SCHOOL DISTRICT OF SUSSEX COUNTY TECHNICAL

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

Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2022

Annual Comprehensive 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, 2022

Prepared by

Sussex County Technical School District Business Office

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INTRODUCTORY SECTION (UNAUDITED)



SUSSEX COUNTY TECHNICAL SCHOOL

105 North Church Road, Sparta, New Jersey 07871

Ron Smith Interim School Business Administrator\Board Secretary Phone: (973) 383-6700 Extension 219 Fax: (973) 383-0337

November 22, 2022

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 annual comprehensive financial report of the Sussex County Technical School District (the "District") for the fiscal year ended June 30, 2022, 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 annual comprehensive 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

<u>1. REPORTING ENTITY AND ITS SERVICES</u>: 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. Fleet maintenance services are provided to the Morris County Educational Services Commission and Sparta Township Board of Education. Food Services are provided to the Sussex County Charter School for Technology.

The District completed the 2021-2022 fiscal year with an average daily enrollment of 706. This figure was taken from the District's Application for State School Aid (ASSA) and includes both high school and post-secondary day students.

<u>2. ECONOMY</u>: The County primarily is an agricultural and recreational-based economy. The population in the County has tapered off as of late which has led to a slowdown in construction activity, retail and office development, as well as other service sector jobs. The County encourages economic growth that is consistent with its zoning and subdivision laws. Over 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.

Agriculture's contribution to County business was \$19.85 million based on the 1992 census report. 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.

<u>3. MAJOR INITIATIVES</u>: 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. 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 eighteen Career and Technical Education programs. Highly Qualified faculty, with many earning Masters Degrees, staffs academic and CTE programs for full time and share time students. The district continues to work closely with advisory board members and business partners to ensure that our Career and Technical Education programs are aligned with the most up to date industry standards.

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.

Current projects at Sussex Tech include HVAC upgrades, installation of LED lighting, connection to city sewer, and renovations to the school with funding from the Securing our Children's Future Bond Act.

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 Commissioner 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.

<u>4. INTERNAL ACCOUNTING CONTROLS</u>: 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.

<u>5. BUDGETARY CONTROLS</u>: 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, 2022.

<u>6. ACCOUNTING SYSTEM AND REPORTS</u>: 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.

<u>8. RISK MANAGEMENT</u>: 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.

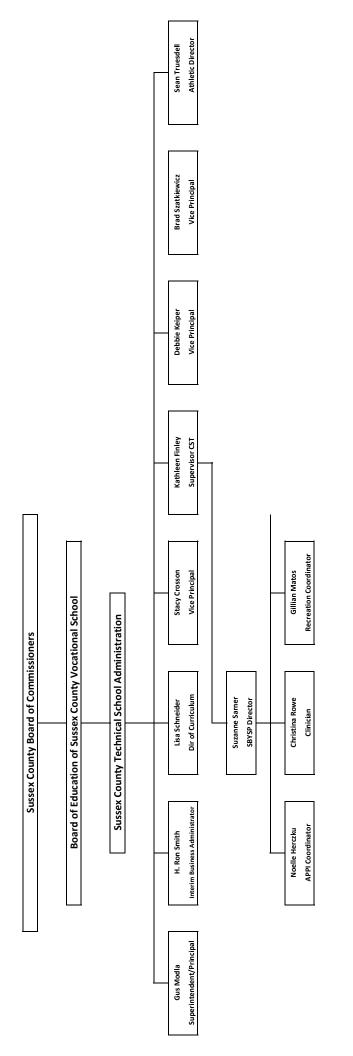
<u>9. OTHER INFORMATION</u>: Independent Audit – State statues require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors' reports related specifically to the Single Audit and *Government Auditing Standards* are included in the single audit section of this report.

<u>10. ACKNOWLEDGMENTS</u>: 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

Ron Smith Interim School Business Administrator



SUSSEX COUNTY TECHNICAL SCHOOL ROSTER OF OFFICIALS JUNE 30, 2022

Members of the Board of Education	Term Expires
Jarrod Cofrancesco, President	10/2025
Diane Wexler, Vice President	10/2023
John Miller	10/2024
Margaret Bongiorno	10/2026
Dr. Gayle Carrick, County Superintendent	N/A

Other Officers	Title
Augustus Modla	Superintendent/Principal
Ron Smith	Interim School Business Administrator/Board Secretary (from 9/1/22)
Andrew Italiano	School Business Administrator/Board Secretary (to 8/31/22)
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 and 1140 Route 22 East, Suite 203 Bridgewater, NJ 08807

Attorneys

Laddey, Clark & Ryan, LLC 60 Blue Heron Rd Sparta, NJ 07871

> Weiner Law 629 Parsippany Road Parsippany, NJ 07054

Cleary, Giacobbe, Alfieri & Jacobs, LLC 169 Ramapo Valley Road Oakland, NJ 07436

Official Depository

Lakeland Bank Route 15 Lafayette, NJ 07848 FINANCIAL SECTION



Mount Arlington, NJ Newton, NJ Bridgewater, NJ

973.298.8500 nisivoccia.com

Independent Member BKR International

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 Audit of the Financial Statements

Qualified Opinion

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"), in the County of Sussex, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, 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.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Matter Giving Rise to Qualified Opinion

The District's note disclosure on postemployment benefits other than pensions (OPEB) (Note 15) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the "Division"), as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

The Honorable President and Members of the Board of Education Sussex County Technical School Page 3

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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.

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary 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 schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information 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 4

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

November 22, 2022 Mount Arlington, New Jersey

Nisivoccia LLP NISIVOCCIA LLP

Man C Lee

Man C. Lee Licensed Public School Accountant #2527 Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

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, 2022. 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.

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, transportation and use of facilities.

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

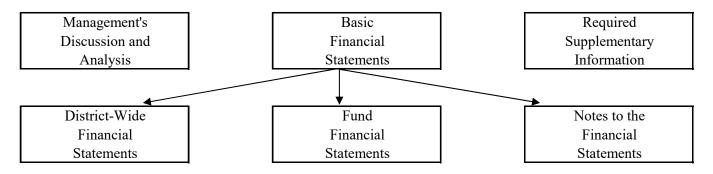


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Maion Fordering of	h . Distained Wide and Fr	and Financial Chatamanta
major reatures of t	ne District-wiae ana Fu	nd Financial Statements

		Fund Financial Statements				
	District-Wide Statements	Governmental Funds	Proprietary Funds			
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services, transportation and use of facilities.			
Required Financial Statements	 Statement of net position Statement of activities 	 Balance sheet Statement of revenue, expenditures, and changes in fund balances 	 Statement of net position Statement of revenue, expenses, and changes in net position Statement of cash flows 			
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			
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, lease assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term			
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			

District-wide Statements

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

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

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

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. 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 is it properly using certain revenue (such as federal grants).

The District has two 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.

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

Figure A-3

Net Position. The District's combined net position increased by \$1,384,426. Net position from governmental activities increased by \$1,198,003 and net position from business-type activities increased by \$186,423. Net investment in capital assets increased by \$265,645, restricted net position increased by \$121,658 and unrestricted net position increased by \$997,123.

Condensed Statement of Net Position							
	Government Activities		Business-Type Activities		Total School District		D. (
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	Percentage Change
Current and							
Other Assets	\$ 3,254,833	\$ 2,888,650	\$ 289,094	\$ 477,440	\$ 3,543,927	\$ 3,366,090	
Capital Assets, Net	17,073,330	17,358,046	306,199	283,228	17,379,529	17,641,274	
Total Assets	20,328,163	20,246,696	595,293	760,668	20,923,456	21,007,364	0.40%
Deferred Outflows of							
Resources	630,584	465,617			630,584	465,617	-26.16%
Other Liabilities	1,140,438	744,849	25,461	4,413	1,165,899	749,262	
Long-Term Liabilities	4,576,286	3,615,510			4,576,286	3,615,510	
Total Liabilities	5,716,724	4,360,359	25,461	4,413	5,742,185	4,364,772	-23.99%
Deferred Inflows of							
Resources	2,084,063	1,995,991			2,084,063	1,995,991	-4.23%
Net Position:							
Net Investment in							
Capital Assets	17,069,430	17,358,046	306,199	283,228	17,375,629	17,641,274	
Restricted	616,774	738,432			616,774	738,432	
Unrestricted/(Deficit)	(4,528,244)	(3,740,515)	263,633	473,027	(4,264,611)	(3,267,488)	
Total Net Position	\$ 13,157,960	\$ 14,355,963	\$ 569,832	\$ 756,255	\$ 13,727,792	\$ 15,112,218	10.08%

Changes in Net Position. The District's combined net position was \$15,112,218 on June 30, 2022, \$1,384,426 or 10.08% more than the previous year (See Figure A-3). Net Investment in Capital Assets increased \$265,645 due to maturity of \$3,900 in financed purchase principal and \$906,703 in capital assets additions (net of capital assets disposals); offset by \$644,958 of depreciation expense. Restricted net position increased by \$121,658 primarily due to the increase in capital reserve. Unrestricted net position increased by \$997,123 primarily due to changes in net pension liability and related deferred outflows and inflows.

Condensed Statement of Net Position

Figure A-4

Changes in Net Position from Operating Results

	Governmen	tal Activities	Business-Ty	pe Activities	Total Sch	ool District	Percentage
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,867,718	\$ 1,726,108	\$ 165,116	\$ 202,385	\$ 2,032,834	\$ 1,928,493	
Operating Grants							
and Contributions	4,113,181	4,376,246	177,441	631,591	4,290,622	5,007,837	
Capital Grants							
and Contributions		50,029				50,029	
General Revenue:							
Property Taxes	7,280,251	7,425,900			7,280,251	7,425,900	
State and Federal Aid							
not Restricted	3,784,033	3,784,033			3,784,033	3,784,033	
County Improvement							
Authorization	895,000	900,000			895,000	900,000	
Other	80,827	159,525	59	80	80,886	159,605	
Total Revenue	18,021,010	18,421,841	342,616	834,056	18,363,626	19,255,897	4.86%
Expenses:							
Instruction	9,511,085	9,095,909			9,511,085	9,095,909	
Pupil and Instruction							
Services	2,468,040	2,589,882			2,468,040	2,589,882	
Administrative and							
Business	2,356,758	2,363,831			2,356,758	2,363,831	
Maintenance and							
Operations	2,647,695	2,638,935			2,647,695	2,638,935	
Pupil Transportation	125,640	192,199			125,640	192,199	
Special Schools	205,550	145,001			205,550	145,001	
Other	,	,	402,386	647,183	402,386	647,183	
Total Expenses	17,314,768	17,025,757	402,386	647,183	17,717,154	17,672,940	-0.25%
Other Items		(198,081)		(450)		(198,531)	-100.00%
Increase/(Decrease) in Net Position	\$ 706,242	\$ 1,198,003	\$ (59,770)	\$ 186,423	\$ 646,472	\$ 1,384,426	114.15%

Governmental Activities

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

However, careful management of expenses remains essential for the District to sustain its financial health and increase the efficiencies within the District. Among the cost savings activities implemented or continued during the 2021-2022 fiscal year are the following:

- Look to expand our Facility Rentals and expand our customer base after the McNiece upgrades are complete.
- Continue to expand cooperative purchasing options by joining Ed Data for supplies.
- Expand our Fleet Mechanic services to increase revenue for our transportation needs and to help keep our automotive department up to date.

Figure A-5 presents the cost of the major District activities: instruction, pupil and instructional services, administrative and business, maintenance and operations, pupil transportation and special schools. 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-5

Net Cost of Governmental Activities

	Total Cost of	Total Cost of	Net Cost of	Net Cost of
	Services	Services	Services	Services
	2020/21	2021/22	2020/21	2021/22
Functional Expenses:				
Instruction	\$ 9,511,085	\$ 9,095,909	\$ 6,002,875	\$ 5,684,566
Pupil and Instruction Services	2,468,040	2,589,882	1,266,915	1,178,450
Administrative and Business	2,356,758	2,363,831	1,746,123	1,756,335
Maintenance and Operations	2,647,695	2,638,935	2,068,324	1,966,337
Pupil Transportation	125,640	192,199	105,857	161,210
Special Schools	205,550	145,001	143,775	126,476
	\$ 17,314,768	\$ 17,025,757	\$ 11,333,869	\$ 10,873,374

Business-Type Activities

Net position from the District's business-type activities increased by \$186,423. The primary contributing factors to this result were the following:

- Food Service Fund revenues exceeded expenses by \$206,999, due to an increase in subsidy reimbursements as free meals were offered to all children through the Seamless Summer Option (SSO) Program.
- Use of Facilities Fund revenues exceeded expenses by \$48,898, which was primarily due to an increase in program fees generated.
- Transportation Fund expenses exceeded revenues by \$69,474.

Financial Analysis of the District's Funds

The District's overall fund balance increased primarily due to county improvement authorizations. Additionally, the District had a 4.6% drop in enrollment during the current fiscal year.

General Fund Budgetary Highlights

Most of the budgeted revenue projections for the 2021-2022 fiscal year were fully realized, except for tuition revenue due to a drop in enrollment. The rate of execution for the expense side of the budget was more than 95% of the current expense budget for the 2021-2022 fiscal year.

Capital Asset and Long-Term Liability Administration

Figure A-6

	Governmer	nt Activities	Business-Ty	pe Activities	Total Sch	ool District	Total Percentage
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	Change
Sites and Site Improvements Construction in Progress Buildings and Building Improvements Machinery and Equipment	\$ 3,652,809 4,184,206 8,054,740 1,181,575	\$ 3,593,239 3,903,927 8,494,003 1,366,877	\$ 306,199	\$ 283,228	\$ 3,652,809 4,184,206 8,054,740 1,487,774	\$ 3,593,239 3,903,927 8,494,003 1,650,105	
Total Capital Assets (Net of Depreciation)	\$ 17,073,330	\$ 17,358,046	\$ 306,199	\$ 283,228	\$ 17,379,529	\$ 17,641,274	1.51%

Capital Assets (Net of Depreciation)

Figure A-7

Outstanding Long-Term Liabilities

	Total Scho	ool District	Total Percentage
	2020/21	2021/22	Change
Other Long-Term Liabilities	\$ 989,420	\$ 953,074	
Net Pension Liability	3,586,866	2,662,436	
	\$ 4,576,286	\$ 3,615,510	-20.99%

The following factors contributed to the change in long-term liabilities:

- The District paid down \$3,900 in financed purchase agreement principal.
- A net decrease in compensated absences of \$32,446.
- A decrease in net pension liability of \$924,430.

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

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

- Maintenance cost of aging facilities and systems
- Uncertainty in the level of tax levy support from the County Commissioners
- Continued flat funding in State aid
- Rising costs of materials and supplies to support Career and Technical Education programs

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, 2022

	GovernmentalBusiness-typeActivitiesActivities		Total	
ASSETS	* * * * * *	• • • • • • • • •		
Cash and Cash Equivalents	\$ 193,739	\$ 278,869	\$ 472,608	
Internal Balances	(150,185)	150,185	21,500	
Receivable from State Government Receivable from Federal Government	30,872 249,066	727	31,599 287,667	
Receivables from Other Governments	1,823,900	38,601	1,823,900	
Other Receivables	2,826	2,815	5,641	
Inventory	2,020	6,243	6,243	
Restricted Cash and Cash Equivalents	738,432	0,215	738,432	
Capital Assets, Net	/00,10 2		, , , , , , , , , , , , , , , , , , , ,	
Sites (Land) and Construction in Progress	6,668,227		6,668,227	
Depreciable Site Improvements, Buildings and Building				
Improvements and Machinery and Equipment	10,689,819	283,228	10,973,047	
Total Assets	20,246,696	760,668	21,007,364	
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	465,617		465,617	
Total Deferred Outflows of Resources	465,617		465,617	
LIABILITIES				
Accounts Payable	446,883		446,883	
Payable to Federal Government	30,188		30,188	
Payable to State Government	212,689		212,689	
Unearned Revenue	55,089	4,413	59,502	
Noncurrent Liabilities:	21.210		21.210	
Due Within One Year Due Beyond one Year	31,310 3,584,200		31,310 3,584,200	
Total Liabilities	4,360,359	4,413	4,364,772	
DEFERRED INFLOWS OF RESOURCES	1 005 001		1 005 001	
Deferred Inflows Related to Pensions	1,995,991		1,995,991	
Total Deferred Inflows of Resources	1,995,991		1,995,991	
NET POSITION		202.220		
Net Investment in Capital Assets	17,358,046	283,228	17,641,274	
Restricted for:	242 202		242 202	
Capital Projects Maintenance	242,302 200,000		242,302 200,000	
Unemployment Compensation	200,000 52,949		200,000 52,949	
Student Activities	243,181		243,181	
Unrestricted/(Deficit)	(3,740,515)	473,027	(3,267,488)	
Total Net Position	\$ 14,355,963	\$ 756,255	\$ 15,112,218	
	ψ 17,555,705	φ 150,255	ψ 13,112,210	

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

	FOI	STATEMEI R THE FISCAL Y	STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30,	S E 30, 2022			
			Program Revenues	10	Net () Ch	Net (Expense) Revenue and Changes in Net Position	un n
		Charges for	Operating Grants and	Capital Grants and	Governmental	Business-type	
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,470,883	\$ 457,161	\$ 1,065,819		\$ (2,947,903)		\$ (2,947,903)
Special Education	537,497	54,961	650,298		167,762		167, 762
Vocational Education	3,177,653	324,925	619,458		(2,233,270)		(2,233,270)
School-Sponsored/Other Instruction	909,876	93,038	145,683		(671, 155)		(671, 155)
Support Services:							
Student & Instruction Related Services	2,589,882	264,823	1,146,609		(1, 178, 450)		(1, 178, 450)
General Administrative Services	615,297	62,916	60,565		(491, 816)		(491, 816)
School Administrative Services	879,040	89,884	179,955		(609, 201)		(609, 201)
Central Services	539,309	55,146	94,675		(389,488)		(389,488)
Administrative Information Technology	330,185	33,762	30,593		(265, 830)		(265, 830)
Plant Operations and Maintenance	2,638,935	269,839	352,730	\$ 50,029	(1,966,337)		(1,966,337)
Pupil Transportation	192,199	19,653	11,336		(161, 210)		(161, 210)
Special Schools	145,001		18,525		(126,476)		(126, 476)
Total Governmental Activities	17,025,757	1,726,108	4,376,246	50,029	(10,873,374)		(10, 873, 374)
Business-Type Activities:							
Transportation	110,402	40,928				\$ (69,474)	(69,474)
Use of Facilities Food Service	481.608 481.608	104,521 56.936	631.591			49,348 206.919	49,348 206.919
Ē							
Total Business-Type Activities	647,183	202,385	631,591			186,793	186,793
Total Primary Government	\$ 17,672,940	\$ 1,928,493	\$ 5,007,837	\$ 50,029	(10,873,374)	186,793	(10,686,581)

