

**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, 2023**

**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, 2023

Prepared by

**Sussex County Technical School District
Business Office**

SUSSEX COUNTY TECHNICAL SCHOOL
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors.....	7

FINANCIAL SECTION.....8

Independent Auditors' Report.....	9-11
-----------------------------------	------

Required Supplementary Information	12
Management's Discussion and Analysis	13-19

Basic Financial Statements (Sections A. and B.).....	20
------------------------------------------------------	----

A. District-Wide Financial Statements.....	21
--------------------------------------------	----

A-1 Statement of Net Position	22
A-2 Statement of Activities.....	23-24

B. Fund Financial Statements.....	25
-----------------------------------	----

B-1 Balance Sheet – Governmental Funds	26-27
----------------------------------------------	-------

B-2 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds.....	28
--------------------------------------------------------------------------------------------------	----

B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
---------------------------------------------------------------------------------------------------------------------------------------------------------	----

B-4 Statement of Net Position – Proprietary Funds.....	30
--------------------------------------------------------	----

B-5 Statement of Revenue, Expenses and Changes in Net Position – Proprietary Funds	31-32
---------------------------------------------------------------------------------------------	-------

B-6 Statement of Cash Flows – Proprietary Funds.....	33-34
------------------------------------------------------	-------

Notes to the Basic Financial Statements.....	35-72
----------------------------------------------	-------

Required Supplementary Information	73
------------------------------------------	----

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions	74
------------------------------------------------------------------------------------------------------------------------	----

L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System	74
---------------------------------------------------------------------------------------------------------------------------	----

L-2 Schedule of District Contributions – Public Employees Retirement System	75
-----------------------------------------------------------------------------------	----

L-3 Schedule of State's Proportionate Share of the Net Pension Liability Associated with the District – Teachers' Pension and Annuity Fund	76
-----------------------------------------------------------------------------------------------------------------------------------------------------	----

L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	77
--------------------------------------------------------------------------------	----

L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	78
------------------------------------------------------------------------------------------------------------------------------------------------	----

Notes to Required Supplementary Information	79-80
---------------------------------------------------	-------

SUSSEX COUNTY TECHNICAL SCHOOL
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

C.	Budgetary Comparison Schedules.....	81
C-1	Budgetary Comparison Schedule – General Fund.....	82-91
C-2	Budgetary Comparison Schedule – Special Revenue Fund.....	92
C-3	Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI.....	93-94

Supplementary Schedules (Sections D. to I.)

D. School Level Schedules (Not Applicable)

E.	Special Revenue Fund	95
E-1	Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	96-99
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	

F.	Capital Projects Fund.....	100
F-1	Schedule of Revenue, Expenditures and Changes in Fund Balance – Budgetary Basis.....	101
F-1A	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Sewer Treatment Plant Replacement, McNiece Parking Lot, Tennis Court, and Large Greenhouse	102
F-1B	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Roof Replacement and Welding Shop Improvements.....	103
F-1C	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Underground Storage Tank and Culinary Facilities Project.....	104
F-1D	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Securing our Children’s Future Bond Act	105
F-1E	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – HVAC Upgrade and Construction of a Salt Storage Building	106
F-1F	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Expansion Project	107
F-1G	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Connection of Utility Lines	108

G.	Proprietary Funds (Enterprise Funds)	109
G-1	Combining Statement of Net Position	110
G-2	Combining Statement of Revenue, Expenses and Changes in Net Position.....	111
G-3	Combining Statement of Cash Flows	112-113

H. Fiduciary Activities (Not Applicable)

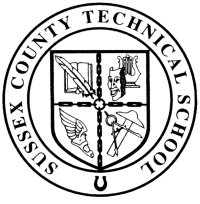
I. Long-Term Debt (Not Applicable)

SUSSEX COUNTY TECHNICAL SCHOOL
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

STATISTIAL SECTION (Unaudited)

J.	Statistical Schedules	114
J-1	Net Position by Component	115
J-2	Changes in Net Position	116-117
J-3	Fund Balances - Governmental Funds	118
J-4	Changes in Fund Balances - Governmental Funds	119
J-5	General Fund – Other Local Revenue by Source	120
J-6	Assessed Value and Estimated Actual Value of Taxable Property	121
J-7	Direct and Overlapping Property Tax Rates (Not Applicable)	
J-8	Principal Property Taxpayers	122
J-9	County Tax Levies and Collections	123
J-10	Ratios of Outstanding Debt by Type	124
J-11	Ratios of General Bonded Debt Outstanding (Not Applicable)	
J-12	Direct and Overlapping Governmental Activities Debt (Not Applicable)	
J-13	Legal Debt Margin Information (Not Applicable)	
J-14	Demographic and Economic Statistics	125
J-15	Principal Employers	126
J-16	Full-time Equivalent District Employees by Function/Program	127
J-17	Operating Statistics	128
J-18	School Building Information	129
J-19	Schedule of Required Maintenance	130
J-20	Insurance Schedule	131
K.	SINGLE AUDIT SECTION	132
K-1	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 <i>Government Auditing Standards</i>	133-134
K-2	Independent Auditors’ 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	135-137
K-3	Schedule of Expenditures of Federal Awards	138-139
K-4	Schedule of Expenditures of State Awards	140-141
K-5	Notes to the Schedules of Expenditures of Federal and State Awards	142-143
K-6	Schedule of Findings and Questioned Costs	144-145
K-7	Summary Schedule of Prior Audit Findings	146

INTRODUCTORY SECTION
(UNAUDITED)



SUSSEX COUNTY TECHNICAL SCHOOL

105 North Church Road, Sparta, New Jersey 07871

Jenny Deuel
School Business Administrator\Board Secretary

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

December 14, 2023

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, 2023, 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.

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

The District provides a full range of educational services appropriate to grade levels 9 through 12 and an adult evening school. The District also has several management agreements with other agencies to provide services. 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 2022-2023 fiscal year with an average daily enrollment of 698, which includes both high school and post-secondary day students.

2. ECONOMY: 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.

3. MAJOR INITIATIVES: The Sussex County Technical School continues to thrive as a significant secondary school of choice for students, remaining a viable resource to Sussex County residents. 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, staff 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.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2023.

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

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

8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Public Entity Group Administrative Services oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20. The Board is a member of the School Alliance Insurance Fund (SAIF). The SAIF is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members.

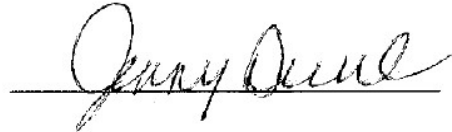
9. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes,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

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

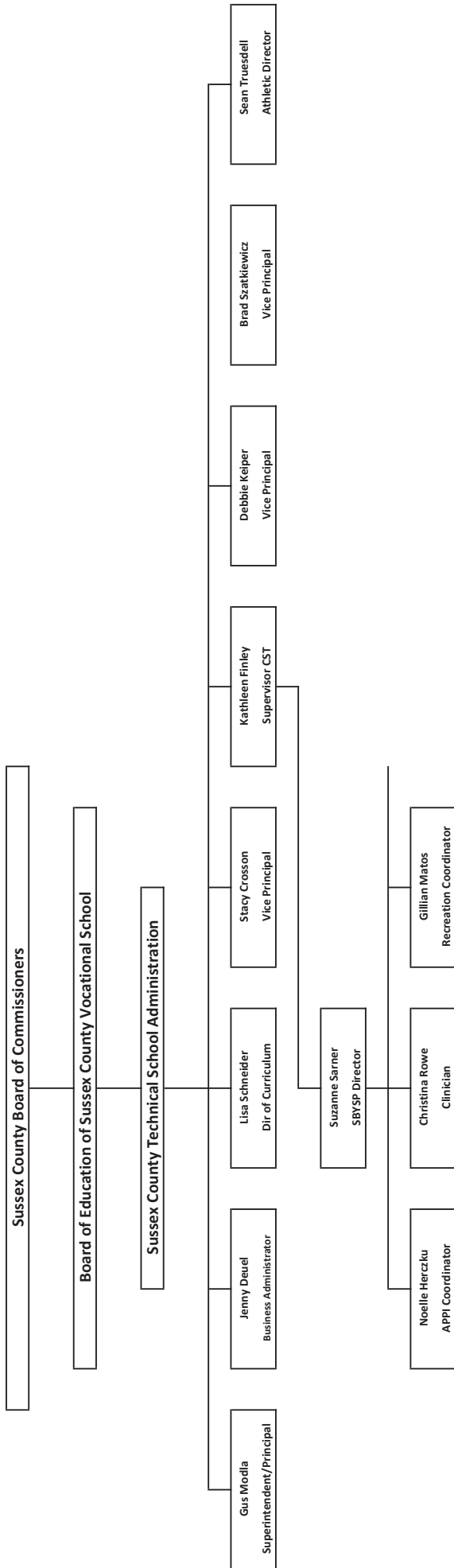
Respectfully submitted,



Augustus Modla
Superintendent/Principal



Jenny Deuel
School Business Administrator



**SUSSEX COUNTY TECHNICAL SCHOOL
ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jarrold 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

<u>Other Officers</u>	<u>Title</u>
Augustus Modla	Superintendent/Principal
Jenny Deuel	School Business Administrator/Board Secretary (from 2/20/23)
Carolyn Joseph	Interim School Business Administrator/Board Secretary (1/2/23-2/17/23)
Ron Smith	Interim School Business Administrator/Board Secretary (9/1/22-12/30/22)
Kim Wettstein	Interim 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

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sussex County Technical School (the "District"), a component unit of the County of Sussex, as of and for the fiscal year ended June 30, 2023, 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, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, 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 Opinions

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 audit opinions.

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.

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.

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 or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying 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.

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 December 14, 2023 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

December 14, 2023
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, 2023. 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

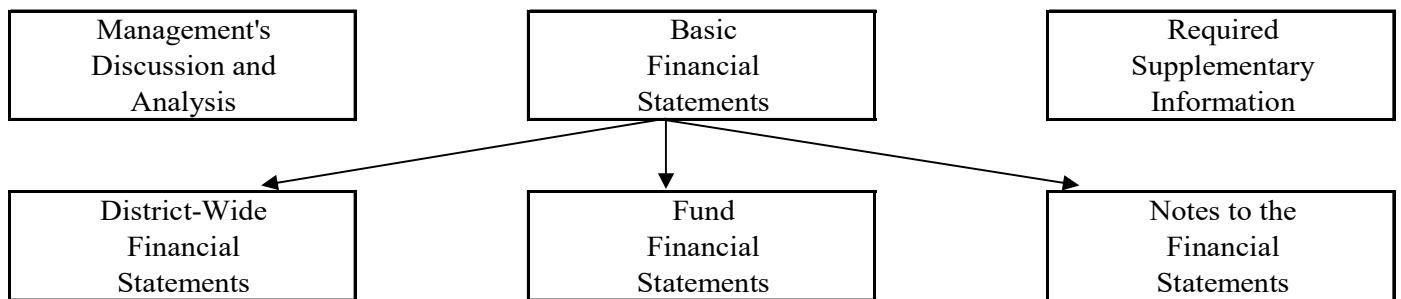


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial 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	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net 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, subscription 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 liabilities) or to show that it is 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

Net Position. The District’s combined net position increased by \$2,491,064. Net position from governmental activities increased by \$2,466,312 and net position from business-type activities increased by \$24,752. Net investment in capital assets increased by \$449,707, restricted net position increased by \$4,478 and unrestricted net position increased by \$2,036,879.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	
Current and							
Other Assets	\$ 2,888,650	\$ 4,524,865	\$ 477,440	\$ 569,086	\$ 3,366,090	\$ 5,093,951	
Capital Assets, Net	17,358,046	17,841,574	283,228	249,407	17,641,274	18,090,981	
Total Assets	<u>20,246,696</u>	<u>22,366,439</u>	<u>760,668</u>	<u>818,493</u>	<u>21,007,364</u>	<u>23,184,932</u>	10.37%
Deferred Outflows of Resources	465,617	556,265			465,617	556,265	19.47%
Other Liabilities	744,849	1,106,369	4,413	37,486	749,262	1,143,855	
Long-Term Liabilities	3,615,510	4,265,515			3,615,510	4,265,515	
Total Liabilities	<u>4,360,359</u>	<u>5,371,884</u>	<u>4,413</u>	<u>37,486</u>	<u>4,364,772</u>	<u>5,409,370</u>	23.93%
Deferred Inflows of Resources	1,995,991	728,545			1,995,991	728,545	-63.50%
Net Position:							
Net Investment in Capital Assets	17,358,046	17,841,574	283,228	249,407	17,641,274	18,090,981	
Restricted	738,432	742,910			738,432	742,910	
Unrestricted/(Deficit)	<u>(3,740,515)</u>	<u>(1,762,209)</u>	<u>473,027</u>	<u>531,600</u>	<u>(3,267,488)</u>	<u>(1,230,609)</u>	
Total Net Position	<u>\$ 14,355,963</u>	<u>\$ 16,822,275</u>	<u>\$ 756,255</u>	<u>\$ 781,007</u>	<u>\$ 15,112,218</u>	<u>\$ 17,603,282</u>	16.48%

Changes in Net Position. The District’s combined net position was \$17,603,282 on June 30, 2023, an increase of \$2,491,064 or 16.48% over the previous year. (See Figure A-3). Net investment in capital assets increased primarily due to capital assets additions, offset by depreciation expense. Unrestricted net position increased primarily due to changes in net pension liability and related deferred outflows and inflows, and an increase in resources committed for capital projects as result of a new county improvement authorization.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,726,108	\$ 2,074,615	\$ 202,385	\$ 548,177	\$ 1,928,493	\$ 2,622,792	
Operating Grants and Contributions	4,376,246	3,376,718	631,591	192,894	5,007,837	3,569,612	
Capital Grants and Contributions	50,029	533			50,029	533	
General Revenue:							
Property Taxes	7,425,900	7,574,424			7,425,900	7,574,424	
State and Federal Aid not Restricted	3,784,033	3,784,033			3,784,033	3,784,033	
County Improvement Authorization	900,000	2,426,839			900,000	2,426,839	
Other	159,525	143,541	80	3,193	159,605	146,734	
Total Revenue	<u>18,421,841</u>	<u>19,380,703</u>	<u>834,056</u>	<u>744,264</u>	<u>19,255,897</u>	<u>20,124,967</u>	4.51%
Expenses:							
Instruction	9,095,909	8,831,387			9,095,909	8,831,387	
Pupil and Instruction Services	2,589,882	2,807,211			2,589,882	2,807,211	
Administrative and Business	2,363,831	2,346,231			2,363,831	2,346,231	
Maintenance and Operations	2,638,935	2,548,476			2,638,935	2,548,476	
Pupil Transportation	192,199	236,513			192,199	236,513	
Special Schools	145,001	144,573			145,001	144,573	
Other			647,183	719,512	647,183	719,512	
Total Expenses	<u>17,025,757</u>	<u>16,914,391</u>	<u>647,183</u>	<u>719,512</u>	<u>17,672,940</u>	<u>17,633,903</u>	-0.22%
Other Items	<u>(198,081)</u>		<u>(450)</u>		<u>(198,531)</u>		100.00%
Increase/(Decrease) in Net Position	<u>\$ 1,198,003</u>	<u>\$ 2,466,312</u>	<u>\$ 186,423</u>	<u>\$ 24,752</u>	<u>\$ 1,384,426</u>	<u>\$ 2,491,064</u>	79.93%

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 2022-2023 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

	<u>Total Cost of Services</u> <u>2021/22</u>	<u>Total Cost of Services</u> <u>2022/23</u>	<u>Net Cost of Services</u> <u>2021/22</u>	<u>Net Cost of Services</u> <u>2022/23</u>
Functional Expenses:				
Instruction	\$ 9,095,909	\$ 8,831,387	\$ 6,002,875	\$ 6,105,909
Pupil and Instruction Services	2,589,882	2,807,211	1,266,915	1,069,425
Administrative and Business	2,363,831	2,346,231	1,746,123	1,868,323
Maintenance and Operations	2,638,935	2,548,476	2,068,324	2,092,762
Pupil Transportation	192,199	236,513	105,857	199,756
Special Schools	145,001	144,573	143,775	126,350
	<u>\$ 17,025,757</u>	<u>\$ 16,914,391</u>	<u>\$ 11,333,869</u>	<u>\$ 11,462,525</u>

Business-Type Activities

Net position from the District's business-type activities increased by \$24,752. The primary contributing factors to this result were the following:

- Food Service Fund revenues exceeded expenses by \$53,035, due to the end of the District's participation in the Seamless Summer Option (SSO) Program, resulting in an increase in daily sales.
- Use of Facilities Fund revenues exceeded expenses by \$424, which was primarily due to an increase in program fees generated.
- Transportation Fund expenses exceeded revenues by \$28,707.

