12/14
Revised Target Completion Date	12/14

PROPRIETARY FUNDS

Exhibit G-1

SUSSEX COUNTY TECHNICAL SCHOOL  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2013

	Non-Major	Major Funds		Totals
	Fund	Transportation	Food Service	
	Use of Facilities			
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents			\$ 147,170	\$ 147,170
Intrafund Receivable	\$ 115,638		22,000	137,638
Intergovernmental Accounts Receivable:				
State			375	375
Federal			6,687	6,687
Other		\$ 76,646		76,646
Other Accounts Receivable	32,981	300	9,566	42,847
Inventories			11,324	11,324
<b>Total Current Assets</b>	<b>148,619</b>	<b>76,946</b>	<b>197,122</b>	<b>422,687</b>
Non-Current Assets:				
Capital Assets		435,575	71,974	507,549
Less: Accumulated Depreciation		(104,411)	(30,642)	(135,053)
<b>Total Non-Current Assets</b>		<b>331,164</b>	<b>41,332</b>	<b>372,496</b>
<b>Total Assets</b>	<b>148,619</b>	<b>408,110</b>	<b>238,454</b>	<b>795,183</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
Intrafund Payable		137,638		137,638
Interfund Payable			119,241	119,241
Accounts Payable		13,133	30,575	43,708
Unearned Revenue			997	997
<b>Total Current Liabilities:</b>		<b>150,771</b>	<b>150,813</b>	<b>301,584</b>
Noncurrent Liabilities:				
Capital Leases Payable:				
Due Within One Year		69,226		69,226
Due Beyond One Year		123,373		123,373
<b>Total Noncurrent Liabilities</b>		<b>192,599</b>		<b>192,599</b>
<b>Total Liabilities</b>		<b>343,370</b>	<b>150,813</b>	<b>494,183</b>
<b>NET POSITION:</b>				
Net Investment in Capital Assets		138,565	41,332	179,897
Unrestricted/(Deficit)	148,619	(73,825)	46,309	121,103
<b>Total Net Position</b>	<b>\$ 148,619</b>	<b>\$ 64,740</b>	<b>\$ 87,641</b>	<b>\$ 301,000</b>

SUSSEX COUNTY TECHNICAL SCHOOL  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Non-Major	Major Funds		Totals
	Fund	Transportation	Food Service	
	Use of Facilities			
<b>Operating Revenue:</b>				
Daily Sales - Reimbursable Programs			\$ 119,155	\$ 119,155
Daily Sales - Non-Reimbursable Programs			98,690	98,690
Charges for Services - Program Fees	\$ 170,269	\$ 1,063,218		1,233,487
Special Events			46,930	46,930
Miscellaneous Revenue			15,920	15,920
<b>Total Operating Revenue</b>	<b>170,269</b>	<b>1,063,218</b>	<b>280,695</b>	<b>1,514,182</b>
<b>Operating Expenses:</b>				
Cost of Sales			167,782	167,782
Salaries	54,112	503,042	101,951	659,105
Employee Benefits	4,267	191,743	39,490	235,500
Purchased Professional Technical Services	25,992			25,992
Maintenance		80,499		80,499
Lease Purchase Payment		42,092		42,092
Other Purchased Services		13,650	52,872	66,522
Supplies and Materials		114,619	10,102	124,721
Energy	25,664			25,664
Miscellaneous Expenditures	130		3,260	3,390
Depreciation Expense		45,802	7,139	52,941
<b>Total Operating Expenses</b>	<b>110,165</b>	<b>991,447</b>	<b>382,596</b>	<b>1,484,208</b>
<b>Operating Income/(Loss)</b>	<b>60,104</b>	<b>71,771</b>	<b>(101,901)</b>	<b>29,974</b>
<b>Non-Operating Revenue:</b>				
Interest Income			81	81
State Sources:				
State School Lunch Program			3,042	3,042
Federal Sources:				
National School Lunch Program			79,690	79,690
School Breakfast Program			13,772	13,772
Food Distribution Program			11,488	11,488
<b>Total Non-Operating Revenue</b>			<b>108,073</b>	<b>108,073</b>
<b>Change in Net Position Before Other Financing Uses</b>	<b>60,104</b>	<b>71,771</b>	<b>6,172</b>	<b>138,047</b>