SUSSEX COUNTY TECHNICAL SCHOOL

Exhibit A-2 1 of 2

SUSSEX COUNTY TECHNICAL SCHOOL STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2022					Exhibit A-2 2 of 2
		Net (E Cha	xpense) nges in N	Net (Expense) Revenue and Changes in Net Position	nd
	Governmental Activities	mental /ities	Busine Activ	Business-type Activities	Total
General Revenues and Other Items: Taxes:					
County Tax Levy Federal and State Aid not Restricted	\$	7,425,900 $3,784,033$			<pre>\$ 7,425,900 3,784,033</pre>
County Improvement Authorization Miscellaneous Income		900,000 159,525	S	80	900,000 159,605
Other Items: Cancellation of Prior Year Accounts Receivable Cancellation of Intergovernmental Accounts Receivable - County		(198,081)		(450)	(450) (198,081)
Total General Revenues and Other Items	12,	12,071,377		(370)	12,071,007
Change in Net Position	1,	1,198,003	-	186,423	1,384,426
Net Position - Beginning	13,	13,157,960	4)	569,832	13,727,792
Net Position - Ending	\$ 14,	14,355,963	\$	756,255	\$ 15,112,218

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

FUND FINANCIAL STATEMENTS

SUSSEX COUNTY TECHNICAL SCHOOL BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

	 General Fund		Special Revenue Fund		Capital Projects Fund		Total Governmental Funds	
ASSETS Cash and Cash Equivalents Interfund Receivable Receivables From State Government Receivables From Federal Government Receivables From Other Governments	\$ 45,030 154,569 30,872 123,090	\$	148,709 249,066	\$	1,700,810	\$	193,739 154,569 30,872 249,066 1,823,900	
Other Accounts Receivables Restricted Cash and Cash Equivalents	2,826 495,251		243,181	ψ	1,700,010		2,826 738,432	
Total Assets	\$ 851,638	\$	640,956	\$	1,700,810	\$	3,193,404	
LIABILITIES AND FUND BALANCES Liabilities: Interfund Payable Accounts Payable Payable to Federal Government Payable to State Government Unearned Revenue	\$ 150,185 59,601	\$	100,342 30,188 212,689 54,556	\$	154,569 9,239 533	\$	304,754 169,182 30,188 212,689 55,089	
Total Liabilities	 209,786		397,775		164,341		771,902	
Fund Balances: Restricted: Capital Reserve Maintenance Reserve Unemployment Compensation Student Activities Committed: Capital Projects Assigned: Other Purposes	242,302 200,000 52,949 27,282		243,181		1,536,469		242,302 200,000 52,949 243,181 1,536,469 27,282	
Unassigned	 119,319						119,319	
Total Fund Balances	 641,852		243,181		1,536,469		2,421,502	
Total Liabilities and Fund Balances	\$ 851,638	\$	640,956	\$	1,700,810	\$	3,193,404	

SUSSEX COUNTY TECHNICAL SCHOOL BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:	
Total Fund Balances from previous page	\$ 2,421,502
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	17,358,046
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.	(953,074)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(2,662,436)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	 (1,808,075)
Net Position of Governmental Activities	\$ 14,355,963

SUSSEX COUNTY TECHNCIAL SCHOOL STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
County Tax Levy	\$ 7,425,900			\$ 7,425,900
Tuition from LEA's	1,726,108			1,726,108
Unrestricted Miscellaneous Revenue	96,394			96,394
Interest Earned on Capital Reserve Funds	246			246
Other Restricted Miscellaneous Revenue	62,885	\$ 270,256		333,141
Total - Local Sources	9,311,533	270,256		9,581,789
State Sources	7,356,139	283,133	\$ 50,029	7,689,301
Federal Sources	34,505	654,366		688,871
Total Revenues	16,702,177	1,207,755	50,029	17,959,961
EXPENDITURES:				
Current:				
Instruction:				
Regular Instruction	2,813,731	195,599		3,009,330
Special Education Instruction	251,721	156,723		408,444
Vocational Education Instruction	2,041,026	65,546		2,106,572
School-Sponsored/Other Instruction	667,631			667,631
Support Services and Undistributed Costs:				
Student and Other Instruction Related Services	1,303,112	678,343		1,981,455
General Administration	525,613			525,613
School Administration	586,857			586,857
Central Services	323,227			323,227
Administrative Information Technology	219,790			219,790
Plant Operations and Maintenance	2,029,352			2,029,352
Student Transportation	173,924			173,924
Unallocated Benefits	5,657,546			5,657,546
Capital Outlay	4,075	67,090	816,520	887,685
Special Schools	27,073	13,476		40,549
Total Expenditures	16,624,678	1,176,777	816,520	18,617,975
Excess/(Deficit) of Revenue				
Over/(Under) Expenditures	77,499	30,978	(766,491)	(658,014)
Other Financing Sources/(Uses):				
County Improvement Authorization			900,000	900,000
Cancel Accounts Receivable from County			(198,081)	(198,081)
Total Other Financing Sources/(Uses)			701,919	701,919
Net Change in Fund Balances	77,499	30,978	(64,572)	43,905
Fund Balance - July 1	564,353	212,203	1,601,041	2,377,597
Fund Balance - June 30	\$ 641,852	\$ 243,181	\$ 1,536,469	\$ 2,421,502

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

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, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2)			\$ 43,905
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:			
Capital outlays related to capital assets 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 depreciation differs from capital outlays in the period. Depreciation Expense	\$	(599,523)	
Capital Asset Additions	Ψ	884,239	
•			284,716
Repayment of financed purchases 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.			3,900
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 (+).			32,446
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Fundamental fundam	ds:		
Change in Net Pension Liability			924,430
Changes in Deferred Outflows and Inflows Related to Pensions			 (91,394)
Change in Net Position of Governmental Activities (A-2)			\$ 1,198,003

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

SUSSEX COUNTY TECHNICAL SCHOOL STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2022

		Bu	siness	-Type Activit	ties - E	Enterprise Fun	nds	
			Ma	ijor Funds				
		Food	Use of					Total
	5	Service	F	acilities	Tra	nsportation	E	nterprise
ASSETS:								
Current Assets:								
Cash and Cash Equivalents	\$	82,651	\$	196,218			\$	278,869
Intrafund Receivable				30,176	\$	6,646		36,822
Interfund Receivable - General Fund		150,185						150,185
Intergovernmental Accounts Receivable:								
State		727						727
Federal		38,601						38,601
Other Accounts Receivable				2,815				2,815
Inventories		6,243						6,243
Total Current Assets		278,407		229,209		6,646		514,262
Non-Current Assets:								
Capital Assets		139,751		52,700		620,176		812,627
Less: Accumulated Depreciation		(100,157)		(13,221)		(416,021)		(529,399)
Total Non-Current Assets		39,594		39,479		204,155		283,228
Total Assets		318,001		268,688		210,801		797,490
LIABILITIES:								
Current Liabilities:								
Intrafund Payable		6,646				30,176		36,822
Unearned Revenue - Prepaid Sales		3,950						3,950
Unearned Revenue - Donated Commodities		463						463
Total Liabilities		11,059				30,176		41,235
NET POSITION:								
Investment in Capital Assets		39,594		39,479		204,155		283,228
Unrestricted/(Deficit)		267,348		229,209		(23,530)		473,027
Total Net Position	\$	306,942	\$	268,688	\$	180,625	\$	756,255

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 <u>PROPRIETARY FUNDS</u> FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Bus	siness-	Type Activit	ies - E	Interprise Fur	nds	
		Major Funds						
		Food		Use of				Total
	5	Service	F	acilities	Tra	nsportation	Е	nterprise
Operating Revenue:								
Daily Sales:								
Non-Reimbursable Programs	\$	56,936					\$	56,936
Program Fees			\$	104,521	\$	40,928		145,449
Total Operating Revenue		56,936		104,521		40,928		202,385
Operating Expenses:								
Cost of Sales:								
Reimbursable Programs		231,256						231,256
Non-Reimbursable Programs		25,695						25,695
Salaries		147,287		25,904		48,133		221,324
Employee Benefits		42,287				20		42,307
Purchased Professional Technical Services				1,304				1,304
Maintenance		460				920		1,380
Other Purchased Services		18,044						18,044
Supplies and Materials		9,159				11,808		20,967
Energy				8,806				8,806
Miscellaneous Expenditures		1,347		15,430		13,888		30,665
Depreciation Expense		6,073		3,729		35,633		45,435
Total Operating Expenses		481,608		55,173		110,402		647,183
Operating Income/(Loss)		(424,672)		49,348		(69,474)		(444,798)
Non-Operating Revenue:								
Local Sources:								
Interest Income		80						80
State Sources:								
COVID-19 - Seamless Summer Option		11,799						11,799
Federal Sources:								
COVID-19 - Seamless Summer Option		576,181						576,181
COVID-19 - P-EBT Reimbursement		1,242						1,242
COVID-19 - Emergency Operational								
Cost Program		10,465						10,465
Food Distribution Program		31,904						31,904
Total Non-Operating Revenue		631,671						631,671

SUSSEX COUNTY TECHNICAL SCHOOL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds								
			Ma	jor Funds					
		Food		Use of				Total	
		Service	F	acilities	Tra	nsportation	E	nterprise	
Change in Net Position Before Other Items	\$	206,999	\$	49,348	\$	(69,474)	\$	186,873	
Other Items: Cancellation of Prior Year Accounts Receivable				(450)				(450)	
Total Other Items				(450)				(450)	
Change in Net Position		206,999		48,898		(69,474)		186,423	
Net Position - Beginning of Year		99,943		219,790		250,099		569,832	
Net Position - End of Year	\$	306,942	\$	268,688	\$	180,625	\$	756,255	

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, 2022

		Bus	inds					
	Major Funds							
		Food		Use of				Total
		Service	H	Facilities	Trar	nsportation	E	nterprise
Cash Flows from Operating Activities:								
Receipts from Customers	\$	51,093	\$	101,706	\$	85,568	\$	238,367
Payments to Food Service Company		(452,922)						(452,922)
Payments to/for Employees				(25,904)		(48,153)		(74,057)
Payments to Suppliers		(6,197)		(25,540)		(27,041)		(58,778)
Net Cash Provided by/(Used for) Operating Activities		(408,026)		50,262		10,374		(347,390)
Cash flows from Financing Activities:								
Interest Income		80						80
Net Cash Provided by Financing Activities		80						80
Cash flows from Capital and Related Financing Activities:								
Purchase of Capital Assets		(2,050)		(12,100)		(8,314)		(22,464)
Net Cash Used for Capital and Related Financing Activities		(2,050)		(12,100)		(8,314)		(22,464)
Cash Flows from Noncapital Financing Activities:								
Intrafund Advanced				(30,176)		30,176		
Intrafund Returned				32,236		(32,236)		
Interfund Returned - General Fund		28,883						28,883
Federal Sources		422,058						422,058
State Sources		10,327						10,327
Net Cash Provided by/(Used for) Noncapital Financing Activities		461,268		2,060		(2,060)		461,268
Net Increase in Cash and Cash Equivalents		51,272		40,222		-0-		91,494
Cash and Cash Equivalents, July 1		31,379		155,996		-0-		187,375
Cash and Cash Equivalents, June 30	\$	82,651	\$	196,218	\$	-0-	\$	278,869

SUSSEX COUNTY TECHNICAL SCHOOL STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds							
			Ma	jor Funds				
		Food		Use of				Total
		Service	F	acilities	Tra	nsportation	E	Interprise
Reconciliation of Operating Income/(Loss) to								
Net Cash Provided by/(Used for) Operating Activities:								
Operating Income/(Loss)	\$	(424,672)	\$	49,348	\$	(69,474)	\$	(444,798)
Adjustment to Reconcile Operating Income/(Loss) to Net								
Cash Provided by/(Used for) Operating Activities:								
Depreciation		6,073		3,729		35,633		45,435
Food Distribution Program		31,904						31,904
Changes in Assets and Liabilities:								
(Increase)/Decrease in Other Accounts Receivable				(2,815)		44,640		41,825
(Decrease) in Accounts Payable		(13,681)				(425)		(14,106)
(Decrease) in Unearned Revenue - Donated Commodities		(1,099)						(1,099)
(Decrease) in Unearned Revenue - Prepaid Sales		(5,843)						(5,843)
(Increase) in Inventory		(708)						(708)
Net Cash Provided by/(Used for) Operating Activities	\$	(408,026)	\$	50,262	\$	10,374	\$	(347,390)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$30,805 and utilized U.S.D.A. Commodities valued at \$31,904.

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.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. The District is a component unit of the County of Sussex under the provisions of GASB Codification Section 2100.

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. 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 businesstype 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.

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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.

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. Separate statements for each fund category – governmental and proprietary - 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:

<u>General Fund</u>: 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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

<u>Special Revenue Fund</u>: 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.

<u>Capital Projects Fund:</u> The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets or lease assets (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.

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

B. Basis of Presentation: (Cont'd)

<u>Debt Service Fund</u>: 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.

Additionally, the District reports the following fund types:

<u>Enterprise Fund:</u> The Enterprise Funds account 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.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary 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 or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases 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 costreimbursement 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.

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 except for student activities. 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.

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:

		ojects Fund	
	R	levenue	Fund Balance
Revenue/Fund Balance	\$	-0-	\$ 2,048,148
Reconciliation to Governmental Funds Statements (GAAP): Grant Revenue Recognized on GAAP Basis Grant Receivable not Recognized on GAAP Basis		50,029	(511 670)
Revenue/Fund Balance per Governmental Funds (GAAP)	\$	50,029	(511,679) \$ 1,536,469

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the		
Budgetary Comparison Schedule	\$16,702,177	\$ 1,260,398
Differences - Budgetary 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		(54,509)
Cancellation of Prior Year Encumbrances		(10,785)
Prior Year Encumbrances		12,651
Prior Year State Aid Payments Recognized for GAAP Purposes, not		
Recognized for Budgetary Statements	419,309	
Current Year State Aid Payments Recognized for Budgetary Purposes,		
not Recognized for GAAP Statements	(419,309)	
Total Revenues as Reported on the Statement of Revenues,		• • • • • • • • • •
Expenditures and Changes in Fund Balances - Governmental Funds	\$16,702,177	\$ 1,207,755
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 16,624,678	\$ 1,229,420
Differences - Budgetary to GAAP:	ψ 10,02 1,070	ϕ 1,229,120
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		(54,509)
Cancellation of Prior Year Encumbrances		(10,785)
Prior Year Encumbrances		12,651
		12,001
Total Expenditures as Reported on the Statement of Revenue,	¢ 16 604 679	¢ 1 176 777
Expenditures, and Changes in Fund Balances - Governmental Funds	\$16,624,678	\$ 1,176,777

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.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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.

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

H. Encumbrances: (Cont'd)

Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise 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, 2022.

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 acquisition. 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:

	Estimated Useful Life
Buildings and Building Improvements	50 years
Site Improvements	20 years
Equipment and Machinery	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

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

K. Capital Assets: (Cont'd)

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

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. 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 governmental activities, business-type activities, or enterprise funds. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. 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, 2022.

O. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. 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.

P. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

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

Q. Unearned Revenue:

Unearned revenue in the general fund, special revenue fund and capital projects fund represents cash which has been received but not yet earned. See Note 1D regarding the special revenue fund.

R. Fund Balance Appropriated:

<u>General Fund:</u> Of the \$641,852 General Fund fund balance at June 30, 2022, \$27,282 is assigned for yearend encumbrances; \$242,302 is restricted in the capital reserve account; \$200,000 is restricted in the maintenance reserve account; \$52,949 is restricted for unemployment compensation; and \$119,319 is unassigned which is \$419,309 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the final state aid payments which are not recognized until the fiscal year ending June 30, 2023.

<u>Special Revenue Fund:</u> The Special Revenue Fund fund balance at June 30, 2022 of \$243,181 is restricted for student activities.

<u>Capital Projects Fund:</u> Of the \$1,536,469 Capital Projects Fund fund balance at June 30, 2022, \$-0- is restricted which is \$1,727 less on the GAAP basis due to grants not being recognized as revenue until funds are requested for reimbursement; and \$1,536,469 is committed, which is \$509,952 less on the GAAP basis due to the SDA grants not being recognized as revenue until funds are requested for reimbursement.

<u>Calculation of Excess Surplus:</u> 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, 2022.

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 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.

S. Deficit Net Position:

The District had a deficit in unrestricted net position from governmental activities in the amount of \$3,740,515. This is due to the accrual of compensated absences payable, net pension liability and deferred outflows and inflows related to pensions. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles. The District also had a deficit net position in the Transportation Enterprise Fund of \$23,530.

T. Net Position:

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

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

T. Net Position: (Cont'd)

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources and deferred inflows of resources at June 30, 2022 related to pensions.

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, lease assets, net of accumulated amortization 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 net position, or improvement of those assets or related debt also would be included in this component of net position.

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

U. 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 have been restricted, committed or assigned.

Fund balance restrictions have been established for capital and maintenance reserves, student activities and unemployment compensation.

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, 2022.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2022.

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

V. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the 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 District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the 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.

W. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the 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.

X. 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.

Y. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this note on investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

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.

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

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 of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (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 section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

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

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2022, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivaler	its
	Unrestricted Restrict	ed Total
Checking and Savings Accounts	\$ 472,608 \$ 738	,432 \$ 1,211,040
	\$ 472,608 \$ 738	,432 \$ 1,211,040

The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2022, was \$1,211,040 and the bank balance was \$1,501,643.

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.

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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.

Balance at June 30, 2021	\$ 149,090
Add:	
Interest Earnings	246
Transfer from Unassigned Fund Balance per Board Resolution, June 2022	 92,966
Balance at June 30, 2022	\$ 242,302

The balance in the capital reserve account at June, 30, 2022 does not exceed the local support costs of uncompleted capital projects in the District's approved LRFP.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 2,764,300			\$ 2,764,300
Construction in Progress	4,184,206	\$ 816,520	\$ (1,096,799)	3,903,927
Total Capital Assets Not Being Depreciated	6,948,506	816,520	(1,096,799)	6,668,227
Capital Assets Being Depreciated:				
Site Improvements	1,191,403			1,191,403
Buildings and Building Improvements	23,381,291		780,246	24,161,537
Machinery and Equipment	4,658,188	67,719	\$ 316,553	5,042,460
Total Capital Assets Being Depreciated	29,230,882	67,719	1,096,799	30,395,400
Governmental Activities Capital Assets	36,179,388	884,239		37,063,627
Less Accumulated Depreciation for:				
Site Improvements	(302,894)	(59,570)		(362,464)
Buildings and Building Improvements	(15,326,551)	(340,983)		(15,667,534)
Machinery and Equipment	(3,476,613)	(198,970)		(3,675,583)
	(19,106,058)	(599,523)		(19,705,581)
Governmental Activities Capital Assets,				
Net of Accumulated Depreciation	\$17,073,330	\$ 284,716	\$ -0-	\$17,358,046

NOTE 5. CAPITAL ASSETS (Cont'd)

		Beginning Balance	Increases		Increases		Increases		Increases		Decreases/ Adjustments		Ending Balance
Business Type Activities: Capital Assets Being Depreciated:													
Furniture and Equipment	\$	790,163	\$	22,464		\$	812,627						
Less Accumulated Depreciation		(483,964)		(45,435)			(529,399)						
Business Type Activities Capital Assets,	¢	206100	¢		A	¢							
Net of Accumulated Depreciation	\$	306,199	\$	(22,971)	\$ -0-	\$	283,228						

The District expended \$816,520 towards construction projects in progress during the fiscal year. As of June 30, 2022, the District has \$3,903,927 in active construction projects for various improvements to the District.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 65,646
Vocational Instruction	184,959
School-Sponsored/Other Instruction	7,332
Student and Instruction Related Services	9,085
General Administration	794
School Administration	620
Central Services	81,865
Administrative Information Technology	60,663
Operations and Maintenance of Plant	92,897
Special Schools	 95,662
	\$ 599,523

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2021	Accrued	Retired	Balance 6/30/2022	Due Within One Year
Financed Purchases Payable Compensated Absences Payable Net Pension Liability	\$ 3,900 985,520 3,586,866	\$ 41,398	\$ 3,900 73,844 924,430	\$ 953,074 2,662,436	\$ 31,310 0-
	\$ 4,576,286	\$ 41,398	\$ 1,002,174	\$ 3,615,510	\$ 31,310

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

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. Financed Purchases Payable:

The District is a financed purchase agreement for radio equipment valued at \$22,795 of which \$22,795 has matured and been repaid. The financed purchase was for a term of five years.