Financial Analysis of the District's Funds

The District's overall fund balance increased primarily due to county improvement authorizations, despite the District's 0.4% drop in enrollment during the current fiscal year.

General Fund Budgetary Highlights

Most of the budgeted revenue projections for the 2022-2023 fiscal year were fully realized, except for tuition revenue due to a drop in enrollment. The District over-expended their 2022-2023 fiscal year budget by \$74,274 due to the switch to a self-insurance health benefits plan and the accrual of a \$179,168 liability for estimated insurance claims.

Capital Asset and Long-Term Liability Administration

Figure A-6

	Capital Assets (Net of Depreciation)						Total Percentage Change
	Government Activities		Business-Type Activities		Total School District		
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	
Sites and Site Improvements	\$ 3,593,239	\$ 3,533,668			\$ 3,593,239	\$ 3,533,668	
Construction in Progress	3,903,927	4,707,843			3,903,927	4,707,843	
Buildings and Building Improvements	8,494,003	8,190,657			8,494,003	8,190,657	
Machinery and Equipment	1,366,877	1,409,406	\$ 283,228	\$ 249,407	1,650,105	1,658,813	
Total Capital Assets (Net of Depreciation)	<u>\$ 17,358,046</u>	<u>\$ 17,841,574</u>	<u>\$ 283,228</u>	<u>\$ 249,407</u>	<u>\$ 17,641,274</u>	<u>\$ 18,090,981</u>	2.55%

Long-term Liabilities

Figure A-7

	Total School District		Total Percentage Change
	2021/22	2022/23	
	Other Long-Term Liabilities	\$ 953,074	
Net Pension Liability	2,662,436	3,323,339	
	<u>\$ 3,615,510</u>	<u>\$ 4,265,515</u>	17.98%

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

- A net decrease in compensated absences of \$10,898.
- An increase in net pension liability of \$660,903.

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

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 30,356	\$ 333,652	\$ 364,008
Internal Balances	(173,510)	173,510	
Receivable from State Government	22,227	296	22,523
Receivable from Federal Government	99,562	5,895	105,457
Receivables from Other Governments	3,800,109		3,800,109
Other Receivables	4,350	46,988	51,338
Inventory		8,745	8,745
Restricted Cash and Cash Equivalents	741,771		741,771
Capital Assets, Net			
Sites (Land) and Construction in Progress	7,472,143		7,472,143
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	10,369,431	249,407	10,618,838
Total Assets	<u>22,366,439</u>	<u>818,493</u>	<u>23,184,932</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	556,265		556,265
Total Deferred Outflows of Resources	<u>556,265</u>		<u>556,265</u>
<u>LIABILITIES</u>			
Accounts Payable	741,612	5,948	747,560
Accrued Liability for Insurance Claims	179,168		179,168
Payable to Federal Government	28,316		28,316
Payable to State Government	125,773		125,773
Unearned Revenue	31,500	31,538	63,038
Noncurrent Liabilities:			
Due Within One Year	27,004		27,004
Due Beyond one Year	4,238,511		4,238,511
Total Liabilities	<u>5,371,884</u>	<u>37,486</u>	<u>5,409,370</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	728,545		728,545
Total Deferred Inflows of Resources	<u>728,545</u>		<u>728,545</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	17,841,574	249,407	18,090,981
Restricted for:			
Capital Projects	242,302		242,302
Maintenance	175,000		175,000
Unemployment Compensation	65,695		65,695
Student Activities	259,913		259,913
Unrestricted/(Deficit)	(1,762,209)	531,600	(1,230,609)
Total Net Position	<u>\$ 16,822,275</u>	<u>\$ 781,007</u>	<u>\$ 17,603,282</u>

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

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,012,495	\$ 414,171	\$ 745,150		\$ (2,853,174)		\$ (2,853,174)
Special Education	511,802	52,828	585,482		126,508		126,508
Vocational Education	3,427,039	353,740	395,227		(2,678,072)		(2,678,072)
School-Sponsored/Other Instruction	880,051	90,839	88,041		(701,171)		(701,171)
Support Services:							
Student & Instruction Related Services	2,807,211	633,390	1,104,396		(1,069,425)		(1,069,425)
General Administrative Services	583,690	60,249	38,397		(485,044)		(485,044)
School Administrative Services	916,060	94,556	115,233		(706,271)		(706,271)
Central Services	595,462	61,464	62,804		(471,194)		(471,194)
Administrative Information Technology	251,019	25,910	19,295		(205,814)		(205,814)
Plant Operations and Maintenance	2,548,476	263,055	192,126	\$ 533	(2,092,762)		(2,092,762)
Pupil Transportation	236,513	24,413	12,344		(199,756)		(199,756)
Special Schools	144,573		18,223		(126,350)		(126,350)
Total Governmental Activities	16,914,391	2,074,615	3,376,718	533	(11,462,525)		(11,462,525)
Business-Type Activities:							
Transportation	118,307	89,600				\$ (28,707)	(28,707)
Use of Facilities	149,477	149,901				424	424
Food Service	451,728	308,676	192,894			49,842	49,842
Total Business-Type Activities	719,512	548,177	192,894			21,559	21,559
Total Primary Government	\$ 17,633,903	\$ 2,622,792	\$ 3,569,612	\$ 533	(11,462,525)	21,559	(11,440,966)

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues and Other Items:			
Taxes:			
County Tax Levy	\$ 7,574,424		\$ 7,574,424
Federal and State Aid not Restricted	3,784,033		3,784,033
Miscellaneous Income	143,541	\$ 3,193	146,734
County Improvement Authorization	2,426,839		2,426,839
Total General Revenues and Other Items	13,928,837	3,193	13,932,030
Change in Net Position	2,466,312	24,752	2,491,064
Net Position - Beginning	14,355,963	756,255	15,112,218
Net Position - Ending	\$ 16,822,275	\$ 781,007	\$ 17,603,282

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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 30,356			\$ 30,356
Interfund Receivable	216,722	\$ 151,778		368,500
Receivables From State Government	22,227			22,227
Receivables From Federal Government		99,562		99,562
Receivables From Other Governments	109,237		\$ 3,690,872	3,800,109
Other Accounts Receivables	4,350			4,350
Restricted Cash and Cash Equivalents	482,997	258,774		741,771
Total Assets	\$ 865,889	\$ 510,114	\$ 3,690,872	\$ 5,066,875
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ 174,649		\$ 367,361	\$ 542,010
Accounts Payable	389,089	\$ 64,612		453,701
Accrued Liability for Insurance Claims	179,168			179,168
Payable to Federal Government		28,316		28,316
Payable to State Government		125,773		125,773
Unearned Revenue		31,500		31,500
Total Liabilities	742,906	250,201	367,361	1,360,468
Fund Balances:				
Restricted:				
Capital Reserve	242,302			242,302
Maintenance Reserve	175,000			175,000
Unemployment Compensation	65,695			65,695
Student Activities		259,913		259,913
Committed			3,323,511	3,323,511
Unassigned/(Deficit)	(360,014)			(360,014)
Total Fund Balances	122,983	259,913	3,323,511	3,706,407
Total Liabilities and Fund Balances	\$ 865,889	\$ 510,114	\$ 3,690,872	\$ 5,066,875

SUSSEX COUNTY TECHNICAL SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

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

Total Fund Balances from previous page	\$ 3,706,407
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	17,841,574
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.	(942,176)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(3,323,339)
District contributions subsequent to the measurement date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the Statement of Net Position.	(287,911)
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:	
Deferred Outflows of Resources Related to Pensions	556,265
Deferred Inflows of Resources Related to Pensions	(728,545)
	16,822,275
Net Position of Governmental Activities	\$ 16,822,275

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

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
County Tax Levy	\$ 7,574,424			\$ 7,574,424
Tuition from Individuals	5,681			5,681
Tuition from LEA's	1,725,305			1,725,305
Unrestricted Miscellaneous Revenue	70,790	\$ 5,346		76,136
Other Restricted Miscellaneous Revenue	72,751	343,629		416,380
Total - Local Sources	9,448,951	348,975		9,797,926
State Sources	7,388,123	349,493	\$ 533	7,738,149
Federal Sources		946,515		946,515
Total Revenues	16,837,074	1,644,983	533	18,482,590
EXPENDITURES:				
Current:				
Instruction:				
Regular Instruction	2,535,175	263,674		2,798,849
Special Education Instruction	261,978	121,071		383,049
Vocational Education Instruction	2,221,469	20,885		2,242,354
School-Sponsored/Other Instruction	644,842			644,842
Support Services and Undistributed Costs:				
Student and Other Instruction Related Services	1,433,820	808,631		2,242,451
General Administration	487,112			487,112
School Administration	618,685			618,685
Central Services	403,707			403,707
Administrative Information Technology	176,523			176,523
Plant Operations and Maintenance	1,954,144			1,954,144
Student Transportation	205,518			205,518
Unallocated Benefits	6,389,405			6,389,405
Capital Outlay	4,075	398,035	640,330	1,042,440
Special Schools	19,490	15,955		35,445
Total Expenditures	17,355,943	1,628,251	640,330	19,624,524
Excess/(Deficit) of Revenue				
Over/(Under) Expenditures	(518,869)	16,732	(639,797)	(1,141,934)
Other Financing Sources/(Uses):				
County Improvement Authorization			2,426,839	2,426,839
Total Other Financing Sources/(Uses)			2,426,839	2,426,839
Net Change in Fund Balances	(518,869)	16,732	1,787,042	1,284,905
Fund Balance - July 1	641,852	243,181	1,536,469	2,421,502
Fund Balance - June 30	\$ 122,983	\$ 259,913	\$ 3,323,511	\$ 3,706,407

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, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 1,284,905

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	\$	(549,493)	
Capital Asset Additions		1,033,021	
			483,528

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 (+).

10,898

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability		(660,903)	
Changes in Deferred Outflows Related to Pensions		80,438	
Changes in Deferred Inflows Related to Pensions		1,267,446	

Change in Net Position of Governmental Activities (A-2) \$ 2,466,312

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, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Total Enterprise</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 163,983	\$ 169,669	\$ 333,652
Intrafund Receivable		39,532	39,532
Interfund Receivable - General Fund	173,510		173,510
Intergovernmental Accounts Receivable:			
State	296		296
Federal	5,895		5,895
Other Accounts Receivable		46,988	46,988
Inventories	8,745		8,745
Total Current Assets	<u>352,429</u>	<u>256,189</u>	<u>608,618</u>
Non-Current Assets:			
Capital Assets	152,079	672,876	824,955
Less: Accumulated Depreciation	<u>(106,347)</u>	<u>(469,201)</u>	<u>(575,548)</u>
Total Non-Current Assets	<u>45,732</u>	<u>203,675</u>	<u>249,407</u>
Total Assets	<u>398,161</u>	<u>459,864</u>	<u>858,025</u>
LIABILITIES:			
Current Liabilities:			
Intrafund Payable	6,646	32,886	39,532
Accounts Payable		5,948	5,948
Unearned Revenue:			
Prepaid Sales	3,453		3,453
Donated Commodities	1,333		1,333
Allowance for Doubtful Accounts	<u>26,752</u>		<u>26,752</u>
Total Liabilities	<u>38,184</u>	<u>38,834</u>	<u>77,018</u>
NET POSITION:			
Investment in Capital Assets	45,732	203,675	249,407
Unrestricted	<u>314,245</u>	<u>217,355</u>	<u>531,600</u>
Total Net Position	<u>\$ 359,977</u>	<u>\$ 421,030</u>	<u>\$ 781,007</u>

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

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>		
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Total Enterprise</u>
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 195,563		\$ 195,563
Non-Reimbursable Programs	113,113		113,113
Program Fees		\$ 239,501	239,501
Total Operating Revenue	<u>308,676</u>	<u>239,501</u>	<u>548,177</u>
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	196,908		196,908
Non-Reimbursable Programs	29,423		29,423
Salaries	143,598	122,977	266,575
Employee Benefits	40,829		40,829
Purchased Professional Technical Services		26,668	26,668
Maintenance	9,613		9,613
Other Purchased Services	16,575		16,575
Supplies and Materials	6,596	23,153	29,749
Energy		19,132	19,132
Miscellaneous Expenditures	1,996	35,895	37,891
Depreciation Expense	6,190	39,959	46,149
Total Operating Expenses	<u>451,728</u>	<u>267,784</u>	<u>719,512</u>
Operating Income/(Loss)	<u>(143,052)</u>	<u>(28,283)</u>	<u>(171,335)</u>
Non-Operating Revenue:			
Local Sources:			
Interest Income	3,193		3,193
State Sources:			
State School Lunch Program	5,740		5,740
State School Breakfast Program	315		315
Federal Sources:			
National School Lunch Program	105,774		105,774
School Breakfast Program	13,964		13,964
COVID-19 - Supply Chain Assistance	30,574		30,574
Food Distribution Program	36,527		36,527
Total Non-Operating Revenue	<u>196,087</u>		<u>196,087</u>

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>		<u>Total</u>
	<u>Food</u>	<u>Non-Major</u>	
	<u>Service</u>	<u>Funds</u>	<u>Enterprise</u>
Change in Net Position	\$ 53,035	\$ (28,283)	\$ 24,752
Net Position - Beginning of Year	<u>306,942</u>	<u>449,313</u>	<u>756,255</u>
Net Position - End of Year	<u>\$ 359,977</u>	<u>\$ 421,030</u>	<u>\$ 781,007</u>

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, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>		
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Total Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 308,179	\$ 195,328	\$ 503,507
Payments to Food Service Company	(395,784)		(395,784)
Payments to/for Employees		(122,977)	(122,977)
Payments to Suppliers	(14,859)	(98,900)	(113,759)
Net Cash Used for Operating Activities	<u>(102,464)</u>	<u>(26,549)</u>	<u>(129,013)</u>
Cash flows from Financing Activities:			
Interest Income	3,193		3,193
Net Cash Provided by Financing Activities	<u>3,193</u>		<u>3,193</u>
Cash flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(12,328)		(12,328)
Net Cash Used for Capital and Related Financing Activities	<u>(12,328)</u>		<u>(12,328)</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Returned - General Fund	(23,325)		(23,325)
Federal Sources	209,770		209,770
State Sources	6,486		6,486
Net Cash Provided by Noncapital Financing Activities	<u>192,931</u>		<u>192,931</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	81,332	(26,549)	54,783
Cash and Cash Equivalents, July 1	<u>82,651</u>	<u>196,218</u>	<u>278,869</u>
Cash and Cash Equivalents, June 30	<u>\$ 163,983</u>	<u>\$ 169,669</u>	<u>\$ 333,652</u>

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>		
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Total Enterprise</u>
Reconciliation of Operating Income/(Loss) to Net Cash Used for Operating Activities:			
Operating Income/(Loss)	\$ (143,052)	\$ (28,283)	\$ (171,335)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	6,190	39,959	46,149
Food Distribution Program	36,527		36,527
Changes in Assets and Liabilities:			
(Increase) in Other Accounts Receivable		(44,173)	(44,173)
Increase in Accounts Payable		5,948	5,948
Increase in Unearned Revenue - Donated Commodities	870		870
(Decrease) in Unearned Revenue - Prepaid Sales	(497)		(497)
(Increase) in Inventory	(2,502)		(2,502)
Net Cash Used for Operating Activities	<u>\$ (102,464)</u>	<u>\$ (26,549)</u>	<u>\$ (129,013)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$37,397 and utilized U.S.D.A. Commodities valued at \$36,527.

