

**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, 2025**

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, 2025

Prepared by

**Sussex County Technical School District
Business Office**

SUSSEX COUNTY TECHNICAL SCHOOL
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025

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.....	35-71
--	-------

Required Supplementary Information	72
--	----

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions	73
--	----

L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System	73
---	----

L-2 Schedule of District Contributions – Public Employees Retirement System	74
---	----

L-3 Schedule of State's Proportionate Share of the Net Pension Liability Associated with the District – Teachers' Pension and Annuity Fund	75
---	----

L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	76
--	----

L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	77
--	----

Notes to Required Supplementary Information	78
---	----

SUSSEX COUNTY TECHNICAL SCHOOL
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

C.	Budgetary Comparison Schedules.....	79
C-1	Budgetary Comparison Schedule – General Fund.....	80-88
C-2	Budgetary Comparison Schedule – Special Revenue Fund.....	89
C-3	Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI.....	90-91

Supplementary Schedules (Sections D. to I.)

D. School Level Schedules (Not Applicable)

E.	Special Revenue Fund	92
E-1	Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	93-95
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	

F.	Capital Projects Fund.....	96
F-1	Schedule of Revenue, Expenditures and Changes in Fund Balance – Budgetary Basis.....	97
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	98
F-1B	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Underground Storage Tank and Culinary Facilities Project	99
F-1C	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – HVAC Upgrade and Construction of a Salt Storage Building	100
F-1D	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Expansion Project	101
F-1E	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Connection of Utility Lines	102
F-1F	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Sewer Treatment Plan Project	103
F-1G	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Unit Ventilator Replacement, HVAC System Upgrade and Maintenance Vehicles	104

G.	Proprietary Funds (Enterprise Funds)	105
G-1	Combining Statement of Net Position	106
G-2	Combining Statement of Revenue, Expenses and Changes in Net Position.....	107
G-3	Combining Statement of Cash Flows	108

H. Fiduciary Activities (Not Applicable)

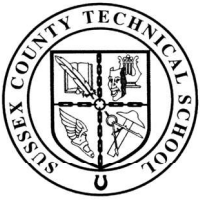
I. Long-Term Liabilities (Not Applicable)

SUSSEX COUNTY TECHNICAL SCHOOL
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

STATISTIAL SECTION (Unaudited)

J.	Statistical Schedules	109
J-1	Net Position by Component.....	110
J-2	Changes in Net Position.....	111-112
J-3	Fund Balances - Governmental Funds.....	113
J-4	Changes in Fund Balances - Governmental Funds	114
J-5	General Fund – Other Local Revenue by Source	115
J-6	Assessed Value and Estimated Actual Value of Taxable Property.....	116
J-7	Direct and Overlapping Property Tax Rates (Not Applicable)	
J-8	Principal Property Taxpayers.....	117
J-9	County Tax Levies and Collections.....	118
J-10	Ratios of Outstanding Debt by Type	119
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	120
J-15	Principal Employers.....	121
J-16	Full-time Equivalent District Employees by Function/Program.....	122
J-17	Operating Statistics.....	123
J-18	School Building Information	124
J-19	Schedule of Required Maintenance	125
J-20	Insurance Schedule	126
K.	SINGLE AUDIT SECTION.....	127
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</i> <i>Auditing Standards</i>	128-129
K-2	Independent Auditors’ Report on Compliance For Each Major State Program; Report on Internal Control over Compliance Required by NJOMB 15-08	130-132
K-3	Schedule of Expenditures of Federal Awards.....	133-134
K-4	Schedule of Expenditures of State Awards.....	135-136
K-5	Notes to the Schedules of Expenditures of Federal and State Awards	137-138
K-6	Schedule of Findings and Questioned Costs.....	139
K-7	Summary Schedule of Prior Audit Findings	140

INTRODUCTORY SECTION
(UNAUDITED)



SUSSEX COUNTY TECHNICAL SCHOOL

105 North Church Road, Sparta, New Jersey 07871

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School Business Administrator\ Board Secretary

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Fax: (973) 383-0337

October 7, 2025

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, 2025, 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 2024-2025 fiscal year with an average daily enrollment of 706, which includes both high school and post-secondary day students.

2. ECONOMY: Sussex County's economy is characterized by a blend of agriculture, recreation, and commuter-driven employment. The County's workforce totaled approximately 78,200 in 2023, with leading employment sectors in healthcare, retail, and education. Despite limited local industry, many residents commute to jobs in Morris, Bergen, Essex Counties, and New York City, reinforcing the County's role as a high-income residential community.