SUSSEX COUNTY TECHNICAL SCHOOL  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Use of Facilities</u>	<u>Transportation</u>	<u>Food Service</u>	<u>Totals</u>
Other Financing Uses:				
Cancellation of Prior Year Accounts Receivable	\$ (785)		\$ (16)	\$ (801)
Total Other Financing Uses	<u>(785)</u>		<u>(16)</u>	<u>(801)</u>
Change in Net Position	59,319	71,771	6,156	137,246
Net Position/(Deficit) - Beginning of Year	<u>89,300</u>	<u>(7,031)</u>	<u>81,485</u>	<u>163,754</u>
Net Position - End of Year	<u>\$ 148,619</u>	<u>\$ 64,740</u>	<u>\$ 87,641</u>	<u>\$ 301,000</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Non-Major	Major Funds		Totals
	Fund	Transportation	Food Service	
	Use of Facilities			
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ 173,663	\$ 1,044,349	\$ 274,151	\$ 1,492,163
Intrafund Advanced	(115,638)	137,638	(22,000)	
Collection of Prior Year Intrafund Receivable	52,140		20,704	72,844
Settlement of Prior Year Intrafund Payable		(72,844)		(72,844)
Payments to/for Employees	(58,379)	(694,785)	(141,441)	(894,605)
Payments to Suppliers	(51,786)	(237,847)	(194,727)	(484,360)
<b>Net Cash Provided by/(Used for) Operating Activities</b>		<b>176,511</b>	<b>(63,313)</b>	<b>113,198</b>
<b>Cash Flows from Financing Activities:</b>				
Interest Income			81	81
<b>Net Cash Provided by Financing Activities</b>			<b>81</b>	<b>81</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Purchase of Capital Assets		(20,279)	(3,510)	(23,789)
Lease Purchase Principal Payment		(67,100)		(67,100)
<b>Net Cash Used for Capital and Related Financing Activities</b>		<b>(87,379)</b>	<b>(3,510)</b>	<b>(90,889)</b>
<b>Cash Flows by Noncapital Financing Activities:</b>				
Interfund Advanced - General Fund			119,241	119,241
Interfund Returned - General Fund		(89,132)		(89,132)
State Sources			2,824	2,824
Federal Sources			91,847	91,847
<b>Net Cash Provided by/(Used for) Noncapital Financing Activities</b>		<b>(89,132)</b>	<b>213,912</b>	<b>124,780</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>-0-</b>	<b>-0-</b>	<b>147,170</b>	<b>147,170</b>
<b>Cash and Cash Equivalents, July 1</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Cash and Cash Equivalents, June 30</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 147,170</b>	<b>\$ 147,170</b>

SUSSEX COUNTY TECHNICAL SCHOOL  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Non-Major Fund	Major Funds		Totals
	Use of Facilities	Transportation	Food Service	
Operating Income/(Loss)	\$ 60,104	\$ 71,771	\$ (101,901)	\$ 29,974
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) for Operating Activities:				
Depreciation		45,802	7,139	52,941
Food Distribution Program			11,488	11,488
Changes in Assets and Liabilities:				
(Increase)/Decrease in Other Accounts Receivable	3,394	(18,869)	(6,544)	(22,019)
(Increase) in Intrafund Receivable	(63,498)		(1,296)	(64,794)
Increase in Intrafund Payable		64,794		64,794
Increase in Accounts Payable		13,013	30,575	43,588
Increase in Unearned Revenue			620	620
(Increase) in Inventory			(3,394)	(3,394)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ -0-</u>	<u>\$ 176,511</u>	<u>\$ (63,313)</u>	<u>\$ 113,198</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 \$12,108 and utilized Commodities valued at \$11,488. The Transportation Fund paid down \$67,100 of lease purchase payable.

FIDUCIARY FUNDS

Exhibit H-1

SUSSEX COUNTY TECHNICAL SCHOOL  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2013

	<u>Agency</u>		<u>Total Agency</u>	<u>Health Promotion Trust</u>	<u>Unemployment Compensation Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>			
<b><u>ASSETS:</u></b>					
Cash and Cash Equivalents	\$ 95,141	\$ 24,616	\$ 119,757	\$ 2,508	\$ 87,537
Investments				5,799	
Total Assets	<u>95,141</u>	<u>24,616</u>	<u>119,757</u>	<u>8,307</u>	<u>87,537</u>
<b><u>LIABILITIES:</u></b>					
Payroll Deductions and Withholdings		24,616	24,616		
Due to Student Groups	<u>95,141</u>		<u>95,141</u>		
Total Liabilities	<u>95,141</u>	<u>24,616</u>	<u>119,757</u>		
<b><u>NET POSITION:</u></b>					
Held in Trust for Unemployment Claims					87,537
Restricted for Health Promotion Expenses				<u>8,307</u>	
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 8,307</u>	<u>\$ 87,537</u>

## Exhibit H-2

SUSSEX COUNTY TECHNICAL SCHOOL  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Health Promotion Trust	Unemployment Compensation Trust
	<u>          </u>	<u>          </u>
<b>ADDITIONS:</b>		
Contributions:		
Plan Members		\$    11,499
Investment Earnings:		
Interest	\$        36	188
Net Investment Earnings	<u>        36</u>	<u>        188</u>
Total Additions	<u>        36</u>	<u>    11,687</u>
<b>DEDUCTIONS:</b>		
Unemployment Benefit Claims		45,123
Health Promotion Expenses	14	
Total Deductions	<u>        14</u>	<u>    45,123</u>
Change in Net Position	22	(33,436)
Net Position - Beginning of the Year	<u>    8,285</u>	<u>   120,973</u>
Net Position - End of the Year	<u>\$    8,307</u>	<u>\$    87,537</u>

Exhibit H-3

SUSSEX COUNTY TECHNICAL SCHOOL  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 87,021	\$ 311,207	\$ 303,087	\$ 95,141
Total Assets	<u>\$ 87,021</u>	<u>\$ 311,207</u>	<u>\$ 303,087</u>	<u>\$ 95,141</u>
 <b><u>LIABILITIES:</u></b>				
Due to Student Groups	\$ 87,021	\$ 311,207	\$ 303,087	\$ 95,141
Total Liabilities	<u>\$ 87,021</u>	<u>\$ 311,207</u>	<u>\$ 303,087</u>	<u>\$ 95,141</u>