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 \$31,310 and is separated from the long-term liability balance of compensated absences of \$921,764.

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, 2022, no liability existed for compensated absences in the Enterprise Funds. The General Fund will be used to liquidate the compensated absences payable.

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$-0- and the long-term portion is \$2,662,436. See Note 7 for further information on the PERS.

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 Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

District employees participate in a contributory, defined benefit public employee retirement system: the State of New Jersey Public Employee's Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

NOTE 7. PENSION PLANS

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

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

NOTE 7. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$263,202 for 2022.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2022, the District reported a liability of \$2,662,436 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0225%, which was an increase of 0.0005% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit in the amount of \$569,835. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ 112,515
	2018	5.63		210,942
	2019	5.21		186,088
	2020	5.16		438,300
	2021	5.13	\$ 13,866	
			13,866	947,845
Changes in Proportion	2017	5.48		14,605
	2018	5.63		191,006
	2019	5.21		122,119
	2020	5.16	47,937	
	2021	5.13	84,123	
			132,060	327,730

NOTE 7. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	2017	5.48	\$ 3,346	
	2018	5.63		\$ 8,033
	2019	5.21	14,225	
	2020	5.16	24,419	
	2021	5.13		11,027
			41,990	19,060
Net Difference Between Projected and Actual	2018	5.00		20,798
Investment Earnings on Pension Plan Investments	2019	5.00		(6,711)
	2020	5.00		(151,237)
	2021	5.00		838,506
				701,356
District Contribution Subsequent to the Measurement Date	2021	1.00	277,701	
			\$ 465,617	\$ 1,995,991

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2022	\$ (628,219)
2023	(448,547)
2024	(305,832)
2025	(229,895)
2026	88
	\$ (1,612,405)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

NOTE 7. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% based on years of service
Thereafter	3.00 - 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2021 are summarized in the following table:

		Long-Term
		Expected Real
	Target	Rate of
Asset Class	Allocation	Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

		Long-Term Expected Real
	Target	Rate of
Asset Class	Allocation	Return
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30,	2021		
	At 1%	At Current	At 1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
District's proportionate share of the Net Pension Liability	\$ 3,627,705	\$ 2,662,436	\$ 1,845,993

NOTE 7. PENSION PLANS (Cont'd)

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

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

NOTE 7. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer contributing entities' total proportionate share of the nonemployer contributing entities in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$2,181,416 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$603,611.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$25,652,342. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0534%, which was an increase of 0.0001% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	
with the District	 25,652,342
Total	\$ 25,652,342

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$603,611 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

NOTE 7. PENSION PLANS (Cont'd)

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

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			5,289,559,561	24,224,281,713
Difference Between Expected and Actual	2014	8.50		1,464,605.00
Experience	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			941,265,828	142,774,569
Net Difference Between Projected and Actual	2018	5.00		96,030,373
Investment Earnings on Pension Plan Investments	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				2,854,036,178
			\$ 6,230,825,389	\$ 27,221,092,460

Amounts reported by the State as collective deferred outflows and inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

NOTE 7. PENSION PLANS (Cont'd)

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

Fiscal Year Ending June 30,	Total
2022	\$ (2,914,282,899
2023	(3,500,098,87
2024	(4,665,036,366
2025	(4,192,375,542
2026	(2,350,648,872
Thereafter	(3,367,824,51)
	\$ (20,990,267,07

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% based on years of service
Thereafter	2.75 - 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

		Long-Term
		Expected Real
	Target	Rate of
Asset Class	Allocation	Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate - TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

NOTE 7. PENSION PLANS (Cont'd)

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

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate (Cont'd)

	June 3(0, 2021				
		At 1%		At Current		At 1%
	Decrease		Discount Rate		Increase	
	(6.00%)		(7.00%)		(8.00%)	
Total Net Pension Liability	\$	30,351,011	\$	25,652,342	\$	21,705,760

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$3,698 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$5,023 for the fiscal year ended June 30, 2022.

NOTE 8. 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.

NOTE 8. 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 Annual Comprehensive 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.

Selected, summarized financial information for the Fund as of June 30, 2022 is as follows:

Total Assets	\$ 52,198,217
Net Position	\$ 20,990,635
Total Revenue	\$ 48,576,664
Total Expenses	\$ 48,577,544
Change in Net Position	\$ (880)
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.

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 Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

NOTE 8. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

Fiscal Year	 strict butions	erest rned	nployee tributions	mount mbursed	Ending Balance
2021-2022	\$ -0-	\$ 59	\$ 6,577	\$ 9,168	\$ 52,949
2020-2021	-0-	59	16,492	1,116	55,481
2019-2020	-0-	31	16,273	1,341	40,046

NOTE 9. 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 10. INTERFUND AND INTRAFUND BALANCES

Fund	Interfund Receivable	Interfund Payable	
General Fund	\$ 154,569	\$ 150,185	
Capital Projects Fund		154,569	
Enterprise Funds:			
Food Service	150,185	6,646	
Use of Facilities	30,176		
Transportation	6,646	30,176	
	\$ 341,576	\$ 341,576	

The interfund payable in the Capital Projects Fund is an interfund loan from the General Fund to the Capital Projects Fund for cash flow purposes. The intrafund payable in the Transportation Enterprise Fund is an intrafund loan from the Use of Facilities Enterprise Fund to the Transportation Enterprise Fund for cash flow purposes. The interfund receivable in the Food Service Fund is subsidy reimbursements collected in the General Fund not turned over to the Food Service Fund by June 30. The intrafund payable in the Food Service Fund is a prior year intrafund advanced from the Transportation Fund.

NOTE 11. 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:

Lincoln Investments	Equitable
Prudential Financial	Midland National Life Insurance Company

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

NOTE 12. 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 District on a predetermined mutually agreed-upon schedule.

NOTE 13. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

		S	Special Capital				Total
(General	R	levenue]	Projects	Go	vernmental
	Fund	Fund		Fund		Funds	
\$	27,282	\$	54,509	\$	126,429	\$	208,220

On the District's Governmental Funds Balance Sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$54,509 less than the actual year-end encumbrances on a budgetary 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. Of the \$126,429 year-end encumbrances in the Capital Projects Fund, \$124,702 is included in the \$1,536,469 committed fund balance on a GAAP basis at June 30, 2021, and \$1,727 is not reflected on a GAAP basis due to the Securing Our Children's Future Bond Act Grant not being recognized on a GAAP basis until the related funds are submitted for reimbursement.

NOTE 14. ACCOUNTS PAYABLE

Accounts payable recorded as of June 30, 2022 consisted of the following:

	Gov	ernmental Fu	nds]	District	
				Co	ntribution	Total
		Special	Capital	Sub	sequent to	Govern-
	General	Revenue	Projects	the	Measure-	mental
	Fund	Fund	Fund	m	ent Date	Activities
Due to State of New Jersey	\$ 12,230	\$100,342		\$	277,701	\$ 390,273
Vendors	18,557		\$ 9,239			27,796
Payroll Deductions and Withholdings	28,814					28,814
	\$ 59,601	\$100,342	\$ 9,239	\$	277,701	\$ 446,883

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund - Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <u>https://www.state.nj.us/ treasury/pensions/gasb-notices-opeb.shtml</u>.

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	216,804
Total	366,108

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%		
		TPAF/ABP	PERS
Salary Increases:			
Through 2026		1.55 - 4.45%	2.00 - 6.00%
		based on service	based on service
		years	years
Thereafter		1.55 - 4.45%	3.00 - 7.00%
		based on service	based on service
		years	years

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund - Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund - Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	 Fotal OPEB Liability
Balance at June 30, 2019	\$ 26,002,284
Changes for Year:	
Service Cost	908,096
Interest on the Total OPEB Liability	929,789
Difference between Actual and Expected Experience	6,551,631
Changes of Assumptions	7,530,665
Contributions from Members	21,754
Gross Benefit Payments by the State	 (717,719)
Net Changes	 15,224,216
Balance at June 30, 2020	\$ 41,226,500

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June	30, 2020			
		At 1%		At	At 1%
		Decrease (1.21%)	D	iscount Rate (2.21%)	 Increase (3.21%)
Total OPEB Liability Attributable to the District	\$	49,700,674	\$	41,226,500	\$ 34,600,512

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund - Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate (Cont'd)

	June	30, 2020			
		1%]	Healthcare	1%
		Decrease	Cost Trend Rate		 Increase
Total OPEB Liability Attributable to the District	\$	33,279,421	\$	41,226,500	\$ 50,689,705

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$1,656,543 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

			Deterred	Deferred
	Deferral	Period	Outflows of	Inflows of
	Year	in Years	Resources	Resources
Changes in Assumptions	2017	9.54		\$ 2,501,971
	2018	9.51		2,202,206
x ·	2019	9.29	\$ 296,834	Ļ
	2020	9.24	6,715,658	}
			7,012,492	4,704,177
Differences between Expected and	2018	9.51		2,081,770
Actual Experience	2019	9.29		3,493,753
	2020	9.24	6,259,257	1
			6,259,257	5,575,523
Changes in Proportion	N/A	N/A	33,197	1,512,456
			\$ 13,304,946	\$ 11,792,156

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund - Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

Fiscal Year Ending June 30,	Total
2021	\$ 26,40
2022	26,41
2023	26,41
2024	26,41
2025	26,41
Thereafter	2,859,99
	\$ 2,992,04

NOTE 16. MAINTENANCE RESERVE

A maintenance reserve account in the amount of \$113,208 was established by the District on June 30, 2020. The funds for the establishment of this reserve were transferred from excess unassigned general fund balance.

These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes.

Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities.

If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Balance at June 30, 2021	\$ 200,000
Balance at June 30, 2022	\$ 200,000

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SUSSEX COUNTY TECHNICAL SCHOOL REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES SCHEDULE OF DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	PUBLIC EMPLOYEES RETIREMENT SYSTEM LAST EIGHT FISCAL YEARS
--	---

District's proportion of the net pension liability 0.0276491979% 0.0285235464% 0.0266084872% 0.02584 District's proportionate share of the net pension liability $\$$ $\$$ $\$$ $\$$ $\$$ $\$$ $\$$ $\$$ District's proportionate share of the net pension liability $\$$ <t< th=""><th>2016 2017</th><th>Fiscal Year Er 2018</th><th>Fiscal Year Ending June 30, 2018 2019</th><th>2020</th><th>2021</th><th>2022</th></t<>	2016 2017	Fiscal Year Er 2018	Fiscal Year Ending June 30, 2018 2019	2020	2021	2022
0.0276491979% 0.0285233464% 0.0266084872% \$ 5,176,686 \$ 6,402,965 \$ 7,880,671 \$ 1,947,119 \$ 1,829,439 \$ 1,778,164 265.86% 350.00% 443.19% 52.08% 47.93% 40.14%						
\$\$ 5,176,686 \$\$ 6,402,965 \$\$ 7,880,671 \$\$ 6, \$\$ 1,947,119 \$\$ 1,829,439 \$\$ 1,778,164 \$\$ 1, \$\$ 265.86% 350.00% 443.19% \$\$ 47.93% 40.14%	0.0285235464%	2% 0.0258436698%	0.0229185976%	0.0216476635%	0.0219953468%	0.0224744559%
\$ 1,947,119 \$ 1,829,439 \$ 1,778,164 \$ 1, 265.86% 350.00% 443.19% 52.08% 47.93% 40.14%	\$ 6,402,965 \$	71 \$ 6,015,993	\$ 4,512,558	\$ 3,900,581	\$ 3,586,866	\$ 2,662,436
265.86% 350.00% 443.19% 52.08% 47.93% 40.14%	\$ 1,829,439 \$	64 \$ 1,610,448	\$ 1,512,699	\$ 1,577,896	\$ 1,633,292	\$ 1,581,069
52.08% 47.93%	350.00%	9% 373.56%	298.31%	247.20%	219.61%	168.39%
	47.93%	4% 48.10%	53.60%	56.27%	58.32%	70.33%

SUSSEX COUNTY TECHNICAL SCHOOL REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES	SCHEDULE OF DISTRICT CONTRIBUTIONS	PUBLIC EMPLOYEES RETIREMENT SYSTEM	LAST EIGHT FISCAL YEARS
--	------------------------------------	---	-------------------------

							Ц	Fiscal Year Ending June 30,	l guibr	une 30,						
		2015		2016		2017		2018	. 1	2019		2020		2021		2022
Contractually required contribution	S	227,936	\$	245,226	S	243,883	S	244,299	S	288,932	S	211,273	S	240,618	S	263,202
Contributions in relation to the contractually required contribution		(227,936)		(245,226)		(243, 883)		(244,299)		(288, 932)		(211,273)	Ŭ	(240,618)		(263,202)
Contribution deficiency/(excess)	S	-0-	S	-0-	S	-0-	S	-0-	s	-()-	÷	-0-	S	-0-	s	-0-
District's covered employee payroll	s	1,829,439	\$	\$ 1,778,164		\$ 1,610,448		\$ 1,512,699	\$ 1.	\$ 1,577,896	\$ 1,	\$ 1,633,292	\$	\$ 1,581,069	S	1,608,889
Contributions as a percentage of covered employee payroll		12.46%		13.79%		15.14%		16.15%		18.31%		12.94%		15.22%		16.36%

SUSSEX COUNTY TECHNICAL SCHOOL REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES	SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	ASSOCIATED WITH THE DISTRICT	TEACHERS' PENSION AND ANNUITY FUND	LAST EIGHT FISCAL YEARS
--	--	------------------------------	------------------------------------	-------------------------

								Fiscal Year Ending June 30,	l guibr	¹ une 30,						
		2015		2016		2017		2018		2019		2020		2021		2022
State's proportion of the net pension liability attributable to the District	0.0	0.0547309809%		0.0521117141%		0.0557555225%		0.0555668276%		0.0535024307%		0.0533559915%		0.0532428145%		0.0533587961%
State's proportionate share of the net pension liability attributable to the District	S	29,251,928	÷	32,936,829	s	43,860,844	÷	37,465,159	S	34,037,097	S	32,745,076	S	35,059,753	S	25,652,342
Districts covered employee payroll	S	5,557,776	÷	5,643,076	÷	5,592,289	÷	5,611,772	\$	5,679,855	S	5,892,118	÷	5,883,105	÷	6,051,131
State's proportionate share of the net pension liability attributable to the District as a percentage of the District's covered employee payroll		526.32%		583.67%		784.31%		667.62%		599.26%		555.74%		595.94%		423.93%
Plan fiduciary net position as a percentage of the total pension liability		33.64%		28.71%		22.33%		25.41%		26.49%		26.95%		24.60%		35.52%

				Fiscal Year I	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019	2020	2021		2022
Contractually required contribution	\$ 1,574,028	\$ 2,011,090	\$ 3,295,532	\$ 2,595,396	\$ 1,984,244	\$ 1,931,392	\$ 2,180,165	S	603,611
Contributions in relation to the contractually required contribution	(281,735)	(446, 401)	(603, 163)	(787,902)	(1,049,384)	(1,167,818)	(1,551,076)		(2, 181, 416)
Contribution deficiency/(excess)	\$ 1,292,293	\$ 1,564,689	\$ 2,692,369	\$ 1,807,494	\$ 934,860	\$ 763,574	\$ 629,089	s	\$ (1,577,805)
District's covered employee payroll	\$ 5,643,076	\$ 5,592,289	\$ 5,611,772	\$ 5,679,855	\$ 5,892,118	\$ 5,883,105	\$ 6,051,131	S	5,782,168
Contributions as a percentage of covered employee payroll	4.99%	7.98%	10.75%	13.87%	17.81%	19.85%	25.63%		37.73%

SUSSEX COUNTY TECHNICAL SCHOOL REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS LAST FOUR FISCAL YEARS

		Fiscal Ye	ar En	ding	
	 2017	 2018		2019	 2020
Total OPEB Liability					
Service Cost	\$ 1,168,250	\$ 972,272	\$	816,457	\$ 908,096
Interest Cost	1,073,632	1,241,267		1,151,809	929,789
Difference between Actual and Expected Experience		(2,836,256)		(4,908,798)	6,551,631
Changes in Assumptions	(4,286,914)	(3,365,724)		387,696	7,530,665
Member Contributions	29,062	27,105		23,661	21,754
Gross Benefit Payments	 (789,255)	 (784,264)		(798,193)	 (717,719)
Net Change in Total OPEB Liability	(2,805,225)	(4,745,600)		(3,327,368)	15,224,216
Total OPEB Liability - Beginning	 36,880,477	 34,075,252		29,329,652	 26,002,284
Total OPEB Liability - Ending	\$ 34,075,252	\$ 29,329,652	\$	26,002,284	\$ 41,226,500
District's Covered Employee Payroll *	\$ 7,370,453	\$ 7,222,220	\$	7,192,554	\$ 7,470,014
Total OPEB Liability as a Percentage of Covered Employee Payroll	462%	406%		362%	552%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019 and 2020 are based on the payroll on the June 30, 2016, 2017, 2018 and 2019 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

SUSSEX COUNTY TECHNICAL SCHOOL NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

SUSSEX COUNTY TECHNICAL SCHOOL NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2022 (Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

<u>SUS</u> BUD FOR TH	SUSSEX COUNTY TECHNICAL SCHOOL BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022	<u>:HOOL</u> <u>=DULE</u> E 30, 2022			1 01 4
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources: County Tax Levy	\$ 7,425,900		\$ 7,425,900	\$ 7,425,900	
Tutton From LEAs Unrestricted Miscellaneous Revenues	1,856,139 45,002		1,856,139 45,002	1,726,108 96,394	\$ (130,031) 51,392
Interest Earned on Maintenance Reserve Interest Farned on Canital Reserve Funds	113 148		113 148	246	(113) 98
Other Restricted Miscellaneous Revenues	79,956		79,956	62,885	(17,071)
Total Revenues from Local Sources	9,407,258		9,407,258	9,311,533	(95,725)
Revenues from State Sources: Categorical Snecial Education Aid	413.134		413.134	413.134	
Equalization Aid	2,460,033		2,460,033	2,460,033	
Categorical Security Aid	74,363		74,363	74,363	
Adjustment Aid	248,618		248,618	248,618	
Vocational Expansion Stabilization Aid	1,001,019		1,001,019	1,001,019	
TPAF Post Retirement Contributions (Non-Budgeted)				516,858	516,858
TPAF Pension Contributions (Non-Budgeted)				2,181,416	2,181,416
TPAF Non-Contributory Insurance (Non-Budgeted)				30,777	30,777
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,069	1,069
Reimbursed TPAF Social Security Contributions				428,852	428,852
Total Revenues from State Sources	4,197,167		4,197,167	7,356,139	3,158,972
Revenues from Federal Sources: FFMA Reimburcement				34 505	34 505
Total Revenues from Federal Sources				34,505	34,505
TOTAL REVENUE	13,604,425		13,604,425	16,702,177	3,097,752