The County's Gross Domestic Product grew from \$6.20 billion in 2022 to \$6.65 billion in 2023. Median household income averages about \$114,300—well above state and national levels—while per capita income reached \$68,332. As of 2025, the unemployment rate stood at roughly 5.1%.

Agriculture remains a defining feature of the local economy, though traditional farming has declined. The sector has shifted toward higher-value products such as nursery stock, orchards, and Christmas tree operations. These changes, along with direct-to-consumer marketing, have stabilized revenues despite reduced farm acreage.

Overall, Sussex County maintains a strong income profile and steady economic base, though its reliance on commuters and service-oriented industries continues to shape both opportunities and challenges.

3. MAJOR INITIATIVES: The Sussex County Technical School District continues to thrive as a premier secondary school of choice, providing Sussex County residents with both rigorous academics and a diverse array of Career and Technical Education (CTE) opportunities. Serving both full-time and share-time students, the district offers eighteen state-approved CTE programs, complemented by a strong academic curriculum that is aligned with New Jersey Department of Education standards. Faculty are highly qualified, with many holding advanced degrees and serving as adjunct professors through Sussex County Community College (SCCC), ensuring students have access to college-level instruction and real-world expertise.

The district has developed extensive partnerships with SCCC through its Concurrent Enrollment and Senior Year Option Jumpstart programs, allowing students to graduate with significant college credits or even an associate degree. For example, in recent years, Sussex Tech students have earned A.A. and A.S. degrees in fields such as Education, Criminal Justice, and Engineering Science while still in high school. In the 2024–25 school year, 129 students enrolled in concurrent courses, and in 2025–26, more than 20 students from Allied Health, Commercial Arts/Graphics, and Law & Public Safety will complete their senior year at SCCC. Each spring, the district hosts a mandatory Concurrent Enrollment information session for parents, introduces the Jumpstart program with SCCC representatives, and administers Accuplacer placement testing to ensure readiness for advanced coursework.

Sussex Tech currently offers eight academic concurrent courses, including English Composition, U.S. History II, Statistics, Calculus, Biology, Optics, and Psychology, alongside thirteen specialized CTE courses in programs such as Architectural Technology, Engineering, Commercial Arts, Culinary Arts, Law & Public Safety, Cinematography, and Theatre Arts. New articulation agreements with SCCC have expanded opportunities for students in programs such as Welding, Diesel Technology, Automotive Technology, and Sports Medicine, granting them the ability to earn between 18 and 27 college credits prior to graduation.

In addition to programmatic achievements, the district has advanced significant capital improvements, including HVAC upgrades, installation of LED lighting, replacement of the school's sewage treatment plant, expansion of the engineering shop, and construction of a new medical sciences wing—projects made possible through the Securing Our Children's Future Bond Act. Grants such as Perkins and Bond Act construction funding continue to support these efforts.

The district has also demonstrated continued academic improvement, with students showing measurable gains in English and Math on the NJGPA state assessments. By balancing academic and technical growth with fiscal responsibility, Sussex Tech remains a vital educational resource for Sussex County residents. The Board of Education and administration continue to respond to the needs of students, families, and local taxpayers, preserving excellence while preparing graduates to succeed in higher education, the workforce, and entrepreneurship.

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, 2025.

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.

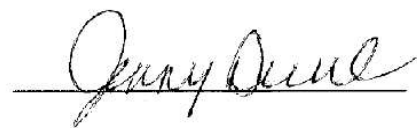
9. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes,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