SUSSEX COUNTY TECHNICAL SCHOOL  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 25,889	\$ 15,164,479	\$ 15,165,752	\$ 24,616
Total Assets	<u>\$ 25,889</u>	<u>\$ 15,164,479</u>	<u>\$ 15,165,752</u>	<u>\$ 24,616</u>
 <b><u>LIABILITIES:</u></b>				
Interfund Payable:				
General Fund	\$ 79		\$ 79	
Payroll Deductions and Withholdings	<u>25,810</u>	<u>\$ 15,164,479</u>	<u>15,165,673</u>	<u>\$ 24,616</u>
Total Liabilities	<u>\$ 25,889</u>	<u>\$ 15,164,479</u>	<u>\$ 15,165,752</u>	<u>\$ 24,616</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, 2013

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2012</u>	<u>Matured</u>	<u>Balance June 30, 2013</u>
Two 2009 54-Passenger School Buses	4.00%	\$ 155,792	\$ 32,621	\$ 32,621	
Savin Digital Imaging System	5.90%	29,098	17,493	5,832	\$ 11,661
40-Passenger Bus with Wheelchair Lift	3.88%	99,900	59,820	19,239	40,581
Three Type C 54-Passenger School Buses	2.88%	253,500	199,880	47,862	152,018
			<u>\$ 309,814</u>	<u>\$ 105,554</u>	<u>\$ 204,260</u>
				Governmental Activities	\$ 11,661
				Business-Type Activities	192,599
					<u>\$ 204,260</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**

	<b><u>Exhibit</u></b>
<p><b>Financial Trends</b></p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p><b>Revenue Capacity</b></p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p><b>Debt Capacity</b></p> <p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p><b>Demographic and Economic Information</b></p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p><b>Operating Information</b></p> <p>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. 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 POSITION BY COMPONENT  
LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities:</b>									
Net Investment in Capital Assets	\$ 8,212,744	\$ 7,765,311	\$ 7,646,547	\$ 7,318,782	\$ 7,662,551	\$ 8,135,523	\$ 8,501,170	\$ 8,723,160	\$ 10,949,201
Restricted/(Deficit)	212,264	(17,500)	405,056	467,105	962,480	792,365	904,291	2,888,074	2,544,231
Unrestricted/(Deficit)	(2,443,611)	(2,154,519)	(1,754,201)	(1,437,682)	(1,522,644)	(768,516)	(410,203)	(183,223)	(331,468)
<b>Total Governmental Activities Net Position</b>	<b>\$ 5,981,397</b>	<b>\$ 5,593,292</b>	<b>\$ 6,297,402</b>	<b>\$ 6,348,205</b>	<b>\$ 7,102,387</b>	<b>\$ 8,159,372</b>	<b>\$ 8,995,258</b>	<b>\$ 11,428,011</b>	<b>\$ 13,161,964</b>
<b>Business-Type Activities:</b>									
Net Investment in Capital Assets	\$ 1,612	\$ 1,382	\$ 1,152	\$ 21,502	\$ 30,951	\$ 100,408	\$ 119,464	\$ 141,948	\$ 179,897
Unrestricted/(Deficit)	95,329	134,244	155,897	216,986	274,994	97,924	(1,571)	21,806	121,103
<b>Total Business-Type Activities Net Position</b>	<b>\$ 96,941</b>	<b>\$ 135,626</b>	<b>\$ 157,049</b>	<b>\$ 238,488</b>	<b>\$ 305,945</b>	<b>\$ 198,332</b>	<b>\$ 117,893</b>	<b>\$ 163,754</b>	<b>\$ 301,000</b>
<b>District-Wide:</b>									
Net Investment in Capital Assets	\$ 8,214,356	\$ 7,766,693	\$ 7,647,699	\$ 7,340,284	\$ 7,693,502	\$ 8,235,931	\$ 8,620,634	\$ 8,865,108	\$ 11,129,098
Restricted/(Deficit)	212,264	(17,500)	405,056	467,105	962,480	792,365	904,291	2,888,074	2,544,231
Unrestricted/(Deficit)	(2,348,282)	(2,020,275)	(1,598,304)	(1,220,696)	(1,247,650)	(670,592)	(411,774)	(161,417)	(210,365)
<b>Total District Net Position</b>	<b>\$ 6,078,338</b>	<b>\$ 5,728,918</b>	<b>\$ 6,454,451</b>	<b>\$ 6,586,693</b>	<b>\$ 7,408,332</b>	<b>\$ 8,357,704</b>	<b>\$ 9,113,151</b>	<b>\$ 11,591,765</b>	<b>\$ 13,462,964</b>