Exhibit C-1 2 of 9 <u>EDULE</u> E 30, 2022	Budget Variance Final Transfers Final Budget Actual to Actual	\$ 34,950 \$ 2,720,971 \$ 2,719,846 \$ 1,125 (7.200) 20,800 20,800	51,268 22,545	280 3,280 3,280 (3,000)	17,011 2,818,864 2,813,731 5,133	(7.418) 123.512 117.218 6.294	134,504 134,503	(35,511) 258,016 251,721 6,295	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	
<u>SUSSEX COUNTY TECHNICAL SCHOOL</u> <u>BUDGETARY COMPARISON SCHEDULE</u> <u>GENERAL FUND</u> FOR THE FISCAL YEAR ENDED JUNE 30, 2022	GENERAL CURRENT EXPENSE	Regular Programs - Instruction: Grades 9-12 - Salaries of Teachers Purchased Professional - Educational Services		Regular Programs - Home Instruction:Salaries of TeachersPurchased Professional - Educational Services3,000	Total Regular Programs - Instruction 2,801,853	Special Education - Instruction: Resource Room/Resource Center: Salaries of Teachers	struction	Total Resource Room/Resource Center 293,527	VOCATIONAL PROGRAMS Regular Vocational Programs - Instruction: Salaries of Teachers Other Purchased Services (400-500 series) General Supplies Textbooks Total Regular Vocational Programs - Instruction 2065.328	

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Exhibit C-1 3 of 9

> SUSSEX COUNTY TECHNICAL SCHOOL BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

110 969 2,256 30,310 412 613 1,079 1,482 613 72 Variance Final 3,811 91 91 411 to Actual $\boldsymbol{\circ}$ 3,890 3,2803,280 129,109 61,506 65,986 86,580 44,665 177,664 326,773 15,977 489,967 65,986 85,181 1,399 62,672 85,711 5,774,109 62,672 Actual $\boldsymbol{\omega}$ 16,04963,285 3,2803,2804,000 45,634 178,743 326,774 85,592 1,40086,992 63,285 63,762 87,193 5,804,419 129,109 66,077 493,778 66,077 Final Budget Ś (18,087)(688)(100)(788) (23, 951)9,109 4,000 28,285 3,280 3,280 13,109 47,762 126,101 10,152 10,152 28,285 20,377 110,400 Transfers Budget Ś **Original Budget** 40,000 87,780 35,000 45,634 206,397 16,000 105,280 55,925 86,280 1.500120,000 165,634 367,677 55,925 35.000 5,694,019 $\boldsymbol{\omega}$ Total Undistributed Expenditures. - Other Supp. Serv. Students - Extra. Serv. Undistributed Expenditures -Other Supp. Serv.. Students - Extra. Serv.: Total Undistributed Expenditures - Speech, OT, PT, Related Svcs Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst. Total Undistributed Expenditures - Attendance and Social Work Undistributed Expenditures - Speech, OT, PT, Related Svcs: School-Spon. Cocurricular & Extracurricular Actvts. - Inst.: Undistributed Expenditures - Attendance & Social Work: Total Undistributed Expenditures - Health Services Purchased Professional - Educational Services Purchased Professional - Educational Services Total School-Sponsored Athletics - Instruction Undistributed Expenditures - Health Services: School-Sponsored Athletics - Instruction: Purchased Services (300-500 series) Supplies and Materials Supplies and Materials Supplies and Materials TOTAL INSTRUCTION Other Objects Other Objects Salaries Salaries Salaries Salaries

THNICAL SCHOOL	UDGETARY COMPARISON SCHEDULE	FUND	FOR THE FISCAL YEAR ENDED JUNE 30, 2022
SUSSEX COUNTY TECHNICAL SCHOOL	BUDGETARY COM	GENERAL FUND	FOR THE FISCAL YEA

			Н	Budget					Varia	Variance Final
	Orig	Original Budget	Tr	Transfers	Fina	Final Budget		Actual	to	to Actual
Undistributed Expenditures - Guidance:										
Salaries of Other Professional Staff	S	375,620	Ś	(3, 590)	\$	372,030	Ś	371,905	S	125
Salaries of Secretarial and Clerical Assistants		82,356		(1, 497)		80,859		80,859		
Other Purchased Professional and Technical Services		10,759		4,377		15,136		15,136		
Other Purchased Services (400-500 series)				4,565		4,565		4,414		151
Supplies and Materials		2,750		(2, 316)		434		85		349
Other Objects		20,000		(060, L)		12,910		10,336		2,574
Total Undistributed Expenditures - Guidance		491,485		(5,551)		485,934		482,735		3,199
Undistributed Exnenditures - Child Study Team.										
Salaries of Other Professional Staff		391,600		20,671		412,271		412,269		7
Salaries of Secretarial and Clerical Assistants		50,379		<i>6LL</i>		51,158		51,158		
Other Purchased Professional and Technical Services		18,575		211		18,786		17,886		006
Other Purchased Services (400-500 series)		850		1,713		2,563		2,528		35
Supplies and Materials		500		361		861		836		25
Other Objects		1,500		(1,400)		100		75		25
Total Undistributed Expenditures - Child Study Team		463,404		22,335		485,739		484,752		987
Undistributed Expenditures - Improv. of Inst. Serv .:										
Salaries of Other Professional Staff		5,000		(3,260)		1,740		1,740		
Total Undistributed Expenditures - Improv. of Inst. Serv.		5,000		(3, 260)		1,740		1,740		
Undistributed Expenditures - Edu. Media Serv./Sch. Library:										
Salaries		83,289				83,289		82,293		966
Purchased Professional and Technical Services		4,700		(2,910)		1,790		727		1,063
Other Purchased Services (400-500 series)		17,699		(3,029)		14,670		14,670		
Supplies and Materials		13,268		(7,510)		5,758		4,412		1,346
Total Undistributed Expenditures - Edu. Media Serv//Sch. Library		118,956		(13, 449)		105,507		102,102		3,405

Exhibit C-1 5 of 9

> SUSSEX COUNTY TECHNICAL SCHOOL BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget	Budget Transfers		Final Budget		Actual	Varia to	Variance Final to Actual
Undistributed Expenditures - Instructional Staff Training Services: Salaries of Other Professional Staff			\$ 7,050	l	\$ 7,050	Ŷ	7,050		
Purchased Professional - Educational Service			3,860	60	3,860		3,860		
Other Purchased Services (400-500 series)	\$	10,000	(6,606)	(90	3,394		2,355	\$	1,039
Total Undistributed Expenditures - Instructional Staff Training Services		10,000	4,304	4	14,304		13,265		1,039
Undistributed Expenditures - Support Serv Gen. Admin.:									
Salaries	5	207,410	(9,716)	16)	197,694		189,522		8,172
Legal Services		25,000	2,845	45	27,845		27,844		1
Audit Fees		50,000	(3,050)	50)	46,950		46,950		
Architectural/Engineering Services		20,000	(14, 311)	11)	5,689		5,689		
Other Purchased Professional Services		3,402	(3	(363)	3,039		3,039		
Communications / Telephone	1	195,000	(33,464)	64)	161,536		160,377		1,159
BOE Other Purchased Services		5,031	(1,563)	63)	3,468		3,385		83
Other Purchased Services (400-500 series other than 530 & 585)			15,956	56	15,956		15,956		
General Supplies		1,500	(4)	(478)	1,022		1,022		
Miscellaneous Expenditures		25,775	36,614	14	62,389		62,389		
BOE Membership Dues and Fees		9,000	4	440	9,440		9,440		
Total Undistributed Expenditures - Support Serv Gen. Admin.	5	542,118	(1,090)	(06	535,028		525,613		9,415
Undistributed Expenditures - Support Serv School Admin.:									
Salaries of Principals/Assistant Principals/Prog Director	4	446,288			446,288		445,950		338
Salaries of Secretarial and Clerical Assistants	1	117,246			117,246		117,172		74
Purchased Professional and Technical Services		5,000	6	066	5,990		5,990		
Supplies and Materials		10,016	(3,667)	(1)	6,349		5,424		925
Other Objects		1,000	11,321	21	12,321		12,321		
Total Undistributed Expenditures - Support Serv School Admin.	5	579,550	8,644	4	588,194		586,857		1,337

Exhibit C-1 6 of 9

> SUSSEX COUNTY TECHNICAL SCHOOL BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Vari	Variance Final to Actual
Undistributed Expenditures - Central Services:	0		þ			
Salaries	\$ 305,000	\$ (2,336)	\$ 302,664	\$ 296,262	S	6,402
Purchased Technical Services	12,500	(11,600)	006	864		36
Miscellaneous Purchased Services (400-500 series other than 594)	26,000	(6,861)	19,139	19,139		
Supplies and Materials	10,164	(3,797)	6,367	6,367		
Other Objects	10,000	(9,405)	595	595		
Total Undistributed Expenditures - Central Services	363,664	(33,999)	329,665	323,227		6,438
Undistributed Expenditures - Admin. Info. Technology:						
Salaries	95,781		95,781	95,733		48
Purchased Technical Services		13,338	13,338	13,338		
Other Purchased Services (400-500 series)	103,000	(28,950)	74,050	74,050		
Supplies and Materials	25,000	15,219	40,219	36,669		3,550
Total Undistributed Expenditures - Admin. Info. Technology	223,781	(393)	223,388	219,790		3,598
Undistributed Expenditures - Required Maint. for School Facilities:						
Salaries	358,776	62,488	421,264	420,882		382
Cleaning, Repair, and Maintenance Services	385,398	40,274	425,672	406,885		18,787
General Supplies	52,000	(51,962)	38	38		
Total Undistributed Expenditures - Required Maint. for School Facilities	796,174	50,800	846,974	827,805		19,169
Undistributed Expenditures - Custodial Services:						
Salaries	407,394	108,467	515,861	515,860		1
Cleaning, Repair, and Maintenance Services		231	231			231
Other Purchased Property Services	39,000	(33,157)	5,843	5,822		21
Insurance	205,000	5,106	210,106	210,106		
General Supplies	45,000	(13,009)	31,991	31,921		70
Energy (Natural Gas)	140,000	(3,584)	136,416	136,398		18
Energy (Electricity)	200,000	23,610	223,610	223,610		
Total Undistributed Expenditures - Custodial Services	1,036,394	87,664	1,124,058	1,123,717		341

SUSSEX COUNTY TECHNICAL SCHOOL	BUDGETARY COMPARISON SCHEDULE	GENERAL FUND	OR THE FISCAL YEAR ENDED JUNE 30, 2022
SUSSEX COUNT	BUDGETARY CC	GEN	FOR THE FISCAL Y

Exhibit C-1 7 of 9

	Origir	Original Budget	Bı Tra	Budget Transfers	Final Budget	st	Actual	Vari to	Variance Final to Actual
Security: Salaries Purchased Professional and Technical Services	\\$	93,000	\$	(33,000) 14,243	\$ 60,000 14,243	00 \$ 43 \$	59,059 14,243	÷	941
General Supplies Total Security		93,000		4,528	4,528 78,771	11	4,528 77,830		941
Total Undistributed Expenditures - Oper. And Maint. Of Plant Serv.		1,925,568		124,235	2,049,803	03	2,029,352		20,451
Undistributed Expenditures - Student Transportation Serv.: Salaries of Non-Instructional Aides		20,000		(4,057)	15,943	43	15,943		
Sal. for Pupil Trans. (Bet. Home and Sch) - Reg.		14,000		5,531	19,531	31	19,530		1
Contract. Serv. (Oth. than Bet. Home & Sch.) - Vend.		145,000		(7,582)	137,418	18	137,416		7
General Supplies Other Objects		7,500		(6,516) 51	6	984 51	984 51		
Total Undistributed Expenditures - Student Transportation Serv.		186,500		(12,573)	173,927	27	173,924		3
UNALLOCATED BENEFITS						1			
Social Security Contributions		219,681		82,496	302,177		274,455		27,722
Other Retirement Contributions - PEKS Other Retirement Contributions - Regular		220,000 4,438		43,202	203,202 4,438	38 67	203,202 3,698		740
Workers Compensation		196,425		(21, 483)	174,942	42	174,561		381
Health Benefits		2,020,000		(373,682)	1,646,318	18	1,646,318		
Tuition Reimbursement		24,434		(13,940)	10,494	94	10,494		
Other Employee Benefits		76,971		48,875	125,846	46	125,846		
TOTAL UNALLOCATED BENEFITS		2,761,949		(234,532)	2,527,417	17	2,498,574		28,843
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED) TPAF Post Retirement Contributions (Non-Budgeted) TPAF Pension Contributions (Non-Budgeted) TPAF Non-Contributory Insurance (Non-Budgeted)							516,858 2,181,416 30,777	Ŭ	(516,858) (2,181,416) (30,777)

SUSSEX COUNTY TECHNICAL SCHOOL BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022	Variar to <i>i</i>	428,852 428,852 (428,852) 3,158,972 (3,158,972) (3,158,972)	<u>\$ 2,761,949</u> <u>\$ (234,532)</u> <u>\$ 2,527,417</u> <u>5,657,546</u> (3,130,129)	7,850,680 (110,400) 7,740,280 10,819,421 (3,079,141)	13,544,699 13,544,699 16,593,530 (3,048,831)	4,075	4,075 4,075 4,075	4,075 4,075 4,075	35.000 35.000 15.800 19.200	15,000 6,074		52,000 52,000 21,874 30,126	1,500 1,500 1,500	5,500 5,199	3,000	3,000	13.000 13.000 5.199 7.801
SUSSEX COUNTY BUDGETARY COI GENE FOR THE FISCAL YE	ED) (Cont'd) lgeted)	Reimbursed TPAF Social Security Contributions TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)	TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	TOTAL UNDISTRIBUTED EXPENDITURES	TOTAL GENERAL CURRENT EXPENSE	CAPITAL OUTLAY Facilities Acquisition and Construction Serv.: Assessment for Debt Service on SDA Funding	Total Facilities Acquisition and Const. Serv.	TOTAL CAPITAL OUTLAY	SPECIAL SCHOOLS Vocational Evening - Local - Instruction: Salaries of Teachers	General Supplies	Other Objects	Total Vocational Evening - Local - Instruction	Vocational Evening - Local - Support Serv.: Personal Services - Employee Benefits	Other Purchased Services (400-500 series)	Supplies and Materials	Other Objects	Total Monational Evaning I anal Cunnort Caru

SUSSEX COUNTY TECHNICAL SCHOOL BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	A	Actual	Varia to	Variance Final to Actual
TOTAL SPECIAL SCHOOLS	\$ 65,000		\$ 65,000	Ś	27,073	Ś	37,927
TOTAL EXPENDITURES	13,613,774		13,613,774	16	16,624,678	Ŭ	(3,010,904)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(9,349)		(9,349)		77,499		86,848
Fund Balance, July 1	983,662		983,662		983,662		
Fund Balance, June 30	\$ 974,313	-0-	\$ 974,313	\$	1,061,161	÷	86,848
Recapitulation: Restricted Fund Balance: Capital Reserve Maintenance Reserve Unemployment Compensation Jonemployment Compensation Assigned Fund Balance: Year End Encumbrances Unassigned Fund Balance Unassigned Fund Balance Last State Aid Payments not Recognized on GAAP basis Fund Balance ner Governmental Funds (GAAP)				↔	242,302 200,000 52,949 27,282 538,628 1,061,161 (419,309) (419,309)		
)			

Exhibit C-2

SUSSEX COUNTY TECHNICAL SCHOOL BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS SPECIAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	0 H	Original Budget	[L	Budget Transfers		Final Budget		Actual	V Fina	Variance Final to Actual
KEVENUES: Local Sources	G	373 000	\$	270,303 12 776	S	270,303 235 776	S	270,256 235 776	\$	(47)
Federal Sources	9	475,862		927,155		1,403,017		654,366		(748,651)
Total Revenues		798,862		1,210,234		2,009,096		1,260,398		(748,698)
EXPENDITURES: Instruction:										
Salaries of Teachers Purchased Professional and Technical Services		239,659		81,171 15,000		320,830 $15,000$		236,794		84,036 15,000
General Supplies Other Objects		159,772		246,144 10,181		405,916 10,181		182,375 7,985		223,541 2,196
Total Instruction		399,431		352,496		751,927		427,154		324,773
Support Services:										
Salaries		159,772		31,158		190,930		135,068		55,862
Salaries of Other Professional Staff		79,886		32,350		112,236		94,667		17,569
Personal Services - Employee Benefits		79,886		43,097		122,983		122,983		
Purchased Professional and Technical Services				115,687		115,687		6,985		108,702
Purchased Professional - Educational Services				9,000		9,000		9,000		
Other Purchased Services				33,016		33,016		9,385		23,631
Supplies and Materials				105,241		105,241		73,797		31,444
Other Objects				54,835		54,835		44,013		10,822
Student Activities				239,278		239,278		239,278		
Total Support Services		319,545		663,661		983,206		735,176		248,030
Facilities Acquisition and Construction Services: Instructional Equipment		79,886		163,099		242,985		67,090		175,895
Total Facilities Acquisition and Construction Services		79,886		163,099		242,985		67,090		175,895
Total Expenditures	\$	798,862	S	1,179,256	\$	1,978,118	S	1,229,420	s	748,698
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	S	-0-	S	30,978	S	30,978	S	30,978	S	-0-

SUSSEX COUNTY TECHNICAL SCHOOL REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISION SCHEDULE NOTE TO RSI FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 16,702,177	\$ 1,260,398
Difference - Budgetary 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		(54,509)
Cancellation of Prior Year Encumbrances		(10,785)
Prior Year Encumbrances		12,651
Prior Year State Aid Payments Recognized for GAAP Purposes, not		
Recognized for Budgetary Statements	419,309	
Current Year State Aid Payments Recognized for Budgetary Purposes,		
not Recognized for GAAP Statements	 (419,309)	
Total Revenues as Reported on the Statement of Revenues, Expenditures		
and Changes in Fund Balances - Governmental Funds	\$ 16,702,177	\$ 1,207,755
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 16,624,678	\$ 1,229,420
Difference - Budgetary 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		(54,509)
Cancellation of Prior Year Encumbrances		(10,785)
Prior Year Encumbrances	 	 12,651
Total Expenditures as Reported on the Statement of Revenues,		
Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 16,624,678	\$ 1,176,777

SUSSEX COUNTY TECHNICAL SCHOOL REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISION SCHEDULE NOTE TO RSI FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 Sussex 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 substanial 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, except for student activities. 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.