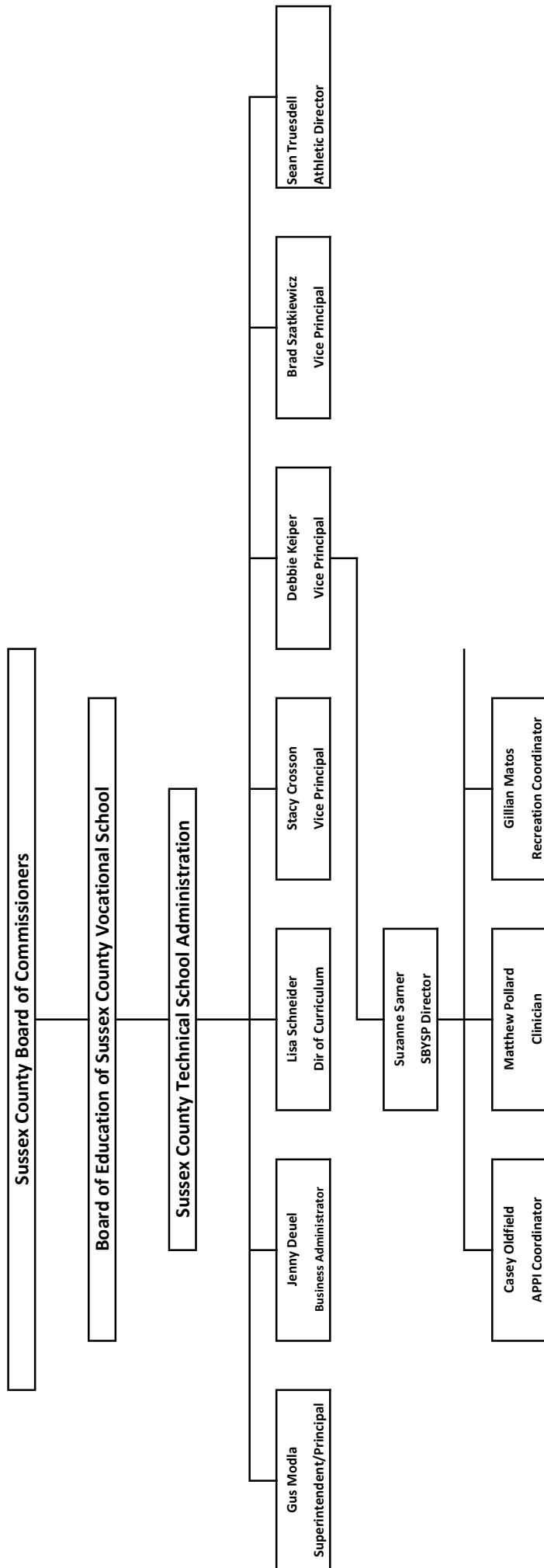
Respectfully submitted,

A handwritten signature in dark ink, appearing to read "A. Modla", written over a horizontal line.

Augustus Modla
Superintendent/Principal

A handwritten signature in dark ink, appearing to read "Jenny Deuel", written over a horizontal line.

Jenny Deuel
School Business Administrator



**SUSSEX COUNTY TECHNICAL SCHOOL
ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Robert Heiden, President	12/2027
Christopher Cameron, Vice President	10/2026
Jarrold Cofrancesco, Board Member	10/2025
Jennifer Buckalew, Board Member	10/2028
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
Rene Metzgar	Treasurer

SUSSEX COUNTY TECHNICAL SCHOOL
Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
11 Lawrence Road
Newton, NJ 07860
and
Mount Arlington Corporate Center
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Parsippany, NJ 07054

Cleary, Giacobbe, Alfieri & Jacobs, LLC
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Oakland, NJ 07436

Official Depository

Provident 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, 2025, 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, 2025, 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 October 7, 2025 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.

October 7, 2025
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, 2025. 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