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 POSITION, LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses:</b>									
<b>Governmental Activities:</b>									
<b>Instruction:</b>									
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	\$ 3,465,198
Special Education	240,993	258,916	242,686	205,202	515,844	515,634	369,177	485,510	526,185
Other Special Instruction	123,926	147,648	223,261	247,074	145,436	170,273	177,878	75,119	850
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	3,012,477
School-Sponsored/Other Instruction	595,948	594,230	661,116	584,005	659,416	677,808	666,075	662,399	714,374
<b>Support Services:</b>									
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	2,302,096
General Administrative Services	457,316	455,235	398,084	422,633	372,621	410,736	385,125	350,707	323,626
School Administrative Services	353,154	470,894	513,836	536,642	557,053	511,940	428,820	426,091	407,811
Central Services	434,604	521,266	463,044	402,774	517,469	412,099	453,552	498,783	548,860
Administrative Information Technology	142,313	115,601	141,090	113,641	55,773	101,361	121,765	124,532	129,186
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	2,431,393
Pupil Transportation	542,583	642,003	713,802	260,186	156,698	129,353	141,247	295,552	343,543
Special Schools	285,976	286,915	331,689	476,119	516,417	435,073	596,556	137,487	116,993
Capital Outlay	36,583	471,290	65,362	115,191	33,242	32,058	35,841	305,009	1,000,431
Unallocated Depreciation	322,779	601,292	348,429	351,212	318,180	328,004	307,277	388,737	398,567
<b>Total Governmental Activities Expenses</b>	<b>13,530,144</b>	<b>14,664,400</b>	<b>14,256,340</b>	<b>13,872,852</b>	<b>14,309,796</b>	<b>13,535,476</b>	<b>13,537,304</b>	<b>14,507,327</b>	<b>15,721,590</b>
<b>Business-Type Activities:</b>									
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	991,447
Use of Facilities				71,866	73,239	83,640	113,829	110,855	110,165
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	382,596
<b>Total Business-Type Activities Expense</b>	<b>684,313</b>	<b>669,712</b>	<b>701,267</b>	<b>1,437,377</b>	<b>1,610,730</b>	<b>1,644,721</b>	<b>1,322,611</b>	<b>1,273,359</b>	<b>1,484,208</b>
<b>Total District Expenses</b>	<b>14,214,457</b>	<b>15,334,112</b>	<b>14,957,607</b>	<b>15,310,229</b>	<b>15,920,526</b>	<b>15,180,197</b>	<b>14,859,915</b>	<b>15,780,686</b>	<b>17,205,798</b>
<b>Program Revenues:</b>									
<b>Governmental Activities:</b>									
<b>Charges for Services:</b>									
Tuition								1,267,527	1,386,790
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	2,220,638
Capital Grants and Contributions	59,029						255,449	127,670	971,004
<b>Total Governmental Activities Program Revenues</b>	<b>3,676,014</b>	<b>3,935,885</b>	<b>4,335,986</b>	<b>3,973,180</b>	<b>2,369,888</b>	<b>2,181,752</b>	<b>2,192,456</b>	<b>3,649,540</b>	<b>4,578,432</b>

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Program Revenues: (Cont'd)									
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	1,063,218
Use of Facilities				87,123	73,797	100,985	127,752	162,705	170,269
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	280,695
Operating Grants and Contributions	66,325	63,365	59,969	57,465	57,748	67,497	83,172	97,904	107,992
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>	<u>1,622,174</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>	<u>6,200,606</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)	(11,143,158)
Business-Type Activities	16,118	38,685	21,423	(30,874)	57,492	(110,425)	(78,712)	75,099	137,966
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>	<u>(11,005,192)</u>
General Revenues and Other Changes in Net Position:									
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	\$ 6,692,589
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	3,848,619
NJEDA Project Grant				134,256					
Transfers				(67,664)			(14,258)		
Miscellaneous Income	624,365	557,702	598,603	178,805	172,978	179,958	200,683	677,115	\$ 149,874
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	1,280,000
Insurance Recovery Related to Fire Damage									450,604
Insurance Recovery Related to Other Costs of Super Storm Sandy									522,784
Cancellation of Intergovernmental Accts Receivable							(190,000)	(43,014)	(67,359)
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>	<u>12,877,111</u>