SPECIAL REVENUE FUND

Exhibit E-1 1 of 4	Workforce Investment Act Program	26,569	26,569	11,764	11,764	7,980 540	6,285	14,805		26,569
SIS	School Based Youth Services	242,782	242,782			80,411 81,951 3,350	9,000 30,438 37,632	242,782		242,782 \$
5 - BUDGETARY BA	Adolescent Pregnancy Prevention Initiative	70,835 \$	70,835			46,717 14,610	3,127 6,381	70,835		70,835 \$
<u>AL SCHOOL</u> EUND D JUNE 30, 2022	SDA Emergent and Capital Needs	22,159 \$	22,159	22,159	22,159					22,159 \$
SUSSEX COUNTY TECHNICAL SCHOOL SPECIAL REVENUE FUND COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022	SD ₂ an	99								\$
COMBINING SCHEDULE (REVENTIES	Local Sources State Sources Federal Sources	Total Revenues	EXPENDITURES Instruction: Salaries of Teachers General Supplies	Total Instruction	Support Services: Salaries Salaries of Other Professional Staff Personal Services - Employee Benefits Purchased Professional and Technical Services	Purchased Professional - Educational Services Other Purchased Services Supplies and Materials Other Objects	Total Support Services	Facilities Acquisition and Construction Services: Instructional Equipment Total Facilities Acquisition and Construction Services	Total Expenditures

Exhibit E-1 2 of 4

SPECIAL REVENUE FUND COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022 SUSSEX COUNTY TECHNICAL SCHOOL

		I.D.E.A. Basic	A. Basic					Post
	FY2	FY22 - ARP		FY22	Sec	Secondary	Sec	Secondary
KEV EN UES Local Sources								
State Sources								
Federal Sources	\$	32,179	\$	197,127	S	85,684	\$	69,470
Total Revenues		32,179		197,127		85,684		69,470
EXPENDITURES								
Instruction:								
Salaries of Teachers		22,122		134,601				
General Supplies						65,546		1,301
Other Objects								7,985
Total Instruction		22,122		134,601		65,546		9,286
Support Services:								
Salaries						4,000		3,940
Salaries of Other Professional Staff						4,736		
Personal Services - Employee Benefits		10,057		62,526		306		
Purchased Professional and Technical Services								
Purchased Professional - Educational Services								
Other Purchased Services								250
Supplies and Materials								
Other Objects								
Student Activities								
Total Support Services		10,057		62,526		9,042		4,190
Facilities Acquisition and Construction Services:								
Instructional Equipment						11,096		55,994
Total Facilities Acquisition and Construction Services						11,096		55,994
Total Expenditures	\$	32,179	\$	197,127	\$	85,684	S	69,470

ibit E-1	3 of 4
Exhib	

<u>SPECIAL REVENUE FUND</u> COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022 SUSSEX COUNTY TECHNICAL SCHOOL

		Elementary and Secondary Education Act	ntary and Seconds Education Act	ary	Emer	Emergency Connectivity	0.	Student
		Title I	Title II	i II A	Б	Fund	4 V	Activities
REVENUES Local Sources							\$	270,256
State Sources								
Federal Sources	S	51,786	S	12,908	S	37,622		
Total Revenues		51,786		12,908		37,622		270,256
EXPENDITURES								
Instruction:								
Salaries of Teachers		31,605		8,902				
General Supplies		377						
Other Objects								
Total Instruction		31,982		8,902				
Support Services:								
Salaries								
Salaries of Other Professional Staff								
Personal Services - Employee Benefits		19,804		4,006				
Purchased Professional and Technical Services								
Purchased Professional - Educational Services								
Other Purchased Services								
Supplies and Materials						37,622		
Other Objects								
Student Activities								239,278
Total Support Services		19,804		4,006		37,622		239,278
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Total Facilities Acquisition and Construction Services								
Total Expenditures	\$	51,786	\$	12,908	\$	37,622	S	239,278

t 5 t	Total	270,256 335,776 654,366	1,260,398	236,794 182,375 7,985	427,154	135,068 94,667 122,983 6,985 9,000 9,385 73,797 44,013	735,176	67,090 67,090 1,229,420
		÷						⊗
	Mental Health	6,985	6,985			6,985	6,985	6,985
ASIS		S						S
DGETARY B	CRRSA Learning Acceleration	20,894	20,894	13,110	13,110	7,784	7,784	20,894
S - BUI		÷						\$
SUSSEX COUNTY TECHNICAL SCHOOL SPECIAL REVENUE FUND 5 OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022	ESSER II	106,353	106,353	14,690 86,203	100,893	2,850 2,610	5,460	106,353
E FUN UD EX ND EX	Ц Х	÷						÷
SUSSEX COUNTY TECHNICAL SCHOOL SPECIAL REVENUE FUND F PROGRAM REVENUE AND EXPENDITU R THE FISCAL YEAR ENDED JUNE 30, 20	CARES Emergency Relief	6,789	6,789	6,789	6,789			6,789
<u>SSEX COUN SPECIA SOGRAM R HE FISCAL</u>	CA) Emery Re	S						∞
SUS COMBINING SCHEDULE OF PF FOR T		REVENUES Local Sources State Sources Federal Sources	Total Revenues	EXPENDITURES Instruction: Salaries of Teachers General Supplies Other Objects	Total Instruction	Support Services: Salaries Salaries of Other Professional Staff Personal Services - Employee Benefits Purchased Professional and Technical Services Purchased Professional - Educational Services Other Purchased Services Supplies and Materials Other Objects	Total Support Services	Facilities Acquisition and Construction Services: Instructional Equipment Total Facilities Acquisition and Construction Services Total Expenditures

Exhibit E-1 4 of 4 CAPITAL PROJECTS FUND

<u>SUSSEX COUNTY TECHNICAL SCHOOL</u> <u>CAPITAL PROJECTS FUND</u> <u>SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -</u> <u>BUDGETARY BASIS</u> <u>FOR THE FISCAL YEAR ENDED JUNE 30, 2022</u>

Revenue and Other Financing Sources:		
County Improvement Authorization	\$	900,000
Total Revenue and Other Financing Sources		900,000
Expenditures and Other Financing Uses:		
Purchased Professional and Technical Services		66,616
Construction Services		694,414
Equipment		50,029
Bond Issuance and Legal Costs		5,461
Cancel Accounts Receivable from County		198,081
Total Expenditures and Other Financing Uses		1,014,601
Deficit of Revenue and Other Financing Sources		
Under Expenditures and Other Financing Uses		(114,601)
Fund Balance - Beginning of Year		2,162,749
Fund Balance - End of Year	\$	2,048,148
Recapitulation:		
Restricted - Year End Encumbrances	\$	1,727
Committed	•	1,921,719
Committed - Year End Encumbrances		124,702
Total Fund Balance - Budgetary Basis		2,048,148
Reconciliation to Governmental Funds Statements (GAAP):		
Grant Receivable not Recognized on the GAAP Basis		(511,679)
-		
Fund Balance per Governmental Funds (GAAP)	\$	1,536,469

SUSSEX COUNTY TECHNICAL SCHOOL CAPITAL PROJECTS FUND SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -BUDGETARY BASIS SEWER TREATMENT PLANT REPLACEMENT, MCNIECE PARKING LOT, TENNIS COURT AND LARGE GREEN HOUSE FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 354,000		\$ 354,000	\$ 354,000
County Improvement Authorization	1,518,918		1,518,918	1,518,918
Revenue and Other Financing Sources	1,872,918		1,872,918	1,872,918
Expenditures:				
Purchased Professional and Technical				
Services	42,477		42,477	194,600
Construction Services	952,732		952,732	1,636,318
Bond Issuance and Legal Costs	3,930		3,930	42,000
Total Expenditures	999,139		999,139	1,872,918
Excess/(Deficit) of Revenue and Other Financing				
Sources Over/(Under) Expenditures	\$ 873,779	\$ -0-	\$ 873,779	\$ -0-
Additional Project Information:				
5	110-010-14-4000; 1	004		
Grant Date	N/A			
County Bond Ordinance Authorization				
Date	4/23/14			
County Bond Ordinance Authorized	\$ 1,548,000			
Original Authorized Cost	\$ 1,902,000			
Unexpended Balance Cancelled	\$ (29,082)			
Revised Authorized Cost	\$ 1,872,918			
Percentage Increase over Original				
Authorized Cost	0%			
Percentage Completion	53%			
Original Target Completion Date	12/15			
Revised Target Completion Date	06/22			

<u>SUSSEX COUNTY TECHNICAL SCHOOL</u> <u>CAPITAL PROJECTS FUND</u> <u>SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -</u> <u>BUDGETARY BASIS</u> <u>ROOF REPLACEMENT AND WELDING SHOP IMPROVEMENTS</u> <u>FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022</u>

		Prior Periods		Current Year		Totals		Revised Project Authorization	
Revenue and Other Financing Sources:									
State Sources - SDA Grant	\$	956,728			\$	956,728	\$	956,728	
County Improvement Authorization		1,464,000	\$	(188,327)		1,275,673		1,275,673	
Revenue and Other Financing Sources		2,420,728		(188,327)		2,232,401		2,232,401	
Expenditures:									
Purchased Professional and Technical Services								60,728	
Construction Services		2,105,815				2,105,815		2,166,673	
Bond Issuance and Legal Costs		11,162				11,162		5,000	
Total Expenditures		2,116,977				2,116,977		2,232,401	
Excess/(Deficit) of Revenue and Other Financin	ıσ								
Sources Over/(Under) Expenditures	<u>\$</u>	303,751	\$	(188,327)	\$	115,424	\$	-0-	
Additional Project Information:									
Project Numbers	5110-0	10-010-14-1003; 10							
Grant Date		10/20/16							
County Bond Ordinance Authorization									
Date		5/11/16							
County Bond Ordinance Authorized	\$	1,464,000							
Original Authorized Cost	\$	2,420,728							
Unexpended Balance Cancelled	\$	(188,327)							
Revised Authorized Cost	\$	2,232,401							
Percentage Increase/Decrease over Original									
Authorized Cost		0%							
Percentage Completion		95%							
Original Target Completion Date		06/17							
Revised Target Completion Date		06/20							

SUSSEX COUNTY TECHNICAL SCHOOL CAPITAL PROJECTS FUND SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -BUDGETARY BASIS SCIENCE LAB IMPROVEMENTS FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Prior Periods	Current Year				Revised Project horization
Revenue and Other Financing Sources:						
County Improvement Authorization	\$ 790,000	\$	(9,754)	\$	780,246	\$ 780,246
Revenue and Other Financing Sources	 790,000		(9,754)		780,246	 780,246
Expenditures:						
Purchased Professional and Technical						
Services	37,733		21 (51		37,733	37,733
Construction Services Bond Issuance and Legal Costs	707,339 3,523		31,651		738,990 3,523	738,990
Bond issuance and Legal Costs	 5,525				5,525	 3,523
Total Expenditures	 748,595		31,651		780,246	 780,246
Excess/(Deficit) of Revenue and Other Financing						
Sources Over/(Under) Expenditures	\$ 41,405	\$	(41,405)	\$	-0-	\$ -0-
Additional Project Information:						
Project Numbers	N/A					
Grant Date	N/A					
County Bond Ordinance Authorization						
Date	4/11/18					
County Bond Ordinance Authorized	\$ 790,000					
Original Authorized Cost	\$ 790,000					
Unexpended Balance Cancelled	\$ (9,754)					
Revised Authorized Cost	\$ 780,246					
Percentage Increase over Original						
Authorized Cost	0%					
Percentage Completion	100%					
Original Target Completion Date	06/20					
Revised Target Completion Date	N/A					

SUSSEX COUNTY TECHNICAL SCHOOL CAPITAL PROJECTS FUND SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -BUDGETARY BASIS VARIOUS IMPROVEMENTS FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	 Prior Periods	Current Year		Totals		Project horization
Revenue and Other Financing Sources:						
County Improvement Authorization	\$ 316,553			\$	316,553	\$ 316,553
Revenue and Other Financing Sources	 316,553				316,553	 316,553
Expenditures:						
Purchased Professional and Technical						
Services	28,775				28,775	28,775
Construction Services	 198,287	\$	89,491		287,778	 287,778
Total Expenditures	 227,062		89,491		316,553	 316,553
Excess/(Deficit) of Revenue and Other Financing						
Sources Over/(Under) Expenditures	\$ 89,491	\$	(89,491)	\$	-0-	\$ -0-
Additional Project Information:						
Project Numbers	N/A					
Grant Date	N/A					
County Bond Ordinance Authorization						
Date	5/15/19					
County Bond Ordinance Authorized	\$ 316,553					
Original Authorized Cost	\$ 316,553					
Additional Authorized Cost	\$ -0-					
Revised Authorized Cost	\$ 316,553					
Percentage Increase over Original						
Authorized Cost	0%					
Percentage Completion	100%					
Original Target Completion Date	06/20					
Revised Target Completion Date	09/21					

<u>SUSSEX COUNTY TECHNICAL SCHOOL</u> <u>CAPITAL PROJECTS FUND</u> <u>SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -</u> <u>BUDGETARY BASIS</u> <u>UNDERGROUND STORAGE TANK AND CULINARY FACILITIES PROJECT</u> <u>FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022</u>

		Prior Periods		Current Year	 Totals	Project horization
Revenue and Other Financing Sources: County Improvement Authorization	\$	895,000			\$ 895,000	\$ 895,000
Revenue and Other Financing Sources		895,000			 895,000	 895,000
Expenditures:						
Purchased Professional and Technical						
Services		30,333	\$	10,614	40,947	175,000
Construction Services		60,331		573,272	633,603	612,500
Equipment						87,500
Bond Issuance and Legal Costs		1,769		2,523	 4,292	 20,000
Total Expenditures		92,433		586,409	 678,842	 895,000
Excess/(Deficit) of Revenue and Other Financing						
Sources Over/(Under) Expenditures	\$	802,567	\$	(586,409)	\$ 216,158	\$ -0-
				(***,***)	 	
Additional Project Information:						
Project Numbers 5	110-010	0-21-5000; 6	000			
Grant Date		N/A				
County Bond Ordinance Authorization						
Date		4/22/20				
County Bond Ordinance Authorized	\$	895,000				
Original Authorized Cost	\$	895,000				
Additional Authorized Cost	\$	-0-				
Revised Authorized Cost	\$	895,000				
Percentage Increase over Original						
Authorized Cost		0%				
Percentage Completion		76%				
Original Target Completion Date		06/22				
Revised Target Completion Date		06/22				
Ternsed Turget Completion Dute		00/20				

SUSSEX COUNTY TECHNICAL SCHOOL CAPITAL PROJECTS FUND SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -BUDGETARY BASIS SECURING OUR CHILDREN'S FUTURE BOND ACT FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Prior Periods	(Current Year		Totals		Project norization
Revenue and Other Financing Sources: State Sources - Securing Our Children's	•				•		•	
Future Bond Act Grant	\$	51,756			\$	51,756	\$	51,756
Revenue and Other Financing Sources		51,756				51,756		51,756
Expenditures:								
Equipment			\$	50,029		50,029		51,756
Total Expenditures				50,029		50,029		51,756
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$	51,756	\$	(50,029)	\$	1,727	\$	-0-
Additional Project Information: Project Numbers		N/A						
Grant Date		7/1/20						
County Bond Ordinance Authorization								
Date		N/A						
County Bond Ordinance Authorized		N/A						
Original Authorized Cost	\$	51,756						
Additional Authorized Cost	\$	-0-						
Revised Authorized Cost	\$	51,756						
Percentage Increase over Original								
Authorized Cost		0%						
Percentage Completion		97%						
Original Target Completion Date		06/22						
Revised Target Completion Date		12/23						

<u>SUSSEX COUNTY TECHNICAL SCHOOL</u> <u>CAPITAL PROJECTS FUND</u> <u>SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -</u> <u>BUDGETARY BASIS</u> <u>HVAC UPGRADE AND CONSTRUCTION OF A SALT STORAGE BUILDING</u> <u>FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022</u>

	Prior Periods		Current Year	Totals		Project thorization
Revenue and Other Financing Sources: County Improvement Authorization		\$	900,000	\$	900,000	\$ 900,000
Revenue and Other Financing Sources			900,000		900,000	 900,000
Expenditures:						
Purchased Professional and Technical Services			56,002		56,002	80,000
Construction Services			2 0 2 9		2 0 2 9	800,000
Bond Issuance and Legal Costs			2,938		2,938	 20,000
Total Expenditures			58,940		58,940	 900,000
Excess/(Deficit) of Revenue and Other Financing						
Sources Over/(Under) Expenditures	\$ -0-	\$	841,060	\$	841,060	\$ -0-
Additional Project Information:						
Project Numbers	5110-010-22-1000	0				
Grant Date	N/A					
County Bond Ordinance Authorization	4/22/20					
Date County Bond Ordinance Authorized	4/22/20 \$ 900,000					
Original Authorized Cost	\$ 900,000 \$ 900,000					
Additional Authorized Cost	\$ -0-					
Revised Authorized Cost	\$ 900,000					
Percentage Increase over Original						
Authorized Cost	0% 70/					
Percentage Completion	7% 06/22					
Original Target Completion Date Revised Target Completion Date	06/22					
Revised Turget Completion Dute	00/25					

PROPRIETARY FUNDS

SUSSEX COUNTY TECHNICAL SCHOOL ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2022

				Use of					
	Service		F	acilities	Tra	nsportation	Totals		
ASSETS:									
Current Assets:									
Cash and Cash Equivalents	\$	82,651	\$	196,218			\$	278,869	
Intrafund Receivable				30,176	\$	6,646		36,822	
Interfund Receivable - General Fund		150,185						150,185	
Intergovernmental Accounts Receivable:									
State		727						727	
Federal		38,601						38,601	
Other Accounts Receivable				2,815				2,815	
Inventories		6,243						6,243	
Total Current Assets		278,407		229,209		6,646		514,262	
Non-Current Assets:									
Capital Assets		139,751		52,700		620,176		812,627	
Less: Accumulated Depreciation		(100,157)		(13,221)		(416,021)		(529,399)	
Total Non-Current Assets		39,594		39,479		204,155		283,228	
Total Assets		318,001		268,688		210,801		797,490	
LIABILITIES:									
Current Liabilities:									
Intrafund Payable		6,646				30,176		36,822	
Unearned Revenue - Prepaid Sales		3,950				50,170		3,950	
Unearned Revenue - Donated Commodities		463						463	
						20.176			
Total Liabilities		11,059				30,176		41,235	
NET POSITION:									
Investment in Capital Assets		39,594		39,479		204,155		283,228	
Unrestricted/(Deficit)		267,348		229,209		(23,530)		473,027	
Total Net Position	\$	306,942	\$	268,688	\$	180,625	\$	756,255	