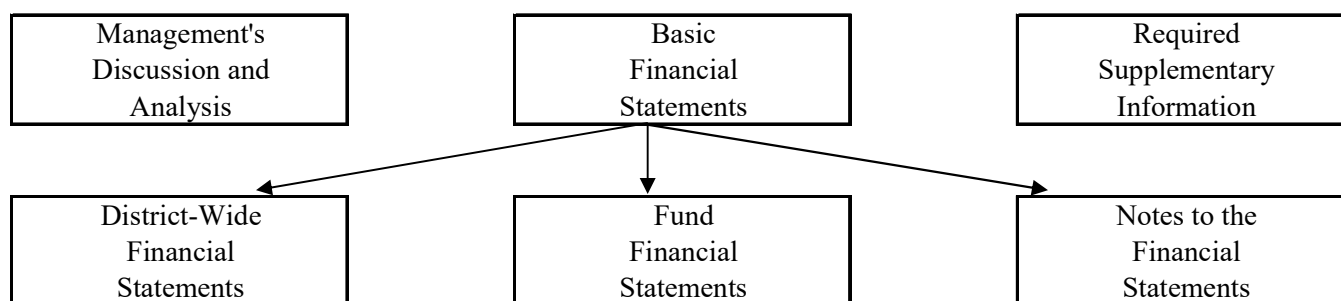


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, 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 \$7,042,270. Net position from governmental activities increased by \$7,075,174 and net position from business-type activities decreased by \$32,904. Net investment in capital assets increased by \$3,518,954, restricted net position increased by \$633,402 and unrestricted net position increased by \$2,889,914.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	
Current and							
Other Assets	\$ 4,366,089	\$ 7,383,865	\$ 724,247	\$ 535,661	\$ 5,090,336	\$ 7,919,526	
Capital Assets, Net	18,908,443	22,318,780	214,312	322,929	19,122,755	22,641,709	
Total Assets	<u>23,274,532</u>	<u>29,702,645</u>	<u>938,559</u>	<u>858,590</u>	<u>24,213,091</u>	<u>30,561,235</u>	26.22%
Deferred Outflows of Resources	<u>390,394</u>	<u>421,022</u>			<u>390,394</u>	<u>421,022</u>	7.85%
Other Liabilities	1,534,494	1,257,099	55,686	8,621	1,590,180	1,265,720	
Long-Term Liabilities	4,037,535	3,701,367			4,037,535	3,701,367	
Total Liabilities	<u>5,572,029</u>	<u>4,958,466</u>	<u>55,686</u>	<u>8,621</u>	<u>5,627,715</u>	<u>4,967,087</u>	-11.74%
Deferred Inflows of Resources	<u>329,644</u>	<u>326,774</u>			<u>329,644</u>	<u>326,774</u>	-0.87%
Net Position:							
Net Investment in Capital Assets	18,908,443	22,318,780	214,312	322,929	19,122,755	22,641,709	
Restricted	719,587	1,352,989			719,587	1,352,989	
Unrestricted/(Deficit)	<u>(1,864,777)</u>	<u>1,166,658</u>	<u>668,561</u>	<u>527,040</u>	<u>(1,196,216)</u>	<u>1,693,698</u>	
Total Net Position	<u>\$ 17,763,253</u>	<u>\$ 24,838,427</u>	<u>\$ 882,873</u>	<u>\$ 849,969</u>	<u>\$ 18,646,126</u>	<u>\$ 25,688,396</u>	37.77%

Changes in Net Position. The District's combined net position was \$25,688,396 on June 30, 2025, an increase of \$7,075,174 or 37.77% over the previous year. (See Figure A-3). Net investment in capital assets increased primarily due to capital assets additions, offset by depreciation expense. Restricted net position increased primarily due to the increase in capital reserve, maintenance reserve, and student activities; offset by the decrease in unemployment compensation. Unrestricted net position increased primarily due to the increase in resources committed for capital projects, changes in net pension liability and related deferred outflows and inflows of resources, and an increase in the General Fund unassigned fund balance due to a decrease in expenditures; offset by a decrease in business-type activities net position.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	
Revenue:							
Program Revenue:							
Charges for Services	\$ 2,192,812	\$ 2,345,614	\$ 698,607	\$ 685,910	\$ 2,891,419	\$ 3,031,524	
Operating Grants and Contributions	2,864,032	2,382,970	185,961	203,664	3,049,993	2,586,634	
Capital Grants and Contributions	39,704	1,429,349			39,704	1,429,349	
General Revenue:							
Property Taxes	7,688,040	8,007,116			7,688,040	8,007,116	
State and Federal Aid not Restricted	3,784,033	3,743,170			3,784,033	3,743,170	
County Improvement Authorization	571,000	5,034,700			571,000	5,034,700	
Other	216,484	234,267	9,519	9,210	226,003	243,477	
Total Revenue	17,356,105	23,177,186	894,087	898,784	18,250,192	24,075,970	31.92%
Expenses:							
Instruction	8,630,769	8,289,737			8,630,769	8,289,737	
Pupil and Instruction Services	2,416,636	2,489,633			2,416,636	2,489,633	
Administrative and Business	2,287,473	2,337,846			2,287,473	2,337,846	
Maintenance and Operations	2,593,703	2,640,631			2,593,703	2,640,631	
Pupil Transportation	248,940	113,128			248,940	113,128	
Special Schools	237,606	231,037			237,606	231,037	
Other			797,272	934,419	797,272	934,419	
Total Expenses	16,415,127	16,102,012	797,272	934,419	17,212,399	17,036,431	-1.02%
Other Items				2,731		2,731	100.00%
Change in Net Position	\$ 940,978	\$ 7,075,174	\$ 96,815	\$ (32,904)	\$ 1,037,793	\$ 7,042,270	578.58%