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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:

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

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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.

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

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

Debt Service Fund: Because Vocational School capital projects are authorized by the County Board of Chosen Freeholders under a bond ordinance and the 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:

Enterprise Fund: 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, lease asset, or subscription 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 cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

D. Budgets/Budgetary Control:

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

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis 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:

	<u>Capital Projects Fund</u>	
	<u>Revenue</u>	<u>Fund Balance</u>
Revenue/Fund Balance	\$ 4,760,517	\$ 8,595,174
Reconciliation to Governmental Funds Statements (GAAP):		
Grant Revenue Recognized on GAAP Basis	533	
Grant Receivable not Recognized on GAAP Basis	(4,760,517)	(5,271,663)
Revenue/Fund Balance per Governmental Funds (GAAP)	\$ 533	\$ 3,323,511

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 16,837,074	\$ 1,710,233
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		(119,611)
Cancellation of Prior Year Encumbrances		(148)
Prior Year Encumbrances		54,509
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)	
	\$ 16,837,074	\$ 1,644,983
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 17,355,943	\$ 1,693,501
Differences - 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		(119,611)
Cancellation of Prior Year Encumbrances		(148)
Prior Year Encumbrances		54,509
	\$ 17,355,943	\$ 1,628,251
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds		

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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, 2023.

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:

	<u>Estimated Useful Life</u>
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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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. Subscription Assets:

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. 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.

O. 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, 2023.

P. 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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Q. 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.

R. Subscription Payable:

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. 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.

T. Fund Balance Appropriated:

General Fund: Of the \$122,983 General Fund fund balance at June 30, 2023, \$-0- is assigned for year-end encumbrances, which is \$110,075 less than on a budgetary basis, due to the final state aid payments which are not recognized until the fiscal year ending June 30, 2024; \$242,302 is restricted in the capital reserve account; \$175,000 is restricted in the maintenance reserve account; \$65,695 is restricted for unemployment compensation; and (\$360,014) deficit is unassigned which is \$309,234 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, 2024.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2023 of \$259,913 is restricted for student activities.

Capital Projects Fund: Of the \$3,323,511 Capital Projects Fund fund balance at June 30, 2023, \$-0- is restricted which is \$37 less on the GAAP basis due to grants not being recognized as revenue until funds are requested for reimbursement; and \$3,323,511 is committed, which is \$5,271,626 less on the GAAP basis due to the SDA grants not being recognized as revenue until funds are requested for reimbursement.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus at June 30, 2023.

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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

U. Deficit Net Position/Fund Balance:

The District had a deficit in unrestricted net position from governmental activities in the amount of \$1,762,209. This is due to the accrual of compensated absences payable, net pension liability and deferred outflows and inflows related to pensions. The 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 of \$360,014 in unassigned General Fund fund balance due to the final state aid payments which are not recognized until the fiscal year ending June 30, 2024, as well as the recognition of the accrued liability for insurance claims. The District will be ending its participation in a self-insurance plan as of December 31, 2023. The District also had a deficit unrestricted net position in the Transportation Enterprise Fund of \$17,217.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources and deferred inflows of resources at June 30, 2023 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, and subscription 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 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.

W. 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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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

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, 2023.

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, 2023.

X. 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.

Y. 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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Z. 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.

AA. 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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations 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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Investments: (Cont'd)

- (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
- (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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents		Total
	Unrestricted	Restricted	
Checking and Savings Accounts	<u>\$ 364,008</u>	<u>\$ 741,771</u>	<u>\$ 1,105,779</u>

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$1,105,779 and the bank balance was \$1,436,019.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on October 10, 2000 in the amount of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Balance at June 30, 2022	\$ 242,302
Balance at June 30, 2023	<u>\$ 242,302</u>

The balance in the capital reserve account at June, 30, 2023 does not exceed the local support costs of uncompleted capital projects in the District's approved LRFP.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 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	3,903,927	\$ 803,916		4,707,843
Total Capital Assets Not Being Depreciated	<u>6,668,227</u>	<u>803,916</u>		<u>7,472,143</u>
Capital Assets Being Depreciated:				
Site Improvements	1,191,403			1,191,403
Buildings and Building Improvements	24,161,537		\$ 1	24,161,538
Machinery and Equipment	5,042,460	229,105	(1)	5,271,564
Total Capital Assets Being Depreciated	<u>30,395,400</u>	<u>229,105</u>		<u>30,624,505</u>
Governmental Activities Capital Assets	<u>37,063,627</u>	<u>1,033,021</u>		<u>38,096,648</u>
Less Accumulated Depreciation for:				
Site Improvements	(362,464)	(59,571)		(422,035)
Buildings and Building Improvements	(15,667,534)	(303,347)		(15,970,881)
Machinery and Equipment	(3,675,583)	(186,575)		(3,862,158)
	<u>(19,705,581)</u>	<u>(549,493)</u>		<u>(20,255,074)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 17,358,046</u>	<u>\$ 483,528</u>	<u>\$ -0-</u>	<u>\$ 17,841,574</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 812,627	\$ 12,328		\$ 824,955
Less Accumulated Depreciation	(529,399)	(46,149)		(575,548)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 283,228</u>	<u>\$ (33,821)</u>	<u>\$ -0-</u>	<u>\$ 249,407</u>

The District expended \$803,916 towards construction projects in progress during the fiscal year. As of June 30, 2023, the District has \$4,707,843 in active construction projects for various improvements to the District.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 46,001
Vocational Instruction	209,511
School-Sponsored/Other Instruction	8,064
Student and Instruction Related Services	4,266
General Administration	873
School Administration	682
Central Services	29,933
Administrative Information Technology	54,786
Operations and Maintenance of Plant	100,224
Special Schools	95,153
	\$ 549,493

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Accrued	Retired	Balance 6/30/2023	Due Within One Year
Compensated Absences Payable	\$ 953,074	\$ 84,055	\$ 94,953	\$ 942,176	\$ 27,004
Net Pension Liability	2,662,436	660,903		3,323,339	
	\$ 3,615,510	\$ 744,958	\$ 94,953	\$ 4,265,515	\$ 27,004

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. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in current and long-term portions. The current portion of the compensated absences balance of the governmental funds is \$27,004 and is separated from the long-term portion of \$915,172.

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, 2023, no liability existed for compensated absences in the Enterprise Funds. The General Fund will be used to liquidate the compensated absences payable.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

C. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in current and long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$3,323,339. 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)

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 www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A 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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$277,701 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$6,992 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Pension Liabilities and Pension Expense

At June 30, 2023, the District reported a liability of \$3,323,339 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.022%, which was a decrease of 0.0005% from its proportion measured as of June 30, 2021.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$409,280 related to the District's proportionate share of net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$6,992 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows and 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	2018	5.63		\$ 79,887
	2019	5.21		99,831
	2020	5.16		293,558
	2021	5.13		24,359
	2022	5.04	\$ 10,297	497,635
			<u>10,297</u>	<u>497,635</u>
Changes in Proportion	2018	5.63		73,823
	2019	5.21		66,863
	2020	5.16	32,767	
	2021	5.13	63,754	
	2022	5.04		69,071
			<u>96,521</u>	<u>209,757</u>
Difference Between Expected and Actual Experience	2018	5.63		3,042
	2019	5.21	7,631	
	2020	5.16	16,355	
	2021	5.13		8,189
	2022	5.04		9,922
			<u>23,986</u>	<u>21,153</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	3,289	
	2020	5.00	98,792	
	2021	5.00	(616,204)	
	2022	5.00	651,673	
			<u>137,550</u>	
District Contribution Subsequent to the Measurement Date	2022	1.00	287,911	
			<u>\$ 556,265</u>	<u>\$ 728,545</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding 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
2023	\$ (395,710)
2024	(138,400)
2025	(65,129)
2026	140,070
2027	(1,022)
	\$ (460,191)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55% 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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, 2022) 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 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 PERS' target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 for the local employers. Based on those assumptions, 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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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, 2022 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, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 4,269,517	\$ 3,323,339	\$ 2,518,103

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 www.state.nj.us/treasury/pensions/annual-reports.shtml.

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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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.

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 employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue 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 2023, the State of New Jersey contributed \$2,156,496 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$735,793.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

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, 2023, the State's proportionate share of the net pension liability associated with the District was \$27,339,879. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.0529%, which was an decrease of 0.0005% from its proportion measured as of June 30, 2021.

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		27,339,879
Total	\$	27,339,879

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$735,793 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			3,013,097,864	19,441,140,477

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	2015	8.30	\$ 13,201,022	
	2016	8.30		\$ 21,088,845
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

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:

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	<u>\$ (14,678,515,482)</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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 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, 2022 are summarized in the following table.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022 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:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Total Net Pension Liability	\$ 32,056,589	\$ 27,339,879	\$ 23,366,643

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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 \$2,269 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$2,354 for the fiscal year ended June 30, 2023.

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.

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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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

The June 30, 2023 audit reports are not available as of the date of this report. 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

Health Benefits

The District is self-insured for health benefits (medical and prescription) to the extent of the amounts deductible from stop loss reimbursement. The stop loss policy reimburses the District for individual claimants who exceed a specific deductible which is \$75,000/person.

Horizon Blue Cross Blue Shield is the District's claims administrator.

The District has recorded an accrued liability for insurance claims of \$179,168 which includes an estimate for incurred but not reported claims for medical and prescription claims as well as a risk corridor reserve which it believes is sufficient to meet these liabilities.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. RISK MANAGEMENT (Cont'd)

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:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ -0-	\$ 714	\$ 23,094	\$ 11,062	\$ 65,695
2021-2022	-0-	59	6,577	9,168	52,949
2020-2021	-0-	59	16,492	1,116	55,481

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

<u>Fund</u>	<u>Interfund</u>		<u>Intrafund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 216,722	\$ 174,649		
Special Revenue Fund	151,778			
Capital Projects Fund		367,361		
Enterprise Funds:				
Food Service	173,510			\$ 6,646
Use of Facilities			\$ 32,886	
Transportation			6,646	32,886
	<u>\$ 542,010</u>	<u>\$ 542,010</u>	<u>\$ 39,532</u>	<u>\$ 39,532</u>

The interfund payable in the Capital Projects Fund is an interfund loan from the General Fund and Special Revenue Fund to the Capital Projects Fund for cash flow purposes due to timing of grant and county reimbursements. The interfund payable in the General Fund is Student Activities receipts not turned over the Special Revenue Fund by year end and subsidy reimbursements collected in the General Fund not turned over to the Food Service Fund by June 30. 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 intrafund payable in the Food Service Fund is a prior year intrafund advanced from the Transportation Fund.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 13. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 110,075	\$ 119,611	\$ 260,812	\$ 490,498

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the General Fund, which is \$110,075 less than the actual year-end encumbrances on a budgetary basis due to the June state aid payments not recognized until June 30, 2024. On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$119,611 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. The \$260,775 year-end encumbrances in the Capital Projects Fund are included in the \$3,323,511 committed fund balance on a GAAP basis at June 30, 2023.

NOTE 14. ACCOUNTS PAYABLE

Accounts payable recorded as of June 30, 2023 consisted of the following:

	Governmental Funds		District	Total	Business-
	General	Special	Contribution	Govern-	Type
	Fund	Revenue	Subsequent to	mental	Activities
	Fund	Fund	the Measure-	Activities	Enterprise
			ment Date		Funds
Due to State of New Jersey	\$ 6,063	\$ 64,567	\$ 287,911	\$ 358,541	
Vendors	358,597	45		358,642	\$ 5,948
Payroll Deductions and Withholdings	24,429			24,429	
	\$ 389,089	\$ 64,612	\$ 287,911	\$ 741,612	\$ 5,948

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

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 Employees 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 paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. 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.

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 <https://www.state.nj.us/treasury/pensions/gasb-notice-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2021 , the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

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.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on service	based on service	based on service
	years	years	years

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

Mortality Rates

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-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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.

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 35,065,844
Changes for Year:	
Service Cost	1,404,862
Interest on the Total OPEB Liability	806,969
Difference between Actual and Expected Experience	2,115,007
Changes in Assumptions	(8,168,594)
Contributions from Members	25,643
Gross Benefit Payments by the State	(799,327)
Net Changes	(4,615,440)
Balance at June 30, 2022	\$ 30,450,404

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, 2022, 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 35,791,247	\$ 30,450,404	\$ 26,169,985

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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, 2022, 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.