SUSSEX COUNTY TECHNICAL SCHOOL ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Food			Use of			
	5	Service	H	acilities	Trai	nsportation	 Totals
Operating Revenue:							
Daily Sales:							
Non-Reimbursable Programs	\$	56,936					\$ 56,936
Charges for Services - Program Fees			\$	104,521	\$	40,928	 145,449
Total Operating Revenue		56,936		104,521		40,928	 202,385
Operating Expenses:							
Cost of Sales:							
Reimbursable Programs		231,256					231,256
Non-Reimbursable Programs		25,695					25,695
Salaries		147,287		25,904		48,133	221,324
Employee Benefits		42,287				20	42,307
Purchased Professional Technical Services				1,304			1,304
Maintenance		460				920	1,380
Other Purchased Services		18,044					18,044
Supplies and Materials		9,159				11,808	20,967
Energy				8,806			8,806
Miscellaneous Expenditures		1,347		15,430		13,888	30,665
Depreciation Expense		6,073		3,729		35,633	 45,435
Total Operating Expenses		481,608		55,173		110,402	 647,183
Operating Income/(Loss)		(424,672)		49,348		(69,474)	 (444,798)
Non-Operating Revenue:							
Interest Income		80					80
State Sources:							
COVID-19 - Seamless Summer Option		11,799					11,799
Federal Sources:							
COVID-19 - Seamless Summer Option		576,181					576,181
COVID-19 - P-EBT Reimbursement		1,242					1,242
COVID-19 - Emergency Operational							
Cost Program		10,465					10,465
Food Distribution Program		31,904					 31,904
Total Non-Operating Revenue		631,671					 631,671

Exhibit G-2 2 of 2

SUSSEX COUNTY TECHNICAL SCHOOL ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	5	Food Service	Use of Facilities		Transportation		 Totals
Change in Net Position Before Other Items	\$	206,999	\$	49,348	\$	(69,474)	\$ 186,873
Other Items: Cancellation of Prior Year Accounts Receivable				(450)			 (450)
Total Other Items				(450)			(450)
Change in Net Position		206,999		48,898		(69,474)	186,423
Net Position - Beginning of Year		99,943		219,790		250,099	569,832
Net Position - End of Year	\$	306,942	\$	268,688	\$	180,625	\$ 756,255

SUSSEX COUNTY TECHNICAL SCHOOL ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Major Funds						
		Food		Use of			
	Service		Facilities		Transportation		 Totals
Cash Flows from Operating Activities:							
Receipts from Customers	\$	51,093	\$	101,706	\$	85,568	\$ 238,367
Payments to Food Service Company		(452,922)		,		,	(452,922)
Payments to/for Employees				(25,904)		(48,153)	(74,057)
Payments to Suppliers		(6,197)		(25,540)		(27,041)	 (58,778)
Net Cash Provided by/(Used for) Operating Activities		(408,026)		50,262		10,374	 (347,390)
Cash Flows from Financing Activities:							
Interest Income		80					 80
Net Cash Provided by Financing Activities		80					 80
Cash Flows from Capital and Related Financing Activities:							
Purchase of Capital Assets		(2,050)		(12,100)		(8,314)	 (22,464)
Net Cash Used for Capital and Related Financing Activities		(2,050)		(12,100)		(8,314)	 (22,464)
Cash Flows by Noncapital Financing Activities:							
Interfund Advanced				(30,176)		30,176	
Interfund Returned				32,236		(32,236)	
Interfund Returned - General Fund		28,883					28,883
Federal Sources		422,058					422,058
State Sources	. <u> </u>	10,327					 10,327
Net Cash Provided by/(Used for) Noncapital Financing Activities		461,268		2,060		(2,060)	 461,268
Net Increase in Cash and Cash Equivalents		51,272		40,222		-0-	91,494
Cash and Cash Equivalents, July 1		31,379		155,996		-0-	 187,375
Cash and Cash Equivalents, June 30	\$	82,651	\$	196,218	\$	-0-	\$ 278,869

SUSSEX COUNTY TECHNICAL SCHOOL ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Food		Use of			
		Service	F	acilities	Tra	nsportation	 Totals
Reconciliation of Operating Income/(Loss) to							
Net Cash Provided by/(Used for) Operating Activities:							
Operating Income/(Loss)	\$	(424,672)	\$	49,348	\$	(69,474)	\$ (444,798)
Adjustment to Reconcile Operating Income/(Loss) to Net							
Cash Provided by/(Used for) Operating Activities:							
Depreciation		6,073		3,729		35,633	45,435
Food Distribution Program		31,904					31,904
Changes in Assets and Liabilities:							
(Increase)/Decrease in Other Accounts Receivable				(2,815)		44,640	41,825
(Decrease) in Accounts Payable		(13,681)				(425)	(14,106)
(Decrease) in Unearned Revenue - Donated Commodities		(1,099)					(1,099)
(Decrease) in Unearned Revenue - Prepaid Sales		(5,843)					(5,843)
(Increase) in Inventory		(708)					 (708)
Net Cash Provided by/(Used for) Operating Activities	\$	(408,026)	\$	50,262	\$	10,374	\$ (347,390)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$30,805 and utilized U.S.D.A. Commodities valued at \$31,904.

LONG-TERM DEBT

SUSSEX COUNTY TECHNICAL SCHOOL LONG-TERM DEBT SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

Purpose	Interest Rate	(Original Issue		Balance July 1, 2021		latured	Balance June 30, 2022		
Motorola Radio Equipment	6.41%	\$	22,795	\$	3,900	\$	3,900	\$	-0-	
				\$	3,900	\$	3,900	\$	-0-	

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.

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

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

SUSSEX COUNTY TECHNICAL SCHOOL	NET POSITION BY COMPONENT	LAST TEN FISCAL YEARS	ACCRUAL BASIS OF ACCOUNTING)	INAUDITED
SUSSEX COUNTY TE	NET POSITION BY	LAST TEN FIS	(ACCRUAL BASIS C	UNAU1

					Juno	June 30,				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities: Net Investment in Capital Assets Restricted Unrestricted/(Deficit)	\$ 10,949,201 225,541 1,987,222	\$ 11,569,599 541 (2,946,352)	\$ 13,090,307 541 (4,461,616)	\$ 13,182,426 541 (3,464,976)	\$ 13,417,964 541 (3,002,659)	\$ 15,380,891 250,541 (4,858,610)	\$ 15,984,158 148,457 (4,686,682)	\$ 17,396,290 506,657 (5,451,229)	<pre>\$ 17,069,430 616,774 (4,528,244)</pre>	\$ 17,358,046 738,432 (3,740,515)
Total Governmental Activities Net Position	\$ 13,161,964	\$ 13,161,964 \$ 8,623,788	\$ 8,629,232	\$ 9,717,991	\$ 10,415,846	\$ 10,772,822	\$ 11,445,933	\$ 12,451,718	\$ 13,157,960	\$ 14,355,963
Business-Type Activities: Investment in Capital Assets Unrestricted	\$ 179,897 121,103	\$ 268,044 201,243	\$ 297,929 495,348	\$ 315,213 638,982	\$ 294,421 795,398	\$ 208,151 751,760	\$ 364,698 474,544	\$ 352,967 276,635	\$ 306,199 263,633	\$ 283,228 473,027
Total Business-Type Activities Net Positon	\$ 301,000	\$ 469,287	\$ 793,277	\$ 954,195	\$ 1,089,819	\$ 959,911	\$ 839,242	\$ 629,602	\$ 569,832	\$ 756,255
District-Wide: Net Investment in Capital Assets Restricted Unrestricted/(Deficit)	\$ 11,129,098 225,541 2,108,325	\$ 11,837,643 541 (2,745,109)	\$ 13,388,236 541 (3,966,268)	\$ 13,497,639 541 (2,825,994)	\$ 13,712,385 541 (2,207,261)	\$ 15,589,042 250,541 (4,106,850)	<pre>\$ 16,348,856 148,457 (4,212,138)</pre>	\$ 17,749,257 506,657 (5,174,594)	<pre>\$ 17,375,629 616,774 (4,264,611)</pre>	\$ 17,641,274 738,432 (3,267,488)
Total District Net Position	\$ 13,462,964	\$ 13,462,964 \$ 9,093,075	\$ 9,422,509	\$ 10,672,186	\$ 11,505,665	\$ 11,732,733	\$ 12,285,175	\$ 13,081,320	\$ 13,727,792	\$ 15,112,218

Source: School District Financial Reports

				UNAUDITED						
					Fiscal Year Ending June 30,	ding June 30,				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 3,465,198	\$ 3,346,773	\$ 3,895,241	\$ 4,316,769	\$ 5,116,687	\$ 5,276,074	\$ 4,660,042	\$ 4,697,773	\$ 4,697,820	\$ 4,470,883
Special Education	526,185	543,303	975,613	1,368,925	467,204	731,289	612,283	634,475	592,568	537,497
Other Special Instruction	850									
Vocational Education	3,012,477	3,272,174	3,437,792	2,908,830	3,995,379	3,836,945	3,615,702	3,402,583	3,318,857	3,177,653
School-Sponsored/Other Instruction	714,374	752,062	864,965	918,782	1,078,597	986,741	909,256	946,980	901,840	909,876
Support Services:										
Student and Instruction Related Services	2,302,096	2,432,384	2,656,703	2,525,986	2,593,938	2,745,649	2,539,393	2,528,898	2,468,040	2,589,882
General Administrative Services	323,626	390,006	446,202	738,150	722,345	745,747	603,539	618,648	642,845	615,297
School Administrative Services	407,811	453,446	564, 120	630,379	1,017,870	1,097,615	997,172	838,636	840,320	879,040
Central Services	548,860	538,245	553,272	597,303	570,275	623,689	638,886	644,530	607,666	539,309
Administrative Information Technology	129,186	134,939	162, 140	195,967	210,955	262,882	209,703	270,154	265,927	330,185
Plant Operations and Maintenance	2,431,393	2,358,718	2,283,357	2,073,262	2,179,084	2,242,213	2,290,934	2,241,395	2,647,695	2,638,935
Pupil Transportation	343,543	478,356	514,667	460,368	508,920	320,341	246,261	152,122	125,640	192,199
Special Schools	116,993	78,006	208,813	254,000	316,510	242,896	219,660	154,198	205,550	145,001
Capital Outlay	1,000,431	136,263								
Unallocated Depreciation	398,567	415,265								
Total Governmental Activities Expenses	15,721,590	15,329,940	16,562,885	16,988,721	18,777,764	19,112,081	17,542,831	17,130,392	17,314,768	17,025,757
Business-Type Activities:										
Transportation	991,447	1,107,714	1,028,886	817,355	804,323	226,615	224,411	272,436	163,916	110,402
Use of Facilities	110,165	128,455	116,323	72,996	90,602	155,334	207,470	108,062	23,802	55,173
Food Service	382,596	376,639	421,497	435,438	417,022	417,650	415,105	286,116	214,668	481,608
Total Business-Type Activities Expense	1,484,208	1,612,808	1,566,706	1,325,789	1,311,947	799,599	846,986	666,614	402,386	647,183
Total District Expenses	17,205,798	16,942,748	18,129,591	18,314,510	20,089,711	19,911,680	18,389,817	17,797,006	17,717,154	17,672,940
Program Revenues: Governmental Activities:										
Tution	1,386,790	1,521,742	1,638,601	1,650,771	1,723,034	1,736,034	1,507,671	1,740,713	1,739,705	1,598,095
Student & Instruction Related Services Operating Grants and Contributions Camiral Grants and Contributions	2,220,638 971 004	2,131,459	3,525,237 502 400	3,938,840 146 515	5,395,048	5,933,107 576.048	4,735,093	4,667,366	4,113,181	128,015 4,376,246 50 029
Total Governmental Activities Program Revenues	4,578,432	3,653,201	5,666,238	5,736,126	7,118,082	8,245,189	6,242,764	6,632,807	5,980,899	6,152,383

Exhibit J-2 1 of 3

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

Page 118

Exhibit J-2 2 of 3	6606	÷	833,976	6,986,359	(10,873,374) $(10,873,374)$ $186,793$	(10,686,581)	7,425,900 3,784,033 159,525 900,000	(198,081)	12,071,377
	1000	2021 \$ 144,660 10,836 9,620 177,441	342,557	6,323,456	(11,333,869) (59,829)	(11, 393, 698)	7,280,251 3,784,033 80,827 895,000		12,040,111
	UCUC	2020 \$ 132,330 61,531 202,357 72,664	468,882	7,101,689	(10,497,585) (197,732)	(10,695,317)	7,120,050 3,782,004 113,636 243,017		11,258,707
	0100	2019 \$ 160,114 171,754 321,665 72,601	726,134	6,968,898	(11,300,067) (120,852)	(11,420,919)	6,983,863 3,790,971 120,873 1,106,553	(29,082)	11,973,178
	ding June 30,	2018 \$ 194,724 145,088 355,559 70,568	773,726	9,018,915	(10,866,892) (25,873)	(10, 892, 765)	6,983,863 3,855,765 384,240		11,223,868
<u>THOOL</u> TSCAL YEARS TNG)	Fiscal Year Ending June 30,	\$ 856,779 177,279 355,308 81,174	1,470,540	8,588,622	(11,659,682) 158,593	(11,501,089)	6.962,974 3,853,083 212,304 1,331,000	(1,824)	12,357,537
SUSSEX COUNTY TECHNICAL SCHOOL CHANGES IN NET POSITION, LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING) UNAUDITED (Continued)	2016	2010 \$ 953,014 128,983 321,986 107,316	1,511,299	7,247,425	(11,252,595) 185,510	(11,067,085)	6,962,974 3,847,345 125,784 1,464,000	(58,749)	12,341,354
USSEX COUNTY S IN NET POSITI (ACCRUAL BASI LOV.	2015	\$ 1,313,006 154,038 319,090 119,767	1,905,901	7,572,139	(10,896,647) 339,195	(10,557,452)	6,962,974 3,845,724 141,471 130,000	(178,078)	10,902,091
CHANGE CHANGE		1,775,594	5,428,795	(11,676,739) 162,786	(11,513,953)	6,826,444 3,833,360 129,846 1,548,000	55,750 (76.528)	12,316,872	
	2013	2012 \$1,063,218 \$170,269 280,695 280,692	1,622,174	6,200,606	(11,143,158) 137,966	(11,005,192)	6,692,589 3,848,619 149,874 1,280,000 450,604 522,784	(67,359)	12,877,111
		Program Revenues: (Cont'd) Business-Type Activities: Charges for Services: Transportation Use of Facilities Food Service Operating Grants and Contributions Canital Grants and Contributions	Total Business-Type Activities Program Revenues	Total District Program Revenues	Net (Expense)/Revenue: Governmental Activities Business-Type Activities	Total District-Wide Net Expense	General Revenues and Other Changes in Net Position: Governmental Activities: County Tax Levy Federal and State Aid not Restricted Miscellaneous Income County Improvement Autorization and Financed Purchases Proceeds Insurance Recovery Related to Fire Damage Insurance Recovery Related to Other Costs of Suner Storm Sandv	Insurance Recovery Related to Snow Storm Cancellation of Intergovernmental Accts Receivable Allowance for Doubtful Accounts	Total Governmental Activities

General Revenues and Other Changes in Net Position (Contd): Business-Type Activities: Miscellaneous Income Insurance Recovery Related to Buses Cancellation of Prior Y ear Accounts Receivable	2013 \$ 81 (801)	CHANG 2014 5,268) 5,368)	IS B	USSEX COUNTY TECHNICAL SCHOO S IN NET POSITION, LAST TEN FISCA (ACCRUAL BASIS OF ACCOUNTING) (ACCRUAL BASIS OF ACCOUNTING) UNAUDITED (Continued) 2015 2016 2015 2016 (Continued) 8 217 \$ 267 \$ (23,972) (24,859)	TING) 2017 2017 2017 2017 (26,929)	2018 \$ 148 (16,208)	2019 \$ 187 (4)	2020 \$ 197 (12,105)	2020 \$ 59	s of c 2022 8 80 (450)
Cancellation of Prior Year Accounts Payable Disposal of Capital Assets, Net of Accumulated Depreciation Total Business-Type Activities	(720)	(68,917) 5,501	8,550 (15,205)	(24,592)	3,828 (22,969)	(87,975) (104,035)	183	(11,908)	59	(370)
Total District-Wide	12,876,391	12,322,373	10,886,886	12,316,762	12,334,568	11,119,833	11,973,361	11,246,799	12,040,170	12,071,007
Change in Net Position: Governmental Activities Business-Type Activities	$1,733,953 \\137,246$	640,133 168,287	5,444 323,990	1,088,759 160,918	697,855 135,624	356,976 (129,908)	673,111 (120,669)	761,122 (209,640)	706,242 (59,770)	$1,198,003\\186,423$
Total District	\$ 1,871,199	\$ 808,420	\$ 329,434	\$ 1,249,677	\$ 833,479	\$ 227,068	\$ 552,442	\$ 551,482	\$ 646,472	\$ 1,384,426

Exhibit J-2 3 of 3

Source: School District Financial Reports

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

					June	June 30,				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund: Restricted Assigned Unassigned/(Deficit)	\$ 225,541 285,359 116,380	\$ 541 (133,758)	\$ 541 (64,231)	\$ 541 69,135 41,432	\$ 541 72,559 341,289	\$ 250,541 257,036 51,480	<pre>\$ 148,457 \$7,586 43,045</pre>	\$ 302,040 53,798 100,765	\$ 404,571 9,610 150,172	\$ 495,251 27,282 119,319
Total General Fund/(Deficit)	\$ 627,280	\$ (133,217)	\$ (63,690)	\$ 111,108	\$ 414,389	\$ 559,057	\$ 249,088	\$ 456,603	\$ 564,353	\$ 641,852
All Other Governmental Funds: Restricted Committed	\$ 2,318,690	\$ 3,183,343	\$ 1,681,744	\$ 2,611,538	\$ 3,340,645	\$ 1,756,604	\$ 2,005,905	<pre>\$ 204,617 888,469</pre>	<pre>\$ 212,203 1,601,041</pre>	\$ 243,181 1,536,469
Total All Other Governmental Funds	\$ 2,318,690	\$ 3,183,343	\$ 1,681,744	\$ 2,611,538	\$ 3,340,645	\$ 1,756,604	\$ 2,005,905	\$ 1,093,086	\$ 1,813,244	\$ 1,779,650
Governmental Funds: Restricted Committed Assigned Unassigned/(Deficit) Total Governmental Funds	 \$ 2,544,231 \$ 2,543,359 \$ 116,380 \$ 2,945,970 	\$ 541 3,183,343 (133,758) \$ 3,050,126	\$ 541 1,681,744 (64,231) \$ 1,618,054	\$ 541 2,611,538 69,135 41,432 \$ 2,722,646	\$ 541 3,340,645 72,559 341,289 \$ 3,755,034	 \$ 250,541 \$ 1,756,604 \$ 257,036 \$ 51,480 \$ 2,315,661 	 \$ 148,457 2,005,905 57,586 43,045 \$ 2,254,993 	\$ 506,657 888,469 53,798 100,765 \$ 1,549,689	\$ 616,774 1,601,041 9,610 150,172 \$ 2,377,597	<pre>\$ 738,432 1,536,469 27,282 119,319 \$ 2,421,502</pre>