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position (Cont'd):									
Business-Type Activities:									
Miscellaneous Income	\$ 38,671			\$ 44,649				\$ 38	81
Transfers				67,664			\$ 14,258		
Cancellation of Prior Year Accounts Receivable					\$ (948)	\$ (3,661)	(15,985)	(29,276)	(801)
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>	<u>(720)</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>	<u>12,876,391</u>
Change in Net Position:									
Governmental Activities	516,715	(388,105)	704,110	50,803	754,182	1,056,985	835,886	2,432,753	1,733,953
Business-Type Activities	<u>54,789</u>	<u>38,685</u>	<u>21,423</u>	<u>81,439</u>	<u>67,457</u>	<u>(107,613)</u>	<u>(80,439)</u>	<u>45,861</u>	<u>137,246</u>
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>	<u>\$ 1,871,199</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 NINE FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund:</b>									
Reserved/Restricted	\$ 28,988	\$ 68,777	\$ 90,325	\$ 138,268	\$ 128,238	\$ 213,682	\$ 100,001	\$ 225,001	\$ 225,541
Assigned							297,637	517,822	285,359
Unreserved/(Deficit)	(29,137)	312,130	278,023	36,905	(172,457)	42,943			
Unassigned									116,380
<b>Total General Fund</b>	<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>	<u>\$ 627,280</u>
<b>All Other Governmental Funds:</b>									
Reserved/Restricted	\$ 286,135	\$ 16,213	\$ 80,343	\$ 130,829	\$ 27,410	\$ 8,597	\$ 804,290	\$ 2,663,073	\$ 2,318,690
Unreserved/(Deficit), Reported In:									
Special Revenue Fund	(775)	(775)	(775)	(775)					
Capital Projects Fund	(102,084)	(101,715)	235,163	198,782	806,832	570,086			
<b>Total All Other Governmental Funds</b>	<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>	<u>\$ 2,318,690</u>
<b>Governmental Funds:</b>									
Reserved/Restricted	\$ 315,123	\$ 84,990	\$ 170,668	\$ 269,097	\$ 155,648	\$ 222,279	\$ 904,291	\$ 2,888,074	\$ 2,544,231
Assigned							297,637	517,822	285,359
Unreserved/(Deficit)	(131,996)	209,640	512,411	234,912	634,375	613,029			
Unassigned									116,380
<b>Total Governmental Funds</b>	<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>	<u>\$ 2,945,970</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 NINE FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues:</b>									
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	\$ 6,692,589
Tuition from LEA's	1,328	10,620	14,247	11,029	31,428	18,856	13,310	1,265,627	1,386,790
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						
Interest Earned on Capital Reserve Funds									540
Other Restricted Miscellaneous Revenue	510,127	488,344	500,509	54,897	112,069	98,164	118,253	84,785	99,771
Unrestricted Miscellaneous Revenue	114,523	77,861	101,206	123,907	61,170	83,168	83,345	592,330	49,563
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	6,568,233
Federal Sources	476,943	510,332	425,483	555,484	837,251	1,196,709	548,935	704,148	472,028
<b>Total Revenue</b>	<b>13,543,401</b>	<b>13,619,878</b>	<b>14,522,547</b>	<b>13,991,318</b>	<b>13,972,981</b>	<b>14,092,461</b>	<b>13,859,848</b>	<b>14,673,452</b>	<b>15,269,514</b>
<b>Expenditures:</b>									
<b>Instruction:</b>									
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	2,497,008
Special Education Instruction	238,905	211,400	204,660	212,184	196,601	240,874	144,386	146,933	151,409
Other Special Instruction	123,926	147,648	149,074	161,348	145,436	170,273	177,878	75,119	850
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	2,437,836
School-Sponsored/Other Instruction	477,845	454,070	436,177	458,840	509,460	548,040	518,769	512,410	551,444
<b>Support Services:</b>									
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	1,724,110
General Administrative Services	409,850	346,019	354,953	371,332	312,174	337,696	342,265	288,104	264,899
School Administrative Services	309,673	336,535	343,121	383,093	391,267	375,799	317,765	305,489	301,919
Central Services	358,800	367,264	369,432	324,751	339,622	327,461	342,185	367,761	403,477
Administrative Information Technology	79,358	84,613	88,375	76,015	57,899	72,871	84,876	88,157	88,230
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	2,034,839
Pupil Transportation	414,721	450,784	573,794	95,816	129,721	105,784	102,704	208,523	254,549
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	3,385,220
Special Schools	285,057	331,927	330,420	474,721	496,712	350,654	496,746	108,859	77,376
Capital Outlay	732,803	892,453	341,337	332,766	623,856	989,180	804,804	1,040,474	3,742,303
<b>Total Expenditures</b>	<b>13,924,989</b>	<b>14,298,768</b>	<b>14,572,001</b>	<b>14,102,725</b>	<b>14,622,174</b>	<b>14,576,274</b>	<b>13,996,880</b>	<b>14,736,112</b>	<b>17,915,469</b>
<b>Deficit of Revenues Under Expenditures</b>	<b>(381,588)</b>	<b>(678,890)</b>	<b>(49,454)</b>	<b>(111,407)</b>	<b>(649,193)</b>	<b>(483,813)</b>	<b>(137,032)</b>	<b>(62,660)</b>	<b>(2,645,955)</b>

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses):									
County Bond Ordinance Proceeds	\$ 503,458		\$ 437,903		\$ 935,207	\$ 500,000	\$ 717,600	\$ 2,309,642	\$ 1,280,000
Insurance Recovery Related to Fire Damage									450,604
Insurance Recovery Related to Other Costs of Super Storm Sandy									522,784
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)	(67,359)
<b>Total Other Financing Sources (Uses)</b>	<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>	<u>2,186,029</u>
<b>Net Change in Fund Balances</b>	<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>	<u>\$ (459,926)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<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>	<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

Fiscal Year Ended June 30,	Evening School/ Other Program Fees	Transportation Fees	Interest on Investments	Tuition	Use of Facilities Fees	Miscellaneous	Total
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	\$ 1,267,527		609,589	1,944,642
2013	79,564		2,437	1,386,790		67,873	1,536,664

Source: Sussex County Technical School Records.

SUSSEX COUNTY TECHNICAL SCHOOL  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - COUNTY OF SUSSEX  
LAST NINE 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
2012	434,117,189	13,954,080,550	621,469,900	29,054,367	1,533,919,235	192,072,000	93,927,500	16,858,640,741	1,942,903,281	31,167,721	16,889,808,462	N/A	18,892,649,964

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	2012		
	Taxable Assessed Value	Rank	% of Total County Net Assessed Value
Mountain Creek	\$ 41,408,900	1	0.25%
Kenneth D. Martin & Associates	35,480,400	2	0.21%
Wantage Avenue Holding Company, Inc.	35,000,000	3	0.21%
Crystal Springs/Grand Cascades/Ballyown/Shotland Bauer	31,409,900	4	0.19%
United Telephone	29,928,127	5	0.18%
Metairie Corporation	24,730,000	6	0.15%
Wal-Mart	20,139,000	7	0.12%
Gordon Byram Associates, LLC	18,586,900	8	0.11%
Edgewater Associates, Inc.	17,013,600	9	0.10%
Andover Subacute & Rehab Center/Nursing Home	16,750,400	10	0.10%
Total	<u>\$ 270,447,227</u>		<u>1.60%</u>
	2003		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

## 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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2013	6,692,589	6,692,589	100.00%	-0-

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

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

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANs)	Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases			Capital Leases				
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	
2013	-0-	-0-	11,661		-0-	192,599	204,260	0.0028%	1.39	

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

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

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 <sup>a</sup>	Sussex County Per Capita Personal Income <sup>b</sup>	Total County Personal Income	Unemployment Rate <sup>c</sup>
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	49,782	7,393,473,294	9.10%
2012	147,442	49,782 *	7,339,957,644 ***	9.10%
2013	147,442 **	49,782 *	7,339,957,644 ***	N/A

\* - Latest Sussex County per capita personal income available (2011) was used for calculation purposes.