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 25,169,120	\$ 30,450,404	\$ 37,387,691

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$466,343 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, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,581,017
	2018	9.51		1,508,741
	2019	9.29	\$ 213,011	
	2020	9.24	5,029,293	
	2021	9.24	27,890	
	2022	9.13		7,273,896
			5,270,194	10,363,654
Differences between Expected and Actual Experience	2018	9.51		1,426,228
	2019	9.29		2,507,156
	2020	9.24	4,687,498	
	2021	9.24		5,363,476
	2022	9.13		749,107
			5,436,605	9,296,860
Changes in Proportion	N/A	N/A	1,003,382	2,282,009
			\$ 11,710,181	\$ 21,942,523

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (1,513,397)
2024	(1,513,399)
2025	(1,513,399)
2026	(1,307,956)
2027	(747,906)
Thereafter	(2,357,658)
	\$ (8,953,715)

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, 2022	\$ 200,000
Less: Withdrawal - per Board Resolutions	(25,000)
Balance at June 30, 2023	\$ 175,000

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

SUSSEX COUNTY TECHNICAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0276491979%	0.0285235464%	0.0266084872%	0.0258436698%	0.0229185976%	0.0216476635%	0.0219953468%	0.0224744559%	0.0220214453%
District's proportionate share of the net pension liability	\$ 5,176,686	\$ 6,402,965	\$ 7,880,671	\$ 6,015,993	\$ 4,512,558	\$ 3,900,581	\$ 3,586,866	\$ 2,662,436	\$ 3,323,339
District's covered employee payroll	\$ 1,947,119	\$ 1,829,439	\$ 1,778,164	\$ 1,610,448	\$ 1,512,699	\$ 1,577,896	\$ 1,633,292	\$ 1,581,069	\$ 1,608,889
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	265.86%	350.00%	443.19%	373.56%	298.31%	247.20%	219.61%	168.39%	206.56%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 227,936	\$ 245,226	\$ 243,883	\$ 244,299	\$ 288,932	\$ 211,273	\$ 240,618	\$ 263,202	\$ 277,701	
Contributions in relation to the contractually required contribution	(227,936)	(245,226)	(243,883)	(244,299)	(288,932)	(211,273)	(240,618)	(263,202)	(277,701)	
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	
District's covered employee payroll	\$ 1,829,439	\$ 1,778,164	\$ 1,610,448	\$ 1,512,699	\$ 1,577,896	\$ 1,633,292	\$ 1,581,069	\$ 1,608,889	\$ 1,604,427	
Contributions as a percentage of covered employee payroll	12.46%	13.79%	15.14%	16.15%	18.31%	12.94%	15.22%	16.36%	17.31%	

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

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District to the District	0.0547309809%	0.0521117141%	0.0557555225%	0.0555668276%	0.0535024307%	0.0533555915%	0.0532428145%	0.0533587961%	0.0529899957%
State's proportionate share of the net pension liability attributable to the District	\$ 29,251,928	\$ 32,936,829	\$ 43,860,844	\$ 37,465,159	\$ 34,037,097	\$ 32,745,076	\$ 35,059,753	\$ 25,652,342	\$ 27,339,879
District's covered employee payroll	\$ 5,557,776	\$ 5,643,076	\$ 5,592,289	\$ 5,611,772	\$ 5,679,855	\$ 5,892,118	\$ 5,883,105	\$ 6,051,131	\$ 5,782,168
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%	472.83%
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%	32.29%

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

SUSSEX COUNTY TECHNICAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 1,574,028	\$ 2,011,090	\$ 3,295,532	\$ 2,595,396	\$ 1,984,244	\$ 1,931,392	\$ 2,180,165	\$ 603,611	\$ 735,793	
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)	(2,156,496)	
Contribution deficiency/(excess)	\$ 1,292,293	\$ 1,564,689	\$ 2,692,369	\$ 1,807,494	\$ 934,860	\$ 763,574	\$ 629,089	\$ (1,577,805)	\$ (1,420,703)	
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	\$ 5,782,168	\$ 5,843,197	
Contributions as a percentage of covered employee payroll	4.99%	7.98%	10.75%	13.87%	17.81%	19.85%	25.63%	37.73%	36.91%	

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

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 SIX FISCAL YEARS

	Fiscal Year Ending					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 1,168,250	\$ 972,272	\$ 816,457	\$ 908,096	\$ 1,637,723	\$ 1,404,862
Interest Cost	1,073,632	1,241,267	1,151,809	929,789	909,645	806,969
Changes in Benefit Terms					(37,323)	
Difference between Actual and Expected Experience		(2,836,256)	(4,908,798)	6,551,631	(8,012,006)	2,115,007
Changes in Assumptions	(4,286,914)	(3,365,724)	387,696	7,530,665	34,595	(8,168,594)
Member Contributions	29,062	27,105	23,661	21,754	23,255	25,643
Gross Benefit Payments	(789,255)	(784,264)	(798,193)	(717,719)	(716,545)	(799,327)
Net Change in Total OPEB Liability	(2,805,225)	(4,745,600)	(3,327,368)	15,224,216	(6,160,656)	(4,615,440)
Total OPEB Liability - Beginning	36,880,477	34,075,252	29,329,652	26,002,284	41,226,500	35,065,844
Total OPEB Liability - Ending	\$ 34,075,252	\$ 29,329,652	\$ 26,002,284	\$ 41,226,500	\$ 35,065,844	\$ 30,450,404
District's Covered Employee Payroll *	\$ 7,370,453	\$ 7,222,220	\$ 7,192,554	\$ 7,470,014	\$ 7,516,397	\$ 7,632,200
Total OPEB Liability as a Percentage of Covered Employee Payroll	462%	406%	362%	552%	467%	399%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, 2020, 2021 and 2022 are based on the payroll on the June 30, 2016, 2017, 2018, 2019, 2020 and 2021 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, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% 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 rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
County Tax Levy	\$ 7,574,424		\$ 7,574,424	\$ 7,574,424	
Tuition From Individuals				5,681	\$ 5,681
Tuition From Other LEAs Within the State	1,872,114		1,872,114	1,725,305	(146,809)
Unrestricted Miscellaneous Revenues	69,726		69,726	70,790	1,064
Interest Earned on Maintenance Reserve	125		125		(125)
Interest Earned on Capital Reserve Funds	150		150		(150)
Other Restricted Miscellaneous Revenues	75,000		75,000	72,751	(2,249)
Total Revenues from Local Sources	9,591,539		9,591,539	9,448,951	(142,588)
Revenues from State Sources:					
Categorical Transportation Aid	413,134		413,134	413,134	
Equalization Aid	2,396,720		2,396,720	2,396,720	
Categorical Security Aid	74,363		74,363	74,363	
Vocational Expansion Stabilization Aid	1,312,950		1,312,950	1,312,950	
TPAF Post Retirement Contributions (Non-Budgeted)				574,366	574,366
TPAF Pension Contributions (Non-Budgeted)				2,156,496	2,156,496
TPAF Non-Contributory Insurance (Non-Budgeted)				29,919	29,919
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,041	1,041
Reimbursed TPAF Social Security Contributions				429,134	429,134
Total Revenues from State Sources	4,197,167		4,197,167	7,388,123	3,190,956
TOTAL REVENUE	13,788,706		13,788,706	16,837,074	3,048,368

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 2,560,050	\$ (112,272)	\$ 2,447,778	\$ 2,447,467	\$ 311
Purchased Professional - Educational Services	30,000	(6,124)	23,876	23,876	
Other Purchased Services (400-500 series)	1,500	(1,500)			
General Supplies	74,328	(20,333)	53,995	43,772	10,223
Textbooks	42,500	(42,500)			
Regular Programs - Home Instruction:					
Salaries of Teachers	3,000	7,680	10,680	10,680	
Purchased Professional - Educational Services		9,425	9,425	9,380	45
Total Regular Programs - Instruction	2,711,378	(165,624)	2,545,754	2,535,175	10,579
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	129,305	34,308	163,613	160,780	2,833
Other Salaries for Instruction	140,794	(39,780)	101,014	101,014	
General Supplies	3,832	(3,613)	219	184	35
Textbooks	4,837	(4,837)			
Total Resource Room/Resource Center	278,768	(13,922)	264,846	261,978	2,868
TOTAL SPECIAL EDUCATION - INSTRUCTION	278,768	(13,922)	264,846	261,978	2,868
Basic Skills/Remedial - Instruction:					
Salaries of Teachers		30,577	30,577		30,577
Total Basic Skills/Remedial - Instruction		30,577	30,577		30,577

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
VOCATIONAL PROGRAMS					
Regular Vocational Programs - Instruction:					
Salaries of Teachers	\$ 1,759,433	\$ 152,211	\$ 1,911,644	\$ 1,911,182	\$ 462
Other Purchased Services (400-500 series)	20,580	(7,522)	13,058	8,017	5,041
General Supplies	336,603	(31,549)	305,054	289,404	15,650
Textbooks	61,523	(48,656)	12,867	12,866	1
Total Regular Vocational Programs - Instruction	2,178,139	64,484	2,242,623	2,221,469	21,154
Total Vocational Programs	2,178,139	64,484	2,242,623	2,221,469	21,154
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	138,672	(10,896)	127,776	127,776	
Other Objects	41,955	(857)	41,098	41,098	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	180,627	(11,753)	168,874	168,874	
School-Sponsored Athletics - Instruction:					
Salaries	301,832	19,878	321,710	321,710	
Purchased Services (300-500 series)	62,250	26,508	88,758	57,035	31,723
Supplies and Materials	35,672	(1,491)	34,181	32,048	2,133
Other Objects	75,278	(10,078)	65,200	65,175	25
Total School-Sponsored Athletics - Instruction	475,032	34,817	509,849	475,968	33,881
TOTAL INSTRUCTION	5,823,944	(61,421)	5,762,523	5,663,464	99,059
Undistributed Expenditures - Attendance & Social Work:					
Salaries	68,883	(937)	67,946	67,944	2
Supplies and Materials	500	(482)	18	18	
Total Undistributed Expenditures - Attendance and Social Work	69,383	(1,419)	67,964	67,962	2

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	\$ 88,514	\$ 9	\$ 88,523	\$ 88,523	
Purchased Professional and Technical Services	3,000	(3,000)			
Supplies and Materials	1,500	436	1,936	1,935	\$ 1
Total Undistributed Expenditures - Health Services	93,014	(2,555)	90,459	90,458	1
Undistributed Expenditures - Speech, OT, PT, Related Svcs:					
Purchased Professional - Educational Services	35,600	1,328	36,928	36,003	925
Total Undistributed Expenditures - Speech, OT, PT, Related Svcs	35,600	1,328	36,928	36,003	925
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	395,054	(5,636)	389,418	389,418	
Salaries of Secretarial and Clerical Assistants	82,391	1,671	84,062	84,062	
Other Purchased Professional and Technical Services	26,700	43,040	69,740	69,740	
Supplies and Materials	5,150	521	5,671	4,636	1,035
Other Objects	14,979	(1,386)	13,593	13,593	
Total Undistributed Expenditures - Guidance	524,274	38,210	562,484	561,449	1,035
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	429,922	(372)	429,550	429,550	
Salaries of Secretarial and Clerical Assistants	51,866	1,228	53,094	53,094	
Other Purchased Professional and Technical Services	31,900	(1,671)	30,229	30,229	
Other Purchased Services (400-500 series)	1,000	(775)	225	225	
Supplies and Materials	1,000	(325)	675	675	
Other Objects	1,500	(1,275)	225	225	
Total Undistributed Expenditures - Child Study Team	517,188	(3,190)	513,998	513,998	

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	
Salaries of Other Professional Staff	(100)	(100)	1,500	1,500	
Total Undistributed Expenditures - Improv. of Inst. Serv.	1,600	900	2,500	2,500	
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	85,744	5,480	91,224	91,224	
Purchased Professional and Technical Services	5,513	(193)	5,320	5,003	\$ 317
Other Purchased Services (400-500 series)	23,100	16,505	39,605	39,605	
Supplies and Materials	21,660	(8,568)	13,092	12,214	878
Total Undistributed Expenditures - Edu. Media Serv./Sch. Library	136,017	13,224	149,241	148,046	1,195
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	8,450	8,450	8,450	8,450	
Purchased Professional - Educational Service	1,882	1,882	1,882	1,882	
Other Purchased Services (400-500 series)	6,039	(2,967)	3,072	3,072	
Total Undistributed Expenditures - Instructional Staff Training Services	6,039	7,365	13,404	13,404	
Undistributed Expenditures - Support Serv. - Gen. Admin.:					
Salaries	205,110	(9,073)	196,037	196,037	
Legal Services	25,000	(11,389)	13,611	13,611	
Audit Fees	50,000	2,390	52,390	52,390	
Architectural/Engineering Services	18,000	(18,000)			
Other Purchased Professional Services	2,000	5,885	7,885	7,818	67
Communications / Telephone	164,159	(20,313)	143,846	131,467	12,379
BOE Other Purchased Services	2,250	(626)	1,624	1,624	
Other Purchased Services (400-500 series other than 530 & 585)	2,000	36,808	38,808	38,808	
General Supplies	1,000	(510)	490	490	

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Support Serv. - Gen. Admin.: (Cont'd)					
Miscellaneous Expenditures	\$ 45,000	\$ (20,199)	\$ 24,801	\$ 23,884	\$ 917
BOE Membership Dues and Fees	15,000	5,983	20,983	20,983	
Total Undistributed Expenditures - Support Serv. - Gen. Admin.	529,519	(29,044)	500,475	487,112	13,363
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	471,956	(3,032)	468,924	468,924	
Salaries of Secretarial and Clerical Assistants	121,695	(2,307)	119,388	119,388	
Purchased Professional and Technical Services	7,500	4,700	12,200	12,200	
Other Purchased Services (400-500 series)	3,691	(2,894)	797	797	
Supplies and Materials	13,303	(3,337)	9,966	9,956	10
Other Objects	4,750	2,670	7,420	7,420	
Total Undistributed Expenditures - Support Serv. - School Admin.	622,895	(4,200)	618,695	618,685	10
Undistributed Expenditures - Central Services:					
Salaries	312,340	8,300	320,640	320,640	
Purchased Technical Services	20,890	22,897	43,787	43,787	
Miscellaneous Purchased Services (400-500 series other than 594)	1,000	17,435	18,435	18,435	
Supplies and Materials	10,000	(2,707)	7,293	7,191	102
Other Objects	10,850	3,044	13,894	13,654	240
Total Undistributed Expenditures - Central Services	355,080	48,969	404,049	403,707	342
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	98,619	(109)	98,510	98,510	
Other Purchased Services (400-500 series)	63,000	1,720	64,720	64,715	5
Supplies and Materials	79,000	(65,702)	13,298	13,298	
Total Undistributed Expenditures - Admin. Info. Technology	240,619	(64,091)	176,528	176,523	5

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Required Maint. for School Facilities:					
Salaries	\$ 354,787	\$ 11,674	\$ 366,461	\$ 366,305	\$ 156
Cleaning, Repair, and Maintenance Services	366,059	(35,697)	330,362	321,529	8,833
General Supplies		3,063	3,063	2,984	79
Total Undistributed Expenditures - Required Maint. for School Facilities	720,846	(20,960)	699,886	690,818	9,068
Undistributed Expenditures - Custodial Services:					
Salaries	502,703	10,058	512,761	512,761	
Cleaning, Repair, and Maintenance Services	231		231		231
Other Purchased Property Services	10,000	(8,885)	1,115	935	180
Insurance	145,974	108,302	254,276	254,132	144
Miscellaneous Purchased Services		853	853	853	
General Supplies	45,070	(35,714)	9,356	7,961	1,395
Energy (Natural Gas)	135,000	56,632	191,632	182,495	9,137
Energy (Electricity)	206,309	(972)	205,337	198,537	6,800
Total Undistributed Expenditures - Custodial Services	1,045,287	130,274	1,175,561	1,157,674	17,887
Security:					
Salaries	95,790	6,032	101,822	101,822	
Purchased Professional and Technical Services		1,813	1,813	1,813	
General Supplies		2,017	2,017	2,017	
Total Security	95,790	9,862	105,652	105,652	
Total Undistributed Expenditures - Oper. And Maint. Of Plant Serv.	1,861,923	119,176	1,981,099	1,954,144	26,955
Undistributed Expenditures - Student Transportation Serv.:					
Salaries of Non-Instructional Aides	10,000	30,956	40,956	40,956	
Sal. for Pupil Trans. (Bet. Home and Sch) - Reg.		22,067	22,067	22,067	