Source: School District Financial Reports

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

					Fiscal Year E	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
County Tax Levy	\$ 6,692,589	\$ 6,826,444	\$ 6,962,974	\$ 6,962,974	\$ 6,962,974	\$ 6,983,863	\$ 6,983,863	\$ 7,120,050	\$ 7,280,251	\$ 7,425,900
Tuition from LEA's	1,386,790	1,521,742	1,638,601	1,650,771	1,723,034	1,736,034	1,507,671	1,740,713	1,739,705	1,726,108
Unrestricted Miscellaneous Revenue	49,563	41,564	53,476	31,181	93,545	106,185	8,213	53,183	26,851	96,394
Interest Earned on Capital Reserve Funds	540							329	304	246
Other Restricted Miscellaneous Revenue	99,771	89,282	87,995	94,603	118,759	278,055	112,660	86,701	186,006	333,141
State Sources	6,568,233	5,521,027	6,144,106	6,045,716	6,061,900	6,878,149	6,563,817	6,776,247	6,973,108	7,689,301
Federal Sources	472,028	442,792	436,962	322,295	493,862	437,730	456,899	492,253	510,401	688,871
Total Revenue	15,269,514	14,442,851	15,324,114	15,107,540	15,454,074	16,420,016	15,633,123	16,269,476	16,716,626	17,959,961
Expenditures:										
Instruction:										
Regular Instruction	2,497,008	2,390,737	2,447,444	2,673,849	2,636,356	2,783,952	2,777,617	2,869,891	2,986,858	3,009,330
Special Education Instruction	151,409	146,020	157,020	436,482	446,704	442,609	364,731	442,356	418,235	408,444
Other Special Instruction	850									
Vocational Education Instruction	2,437,836	2,600,624	2,615,945	2,114,391	2,157,351	2,096,073	2,127,781	2,048,351	2,031,191	2,106,572
School-Sponsored/Other Instruction	551,444	570,260	597,082	626,878	657,359	599,935	584,050	627,929	571,822	667,631
Support Services:										
Student and Instruction Related Services	1,724,110	1,853,544	1,844,085	1,610,805	1,548,771	1,668,083	1,669,375	1,715,579	1,750,140	1,981,455
General Administrative Services	264,899	317,047	333,213	599,935	560, 701	579,528	471,000	495,837	497,041	525,613
School Administrative Services	301,919	327,804	342,069	424,834	530,246	589,241	584,370	498,694	511,770	586,857
Central Services	403,477	384,050	346,145	372,710	303,665	313,128	345,809	376,103	341,179	323,227
Administrative Information Technology	88,230	92,976	96,085	123,225	118,138	178,046	127,295	211,273	175,365	219,790
Plant Operations and Maintenance	2,034,839	2,014,905	1,765,565	1,482,783	1,470,362	1,549,591	1,718,882	1,804,206	2,032,345	2,029,352
Pupil Transportation	254,549	339,396	288,252	205,109	244,298	209,691	198,163	100,087	113,587	173,924
Unallocated Benefits	3,385,220	3,453,539	3,677,601	3,953,999	4,120,819	4,352,068	4,637,872	4,541,662	4,995,998	5,657,546
Special Schools	77,376	36,812	48,748	94,540	93,555	75,485	60,607	33,967	95,493	40,549
Capital Outlay	3,742,303	1,390,135	2,191,056	688,659	885,332	2,421,959	1,644,035	1,696,525	262,694	887,685
Total Expenditures	17,915,469	15,917,849	16,750,310	15,408,199	15,773,657	17,859,389	17,311,587	17,462,460	16,783,718	18,617,975
Deficit of Revenues Under Expenditures	(2,645,955)	(1,474,998)	(1,426,196)	(300,659)	(319,583)	(1, 439, 373)	(1, 678, 464)	(1, 192, 984)	(67,092)	(658,014)

Exhibit J 4 2 of 2	2022	7707	\$ 900,000				(198/081)	\$ 701,919	\$ 43,905	N/A
	2021	1707	\$ 895,000					\$ 895,000	\$ 827,908	N/A
	2020	0707	\$ 243,017					\$ 243,017	\$ (949,967)	N/A
	2019	(107	\$ 1,106,553 5				(29.082)	1,077,471	\$ (600,993) 5	N/A
	ding June 30, 2018	0107	S					\$	\$ (1,439,373) \$	N/A
CHOOL MENTAL FUNDS OUNTING)	Fiscal Year Ending June 30, 2018	1107	\$ 1,331,000				22,795 (1 824)	1,351,971	\$ 1,032,388	N/A
SUSSEX COUNTY TECHNICAL SCHOOL CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING) <u>UNA UDITED</u> (Continued)	2016	0107	\$ 1,464,000				(58 749)	1,405,251	\$ 1,104,592	N/A
SUSSEX COUNT ES IN FUND BAL. LAST TE ODIFIED ACCRU. UD	2015	6107	\$ 130,000				42,202 (178,078)	(5,876)	\$ (1,432,072)	N/A
CHANG (M	2014	1107	\$ 1,548,000			55,750 (76,528)	51,932	1,579,154	\$ 104,156	N/A
	2013	6107	\$ 1,280,000	450,604	522,784		(67 359)	2,186,029	\$ (459,926) \$ 1	N/A
		Other Financing Sources (Uses):	County Improvement Authorization	Insurance Recovery Related to Fire Damage Insurance Recovery Related to Other Costs of	Super Storm Sandy	Insurance Recovery Related to Snow Storm Allowance for Doubtful Accounts	Financed Purchases (Non-Budgeted) Cancellation of Intersovernmental Accts Receivable	Total Other Financing Sources (Uses)	Net Change in Fund Balances	Debt Service as a Percentage of Noncapital Expenditures

N/A - Not Applicable

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,	ing School/ er Program Fees	 erest on estments	Tuition	Mis	scellaneous	 Total
2013	\$ 79,564	\$ 2,437	1,386,790	\$	67,873	\$ 1,536,664
2014	72,892	1,950	1,521,742		55,004	1,651,588
2015	55,456	2,432	1,638,601		83,583	1,780,072
2016	53,590	2,041	1,650,771		70,153	1,776,555
2017	47,563	2,668	1,723,034		162,073	1,935,338
2018	75,802	3,599	1,736,034		304,839	2,120,274
2019	67,641	3,173	1,507,671		50,059	1,628,544
2020	53,558	2,925	1,740,713		57,153	1,854,349
2021	22,876	2,809	1,739,705		55,142	1,820,532
2021	29,325	2,856	1,726,108		127,344	1,885,633

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

Estimated Actual (County Equalized Value)	\$ 18,892,649,964	17,771,912,524	17,288,892,523	17,099,240,434	16,855,188,150	16,867,913,287	16,972,770,842	17,385,675,522	17,670,926,983	17,891,080,055
Total Direct School Tax Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Valuation Taxable	\$ 16,889,808,462	15,784,670,722	15,676,904,381	15,765,003,596	16,422,082,683	16,392,510,072	16,381,397,939	16,412,544,679	16,248,822,245	16,341,706,327
Public Utilities ^a	\$ 31,167,721	27,844,569	28,535,189	31,267,079	19,865,747	15,172,530	15,015,577	15,648,867	2,447,125	2,460,017
Tax-Exempt Property	\$ 1,942,903,281	1,908,996,581	1,966,476,133	1,871,957,683	1,930,454,783	1,938,071,683	1,945,442,750	1,957,409,750	1,936,482,670	1,952,968,590
Total Assessed Value	\$ 16,858,640,741	15,756,826,153	15,648,369,192	15,733,736,517	16,402,216,936	16,377,337,542	16,366,382,362	16,396,895,812	16,246,375,120	16,339,246,310
Apartment	\$ 93,927,500	104, 300, 200	105,834,650	106,856,150	107,816,300	111,820,300	140,113,700	124,904,500	130,498,800	137,777,300
Industrial	\$ 192,072,000	180,425,100	182,853,900	205,680,100	212,895,500	213,286,000	211,294,100	212,849,600	217,627,900	220,571,900
Commercial	\$1,533,919,235	1,527,333,445	1,562,871,731	1,568,633,691	1,651,039,630	1,643,363,784	1,621,718,384	1,652,318,234	1,655,945,734	1,637,427,400
Farm Qualified	\$ 29,054,367	29,987,805	28,697,212	28,141,970	27,144,800	26,600,052	26,467,372	26,178,372	25,216,700	24,796,900
Farm Regular F	\$621,469,900	569,350,100	575,638,300	577,445,200	581,440,500	582,672,600	583,508,500	582,490,000	582,937,700	583,687,400
Residential	\$13,954,080,550	12,956,786,993	12,832,613,799	12,892,141,356	13,470,489,956	13,450,764,856	13,441,874,256	13,456,287,656	13,311,191,536	13,427,617,010
Vacant Land	\$ 434,117,189	388,642,510	359,859,600	354,838,050	351,390,250	348,829,950	341,406,050	341,867,450	322,956,750	307,368,400
Year Ended December 31,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021

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
- ^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

Source: Sussex County Tax Assessor

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

		2021	
	Taxable		% of Total
	Assessed		County Net
Taxpayer	 Value	Rank	Assessed Value
Tenneco, Inc.	\$ 48,575,600	1	0.30%
Martin Properties	45,214,200	2	0.28%
Gordon Byram Associates, Inc.	36,424,600	3	0.22%
BNJD Property, LLC	35,128,300	4	0.21%
Wantage Avenue Holding Company, Inc.	30,999,500	5	0.19%
Wal-Mart Stores, Inc.	24,376,700	6	0.15%
New Jersey Investors Growth	17,229,600	7	0.11%
Wild Turkey Golf Club SPE	17,026,200	8	0.10%
Edgewater Associates, LLC	15,300,000	9	0.09%
Weldon Quarry, Co.	 15,000,000	10	0.09%
Total	\$ 285,274,700		1.75%
		2012	
	Taxable		% of Total
	Assessed		District Net
Taxpayer	 Value	Rank	Assessed Value
Mountain Creek	\$ 41,408,900	1	0.25%
Kenneth D. Martin & Associates, LLC	35,480,400	2	0.22%
Wantage Avenue Holding Company, Inc.	35,000,000	3	0.21%
Crystal Springs/Grand Cascades/Ballyowen/ 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, Inc.	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	\$ 270,447,227		1.65%

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

			Collected within t of the L			
Fiscal Year Ended		es Levied for		Percentage	00110	ctions in
June 30,	the	Fiscal Year	 Amount	of Levy	Subsequ	ent Years
2013	\$	6,692,589	\$ 6,692,589	100.00%	\$	-0-
2014		6,826,444	6,826,444	100.00%		-0-
2015		6,962,974	6,962,974	100.00%		-0-
2016		6,962,974	6,962,974	100.00%		-0-
2017		6,962,974	6,962,974	100.00%		-0-
2018		6,983,863	6,983,863	100.00%		-0-
2019		6,983,863	6,983,863	100.00%		-0-
2020		7,120,050	7,120,050	100.00%		-0-
2021		7,280,251	7,280,251	100.00%		-0-
2022		7,425,900	7,425,900	100.00%		-0-

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

Source: Sussex County Technical School records.

Exhibit J-10

SUSSEX COUNTY TECHNICAL SCHOOL RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS UNAUDITED

			Per Capita ^a	1.40	0.95	1.70	1.11	0.89	0.48	0.14	0.06	0.03	0.00
Percentage of Personal		Per	S										
		rercentage of Personal	Income ^a	0.0027%	0.0017%	0.0031%	0.0019%	0.0015%	0.0008%	0.0002%	0.0001%	0.0000%	0.0000%
		Total District	204,260	136,886	243,529	157,293	126,388	68,285	19,030	8,818	3,900	-0-	
		Ĕ	\$										
Business-Type	Business-Type	Financed	Purchases	192,599	90,297	172,725	104,635	70,563	35,691	-0-	-0-	-0-	-0-
	Busi	4 L	P	S									
tivities	Bond	Anucipation Notes	(BANs)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	[An		\$									
		Financed		11,661	46,589	70,804	52,658	55,825	32,594	19,030	8,818	3,900	-0-
		E	Purchases	Ś									
Governmental Ac	م میلوند مملومین	of	Participation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
0	č	Cel	Part	S									
		Obligation	Bonds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	Č	IqO IqO	В	S									
	Elocal Vaca	FISCAL Y CAF Ended	June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022

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

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

Source: School District Financial Reports

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

Year	Year Population ^a		ex County Per bita Personal Income ^b	Total County ersonal Income	Unemployment Rate ^c
2013	145,672	\$	51,724	\$ 7,534,738,528	7.80%
2014	144,639		54,116	7,827,284,124	6.20%
2015	143,059		55,722	7,971,533,598	5.20%
2016	142,004		57,327	8,140,663,308	4.70%
2017	141,267		59,144	8,355,095,448	4.40%
2018	140,995		61,531	8,675,563,345	4.00%
2019	140,710		64,284	9,045,401,640	3.40%
2020	140,002		67,814	9,494,095,628	9.40%
2021	145,543		67,814 *	9,869,853,002	5.90%
2022	145,543	**	67,814 *	9,869,853,002 ***	N/A

* - Latest Sussex County per capita personal income available (2020) was used for calculation purposes.

** - Latest population data available (2021) was used for calculation purposes.

*** - Latest available population data (2021) and latest available Sussex County per capita personal income (2020) was used for calculation purposes

N/A - Information unavailable.

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

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

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

		2021	
			Percentage of
		Rank	Total
Employer	Employees	(Optional)	Employment
Selective Insurance Group Inc.	1,000-4,999	1	1.40%-6.98%
Crystal Springs Resort	1,000-4,999	2	1.40%-6.98%
Newton Medical Center	500-999	3	0.70%-1.39%
Sussex County Offices	500-999	4	0.70%-1.39%
Thorlabs	500-999	5	0.70%-1.39%
Mountain Creek Resort	500-999	6	0.70%-1.39%
Shop Rite	250-499	7	0.35%-0.70%
Sussex County Community College	250-499	8	0.35%-0.70%
United Methodist Community Bristol Glen	250-499	9	0.35%-0.70%
Andover Subacute & Rehab Center	100-249	10	0.14%-0.35%
	4,850-15,740		6.77%-21.97%
Total Employment	71,642		

		2012	
			Percentage of
		Rank	Total
Employer	Employees	(Optional)	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%
ShopRite 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		9.70%
Total Employment	75,932		

Source: Sussex County

Exhibit J-16	2022			32.0	5.0	-0-	23.0	9.0	-0-		15.0	6.5	2.0	3.0	1.0	13.5	1.0	111.0
	2021			32.0	5.0	-0-	23.0	9.0	-0-		15.0	6.5	2.0	3.0	1.0	13.5	1.0	111.0
	2020			32.0	5.0	-0-	23.0	9.0	-0-		15.0	6.5	2.0	3.0	1.0	11.5	1.0	109.0
Я	2019			32.0	5.0	-0-	23.0	9.0	-0-		15.0	6.5	1.5	3.0	1.0	11.5	1.0	108.5
<u>SUSSEX COUNTY TECHNICAL SCHOOL</u> <u>FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM</u> <u>LAST TEN FISCAL YEARS</u> <u>UNAUDITED</u>	2018			32.0	5.0	-0-	23.0	9.0	-0-		15.0	6.5	1.5	3.0	1.0	11.5	1.0	108.5
	2017			32.0	5.0	-0-	23.0	9.0	-0-		15.0	6.5	1.5	3.0	1.0	11.5	11.2	118.7
	2016			32.0	5.0	-0-	23.0	9.0	-0-		15.0	6.5	1.0	4.0	1.5	13.5	11.2	121.7
	2015			32.0	5.0	-0-	23.0	9.0	-0-		15.0	6.5	1.0	4.0	1.5	13.5	11.2	121.7
	2014			34.0	5.0	1.0	24.0	4.5	-0-		12.0	5.5	1.5	5.0	1.5	15.5	2.0	111.5
	2013			33.0	5.0	1.0	24.0	4.5	-0-		12.0	5.5	1.5	5.0	1.5	14.5	2.0	109.5
		Function/Program	Instruction:	Regular	Special Education	Other Special Education	Vocational	Other Instruction	Adult/Continuing Education Programs	Support Services:	Student & Instruction Related Services	School Administrative Services	General Administrative Services	Central Services	Administrative Information Technology	Plant Operations and Maintenance	Pupil Transportation	Total

SUSSEX COUNTY TECHNICAL SCHOOL OPERATING STATISTICS LAST TEN FISCAL YEARS UNAUDITED

	Student	Attendance	Percentage	93.65%	96.36%	92.95%	97.68%	94.96%	98.09%	98.10%	96.06%	95.37%	92.49%
	% Change in	Average Daily	Enrollment	8.91%	8.46%	-0.39%	1.44%	1.03%	0.25%	0.25%	-3.55%	-3.55%	-3.81%
*	Average Daily	Attendance	(ADA) [°]	664	741	712	759	769	772	774	731	700	653
*	Average Daily	Enrollment	(ADE) ^c	209	769	766	LLL	785	787	789	761	734	706
Pupil/	Teacher Ratio A	Hgh	School	1:10.6	1:11.7	1:12.2	1:12.6	1:13.1	1:13.1	1:13.1	1:10.9	1:10.6	1:10.4
		ъņ	$\operatorname{Staff}^{\mathrm{b}}$	67	68	68	68	69	69	69	69	69	69
	ſ	Percentage	Change	-4.48%	-7.83%	4.29%	-0.72%	0.12%	3.42%	1.49%	4.34%	4.93%	12.51%
			Cost Per Pupil	\$ 19.850	18,297	19,082	18,944	18,966	19,616	19,908	20,772	21,796	24,523
	(Operating	Expenditures ^a	\$ 14.173.166	14,527,714	14,559,254	14,719,540	14,888,325	15,437,430	15,667,552	15,765,935	16,521,024	17,730,290
	÷	¢	Enrollment	714	794	763	777	785	787	787	759	758	723
	- - -	Fiscal	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022

Note: Enrollment based on annual October district count.

- ^a Operating expenditures equal total expenditures less capital outlay.
- ^b Teaching staff includes only full-time equivalents of certificated staff.
- Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). c
- 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.

Sources: School District records

Exhibit J-17

			<u>SUSSEX CC</u> <u>SCHOOL</u> LAS	X COUNTY TECHNICAL SC DOL BUILDING INFORMAT LAST TEN FISCAL YEARS UNAUDITED	SUSSEX COUNTY TECHNICAL SCHOOL SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS UNAUDITED	T				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Buildings										
Vocational High School (1967)										
Square Feet	225,249	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	734.4
Enrollment *	714.0	794.0	763.0	777.0	785.0	787.0	787.0	759.0	758.0	723.0
Number of Schools at June 30, 2022 Vocational High School = 1										

Exhibit J-18

* 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.

Source: School District Facilities Office

Exhibit J-19

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

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Account # 11-000-261-xxx</u>

	2013	\$ 910,926
	2014	
Fiscal Year Ended June 30,	2015	\$ 807,547
	2016	\$ 544,464
	2017	\$ 662,701
	2018	\$ 678,065
	2019	\$ 719,369
	2020	\$ 787,455
	2021	\$ 884,502
	2022	\$ 827,805
	Facility	<u>School Facilities:</u> Sussex County Technical School

Source: School District records.