\*\* - Latest population data available (2012) was used for calculation purposes.

\*\*\* - Latest available population data (2012) and latest available Sussex County per capita personal income (2011) was used for calculation purposes

N/A - Information unavailable.

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

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

<sup>c</sup> 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	2012		
	Employees	Rank (Optional)	Percentage of Total Employment
Crystal Springs Golf and Spa Resort	2,000	1	2.63%
Newton Memorial Hospital	1,200	2	1.58%
Selective Insurance	900	3	1.19%
County of Sussex	830	4	1.09%
Mountain Creek Resort	800	5	1.05%
Ames Rubber Corp	445	6	0.59%
Shop Rite Supermarkets (Ronetco)	301	7	0.40%
Andover Subacute and Rehab Center	300	8	0.40%
Sussex County Community College	300	9	0.40%
SCARC, Inc.	287	10	0.38%
	7,363		75,932

Employer	2003		
	Employees	Rank (Optional)	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Instruction:</b>									
Regular	36.0	34.4	33.7	33.0	33.0	33.0	30.0	32.0	33.0
Special Education	9.0	9.0	9.0	9.0	9.0	9.0	5.0	5.0	5.0
Other Special Education	1.0	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	24.0
Other Instruction	6.0	6.0	6.0	6.0	6.0	6.0	5.0	3.0	4.5
Adult/Continuing Education Programs	1.7	1.7	1.7	1.2	1.2	1.2			
<b>Support Services:</b>									
Student & Instruction Related Services	13.5	13.5	13.5	14.0	14.0	14.0	12.0	12.0	12.0
School Administrative Services	7.5	7.5	7.5	6.5	6.5	6.5	5.5	5.5	5.5
General Administrative Services	1.5	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	5.0
Administrative Information Technology	1.5	1.5	1.5	1.0	1.5	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	14.5
Pupil Transportation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Total</b>	<u>125.0</u>	<u>122.4</u>	<u>121.8</u>	<u>119.0</u>	<u>119.2</u>	<u>119.2</u>	<u>107.5</u>	<u>107.0</u>	<u>109.5</u>

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 NINE FISCAL YEARS  
UNAUDITED

Fiscal Year	* Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio High School	* Average Daily Enrollment (ADE) <sup>c</sup>	* Average Daily Attendance (ADA) <sup>c</sup>	% 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%
2013	714	14,173,166	19,850	-4.48%	67	1:10.6	709	664	8.91%	93.65%

Note: Enrollment based on annual October district count.

<sup>a</sup> Operating expenditures equal total expenditures less capital outlay.

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

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

\* 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 NINE 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>	<u>2013</u>
Vocational High School (1967)									
Square Feet	225,249	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	734.4
Enrollment *	616.0	626.0	598.5	601.5	603.5	571.5	615.5	659.0	714.0

Number of Schools at June 30, 2013  
 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,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>School Facilities:</u>										
Sussex County Technical School	\$ 910,926	\$ 955,854	\$ 779,683	\$ 684,145	\$ 682,629	\$ 651,533	\$ 593,158	\$ 555,069	\$ 611,836	\$ 588,650
Total School Facilities	910,926	955,854	779,683	684,145	682,629	651,533	593,158	555,069	611,836	588,650
<u>Other Facilities:</u>										
Administrative Offices**									6,820	15,094
Grand Total	\$ 910,926	\$ 955,854	\$ 779,683	\$ 684,145	\$ 682,629	\$ 651,533	\$ 593,158	\$ 555,069	\$ 618,656	\$ 603,744

\* School facilities as defined under EFCFA.

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

Source: School District records.

Exhibit J-20

SUSSEX COUNTY TECHNICAL SCHOOL  
INSURANCE SCHEDULE  
JUNE 30, 2013  
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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 200 Valley Road, Suite 300  
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Report on Internal Control over Financial Reporting and  
 on Compliance and Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sussex County Technical School, in the County of Sussex (the "District"), a component unit of the County of Sussex, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 2013.

**Internal Control Over Financial Reporting**

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

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

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

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

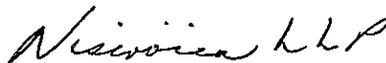
### Compliance and Other Matters

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

### Purpose of this Report

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

November 12, 2013  
Mount Arlington, New Jersey

  
NISIVOCCIA LLP

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



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

Independent Auditors' Report

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

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

We have audited the Board of Education of the Sussex County Technical School's (the "District's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2013. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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*. Those standards, 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

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

### Internal Control Over Compliance

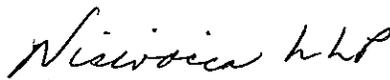
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