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 2024-2025 fiscal year were the following:

- Participate in national and state cooperative purchasing programs (e.g., Sourcewell, ESCNJ, Omnia Partners, NASPO ValuePoint) to obtain bulk pricing, reduce administrative costs, and ensure competitive procurement compliance.
- Reduce energy consumption through efficiency upgrades, such as replacement of incandescent and fluorescent lighting with LED lighting district-wide; installation of motion sensors and automatic timers to control lighting and HVAC systems in classrooms, offices, and gymnasiums.
- Reduce transportation costs by eliminating or consolidating late bus runs, encouraging after-school activity carpools, or adjusting club/activity schedules to align with regular dismissal routes.
- Implement preventive maintenance programs by scheduling regular maintenance of HVAC, plumbing, and vehicles to extend asset life and reduce costly emergency repairs.

- Optimize copier and printing services by installing PaperCut Hive to help encourage responsible printing habits with eco-friendly reminders, print quotas and cost tracking to cut waste and save on toner and ink.
- Audit telecommunications and subscriptions by reviewing phone lines, internet services, and software licenses annually to eliminate unused or redundant services.
- Pursue energy cost saving programs through participation in reverse auction for gas and electric where suppliers compete to offer the lowest bid for services driving down prices and providing greater cost savings.

Figure A-5 presents the cost of the major District activities: instruction, pupil and instructional services, administrative and business, maintenance and operations, pupil transportation and special schools. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5

Net Cost of Governmental Activities

	Total Cost of Services 2023/24	Total Cost of Services 2024/25	Net Cost of Services 2023/24	Net Cost of Services 2024/25
Functional Expenses:				
Instruction	\$ 8,630,769	\$ 8,289,737	\$ 5,998,466	\$ 5,906,743
Pupil and Instruction Services	2,416,636	2,489,633	1,009,452	1,095,415
Administrative and Business	2,287,473	2,337,846	1,815,746	1,889,045
Maintenance and Operations	2,593,703	2,640,631	2,080,854	755,963
Pupil Transportation	248,940	113,128	207,804	91,151
Special Schools	237,606	231,037	206,257	205,762
	<u>\$ 16,415,127</u>	<u>\$ 16,102,012</u>	<u>\$ 11,318,579</u>	<u>\$ 9,944,079</u>

Business-Type Activities

Net position from the District's business-type activities decreased by \$32,904. The primary contributing factors to this result were the following:

- Food Service Fund expenses exceeded revenues by \$30,974, due to an increase in expenses for the purchase of non-capitalized equipment.
- Use of Facilities Fund revenues exceeded expenses by \$55,461 as part of normal operations.
- Transportation Fund expenses exceeded revenues by \$57,391, due to increase in salaries.

Financial Analysis of the District's Funds

The District's overall fund balance increased primarily due to county improvement authorizations. The District continues an upward trend in enrollment into the near future.

General Fund Budgetary Highlights

Most of the budgeted revenue projections for the 2024-2025 fiscal year were fully realized in total. The rate of execution for the expense side of the budget was more than 97% of the current expense budget for the 2024-2025 fiscal year.

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		
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	
Sites and Site Improvements	\$ 3,474,098	\$ 3,414,528			\$ 3,474,098	\$ 3,414,528	
Construction in Progress	3,767,826	7,811,760			3,767,826	7,811,760	
Buildings and Building Improvements	10,004,286	9,666,452			10,004,286	9,666,452	
Machinery and Equipment	1,662,233	1,426,040	\$ 214,312	\$ 322,929	1,876,545	1,748,969	
Total Capital Assets (Net of Depreciation)	\$ 18,908,443	\$ 22,318,780	\$ 214,312	\$ 322,929	\$ 19,122,755	\$ 22,641,709	18.40%

Long-term Liabilities

Figure A-7

Outstanding Long-Term Liabilities			
	Total School District		Total Percentage Change
	2023/24	2024/25	
Compensated Absences Payable	\$ 917,351	\$ 853,832	
Net Pension Liability	3,120,184	2,847,535	
	\$ 4,037,535	\$ 3,701,367	-8.33%

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

- A net decrease in compensated absences of \$63,519.
- A decrease in net pension liability of \$272,649.