SUSSEX COUNTY TECHNICAL SCHOOL INSURANCE SCHEDULE JUNE 30, 2022 UNAUDITED

	Coverage		Deducti	ble
School Alliance Insurance Fund (SAIF):				
School Package Policy:				
Building & Personal Property	\$ 500,000,000	Fund Aggregate		2,500
Inland Marine - Auto Physical Damage				1,000
General Liability including Auto, Employe Benefits:	5,000,000			
Per Occurence	2,000,000			
General Aggregate	Agreed upon bas	sed on membership		
Product/Completed Ops	0 1	1		
Personal Injury				
Fire Damage	2,500,000			
Medical Expenses (excluding students taking part in athletics)	10,000			
Automobile Coverage				
CYBER Liability	750,000	Occurrence/ Aggregat	e	
, ,	,	86 8		
Environmental Impairment Liability	1,000,000	/	1	0,000
	25,000,000	Fund Aggregate		
Crime Coverage	50,000	Inside/Outside		1,000
Crime Coverage	500,000	Inside/Outside		
Blanket Dishonesty Bond	300,000			1,000
Boiler and Machinery	100,000,000			2,500
Excess Liability	5,000,000			
	5 000 000	/ 5 000 000	1	0.000
School Board Legal Liability Excess School Board Legal Liability		/ 5,000,000 / 5,000,000	1	0,000
Excess School Board Legal Liability	3,000,000	/ 3,000,000		
Workers' Compensation:	Statutory			
Employer's Liability	5,000,000			
Supplemental Indemnity	Statutory			
Student Accident including Football - School Alliance				
Insurance Fund (full excess plan)	Bollinger Studer	nt Accident Program	6,00	0,000
Public Officials' Bonds - Selective Insurance Company	200.000			
Treasurer of School Monies School Pusiness Administrator/Reard Secretary	200,000			
School Business Administrator/Board Secretary	200,000			

Source: Sussex County Technical School Insurance Agent

SINGLE AUDIT SECTION



Mount Arlington, NJ Newton, NJ Bridgewater, NJ 973.298.8500 nisivoccia.com Independent Member BKR International

<u>Report on Internal Control over Financial Reporting and</u> <u>on Compliance and Other Matters Based on an Audit of Financial Statements</u> <u>Performed in Accordance with *Government Auditing Standards*</u>

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 "Office"), 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 (the "District"), in the County of Sussex, as of and for the fiscal year ended June 30, 2022, 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 22, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Report on 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) as a basis for designing 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.

The Honorable President and Members of the Board of Education Sussex County Technical School Page 2 K-1 2 of 2

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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 22, 2022 Mount Arlington, New Jersey

Nisivoccia LLP NISIVOCCIA LLP

Man CLee

Man C. Lee Licensed Public School Accountant #2527 Certified Public Accountant



Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

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

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Sussex County Technical School (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB 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, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid.* Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

The Honorable President and Members of the Board of Education Sussex County Technical School Page 3

Report on 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 a 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 that type of compliance requirement of a federal or state program that type of compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance is a deficiency, or a combination of deficiencies, in internal control over 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

November 22, 2022 Mount Arlington, New Jersey

Nisivoccia LLP

NISIVOCCIA LLP

Man C Lee

Man C. Lee Licensed Public School Accountant #2527 Certified Public Accountant

Balance at June 30, 2021
Assistance Listing Grant or State Grant Award Number Project Number Preriod Amount
N/A 7/1/21-6/30/22 \$ 30,805 N/A 7/1/20-6/30/21 17,599
N/A 7/1/21-6/30/22 576,181 N/A 3/1/20-6/30/20 149,719 N/A 7/1/21-6/30/22 10,465
N/A 7/1/21-6/30/22 1.242
7/1/21-9/30/22 7/1/20-9/30/21
ESEA511015 7/1/14-6/30/15 58,663 (11.376) ESEA511022 7/1/21-9/30/22 12,908 (5.092) ESEA511021 7/1/20-9/30/21 17,562 (5.092) ESEA511021 7/1/20-9/30/21 22,500 (5.232)
84.425D CARES511022 3/13/20-9/30/22 46,749 84.425D \$425D210027 3/13/20-9/30/23 181,509 84.425D \$425D210027 3/13/20-9/30/23 25,000 84.425D \$425D210027 3/13/20-9/30/23 45,000
PERK511022 7/1/21-6/30/22 108,246 PERK511021 7/1/20-6/30/21 101,718 (32,528) PERK511022 7/1/21-6/30/22 79,923 (32,528)

				SCHE	SUSSEX COUNTY TECHNICAL SCHOOL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022	NTY TECHN ENDITURES (L YEAR ENI	JICAL SCHOO OF FEDERAL DED JUNE 30	<u>JL</u> AWARDS , 2022							Schedule A Exhibit K-3 2 of 2
Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	e Grant or State Project Number	e Grant sr Period	Award Amount	Balance Budgetary Accounts Receivable	Balance at June 30, 2021 tary Budgetary Ints Unearned I able Revenue G	021 Due to Grantor	Cash Received	Budgetary Expenditures	Adjust- ments	Cancellation of Prior Year Acct Payable	Balanc Budgetary Accounts Receivable	Balance at June 30, 2022 stary Budgetary unts Unearned D ?able Revenue G	2022 Due to Grantor	Amounts Provided to Subrecipients
U.S. Department of Education: (Contd) Special Revenue Fund: (Contd) Passed-through State Department of Education: Special Education Cluster: COVID-19 - ARP - LD.E.A. Part B, Basic LD.E.A. Part B, Basic LD.E.A. Part B, Basic Total Special Education Cluster	I	IDEA456022 IDEA456022 IDEA511014	7/1/21-9/30/22 7/1/13-6/30/14	\$ 32,179 197,127 182,218				\$ 130,562 130,562	\$ (32,179) (197,127) (229,306)		\$ 196 196	\$ (32,179) (66,565) (98,744)		s 196 196	
Total U.S. Department of Education					\$ (57,219)			399,926	(590,175)	s 1	1,871	(249,066)		3,470	
<u>U.S. Department of Labor:</u> Special Revenue Fund: (Passed Through Morris County Private Industry Council): WIOA Cluster: WIOA - Youth Activities WIOA - Youth Activities WIOA - Youth Activities WIOA - Youth Activities WIOA - Youth Activities	17.259 17.259 17.259 17.259 17.259	N/A N/N N/N N/N	22/06/0-12/1/7 22/06/0-12/1/7 27/1/19-6/30/20 20/20/20/20/20/20/20/20/20/20/20/20/20/2	\$ 63.794 62.238 62.238 61,018 49,912	(12,960)		\$ 2,431 5,243 6,548	26,929 12,960	(26,569)					360 2,431 302 6,548	
WIOA - Youth Activities Total WIOA Cluster	17.259	N/A	7/1/16-6/30/17	63,458	(12,960)		9,162 18,443	39,889	(26,569)					9,162 18,803	
Total U.S. Department of Labor					(12,960)	Ì	18,443	39,889	(26,569)	Ì	Ì			18,803	
<u>U.S. Federal Communications Commission:</u> <u>Special Revenue Fund:</u> Emergency Connectivity Fund (ECF)	32.009	32.009 ECF202104607	7 7/1/21-6/30/22	45,537				45,537	(37,622)					7,915	
Total U.S. Federal Communications Commission	mission							45,537	(37,622)					7,915	
U.S. Department of Health and Human Services: Disaster Grants - Public Assistance (FEMA): Severe Winter Storm and Snowstorm	97.036	N/A	1/31/21-2/2/21	34,505	İ			34,505	(34,505)*						
Total U.S. Department of Health and Human Services/Medicaid Cluster	nan Services/J	Medicaid Cluster						34,505	(34,505)						
Total Federal Awards					\$ (90,443)	\$ 1,562	\$ 18,443	\$ 1,120,213	\$ (1,308,663)	\$ 1	\$ 1,871	\$ (287,667)	\$ 463	\$ 30,188	-0- \$
N/A - Not Applicable/Available															

* - Expended in prior year

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

	MEMO Cumulative y Total le Expenditures	 (4) \$ 2,460,033 (5) \$ 413,134 (13) \$ 413,134 (20) 74,363 (13) \$ 74,363 (101,019 (101,019 (101,019 (101,019 (101,019 (101,019 (106,033 (106,033 (106,033 (106,033 (101,019 /ul>	81) 11,591,094	50,029 50,029	22,159 22,159	(727) 11,799 8,831 (727) 20,630 11,683,012		3,013
	Budgetary Receivable	 \$ (245,764) (41,273) (7,429) (7,429) (24,838) (100,005) (30,872) 	(450,181)			(727) (727) (450 908)		
	Balance at June 30, 2022 Budgetary Budgetary Unearned Due to Revenue Grantor						\$ 441 86 527	10,000 4,487 14,487
	Balance at J Budgetary Unearned Revenue			\$ 533 533		533		
	GAAP Accounts Receivable	\$ (30,872)	(30, 872)			(727) (727) (727)		İ
	Cancellation of Prior Year Encumbrance							
	Budgetary Expenditures	 \$ (2,460,033) \$ (413,134) 7(4,363) 7(4,363) 7(4,8,618) (10,01) (128,852) (516,858) (516,858) (2,181,416) (30,777) (1,069) 	(7,356,139)	(50,029) (50,029)	(22,159) (22,159)	(11,799) (11,799) (11,799)		
NE 30, 2022	Cash Received	 \$ 2,214,269 \$ 371,861 66,934 66,934 60,91014 307,780 901,014 30,777 1,069 2,45,765 41,273 7,429 62,010 62,010 62,010 	7,345,876	50,562 50,562	22,159 22,159	11,072 1,947 13,019 7 431 616		
	e 30, 2021 Budgetary Due to Grantor						\$ 441 86 527	10,000 4,487 14,487
FOR THE FISCAL YEAR ENDED JUNE 30, 2022	Balance at June 30, 2021 Budgetary Budgetary Accounts Due to Receivable Grantor	 \$ (245.765) \$ (1273) \$ (41.273) \$ (7,429) \$ (62.832) \$ (62.010) \$ (20,609) 	(439,918)			(1,947) (1,947) (1441 865)		
	Award Amount	 S 2,460,033 413,134 74,563 74,563 74,5618 1,001019 428,852 516,858 /ul>	•	51,756	22,159	8,831	10,000 15,339	10,000 7,500
	Grant Period	7/1/21-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22 7/1/20-6/30/21 7/1/20-6/30/21 7/1/20-6/30/21 7/1/20-6/30/21 7/1/20-6/30/21		7/1/20-6/30/22	7/1/21-6/30/22	7/1/21-6/30/22 7/1/20-6/30/21	7/1/05-6/30/17 7/1/09-6/30/17	4/1/17-6/30/17 4/1/15-6/30/15
	Grant or State Project Number	22-495-034-5120-078 22-495-034-5120-089 22-495-034-5120-084 22-495-034-5120-085 N/A 22-495-034-5120-085 N/A 22-495-034-5094-001 22-495-034-5094-001 22-495-034-5120-089 21-495-034-5120-089 21-495-034-5120-085 21-495-034-5120-085 21-495-034-5120-085 21-495-034-5120-085 21-495-034-5120-085 21-495-034-5120-085		N/A	N/A	22-100-010-3350-023 21-100-010-3350-023	100-062-4545-341- 6140	N/A N/A
	State Grantor/Program Title	NJ Department of Education: General Fund State Aid: Equalization Aid Special Education Categorical Aid Scennty Aid Adjustment Aid Vocational Expansion Stabilization Aid Reimbursed TPAF Post Retirement Contributions On-Behalf TPAF Post Retirement Contributions On-Behalf TPAF Post Retirement Contributions On-Behalf TPAF Post Retirement Contributions On-Behalf TPAF Non-Contributions On-Behalf TPAF Non-Contributions On-Behalf TPAF Long-Term Disability Insurance Equalization Aid Security Aid Adjustment Aid Vocational Expansion Stabilization Aid Reimbursed TPAF Social Security Contributions	Total General Fund State Aid	Capital Projects Fund: Securing Our Children's Future Bond Act Total Capital Projects Fund	Special Revenue Fund: School Development Authority: Emergent & Capital Maintenance Needs Total Special Revenue Fund	Enterprise Fund: COVID-19 - Seamless Summer Option COVID-19 - Seamless Summer Option Total Enterprise Fund Total NID Devertment of Education	NJ Department of Labor and Workforce Development: Special Revenue Fund: Apprenticeship Coordinator Apprenticeship Coordinator Total NJ Department of Labor and Workforce Development	NJ Department of Agriculture: Special Revenue Fund: Curricultum for Agricultural Science Education Curricultum for Agricultural Science Education Total NJ Department of Agriculture

Schedule B Exhibit K-4

				Balance at June 30, 2021	30,2021					Balance at J	Balance at June 30, 2022		MEMO
	Grant or State	Grant	Award		Budgetary Due to	Cash	Budgetary	Cancellation of Prior Year	GAAP Accounts	Budgetary Unearned	Budgetary Due to	Budgetary	Cumulative Total
State Grantor/Program Title	Project Number	Period	Amount	Receivable	Grantor	Received	Expenditures	Encumbrance	Receivable	Revenue	Grantor	Receivable	Expenditures
NJ Department of Human Services:													
Special Revenue Fund:													
Adolescent Pregnancy Prevention Initiative:													
FY22	#SB05037	7/1/21-6/30/22	S 78,590			\$ 78,590	\$ (70,835)				\$ 7,755		\$ 70,835
FY21	#SB05037	7/1/20-6/30/21	66,600		\$ 16,291						16,291		50,309
FY20	#SB05037	7/1/19-6/30/20	66,600		3,419						3,419		63,181
FY18	#SB05037	7/1/17-6/30/18	67,600		478						478		67,122
FY17	#SB05037	7/1/16-6/30/17	66,600		6,561						6,561		60,039
FY 16	#SB05037	7/1/15-6/30/16	62,777		1,363						1,363		61,414
FY 15	#SB05037	7/1/14-6/30/15	62,777		693						693		62,084
FY 14	#SB05037	7/1/13-6/30/14	62,777		417						417		62,360
					29,222	78,590	(70,835)				36,977		564,944
School Based Youth Services:													
FY 22	#SB05037	7/1/21-6/30/22	302,799			302,799	(242, 782)				60,017		242,782
FY21	#SB05037	7/1/20-6/30/21	256,601		31,573			\$ 10,785			42,358		214,243
FY20	#SB05037	7/1/19-6/30/20	256,601		25,800						25,800		230,801
FY 19	#SB05037	7/1/18-6/30/19	256,601		10,748						10,748		245,853
FY 18	#SB05037	7/1/17-6/30/18	264,744		219						219		264,525
FY17	#SB05037	7/1/16-6/30/17	264,744		5,161						5,161		259,583
FY16	#SB05037	7/1/15-6/30/16	256,601		7,868						7,868		248,733
FY15	#SB05037	7/1/14-6/30/15	256,101		2,018						2,018		254,083
FY14	#SB05037	7/1/13-6/30/14	261,401		6,509						6,509		254,892
					89,896	302,799	(242, 782)	10,785			160,698		2,215,495
Total NJ Department of Human Services					119,118	381,389	(313,617)	10,785			197,675		2,780,439
Total State Awards				\$ (441,865)	\$ 134,132	\$ 7,813,005	\$ (7,753,743)	\$ 10,785	\$ (31,599)	\$ 533	\$ 212,689	\$ (450,908)	\$ 14,492,176

(516,858) 516,858 (2,181,416) 2,181,416 (30,777) 30,777 (1,069) 1,069	2 \$ (5
(\$16,858) (2,181,416) (30,777) (1,069)	Subtotal - On-Behalf TPAF Pension System Contributions Total State Awards Subject to Single Audit Major Program Determination
7/1/21-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22	TPAF Pension Syst ect to Single Audit
22-495-034-5094-001 71/121-6/50/22 22-495-034-5094-002 77/121-6/50/22 22-495-034-5094-004 77/121-6/50/22 22-495-034-5094-004 77/121-6/50/22	Subtotal - On-Behalf TPAF Pension System Contributions Total State Awards Subject to Single Audit Major Program D
On-Behalf TPAF Post Retirement Contributions On-Behalf TPAF Pension Contributions On-Behalf TPAF Non-Contributory Insurance On-Behalf TPAF Long-Term Disability Insurance	

N/A - Not Applicable/Available

Schedule B Exhibit K-4 2 of 2

SUSSEX COUNTY TECHNICAL SCHOOL. SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SUSSEX COUNTY TECHNICAL SCHOOL NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08. 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 on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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 \$-0- for the general fund and (\$52,643) for the special revenue 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. 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, 2022 (Continued)

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

	Federal	State	Total
General Fund	\$ 34,505	\$ 7,356,139	\$ 7,390,644
Special Revenue Fund	654,366	283,133	937,499
Capital Projects Fund		50,029	50,029
Enterprise Fund	619,792	11,799	631,591
Total Federal and State Awards	\$ 1,308,663	\$ 7,701,100	\$ 9,009,763

NOTE 4. INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 5. 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 6. 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, 2022.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANTS

During fiscal year 2022, the District had two active grants in the amount of \$1,086,000 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2022, the projects are still in progress. As of June 30, 2022, \$576,048 of the grant funds have been expended and drawn down on a GAAP basis for these 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. Expenditures reported under the NJSDA grant on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

NOTE 8. SECURING OUR CHILDREN'S FUTURE BOND ACT

During fiscal year 2022, the District had an active grant in the amount of \$51,756 from the Securing Our Children's Future Bond Act. As of June 30, 2022, the project is still in progress. As of June 30, 2022, \$50,029 of the grant funds have been expended and drawn down on a GAAP basis for this grant. 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, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- 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 the Uniform Guidance and NJ OMB 15-08.*
- 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's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	Assistance Listing/	Court Davis 1	Award	Budgetary
	State Grant Number	Grant Period	Amount	Expenditures
<u>Federal:</u>				
Child Nutrition Cluster:				
Food Distribution Program	10.555	7/1/21-6/30/22	\$ 30,805	\$ 30,342
Food Distribution Program	10.555	7/1/20-6/30/21	17,599	1,562
COVID-19:				
Seamless Summer Option	10.555	7/1/21-6/30/22	576,181	576,181
Emergency Operational				
Cost Program	10.555	7/1/21-6/30/22	10,465	10,465

SUSSEX COUNTY TECHNICAL SCHOOL SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022 (Continued)

Summary of Auditors' Results: (Cont'd)

	Assistance Listing/ State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
State:				
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 2,460,033	\$2,460,033
Special Education Categorial Aid	22-495-034-5120-089	7/1/21-6/30/22	413,134	413,134
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	74,363	74,363
Adjustment Aid	22-495-034-5120-085	7/1/21-6/30/22	248,618	248,618
Vocational Expansion				
Stabilization Aid	22-495-034-5120-085	7/1/21-6/30/22	1,001,019	1,001,019

- The District was not determined to be a "low-risk" auditee for federal programs. The District was determined to be a "low-risk" auditee for state programs.

- The threshold used for distinguishing between federal and state Type A and B programs was \$750,000.

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 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or NJOMB 15-08.

SUSSEX COUNTY TECHNICAL SCHOOL SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

There were no prior year findings.