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Student Transportation Serv.: (Cont'd)					
Contract. Serv. (Oth. than Bet. Home & Sch.) - Vend.	\$ 145,959	\$ (4,040)	\$ 141,919	\$ 141,919	
General Supplies	2,000	(1,249)	751	576	\$ 175
Total Undistributed Expenditures - Student Transportation Serv.	157,959	47,734	205,693	205,518	175
UNALLOCATED BENEFITS					
Social Security Contributions	202,691	60,587	263,278	263,278	
Other Retirement Contributions - PERS	272,950	5,349	278,299	277,701	598
Other Retirement Contributions - Regular	300	2,025	2,325	2,269	56
Workers Compensation	192,500	(53,813)	138,687	136,884	1,803
Health Benefits	1,989,450	178,840	2,168,290	2,395,781	(227,491)
Tuition Reimbursement	20,000	(6,809)	13,191	13,191	
Other Employee Benefits	86,000	23,345	109,345	109,345	
TOTAL UNALLOCATED BENEFITS	2,763,891	209,524	2,973,415	3,198,449	(225,034)
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				574,366	(574,366)
TPAF Pension Contributions (Non-Budgeted)				2,156,496	(2,156,496)
TPAF Non-Contributory Insurance (Non-Budgeted)				29,919	(29,919)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,041	(1,041)
Reimbursed TPAF Social Security Contributions				429,134	(429,134)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,190,956	(3,190,956)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,763,891	209,524	2,973,415	6,389,405	(3,415,990)
TOTAL UNDISTRIBUTED EXPENDITURES	7,915,001	381,931	8,296,932	11,668,914	(3,371,982)
TOTAL GENERAL CURRENT EXPENSE	13,738,945	320,510	14,059,455	17,332,378	(3,272,923)

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
School-Sponsored and Other Instructional Programs	\$ 7,693		\$ 7,693		\$ 7,693
Total Equipment	7,693		7,693		7,693
Facilities Acquisition and Construction Serv.:					
Assessment for Debt Service on SDA Funding	4,075		4,075	\$ 4,075	
Total Facilities Acquisition and Const. Serv.	4,075		4,075	4,075	
TOTAL CAPITAL OUTLAY	11,768		11,768	4,075	7,693
SPECIAL SCHOOLS					
Vocational Evening - Local - Instruction:					
Salaries of Teachers	35,000	\$ (23,420)	11,580	11,580	
General Supplies	15,000	(7,090)	7,910	7,910	
Other Objects	2,000	(2,000)			
Total Vocational Evening - Local - Instruction	52,000	(32,510)	19,490	19,490	
Vocational Evening - Local - Support Serv.:					
Personal Services - Employee Benefits	1,500	(1,500)			
Other Purchased Services (400-500 series)	5,500	(5,500)			
Supplies and Materials	3,000	(3,000)			
Other Objects	3,000	(3,000)			
Total Vocational Evening - Local - Support Serv.	13,000	(13,000)			
Total Vocational Evening - Local	65,000	(45,510)	19,490	19,490	
TOTAL SPECIAL SCHOOLS	65,000	(45,510)	19,490	19,490	
TOTAL EXPENDITURES	13,815,713	275,000	14,090,713	17,355,943	(3,265,230)

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (27,007)	\$ (275,000)	\$ (302,007)	\$ (518,869)	\$ (216,862)
Fund Balance, July 1	1,061,161		1,061,161	1,061,161	
Fund Balance, June 30	\$ 1,034,154	\$ (275,000)	\$ 759,154	\$ 542,292	\$ (216,862)
<u>Recapitulation:</u>					
Restricted Fund Balance:				\$ 242,302	
Capital Reserve				175,000	
Maintenance Reserve				65,695	
Unemployment Compensation					
Assigned Fund Balance:				110,075	
Year End Encumbrances				(50,780)	
Unassigned Fund Balance/(Deficit)				542,292	
Reconciliation to Governmental Funds Statement (GAAP):				(419,309)	
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				\$ 122,983	

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 367,626	\$ 367,626	348,975	\$ (18,651)
State Sources	\$ 323,801	(21,721)	302,080	307,981	5,901
Federal Sources	475,862	788,415	1,264,277	1,053,277	(211,000)
Total Revenues	799,663	1,134,320	1,933,983	1,710,233	(223,750)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	239,899	(80,059)	159,840	143,859	15,981
Purchased Professional and Technical Services		6,667	6,667	5,000	1,667
General Supplies	159,933	242,849	402,782	330,562	72,220
Other Objects		10,515	10,515	9,988	527
Total Instruction	399,832	179,973	579,804	489,409	90,395
Support Services:					
Salaries	159,933	22,018	181,951	150,500	31,451
Salaries of Other Professional Staff	79,966	34,433	114,399	109,944	4,455
Personal Services - Employee Benefits	79,966	(2,679)	77,287	72,999	4,288
Purchased Professional and Technical Services		151,000	151,000	84,382	66,618
Other Purchased Services		2,790	2,790	2,790	
Supplies and Materials		31,992	31,992	31,867	125
Other Objects		4,075	4,075	3,975	100
Student Activities		343,629	343,629	326,897	16,732
Total Support Services	319,865	587,258	907,123	783,354	123,769
Facilities Acquisition and Construction Services:					
Instructional Equipment	79,966	163,125	243,091	238,612	4,479
Building/Renovation		203,965	203,965	182,126	21,839
Total Facilities Acquisition and Construction Services	79,966	367,090	447,056	420,738	26,318
Total Expenditures	\$ 799,663	\$ 1,134,320	\$ 1,933,983	\$ 1,693,501	\$ 240,482
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-	\$ 16,732	\$ 16,732

SUSSEX COUNTY TECHNICAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 16,837,074	\$ 1,710,233
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		(119,611)
Cancellation of Prior Year Encumbrances		(148)
Prior Year Encumbrances		54,509
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	\$ 16,837,074	\$ 1,644,983
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 17,355,943	\$ 1,693,501
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		(119,611)
Cancellation of Prior Year Encumbrances		(148)
Prior Year Encumbrances		54,509
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 17,355,943	\$ 1,628,251

SUSSEX COUNTY TECHNICAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, 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

SUSSEX COUNTY TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		School Based Youth Services	Carl D. Perkins Secondary	Post Secondary
REVENUES				
Local Sources				
State Sources	\$ 53,860	\$ 254,121	\$ 156,501	\$ 79,999
Federal Sources				
Total Revenues	53,860	254,121	156,501	79,999
EXPENDITURES				
Instruction:				
Salaries of Teachers			5,000	
Purchased Professional - Technical Services			14,079	1,806
General Supplies				
Other Objects				
Total Instruction			19,079	1,806
Support Services:				
Salaries	47,595	102,905		
Salaries of Other Professional Staff		101,094	7,882	
Personal Services - Employee Benefits	5,901	3,500		869
Purchased Professional and Technical Services		9,780		2,790
Other Purchased Services	364	31,064	439	3,975
Supplies and Materials				
Other Objects				
Student Activities				
Total Support Services	53,860	248,343	8,321	7,634
Facilities Acquisition and Construction Services:				
Instructional Equipment		5778	129,101	70,559
Building/Renovation				
Total Facilities Acquisition and Construction Services		5,778	129,101	70,559
Total Expenditures	\$ 53,860	\$ 254,121	\$ 156,501	\$ 79,999

SUSSEX COUNTY TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP				
	ESSER III	Learning Accelerated	Learning and Enrichment	Comprehensive Beyond School Day	Local Donations
REVENUES					
Local Sources					\$ 5,346
State Sources	\$ 386,090	\$ 27,975	\$ 16,408	\$ 14,739	
Federal Sources					
Total Revenues	386,090	27,975	16,408	14,739	5,346
EXPENDITURES					
Instruction:					
Salaries of Teachers			10,853		
Purchased Professional - Technical Services					
General Supplies	203,964	7,895	4,587	14,739	5,346
Other Objects					
Total Instruction	203,964	7,895	15,440	14,739	5,346
Support Services:					
Salaries					
Salaries of Other Professional Staff			968		
Personal Services - Employee Benefits					
Purchased Professional and Technical Services		20,080			
Other Purchased Services					
Supplies and Materials					
Other Objects					
Student Activities					
Total Support Services		20,080	968		
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Building/Renovation	182,126				
Total Facilities Acquisition and Construction Services	182,126				
Total Expenditures	\$ 386,090	\$ 27,975	\$ 16,408	\$ 14,739	\$ 5,346

SUSSEX COUNTY TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Elementary and Secondary Education Act				Student Activities
	Title I	Title II A	FY23	Title IV FY22	
REVENUES					
Local Sources					\$ 343,629
State Sources	\$ 48,867	\$ 13,522	\$ 9,289	\$ 10,000	
Federal Sources					
Total Revenues	48,867	13,522	9,289	10,000	343,629
EXPENDITURES					
Instruction:					
Salaries of Teachers	11,455				
Purchased Professional - Technical Services					
General Supplies	25,746				
Other Objects	9,988				
Total Instruction	47,189				
Support Services:					
Salaries					
Salaries of Other Professional Staff					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services	1,678	13,522			
Other Purchased Services					
Supplies and Materials					
Other Objects					
Student Activities					326,897
Total Support Services	1,678	13,522			326,897
Facilities Acquisition and Construction Services:					
Instructional Equipment			9,289	10,000	
Building/Renovation					
Total Facilities Acquisition and Construction Services			9,289	10,000	
Total Expenditures	\$ 48,867	\$ 13,522	\$ 9,289	\$ 10,000	\$ 326,897

SUSSEX COUNTY TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	I.D.E.A. BASIC	ESSER II	CRRSA		Total
			Learning Acceleration	Mental Health	
REVENUES					
Local Sources					\$ 348,975
State Sources	\$ 184,669	\$ 66,285	\$ 2,633	\$ 36,300	307,981
Federal Sources					1,053,277
Total Revenues	184,669	66,285	2,633	36,300	1,710,233
EXPENDITURES					
Instruction:					
Salaries of Teachers	121,071		480		143,859
Purchased Professional - Technical Services					5,000
General Supplies		52,400			330,562
Other Objects					9,988
Total Instruction	121,071	52,400	480		489,409
Support Services:					
Salaries					150,500
Salaries of Other Professional Staff					109,944
Personal Services - Employee Benefits	63,598		2,153	36,300	72,999
Purchased Professional and Technical Services					84,382
Other Purchased Services					2,790
Supplies and Materials					31,867
Other Objects					3,975
Student Activities					326,897
Total Support Services	63,598		2,153	36,300	783,354
Facilities Acquisition and Construction Services:					
Instructional Equipment		13,885			238,612
Building/Renovation		13,885			182,126
Total Facilities Acquisition and Construction Services		27,770			420,738
Total Expenditures	\$ 184,669	\$ 66,285	\$ 2,633	\$ 36,300	\$ 1,693,501

CAPITAL PROJECTS FUND

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Revenue and Other Financing Sources:	
State Sources - Securing Our Children's Future Bond Act	\$ 4,760,517
County Improvement Authorizations	2,426,839
	<hr/>
Total Revenue and Other Financing Sources	7,187,356
	<hr/>
Expenditures and Other Financing Uses:	
Construction Services	638,240
Equipment	1,690
Other Objects	400
	<hr/>
Total Expenditures and Other Financing Uses	640,330
	<hr/>
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	6,547,026
	<hr/>
Fund Balance - Beginning of Year	2,048,148
	<hr/>
Fund Balance - End of Year	\$ 8,595,174
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted	\$ 37
Committed	8,334,362
Committed - Year End Encumbrances	260,775
	<hr/>
Total Fund Balance - Budgetary Basis	8,595,174
	<hr/>
Reconciliation to Governmental Funds Statements (GAAP):	
Grant Receivable not Recognized on the GAAP Basis	(5,271,663)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 3,323,511
	<hr/> <hr/>

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, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 354,000		\$ 354,000	\$ 354,000
County Improvement Authorization	<u>1,518,918</u>		<u>1,518,918</u>	<u>1,518,918</u>
Revenue and Other Financing Sources	<u>1,872,918</u>		<u>1,872,918</u>	<u>1,872,918</u>
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	<u>3,930</u>		<u>3,930</u>	<u>42,000</u>
Total Expenditures	<u>999,139</u>		<u>999,139</u>	<u>1,872,918</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 873,779</u>	<u>\$ -0-</u>	<u>\$ 873,779</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	5110-010-14-4000; 1004
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	<u>\$ (29,082)</u>
Revised Authorized Cost	<u>\$ 1,872,918</u>
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	53%
Original Target Completion Date	12/15
Revised Target Completion Date	06/24

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ROOF REPLACEMENT AND WELDING SHOP IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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	1,275,673		1,275,673	1,275,673
Revenue and Other Financing Sources	2,232,401		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 Financing Sources Over/(Under) Expenditures	\$ 115,424	\$ -0-	\$ 115,424	\$ -0-

Additional Project Information:

Project Numbers	5110-010-14-1003; 1005
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
UNDERGROUND STORAGE TANK AND CULINARY FACILITIES PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
County Improvement Authorization	\$ 895,000		\$ 895,000	\$ 895,000
Revenue and Other Financing Sources	<u>895,000</u>		<u>895,000</u>	<u>895,000</u>
Expenditures:				
Purchased Professional and Technical Services	40,947		40,947	175,000
Construction Services	633,603	\$ 75,565	709,168	612,500
Equipment				87,500
Bond Issuance and Legal Costs	4,292		4,292	20,000
Total Expenditures	<u>678,842</u>	<u>75,565</u>	<u>754,407</u>	<u>895,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 216,158</u>	<u>\$ (75,565)</u>	<u>\$ 140,593</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	5110-010-21-5000; 6000
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	<u>\$ 895,000</u>

Percentage Increase over Original	
Authorized Cost	0%
Percentage Completion	84%
Original Target Completion Date	06/22
Revised Target Completion Date	01/24

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, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
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	\$ 1,690	51,719	51,756
Total Expenditures	50,029	1,690	51,719	51,756
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 1,727</u>	<u>\$ (1,690)</u>	<u>\$ 37</u>	<u>\$ -0-</u>

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	<u>\$ 51,756</u>
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	99%
Original Target Completion Date	06/22
Revised Target Completion Date	12/23

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HVAC UPGRADE AND CONSTRUCTION OF A SALT STORAGE BUILDING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
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		\$ 483,795	483,795	800,000
Bond Issuance and Legal Costs	2,938		2,938	20,000
Total Expenditures	58,940	483,795	542,735	900,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 841,060	\$ (483,795)	\$ 357,265	\$ -0-

Additional Project Information:

Project Numbers	5110-010-22-1000
Grant Date	N/A
County Bond Ordinance Authorization Date	4/22/20
County Bond Ordinance Authorized	\$ 900,000
Original Authorized Cost	\$ 900,000
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 900,000