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

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

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

November 12, 2013  
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, 2013

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012		Cash Received	Budgetary Expenditures	Balance at June 30, 2013	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue
<b>U.S. Department of Agriculture:</b>										
Passed-through State Department of Education:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/12-6/30/13	\$ 12,108			\$ 12,108	\$ (11,111)		\$ 997
Food Distribution Program	10.555	N/A	7/1/11-6/30/12	10,455		\$ 377		(377)		
Total Food Distribution Program						377	12,108	(11,488)		997
School Breakfast Program	10.553	N/A	7/1/12-6/30/13	13,772			12,452	(13,772)	\$ (1,320)	
School Breakfast Program	10.553	N/A	7/1/11-6/30/12	12,840	\$ (1,098)		1,098			
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	79,690			74,323	(79,690)	(5,367)	
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	70,889	(3,975)		3,975			
Total Child Nutrition Cluster					(5,073)		91,848	(93,462)	(6,687)	
Total U.S. Department of Agriculture					(5,073)	377	103,956	(104,950)	(6,687)	997
<b>U.S. Department of Education:</b>										
Special Revenue Fund:										
Rural Education Achievement Program	84.358	N/A	7/1/12-6/30/13	53,036			53,036	(53,036)		
Total Rural Education Achievement Program							53,036	(53,036)		
Passed-through State Department of Education:										
No Child Left Behind:										
Title I	84.010	NCLB511013	9/1/12-8/31/13	47,928			23,964	(47,928)	(23,964)	
Title I	84.010	NCLB511012	9/1/11-8/31/12	52,246	(22,654)		22,654		(23,964)	
Total Title I					(22,654)		46,618	(47,928)	(23,964)	
Title IIA	84.367	NCLB511013	9/1/12-8/31/13	6,656			4,992	(6,656)	(1,664)	
Title IIA	84.367	NCLB511012	9/1/11-8/31/12	6,964	(2,904)		2,904		(1,664)	
Total Title IIA					(2,904)		7,896	(6,656)	(1,664)	
Carl D. Perkins Secondary	84.048	PERK511013	7/1/12-6/30/13	62,642			32,649	(62,129)	(29,480)	
Carl D. Perkins Secondary	84.048	PERK511012	7/1/11-6/30/12	71,106	(504)		504			
Carl D. Perkins Post Secondary	84.048	PERK511013	7/1/12-6/30/13	81,043			80,554	(81,022)	(468)	
Total Carl D. Perkins					(504)		113,707	(143,151)	(29,948)	

SUSSEX COUNTY TECHNICAL SCHOOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012		Cash Received	Budgetary Expenditures	Balance at June 30, 2013	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue
<u>U.S. Department of Education:</u>										
Passed-through State Department of Education:										
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA511013	9/1/12-8/31/13	\$ 184,552			\$ 88,160	\$ (184,552)	\$ (96,392)	
I.D.E.A. Part B, Basic	84.027	IDEA511012	9/1/11-8/31/12	172,206	\$ (57,402)		57,402			
Total Special Education Cluster					(57,402)		145,562	(184,552)	(96,392)	
Total U.S. Department of Education					(83,464)		366,819	(435,323)	(151,968)	
<u>U.S. Department of Labor:</u>										
(Passed Through Morris County Private Industry Council):										
Workforce Investment Act Program	17.259	N/A	7/1/12-6/30/13	44,791			42,730	(44,664)	(1,934)	
							42,730	(44,664)	(1,934)	
Total Federal Awards					\$ (88,537)	\$ 377	\$ 513,505	\$ (584,937)	\$ (160,589)	\$ 997

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

SUSSEX COUNTY TECHNICAL SCHOOL  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2013			MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				GAAP Accounts Receivable	Budgetary Due to Grantor	Budgetary Receivable	
<b>NJ Department of Education:</b>													
<b>General Fund State Aid:</b>													
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	\$ 2,195,692				\$ 1,976,334	\$(2,195,692)				\$ (219,358)	\$ 2,195,692
Special Education Categorical Aid	13-495-034-5120-089	7/1/12-6/30/13	310,050				279,075	(310,050)				(30,975)	310,050
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	50,163				45,152	(50,163)				(5,011)	50,163
Adjustment Aid	13-495-034-5120-085	7/1/12-6/30/13	1,606,817				1,446,290	(1,606,817)				(160,527)	1,606,817
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12-6/30/13	393,878				374,477	(393,878)		\$ (19,401)		(19,401)	393,878
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	2,149,036	\$ (214,813)			214,813						2,149,036
Special Education Categorical Aid	12-495-034-5120-089	7/1/11-6/30/12	279,364	(28,925)			28,925						279,364
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	45,759	(4,574)			4,574						45,759
Adjustment Aid	12-495-034-5120-085	7/1/11-6/30/12	1,615,242	(161,456)			161,456						1,615,242
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	383,848	(19,181)			19,181						383,848
<b>Total General Fund State Aid</b>				<b>(428,949)</b>			<b>4,550,277</b>	<b>(4,556,600)</b>		<b>(19,401)</b>		<b>(435,272)</b>	<b>9,029,849</b>
<b>Enterprise Fund:</b>													
State School Lunch Program	13-100-010-3350-023	7/1/12-6/30/13	3,042				2,667	(3,042)			(375)	(375)	3,042
State School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	2,950	(157)			157						2,950
<b>Total Enterprise Fund</b>				<b>(157)</b>			<b>2,824</b>	<b>(3,042)</b>		<b>(375)</b>		<b>(375)</b>	<b>5,992</b>
<b>Total NJ Department of Education</b>				<b>(429,106)</b>			<b>4,553,101</b>	<b>(4,559,642)</b>		<b>(19,776)</b>		<b>(435,647)</b>	<b>9,035,841</b>
<b>NJ Department of Human Services:</b>													
<b>Adolescent Pregnancy Prevention Initiative:</b>													
FY13	#SB05037	7/1/12-6/30/13	63,277				56,560	(62,777)			(4,546)	(6,217)	62,777
FY11	#SB05037	7/1/10-6/30/11	62,777	(3,024)							(3,024)	(3,024)	62,777
				(3,024)			56,560	(62,777)			(7,570)	(9,241)	125,554
<b>School Based Youth Services:</b>													
FY13	#SB05037	7/1/12-6/30/13	261,401				261,401	(256,698)			\$ 4,703		256,698
FY11	#SB05037	7/1/11-6/30/12	256,601			\$ 568			\$ (568)				252,446
FY10	#SB05037	7/1/10-6/30/11	256,601	(16,185)			10,249				(5,936)	(5,936)	256,601
				(16,185)			568	(256,698)	(568)	(5,936)	4,703	(5,936)	765,745
<b>Total NJ Department of Human Services</b>				<b>(19,209)</b>			<b>328,210</b>	<b>(319,475)</b>	<b>(568)</b>	<b>(13,506)</b>	<b>4,703</b>	<b>(15,177)</b>	<b>891,299</b>