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	60%
Original Target Completion Date	06/22
Revised Target Completion Date	10/24

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
EXPANSION PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources -				
Securing Our Children’s Future Bond Act		\$ 4,760,517	\$ 4,760,517	\$ 4,760,517
County Improvement Authorization		1,611,839	1,611,839	1,611,839
Revenue and Other Financing Sources		6,372,356	6,372,356	6,372,356
Expenditures:				
Construction Services		78,880	78,880	6,347,356
Bond Issuance and Legal Costs				25,000
Total Expenditures		78,880	78,880	6,372,356
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 6,293,476	\$ 6,293,476	\$ -0-

Additional Project Information:

Project Numbers	5110-010-21-1000
Grant Date	N/A
County Bond Ordinance Authorization	
Date	4/22/20
County Bond Ordinance Authorized	\$ 1,611,839
Original Authorized Cost	\$ 6,372,356
Unexpended Balance Cancelled	\$ -0-
Revised Authorized Cost	\$ 6,372,356

Percentage Increase over Original	
Authorized Cost	0%
Percentage Completion	1%
Original Target Completion Date	10/25
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
CONNECTION OF UTILITY LINES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
County Improvement Authorization		\$ 815,000	\$ 815,000	\$ 815,000
Revenue and Other Financing Sources		815,000	815,000	815,000
Expenditures:				
Construction Services				814,500
Other Objects		400	400	500
Total Expenditures		400	400	815,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 814,600	\$ 814,600	\$ -0-

Additional Project Information:

Project Numbers	5110-010-14-1004
Grant Date	N/A
County Bond Ordinance Authorization Date	4/22/20
County Bond Ordinance Authorized	N/A
Original Authorized Cost	\$ 815,000
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 815,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	09/25
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Major Funds			Totals
	Food Service	Use of Facilities	Transportation	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 163,983	\$ 169,669		\$ 333,652
Intrafund Receivable		32,886	\$ 6,646	39,532
Interfund Receivable - General Fund	173,510			173,510
Intergovernmental Accounts Receivable:				
State	296			296
Federal	5,895			5,895
Other Accounts Receivable		37,068	9,920	46,988
Inventories	8,745			8,745
Total Current Assets	352,429	239,623	16,566	608,618
Non-Current Assets:				
Capital Assets	152,079	52,700	620,176	824,955
Less: Accumulated Depreciation	(106,347)	(18,160)	(451,041)	(575,548)
Total Non-Current Assets	45,732	34,540	169,135	249,407
Total Assets	398,161	274,163	185,701	858,025
LIABILITIES:				
Current Liabilities:				
Intrafund Payable	6,646		32,886	39,532
Accounts Payable		5,051	897	5,948
Unearned Revenue:				
Prepaid Sales	3,453			3,453
Donated Commodities	1,333			1,333
Supply Chain Assistance	26,752			26,752
Total Current Liabilities	38,184	5,051	33,783	77,018
Total Liabilities	38,184	5,051	33,783	77,018
NET POSITION:				
Investment in Capital Assets	45,732	34,540	169,135	249,407
Unrestricted/(Deficit)	314,245	234,572	(17,217)	531,600
Total Net Position	\$ 359,977	\$ 269,112	\$ 151,918	\$ 781,007

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Major Funds			Totals
	Food Service	Use of Facilities	Transportation	
Operating Revenue:				
Daily Sales:				
Reimbursable Programs	\$ 195,563			\$ 195,563
Non-Reimbursable Programs	113,113			113,113
Charges for Services - Program Fees		\$ 149,901	\$ 89,600	239,501
Total Operating Revenue	308,676	149,901	89,600	548,177
Operating Expenses:				
Cost of Sales:				
Reimbursable Programs	196,908			196,908
Non-Reimbursable Programs	29,423			29,423
Salaries	143,598	71,627	51,350	266,575
Employee Benefits	40,829			40,829
Purchased Professional Technical Services		26,668		26,668
Maintenance	9,613			9,613
Other Purchased Services	16,575			16,575
Supplies and Materials	6,596		23,153	29,749
Energy		19,132		19,132
Miscellaneous Expenditures	1,996	27,111	8,784	37,891
Depreciation Expense	6,190	4,939	35,020	46,149
Total Operating Expenses	451,728	149,477	118,307	719,512
Operating Income/(Loss)	(143,052)	424	(28,707)	(171,335)
Non-Operating Revenue:				
Interest Income	3,193			3,193
State Sources:				
State School Lunch Program	5,740			5,740
State School Breakfast Program	315			315
Federal Sources:				
National School Lunch Program	105,774			105,774
School Breakfast Program	13,964			13,964
Supply Chain Assistance	30,574			30,574
Food Distribution Program	36,527			36,527
Total Non-Operating Revenue	196,087			196,087
Change in Net Position	53,035	424	(28,707)	24,752
Net Position - Beginning of Year	306,942	268,688	180,625	756,255
Net Position - End of Year	\$ 359,977	\$ 269,112	\$ 151,918	\$ 781,007

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Major Funds			Totals
	Food Service	Use of Facilities	Transportation	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 308,179	\$ 115,648	\$ 79,680	\$ 503,507
Payments to Food Service Company	(395,784)			(395,784)
Payments to/for Employees		(71,627)	(51,350)	(122,977)
Payments to Suppliers	(14,859)	(67,860)	(31,040)	(113,759)
Net Cash Used for Operating Activities	(102,464)	(23,839)	(2,710)	(129,013)
Cash Flows from Financing Activities:				
Interest Income	3,193			3,193
Net Cash Provided by Financing Activities	3,193			3,193
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(12,328)			(12,328)
Net Cash Used for Capital and Related Financing Activities	(12,328)			(12,328)
Cash Flows by Noncapital Financing Activities:				
Intrafund Advanced		(32,886)	32,886	
Intrafund Returned		30,176	(30,176)	
Interfund Advanced - General Fund	(23,325)			(23,325)
Federal Sources	209,770			209,770
State Sources	6,486			6,486
Net Cash Provided by Noncapital Financing Activities	192,931	(2,710)	2,710	192,931
Net Increase/(Decrease) in Cash and Cash Equivalents	81,332	(26,549)	-0-	54,783
Cash and Cash Equivalents, July 1	82,651	196,218	-0-	278,869
Cash and Cash Equivalents, June 30	\$ 163,983	\$ 169,669	\$ -0-	\$ 333,652

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Major Funds			Totals
	Food Service	Use of Facilities	Transportation	
Reconciliation of Operating Income/(Loss) to Net Cash Used for Operating Activities:				
Operating Income/(Loss)	\$ (143,052)	\$ 424	\$ (28,707)	\$ (171,335)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation	6,190	4,939	35,020	46,149
Food Distribution Program	36,527			36,527
Changes in Assets and Liabilities:				
(Increase) in Other Accounts Receivable		(34,253)	(9,920)	(44,173)
Increase in Accounts Payable		5,051	897	5,948
Increase in Unearned Revenue - Donated Commodities	870			870
(Decrease) in Unearned Revenue - Prepaid Sales	(497)			(497)
(Increase) in Inventory	(2,502)			(2,502)
Net Cash Used for Operating Activities	<u>\$ (102,464)</u>	<u>\$ (23,839)</u>	<u>\$ (2,710)</u>	<u>\$ (129,013)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$37,397 and utilized U.S.D.A. Commodities valued at \$36,527.

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

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

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

June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in Capital Assets	\$ 11,569,599	\$ 13,090,307	\$ 13,182,426	\$ 13,417,964	\$ 15,380,891	\$ 15,984,158	\$ 17,396,290	\$ 17,069,430	\$ 17,358,046	\$ 17,841,574
Restricted	541	541	541	541	250,541	148,457	506,657	616,774	738,432	742,910
Unrestricted/(Deficit)	(2,946,352)	(4,461,616)	(3,464,976)	(3,002,659)	(4,858,610)	(4,686,682)	(5,451,229)	(4,528,244)	(3,740,515)	(1,762,209)
Total Governmental Activities Net Position	\$ 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	\$ 16,822,275
Business-Type Activities:										
Investment in Capital Assets	\$ 268,044	\$ 297,929	\$ 315,213	\$ 294,421	\$ 208,151	\$ 364,698	\$ 352,967	\$ 306,199	\$ 283,228	\$ 249,407
Unrestricted	201,243	495,348	638,982	795,398	751,760	474,544	276,635	263,633	473,027	531,600
Total Business-Type Activities Net Position	\$ 469,287	\$ 793,277	\$ 954,195	\$ 1,089,819	\$ 959,911	\$ 839,242	\$ 629,602	\$ 569,832	\$ 756,255	\$ 781,007
District-Wide:										
Net Investment in Capital Assets	\$ 11,837,643	\$ 13,388,236	\$ 13,497,639	\$ 13,712,385	\$ 15,589,042	\$ 16,348,856	\$ 17,749,257	\$ 17,375,629	\$ 17,641,274	\$ 18,090,981
Restricted	541	541	541	541	250,541	148,457	506,657	616,774	738,432	742,910
Unrestricted/(Deficit)	(2,745,109)	(3,966,268)	(2,825,994)	(2,207,261)	(4,106,850)	(4,212,138)	(5,174,594)	(4,264,611)	(3,267,488)	(1,230,609)
Total District Net Position	\$ 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	\$ 17,603,282

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 4,012,495
Special Education	543,303	975,613	1,368,925	467,204	731,289	612,283	634,475	592,568	537,497	511,802
Vocational Education	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	3,427,039
School-Sponsored/Other Instruction	752,062	864,965	918,782	1,078,597	986,741	909,256	946,980	901,840	909,876	880,051
Support Services:										
Student and Instruction Related Services	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	2,807,211
General Administrative Services	390,006	446,202	738,150	722,345	745,747	603,539	618,648	642,845	615,297	583,690
School Administrative Services	453,446	564,120	630,379	1,017,870	1,097,615	997,172	838,636	840,320	879,040	916,060
Central Services	538,245	553,272	597,303	570,275	623,689	638,886	644,530	607,666	539,309	595,462
Administrative Information Technology	134,939	162,140	195,967	210,955	262,882	209,703	270,154	265,927	330,185	251,019
Plant Operations and Maintenance	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	2,548,476
Pupil Transportation	478,356	514,667	460,368	508,920	320,341	246,261	152,122	125,640	192,199	236,513
Special Schools	78,006	208,813	254,000	316,510	242,896	219,660	154,198	205,550	145,001	144,573
Capital Outlay	136,263									
Unallocated Depreciation	415,265									
Total Governmental Activities Expenses	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	16,914,391
Business-Type Activities:										
Transportation	1,107,714	1,028,886	817,355	804,323	226,615	224,411	272,436	163,916	110,402	118,307
Use of Facilities	128,455	116,323	72,996	90,602	155,334	207,470	108,062	23,802	55,173	149,477
Food Service	376,639	421,497	435,438	417,022	417,650	415,105	286,116	214,668	481,608	451,728
Total Business-Type Activities Expense	1,612,808	1,566,706	1,325,789	1,311,947	799,599	846,986	666,614	402,386	647,183	719,512
Total District Expenses	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	17,633,903
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	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	1,730,986
Student & Instruction Related Services										
Operating Grants and Contributions	2,131,459	3,525,237	3,938,840	5,395,048	5,933,107	4,735,093	4,667,366	4,113,181	4,376,246	3,376,718
Capital Grants and Contributions		502,400	146,515	576,048			224,728		50,029	533
Total Governmental Activities Program Revenues	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	5,451,866

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

UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues: (Cont'd)										
Business-Type Activities:										
Charges for Services:										
Transportation	\$ 1,210,373	\$ 1,313,006	\$ 953,014	\$ 856,779	\$ 194,724	\$ 160,114	\$ 132,330	\$ 144,660	\$ 40,928	\$ 89,600
Use of Facilities	138,679	154,038	128,983	177,279	145,088	171,754	61,531	10,836	104,521	149,901
Food Service	307,364	319,090	321,986	355,559	355,559	321,665	202,357	9,620	56,936	308,676
Operating Grants and Contributions	119,178	119,767	107,316	81,174	70,568	72,601	72,664	177,441	631,591	192,894
Capital Grants and Contributions	1,775,594	1,905,901	1,511,299	1,470,540	773,726	726,134	468,882	342,557	833,976	741,071
Total Business-Type Activities Program Revenues	5,428,795	7,572,139	7,247,425	8,588,622	9,018,915	6,968,898	7,101,689	6,323,456	6,986,359	6,192,937
Total District Program Revenues										
Net (Expense)/Revenue:										
Governmental Activities	(11,676,739)	(10,896,647)	(11,252,595)	(11,659,682)	(10,866,892)	(11,300,067)	(10,497,585)	(11,333,869)	(10,873,374)	(11,462,525)
Business-Type Activities	162,786	339,195	185,510	158,593	(25,873)	(120,852)	(197,732)	(59,829)	186,793	21,559
Total District-Wide Net Expense	(11,513,953)	(10,557,452)	(11,067,085)	(11,501,089)	(10,892,765)	(11,420,919)	(10,695,317)	(11,393,698)	(10,686,581)	(11,440,966)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
County Tax Levy	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	7,574,424
Federal and State Aid not Restricted	3,833,360	3,845,724	3,847,345	3,853,083	3,855,765	3,790,971	3,782,004	3,784,033	3,784,033	3,784,033
Miscellaneous Income	129,846	141,471	125,784	212,304	384,240	120,873	113,636	80,827	159,525	143,541
County Improvement Authorization and Finance Purchases Proceeds	1,548,000	130,000	1,464,000	1,331,000		1,106,553	243,017	895,000	900,000	2,426,839
Insurance Recovery Related to Snow Storm	55,750									
Cancellation of Intergovernmental Accts Receivable	(76,528)	(178,078)	(58,749)	(1,824)		(29,082)			(198,081)	
Allowance for Doubtful Accounts	12,316,872	10,902,091	12,341,354	12,357,537	11,223,868	11,973,178	11,258,707	12,040,111	12,071,377	13,928,837
Total Governmental Activities										
Business-Type Activities:										
Miscellaneous Income	129	217	267	132	148	187	197	59	80	3,193
Insurance Recovery Related to Buses	79,657									
Cancellation of Prior Year Accounts Receivable	(5,368)	(23,972)	(24,859)	(26,929)	(16,208)	(4)	(12,105)		(450)	
Cancellation of Prior Year Accounts Payable		8,550		3,828						
Disposal of Capital Assets, Net of Accumulated Depreciation	(68,917)				(87,975)					
Total Business-Type Activities	5,501	(15,205)	(24,592)	(22,969)	(104,035)	183	(11,908)	59	(370)	3,193
Total District-Wide	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	13,932,030
Change in Net Position:										
Governmental Activities	640,133	5,444	1,088,759	697,855	356,976	673,111	761,122	706,242	1,198,003	2,466,312
Business-Type Activities	168,287	323,990	160,918	135,624	(129,908)	(120,669)	(209,640)	(59,770)	186,423	24,752
Total District	\$ 808,420	\$ 329,434	\$ 1,249,677	\$ 833,479	\$ 227,068	\$ 552,442	\$ 551,482	\$ 646,472	\$ 1,384,426	\$ 2,491,064

Source: School District Financial Reports

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

June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 148,457	\$ 302,040	\$ 404,571	\$ 495,251	\$ 482,997
Assigned			69,135	72,559	257,036	57,586	53,798	9,610	27,282	
Unassigned/(Deficit)	(133,758)	(64,231)	41,432	341,289	51,480	43,045	100,765	150,172	119,319	(360,014)
Total General Fund/(Deficit)	\$ (133,217)	\$ (63,690)	\$ 111,108	\$ 414,389	\$ 559,057	\$ 249,088	\$ 456,603	\$ 564,353	\$ 641,852	\$ 122,983
All Other Governmental Funds:										
Restricted	\$ 3,183,343	\$ 1,681,744	\$ 2,611,538	\$ 3,340,645	\$ 1,756,604	\$ 2,005,905	\$ 204,617	\$ 212,203	\$ 243,181	\$ 259,913
Committed							888,469	1,601,041	1,536,469	3,323,511
Total All Other Governmental Funds	\$ 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	\$ 3,583,424
Governmental Funds:										
Restricted	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 148,457	\$ 506,657	\$ 616,774	\$ 738,432	\$ 742,910
Committed	3,183,343	1,681,744	2,611,538	3,340,645	1,756,604	2,005,905	888,469	1,601,041	1,536,469	3,323,511
Assigned			69,135	72,559	257,036	57,586	53,798	9,610	27,282	
Unassigned/(Deficit)	(133,758)	(64,231)	41,432	341,289	51,480	43,045	100,765	150,172	119,319	(360,014)
Total Governmental Funds	\$ 3,050,126	\$ 1,618,054	\$ 2,722,646	\$ 3,755,034	\$ 2,315,661	\$ 2,254,993	\$ 1,549,689	\$ 2,377,597	\$ 2,421,502	\$ 3,706,407

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
County Tax Levy	\$ 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	\$ 7,574,424
Tuition from Individuals	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	1,725,305
Tuition from LEA's	41,564	53,476	31,181	93,545	106,185	8,213	53,183	26,851	96,394	76,136
Unrestricted Miscellaneous Revenue	89,282	87,995	94,603	118,759	278,055	112,660	86,701	186,006	333,141	416,380
Interest Earned on Capital Reserve Funds	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	7,738,149
Other Restricted Miscellaneous Revenue	442,792	436,962	322,295	493,862	437,730	456,899	492,253	510,401	688,871	946,515
State Sources	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	18,482,590
Federal Sources										
Total Revenue	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	2,798,849
Expenditures:										
Instruction:										
Regular Instruction	146,020	157,020	436,482	446,704	442,609	364,731	442,356	418,235	408,444	383,049
Special Education Instruction	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	2,242,354
Vocational Education Instruction	570,260	597,082	626,878	657,359	599,935	584,050	627,929	571,822	667,631	644,842
School-Sponsored/Other Instruction										
Support Services:										
Student and Instruction Related Services	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	2,242,451
General Administrative Services	317,047	333,213	599,935	560,701	579,528	471,000	495,837	497,041	525,613	487,112
School Administrative Services	327,804	342,069	424,834	530,246	589,241	584,370	498,694	511,770	586,857	618,685
Central Services	384,050	346,145	372,710	303,665	313,128	345,809	376,103	341,179	323,227	403,707
Administrative Information Technology	92,976	96,085	123,225	118,138	178,046	127,295	211,273	175,365	219,790	176,523
Plant Operations and Maintenance	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	1,954,144
Pupil Transportation	339,396	288,252	205,109	244,298	209,691	198,163	100,087	113,587	173,924	205,518
Unallocated Benefits	36,812	48,748	94,540	93,555	75,485	60,607	4,541,662	4,995,998	5,657,546	6,389,405
Special Schools	1,390,135	2,191,056	688,659	885,332	2,421,959	1,644,035	1,696,525	262,694	887,685	35,445
Capital Outlay	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	19,624,524
Total Expenditures	(1,474,998)	(1,426,196)	(300,659)	(319,583)	(1,439,373)	(1,678,464)	(1,192,984)	(67,092)	(658,014)	(1,141,934)
Deficit of Revenues Under Expenditures										
Other Financing Sources (Uses):										
County Improvement Authorization	1,548,000	130,000	1,464,000	1,331,000		1,106,553	243,017	895,000	900,000	2,426,839
Insurance Recovery Related to Snow Storm	55,750									
Allowance for Doubtful Accounts	(76,528)									
Financed Purchases (Non-Budgeted)	51,932	42,202	(58,749)	22,795		(29,082)				(198,081)
Cancellation of Intergovernmental Accts Receivable	1,579,154	(178,078)	1,405,251	(1,824)		1,077,471	243,017	895,000	701,919	2,426,839
Total Other Financing Sources (Uses)	\$ 104,156	\$ (1,432,072)	\$ 1,104,592	\$ 1,032,388	\$ (1,439,373)	\$ (600,993)	\$ (949,967)	\$ 827,908	\$ 43,905	\$ 1,284,905
Net Change in Fund Balances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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,	Evening School/ Other Program Fees	Interest on Investments	Tuition	Miscellaneous	Total
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
2022	29,325	2,856	1,726,108	127,344	1,885,633
2023	30,802	20,166	1,730,986	92,573	1,874,527

Source: Sussex County Technical School Records.

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2013	\$ 388,642,510	\$ 12,956,786,993	\$ 569,350,100	\$ 29,987,805	\$ 1,527,333,445	\$ 180,425,100	\$ 104,300,200	\$ 15,756,826,153	\$ 1,908,996,581	\$ 27,844,569	\$ 15,784,670,722	N/A	\$ 17,771,912,524
2014	359,859,600	12,832,613,799	575,638,300	28,697,212	1,562,871,731	182,853,900	105,834,650	15,648,369,192	1,966,476,133	28,535,189	15,676,904,381	N/A	17,288,892,523
2015	354,838,050	12,892,141,356	577,445,200	28,141,970	1,568,633,691	205,680,100	106,856,150	15,733,736,517	1,871,957,683	31,267,079	15,765,003,596	N/A	17,099,240,434
2016	351,390,250	13,470,489,956	581,440,500	27,144,800	1,651,039,630	212,895,500	107,816,300	16,402,216,936	1,930,454,783	19,865,747	16,422,082,683	N/A	16,855,188,150
2017	348,829,950	13,450,764,856	582,672,600	26,600,052	1,643,563,784	213,286,000	111,820,300	16,377,337,542	1,938,071,683	15,172,530	16,392,510,072	N/A	16,867,913,287
2018	341,406,050	13,441,874,256	583,508,500	26,467,372	1,621,718,384	211,294,100	140,113,700	16,366,382,362	1,945,442,750	15,015,577	16,381,397,939	N/A	16,972,770,842
2019	341,867,450	13,456,287,656	582,490,000	26,178,372	1,652,318,234	212,849,600	124,904,500	16,396,895,812	1,957,409,750	15,648,867	16,412,544,679	N/A	17,385,675,522
2020	322,956,750	13,311,191,536	582,937,700	25,216,700	1,655,945,734	217,627,900	130,498,800	16,246,375,120	1,936,482,670	2,447,125	16,248,822,245	N/A	17,670,926,983
2021	307,368,400	13,427,617,010	583,687,400	24,796,900	1,637,427,400	220,571,900	137,777,300	16,339,246,310	1,952,968,590	2,460,017	16,341,706,327	N/A	17,891,080,055
2022	306,506,900	13,824,056,150	584,051,400	23,895,200	1,644,857,000	225,047,500	139,911,400	16,748,325,550	1,969,347,550	2,336,354	16,750,661,904	N/A	19,093,482,643

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 Telephones, Telegraph and Messenger System Companies

Source: Sussex County Tax Assessor

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

Taxpayer	2022		
	Taxable Assessed Value	Rank	% of Total County Net Assessed Value
Tenneco, Inc.	\$ 48,954,000	1	0.29%
Martin Properties	44,617,600	2	0.27%
Gordon Byram Associates	37,424,500	3	0.22%
BNJD Property, LLC	35,128,300	4	0.21%
Wantage Avenue Holding Co.	30,999,500	5	0.19%
WalMart Stores	22,490,000	6	0.13%
Mountain Creek	17,238,700	7	0.10%
New Jersey Investors Growth	17,229,600	8	0.10%
Wild Turkey Golf Club SPE	16,997,800	9	0.10%
Edgewater Associates, LLC	15,300,000	10	0.09%
Total	<u>\$ 286,380,000</u>		<u>1.71%</u>

Taxpayer	2013		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mountain Creek	\$ 56,692,400	1	0.36%
Kenneth D. Martin & Associates. LLC	37,919,800	2	0.24%
Wantage Avenue Holding Company, Inc.	35,000,000	3	0.22%
Gordon Byram Associates, LLC	27,613,700	4	0.17%
United Telephone	24,785,440	5	0.16%
Metairie Corporation	24,730,000	6	0.16%
Crystal Springs/Grand Cascades/Ballyowen/Shotland Bauer	22,116,200	7	0.14%
Wal-Mart	20,139,000	8	0.13%
Tennessee Gas Pipeline/Kinder Morgan	20,006,000	9	0.13%
Edgewater Associates, Inc.	17,013,600	10	0.11%
Total	<u>\$ 286,016,140</u>		<u>1.81%</u>

Source: Sussex County

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2023	7,574,424	7,574,424	100.00%	-0-

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

Source: Sussex County Technical School records.

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

Fiscal Year Ended June 30,	Governmental Activities						Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Financed Purchases	Bond Anticipation Notes (BANs)		Business-Type Activities Purchases			
2014	\$ -0-	\$ -0-	\$ 46,589	\$ -0-	\$ 90,297	\$ 136,886	0.0017%	\$ 0.95	
2015	-0-	-0-	70,804	-0-	172,725	243,529	0.0031%	1.70	
2016	-0-	-0-	52,658	-0-	104,635	157,293	0.0019%	1.11	
2017	-0-	-0-	55,825	-0-	70,563	126,388	0.0015%	0.89	
2018	-0-	-0-	32,594	-0-	35,691	68,285	0.0008%	0.48	
2019	-0-	-0-	19,030	-0-	-0-	19,030	0.0002%	0.14	
2020	-0-	-0-	8,818	-0-	-0-	8,818	0.0001%	0.06	
2021	-0-	-0-	3,900	-0-	-0-	3,900	0.0000%	0.03	
2022	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00	
2023	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00	

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	Population ^a	Sussex County Per Capita Personal Income ^b	Total County Personal Income	Unemployment Rate ^c
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	71,059	10,342,140,037	5.90%
2022	146,084	71,059 *	10,380,582,956 ***	3.70%
2023	146,084 **	71,059 *	10,380,582,956 ***	N/A

* - Latest Sussex County per capita personal income available (2021) was used for calculation purposes.

** - Latest population data available (2022) was used for calculation purposes.

*** - Latest available population data (2022) and latest available Sussex County per capita personal income (2021) 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

Employer	2022		
	Employees	Rank (Optional)	Percentage of Total Employment
Selective Insurance Group Inc.	1,000-4,999	1	1.34%-6.69%
Crystal Springs Resort	1,000-4,999	2	1.34%-6.69%
Newton Memorial Center	500-999	3	0.67%-1.34%
Sussex County Offices	500-999	4	0.67%-1.34%
Thorlabs	500-999	5	0.67%-1.34%
Mountain Creek Resort	500-999	6	0.67%-1.34%
Shop Rite	250-499	7	0.33%-0.67%
Sussex County Community College	250-499	8	0.33%-0.67%
United Methodist Community Bristol Glen	250-499	9	0.33%-0.67%
Andover Subacute & Rehab Center	100-249	10	0.13%-0.33%
	<u>4,850-15,740</u>		<u>6.49%-21.06%</u>

Total Employment

74,747

Employer	2013		
	Employees	Rank (Optional)	Percentage of Total Employment
Crystal Springs Golf and Spa Resort	2,000	1	2.66%
Newton Memorial Hospital	1,200	2	1.59%
Selective Insurance	900	3	1.20%
County of Sussex	830	4	1.10%
Mountain Creek Resort	800	5	1.06%
Ames Rubber Corp	445	6	0.59%
Shop Rite (Ronetco)	301	7	0.40%
Andover Subacute & Rehab Center	300	8	0.40%
Sussex County Community College	300	9	0.40%
SCARC, Inc.	287	10	0.38%
	<u>7,363</u>		<u>9.78%</u>

Total Employment

75,252

Source: Sussex County

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

<u>Function/Program</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular	34.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
Special Education	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Other Special Education	1.0	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Vocational	24.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	22.0
Other Instruction	4.5	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	6.0
Support Services:										
Student & Instruction Related Services	12.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	17.5
School Administrative Services	5.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
General Administrative Services	1.5	1.0	1.0	1.5	1.5	1.5	2.0	2.0	2.0	2.0
Central Services	5.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Administrative Information Technology	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant Operations and Maintenance	15.5	13.5	13.5	11.5	11.5	11.5	11.5	13.5	13.5	15.5
Pupil Transportation	2.0	11.2	11.2	11.2	1.0	1.0	1.0	1.0	1.0	1.0
Total	111.5	121.7	121.7	118.7	108.5	108.5	109.0	111.0	111.0	110.5

Source: District Personnel Records

SUSSEX COUNTY TECHNICAL SCHOOL
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	* Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		* Average Daily Enrollment (ADE) ^c	* Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School	School				
2014	794	\$ 14,527,714	\$ 18,297	-7.83%	68	1:11.7	769	741	8.46%	96.36%	
2015	763	14,559,254	19,082	4.29%	68	1:12.2	766	712	-0.39%	92.95%	
2016	777	14,719,540	18,944	-0.72%	68	1:12.6	777	759	1.44%	97.68%	
2017	785	14,888,325	18,966	0.12%	69	1:13.1	785	769	1.03%	97.96%	
2018	787	15,437,430	19,616	3.42%	69	1:13.1	787	772	0.25%	98.09%	
2019	787	15,667,552	19,908	1.49%	69	1:13.1	789	774	0.25%	98.10%	
2020	759	15,765,935	20,772	4.34%	69	1:10.9	761	731	-3.55%	96.06%	
2021	758	16,521,024	21,796	4.93%	69	1:10.6	734	700	-3.55%	95.37%	
2022	723	17,730,290	24,523	12.51%	69	1:10.4	706	653	-3.81%	92.49%	
2023	720	18,582,084	25,808	5.24%	64	1:10.9	698	647	-1.13%	92.69%	

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.

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

* Figures represent high school, grades 9-12 enrollment

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

Sources: School District records

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Buildings</u>										
Vocational High School (1967)	225,249	225,249	225,249	225,249	225,249	225,249	225,249	225,249	225,249	225,249
Square Feet	734.4	734.4	734.4	734.4	734.4	734.4	734.4	734.4	734.4	734.4
Capacity (students) *	794.0	763.0	777.0	785.0	787.0	787.0	759.0	758.0	723.0	720.0
Enrollment *										

Number of Schools at June 30, 2023
 Vocational High School = 1

* Represents high school, grades 9-12 enrollment

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

Source: School District Facilities Office

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

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

Facility	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School Facilities:										
Sussex County Technical School	\$ 690,818	\$ 827,805	\$ 884,502	\$ 787,455	\$ 719,369	\$ 678,065	\$ 662,701	\$ 544,464	\$ 807,547	\$ 771,490

Source: School District records.