SUSSEX COUNTY TECHNICAL SCHOOL  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2013			MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				GAAP Accounts Receivable	Budgetary Due to Grantor	Budgetary Receivable	
NJ Department of Labor and Workforce Development:													
Apprenticeship Coordinator	100-062-4545-341-	7/1/12-6/30/13	\$ 10,000				\$ 7,266	\$ (9,688)		\$ (2,422)		\$ (2,422)	\$ 10,725
Apprenticeship Coordinator	6140	7/1/11-6/30/12	11,364	\$ (10,725)			10,725						10,650
Apprenticeship Coordinator		7/1/09-6/30/10	15,339			\$ 86					\$ 86		14,046
Total Department of Labor and Workforce Development				(10,725)		86	17,991	(9,688)		(2,422)	86	(2,422)	35,421
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:													
Kitchen Ventilation and Electrical Upgrades													
Upgrades	5110-010-09-G0XO	6/1/11-6/30/13	188,000				97,884	(105,681)		(7,797)		(7,797)	124,481
Boiler Room Upgrades	5110-010-09-G0XQ	6/1/11-6/30/13	168,000				159,600	(168,000)		(8,400)		(8,400)	168,000
McNiece Exterior Structure Upgrade	5110-010-09-G0XS	4/26/12-6/30/13	706,000				281,316	(697,323)		(416,007)		(416,007)	697,323
Total NJ School Development Authority							538,800	(971,004)		(432,204)		(432,204)	989,804
Total State Awards				\$ (459,040)	\$ 10,000	\$ 654	\$ 5,438,102	\$ (5,869,809)	\$ (568)	\$ (467,908)	\$ 4,789	\$ (885,450)	\$ 10,952,365

N/A - Not Available

SUSSEX COUNTY TECHNICAL SCHOOL  
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2013. 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 position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, 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 (\$7,103) for the general fund, (\$23,726) for the special revenue fund and \$971,004 for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Additionally, the schedule of expenditures of state awards does not include the TPAF On-Behalf Contributions and the Post Retirement Contributions of \$339,475 and \$383,861, 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, 2013  
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,272,833	\$ 5,272,833
Special Revenue Fund	472,028	324,396	796,424
Capital Projects Fund		971,004	971,004
Enterprise Fund	104,950	3,042	107,992
Total Federal and State Awards	<u>\$ 576,978</u>	<u>\$ 6,571,275</u>	<u>\$ 7,148,253</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2013.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANTS

During fiscal year 2013, the District has five active grants in the amount of \$1,869,728 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2013, three of the five projects have been completed. As of June 30, 2013, \$1,173,728 of the grant funds have been expended and drawn down on a GAAP basis on these five grants. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement.

SUSSEX COUNTY TECHNICAL SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey OMB's Circular 04-04*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey OMB's Circular 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following state aid:

	<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	13-495-034-5120-078	7/1/12-6/30/13	\$ 2,195,692	\$2,195,692
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	310,050	310,050
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	50,163	50,163
Adjustment Aid	13-495-034-5120-085	7/1/12-6/30/13	1,606,817	1,606,817
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12-6/30/13	393,878	393,878
Educational Facilities Construction and Financing Act, §15 Grants:				
Kitchen Upgrades	5110-010-09-G0XO	6/1/11-6/30/13	188,000	105,681
Boiler Room Upgrades	5110-010-09-G0XQ	6/1/11-6/30/13	168,000	168,000
McNiece Structural Upgrades	5110-010-09-G0XS	4/26/12-6/30/13	706,000	697,323
<u>Federal:</u>				
Special Education Cluster:				
IDEA, Part B, Basic	84.027	9/1/12-8/31/13	184,552	184,552

- The District was determined to be a "low-risk" auditee for both federal and state programs under the provisions of section 530 of the federal Circular.
- The threshold used for distinguishing between federal and state Type A and B programs was \$300,000.

SUSSEX COUNTY TECHNICAL SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

Summary of Auditors' Results: (Cont'd)

- 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.

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, 2013

Status of Prior Year Findings:

There were no prior year findings.