SUSSEX COUNTY TECHNICAL SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
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, Employee Benefits:	5,000,000	
Per Occurrence		
General Aggregate	Agreed upon based on membership	
Product/Completed Ops		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses (excluding students taking part in athletics)	10,000	
Automobile Coverage		
CYBER Liability	750,000 Occurrence/ Aggregate	
Environmental Impairment Liability	1,000,000 / 25,000,000 Fund Aggregate	50,000
Crime Coverage	50,000 Inside/Outside	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler and Machinery	100,000,000	2,500
Excess Liability	5,000,000	
School Board Legal Liability	5,000,000 / 5,000,000	10,000
Excess School Board Legal Liability	5,000,000 / 5,000,000	
Workers' Compensation:	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Student Accident including Football - School Alliance Insurance Fund (full excess plan)	Bollinger Student Accident Program	1,000,000
Public Officials' Bonds - Selective Insurance Company		
Treasurer of School Monies	200,000	
School Business Administrator/Board Secretary	200,000	

Source: Sussex County Technical School Insurance Agent

SINGLE AUDIT SECTION



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

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 14, 2023.

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.

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.

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

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.

December 14, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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



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

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, 2023. 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, 2023.

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 2

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 will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

December 14, 2023
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Assistance Listing Number	Federal Grantor/Pass Through Grantor/Program/Cluster Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2023		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Agriculture:														
Passed-through State Department of Agriculture:														
Child Nutrition Cluster:														
10.555	Food Distribution Program	N/A	7/1/22-6/30/23	\$ 37,397			\$ 37,397	\$ (36,064)				\$ 1,333		
10.555	Food Distribution Program	N/A	7/1/21-6/30/22	30,805	\$ 463			(463)						
10.553	School Breakfast Program	N/A	7/1/22-6/30/23	13,964			13,095	(13,964)			\$ (869)			
10.555	National School Lunch Program	N/A	7/1/22-6/30/23	105,774			100,748	(105,774)			(5,026)			
10.555	COVID-19 - Supply Chain Assistance	N/A	7/1/22-6/30/23	57,326			57,326	(30,574)				26,752		
10.555	COVID-19 - Seamless Summer Option	N/A	7/1/21-6/30/22	576,181			38,601				(5,895)			
	Total Child Nutrition Cluster				463		247,167	(186,839)			(5,895)		28,085	
	Total U.S. Department of Agriculture				463		247,167	(186,839)			(5,895)		28,085	
U.S. Department of Education:														
Special Revenue Fund:														
Passed-through State Department of Education:														
Elementary and Secondary Education Act:														
84.010	Title I	ESEA511023	7/1/21-9/30/23	72,442			15,228	(48,867)				(33,639)		
84.010	Title I	ESEA511022	7/1/21-9/30/22	60,512			18,786							
84.010	Title I	ESEA511015	7/1/14-6/30/15	58,663						\$ (1,675)				
84.367	Title II A	ESEA511023	7/1/21-9/30/23	13,522			34,014	(48,867)			(1,675)			
84.367	Title II A	ESEA511022	7/1/21-9/30/22	12,908			3,877	(13,522)						
	Total Title II A						17,399	(13,522)						
84.424	Title IV	ESEA511023	7/1/22-9/30/23	10,000			10,000	(9,289)			(9,289)			
84.424	Title IV	ESEA511022	7/1/21-9/30/22	22,500			10,000	(10,000)						
	Total Title IV						10,000	(19,289)			(9,289)			
Education Stabilization Fund:														
COVID 19 - CRRSA:														
84.425D	ESSER II	S425D210027	3/13/20-9/30/23	181,509			158,498	(66,285)						
84.425D	Learning Acceleration	S425D210027	3/13/20-9/30/23	25,000			16,083	(2,633)			(7,444)			
84.425D	Mental Health	S425D210027	3/13/20-9/30/23	45,000			26,600	(36,300)			(9,700)			
	Total COVID 19 - CRRSA						191,181	(105,218)			(17,148)			
84.425U	ESSER III	S425U210027	3/13/20-9/30/23	407,930			356,818	(386,090)				(29,272)		
84.425U	Learning Acceleration	S425U210027	3/13/20-9/30/23	68,760			27,975	(27,975)						
84.425U	Summer Learning & Enrichment	S425U210027	3/13/20-9/30/23	40,000			15,324	(16,408)			(1,084)			
84.425U	Comp. Beyond School Day	S425U210027	3/13/20-9/30/23	40,000			13,170	(14,739)			(1,569)			
	Total Education Stabilization Fund						614,468	(550,430)			(49,069)			
84.048	Carl D. Perkins Secondary	PERK511023	7/1/22-6/30/23	156,501			156,476	(156,501)			(25)			
84.048	Carl D. Perkins Secondary	PERK511022	7/1/21-6/30/22	108,246			14,553		\$ (1)					
84.048	Carl D. Perkins Post Secondary	PERK511023	7/1/22-6/30/23	79,999			79,999	(79,999)						
84.048	Carl D. Perkins Post Secondary	PERK511022	7/1/21-6/30/22	79,923			1,599						\$ 1,599	
	Total Carl D. Perkins						251,028	(236,500)			(25)		1,599	

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Years' Balances	Balance at June 30, 2023		Amounts Provided to Subre- cipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	
<u>U.S. Department of Education: (Cont'd)</u>														
<u>Special Revenue Fund: (Cont'd)</u>														
Passed-through State Department of Education:														
Special Education Cluster:														
	84-027X	IDEA511022	7/1/21-9/30/22	\$ 32,179	\$ (32,179)		\$ 32,077					\$ (102)		
	84-027	IDEA511023	7/1/22-9/30/23	192,845			70,469	\$ (184,669)				(114,200)		
	84-027	IDEA511022	7/1/21-9/30/22	197,127	(66,565)		66,565							
	84-027	IDEA511014	7/1/13-6/30/14	182,218						\$ (196)				
		Total Special Education Cluster			(98,744)		169,111	(184,669)			(196)	(114,302)		
		Total U.S. Department of Education			(249,066)		1,096,020	(1,053,277)	\$ (1)	(1,871)	(206,324)		\$ 1,599	
<u>U.S. Department of Labor:</u>														
<u>Special Revenue Fund:</u>														
(Passed Through Morris County Private Industry Council):														
WIOA Cluster:														
	17,259	N/A	7/1/21-6/30/22	63,794										360
	17,259	N/A	7/1/19-6/30/20	62,238										2,431
	17,259	N/A	7/1/18-6/30/19	61,018										302
	17,259	N/A	7/1/17-6/30/18	49,912										6,548
	17,259	N/A	7/1/16-6/30/17	63,458						(1)				9,161
		Total WIOA Cluster								(1)				18,802
		Total U.S. Department of Labor								(1)				18,802
<u>U.S. Federal Communications Commission:</u>														
<u>Special Revenue Fund:</u>														
	32,009	ECF202104607	7/1/21-6/30/22	45,537			7,915							7,915
		Total U.S. Federal Communications Commission												7,915
		Total Special Revenue Fund			(249,066)		1,096,020	(1,053,277)	(2)	(1,871)	(206,324)			28,316
		Total Federal Awards			\$ (287,667)	\$ 463	\$ 1,343,187	\$ (1,240,116)	\$ (2)	\$ (1,871)	\$ (212,219)	\$ 28,085	\$ 28,316	\$ -0-

N/A - Not Applicable/Available

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

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Prior Yr Encumbrance Cancelled	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Budgetary Due to Grantor					GAAP Accounts Receivable	Due to Grantor	
<u>NJ Department of Education:</u>													
General Fund State Aid:													
Equalization Aid			\$ 2,396,720				\$ 2,157,281						\$ 2,396,720
Special Education Categorical Aid	23-495-034-5120-078	7/1/22-6/30/23	413,134				371,861						(41,273)
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	74,363				66,934						(7,429)
Vocational Expansion Stabilization Aid	N/A	7/1/22-6/30/23	1,312,950				1,181,782						(131,168)
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	429,134				406,907						(22,227)
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	574,366				574,366						
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	2,156,496				2,156,496						
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	29,919				29,919						
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	1,041				1,041						
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	2,460,033	\$ (245,764)			245,764						2,460,033
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	413,134	(41,273)			41,273						413,134
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	74,363	(7,429)			7,429						74,363
Adjustment Aid	22-495-034-5120-085	7/1/21-6/30/22	248,618	(24,838)			24,838						248,618
Vocational Expansion Stabilization Aid	N/A	7/1/21-6/30/22	1,001,019	(100,005)			100,005						224,391
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	428,852	(30,872)			30,872						428,852
Total General Fund State Aid				(450,181)			7,396,768				(22,227)		11,237,514
Capital Projects Fund:													
Securing Our Children's Future Bond Act	N/A	7/1/20-6/30/22	51,756	\$ 533									(1,157)
Total Capital Projects Fund				533									50,562
Total NJ Department of Education				(450,181)	533		7,396,768				(22,227)		11,288,076
<u>NJ Department of Agriculture:</u>													
Special Revenue Fund:													
Curriculum for Agricultural Science Education	N/A	4/1/17-6/30/17	10,000							\$ (10,000)			
Curriculum for Agricultural Science Education	N/A	4/1/15-6/30/15	7,500									\$ 4,487	
Total Special Revenue Fund										(10,000)		\$ 4,487	3,013
Enterprise Fund:													3,013
Slate School Lunch Program	23-100-010-3350-023	7/1/19-6/30/20	5,740				5,464					(276)	5,740
Slate School Breakfast Program	23-100-010-3350-021	7/1/21-6/30/22	315				295					(20)	315
COVID-19 - Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	11,799	(727)			727					(296)	11,799
Total Enterprise Fund				(727)			6,486					(296)	17,854
Total NJ Department of Agriculture				(727)			6,486			(10,000)		(296)	20,867
<u>NJ Department of Labor and Workforce Development:</u>													
Special Revenue Fund:													
Apprenticeship Coordinator	100-062-4545-	7/1/16-6/30/17	10,000				441			\$ (1)			9,560
Apprenticeship Coordinator	341-6140	7/1/09-6/30/10	15,339				86						15,253
Total NJ Department of Labor and Workforce Development							527			(1)			24,813

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Prior Yr Encumbrance Cancelled	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Budgetary Due to Grantor					GAAP Accounts Receivable	Due to Grantor	
NJ Department of Human Services:													
Special Revenue Fund:													
Adolescent Pregnancy Prevention Initiative:													
FY23	#SB05037	7/1/22-6/30/23	\$ 39,051		\$ 7,755	\$ 69,051	\$ (53,860)	\$ 148	\$ (16,291)	\$ 15,191	\$ 7,903	\$ 23,860	
FY22	#SB05037	7/1/21-6/30/22	78,590		16,291				(3,419)			70,687	
FY21	#SB05037	7/1/20-6/30/21	66,600		3,419				(478)			50,309	
FY20	#SB05037	7/1/19-6/30/20	66,600		6,561				(6,561)			63,181	
FY18	#SB05037	7/1/17-6/30/18	67,600		693					1,363		67,122	
FY17	#SB05037	7/1/16-6/30/17	66,600		417					693		60,039	
FY16	#SB05037	7/1/15-6/30/16	62,777		36,977	69,051	(53,860)	148	(26,749)	417		61,414	
FY15	#SB05037	7/1/14-6/30/15	62,777									62,084	
FY14	#SB05037	7/1/13-6/30/14	62,777							25,567		62,360	
Total Adolescent Pregnancy Prevention Initiative													
School Based Youth Services:													
FY23	#SB05037	7/1/22-6/30/23	266,044		60,017	266,044	(254,121)			11,923		254,121	
FY22	#SB05037	7/1/21-6/30/22	302,799		42,358				(31,573)	60,017		242,782	
FY21	#SB05037	7/1/20-6/30/21	256,601		25,800				(25,800)	10,785		245,816	
FY20	#SB05037	7/1/19-6/30/20	256,601		10,748				(10,748)			230,801	
FY19	#SB05037	7/1/18-6/30/19	256,601		219				(219)			245,853	
FY18	#SB05037	7/1/17-6/30/18	264,744		5,161				(5,161)	4,381		264,525	
FY17	#SB05037	7/1/16-6/30/17	264,744		7,868				(3,487)	2,018		259,583	
FY16	#SB05037	7/1/15-6/30/16	256,601		2,018					2,018		248,733	
FY15	#SB05037	7/1/14-6/30/15	256,101		6,509					6,509		254,083	
FY14	#SB05037	7/1/13-6/30/14	261,401		160,698	266,044	(254,121)		(76,988)	95,633		254,892	
Total School Based Youth Services													
Total NJ Department of Human Services													
Total Special Revenue Fund													
Total State Awards													
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(574,366)			(574,366)	574,366						
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(2,156,496)			(2,156,496)	2,156,496						
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(29,919)			(29,919)	29,919						
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(1,041)			(1,041)	1,041						
Subtotal - On-Behalf TPAF Pension System Contributions													
Total State Awards Subject to Single Audit Major Program Determination													
N/A - Not Applicable/Available													

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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023. 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 (\$65,250) 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, 2023
(Continued)

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

	Federal	State	Total
General Fund		\$ 7,388,123	\$ 7,388,123
Special Revenue Fund	\$ 946,515	349,493	1,296,008
Capital Projects Fund		533	533
Enterprise Fund	186,839	6,055	192,894
Total Federal and State Awards	\$ 1,133,354	\$ 7,744,204	\$ 8,877,558

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, 2023.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANTS

During fiscal year 2023, 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, 2023, the projects are still in progress. As of June 30, 2023, \$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 2023, the District had two active grants in the amount of \$4,812,273 from the Securing Our Children's Future Bond Act. As of June 30, 2023, the projects are still in progress. As of June 30, 2023, \$50,562 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 this grant on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the State.

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by 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:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Education Stabilization Fund:				
COVID 19 - CRRSA:				
ESSER II	84.425D	3/13/20-9/30/23	\$ 181,509	\$ 66,285
Learning Acceleration	84.425D	3/13/20-9/30/23	25,000	2,633
Mental Health	84.425D	3/13/20-9/30/23	45,000	36,300
COVID 19 - ARP:				
ESSER III	84.425U	3/13/20-9/30/24	407,930	386,090
Learning Acceleration	84.425U	3/13/20-9/30/24	68,760	27,975
Summer Learning & Enrichment	84.425U	3/13/20-9/30/24	40,000	16,408
Comprehensive Beyond the School Day	84.425U	3/13/20-9/30/24	40,000	14,739
<u>State:</u>				
<u>State Aid - Public:</u>				
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	2,396,720	2,396,720
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	413,134	413,134
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	74,363	74,363
Vocational Expansion Stabilization Aid	N/A	7/1/22-6/30/23	1,312,950	1,312,950

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Summary of Auditors' Results: (Cont'd)

- The District was determined to be a "low-risk" auditee for federal and 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, 2023

Status of Prior Year Findings:

There were no prior year findings.