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
- Significant increases in insurance costs

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, 2025

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents		\$ 366,426	\$ 366,426
Internal Balances	\$ (121,558)	121,558	
Receivable from State Government	20,348	513	20,861
Receivable from Federal Government	96,011	7,713	103,724
Receivables from Other Governments	6,013,979	21,800	6,035,779
Other Receivables	2,360	8,713	11,073
Inventory		8,938	8,938
Restricted Cash and Cash Equivalents	1,372,725		1,372,725
Capital Assets, Net			
Sites (Land) and Construction in Progress	10,576,060		10,576,060
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	11,742,720	322,929	12,065,649
Total Assets	29,702,645	858,590	30,561,235
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	421,022		421,022
Total Deferred Outflows of Resources	421,022		421,022
<u>LIABILITIES</u>			
Accounts Payable	1,051,286	5,025	1,056,311
Accrued Liability for Insurance Claims	18,778		18,778
Payable to Federal Government	26,717		26,717
Payable to State Government	102,510		102,510
Unearned Revenue	57,808	3,596	61,404
Noncurrent Liabilities:			
Due Within One Year	853,832		853,832
Due Beyond one Year	2,847,535		2,847,535
Total Liabilities	4,958,466	8,621	4,967,087
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	326,774		326,774
Total Deferred Inflows of Resources	326,774		326,774
<u>NET POSITION</u>			
Net Investment in Capital Assets	22,318,780	322,929	22,641,709
Restricted for:			
Capital Projects	497,296		497,296
Maintenance	537,490		537,490
Unemployment Compensation	10,872		10,872
Student Activities	307,331		307,331
Unrestricted	1,166,658	527,040	1,693,698
Total Net Position	\$ 24,838,427	\$ 849,969	\$ 25,688,396

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, 2025

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	\$ 3,846,434	\$ 485,060	\$ 364,445		\$ (2,996,929)		\$ (2,996,929)
Special Education	541,761	68,668	614,826		141,733		141,733
Vocational Education	2,992,357	379,332	302,484		(2,310,541)		(2,310,541)
School-Sponsored/Other Instruction	909,185	115,418	55,725		(738,042)		(738,042)
Support Services:							
Student & Instruction Related Services	2,489,633	649,369	743,849		(1,096,415)		(1,096,415)
General Administrative Services	558,639	71,297	24,579		(462,763)		(462,763)
School Administrative Services	866,411	109,105	75,548		(681,758)		(681,758)
Central Services	594,175	75,299	39,718		(479,158)		(479,158)
Administrative Information Technology	318,621	40,719	12,640		(265,262)		(265,262)
Plant Operations and Maintenance	2,640,631	337,014	116,221	\$ 1,429,349	(758,047)		(758,047)
Pupil Transportation	113,128	14,333	7,660		(91,135)		(91,135)
Special Schools	231,037		25,275		(205,762)		(205,762)
Total Governmental Activities	16,102,012	2,345,614	2,382,970	1,429,349	(9,944,079)		(9,944,079)
Business-Type Activities:							
Transportation	169,341	111,950				\$ (57,391)	(57,391)
Use of Facilities	132,581	188,042				55,461	55,461
Food Service	632,497	385,918	203,664			(42,915)	(42,915)
Total Business-Type Activities	934,419	685,910	203,664			(44,845)	(44,845)
Total Primary Government	\$ 17,036,431	\$ 3,031,524	\$ 2,586,634	\$ 1,429,349	(9,944,079)	(44,845)	(9,988,924)

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues and Other Items:			
Taxes:			
County Tax Levy	\$ 8,007,116		\$ 8,007,116
Federal and State Aid not Restricted	3,743,170		3,743,170
Miscellaneous Income	234,267	\$ 9,210	243,477
County Improvement Authorization	5,034,700		5,034,700
Other Items:			
Cancellation of Prior Year Accounts Payable		2,731	2,731
Total General Revenues and Other Items	17,019,253	11,941	17,031,194
Change in Net Position	7,075,174	(32,904)	7,042,270
Net Position - Beginning	17,763,253	882,873	18,646,126
Net Position - Ending	<u>\$ 24,838,427</u>	<u>\$ 849,969</u>	<u>\$ 25,688,396</u>

FUND FINANCIAL STATEMENTS

SUSSEX COUNTY TECHNICAL SCHOOLBALANCE SHEET
GOVERNMENTAL FUNDSJUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Interfund Receivable	\$ 766,321	\$ 159,340		\$ 925,661
Receivables From State Government	20,348			20,348
Receivables From Federal Government		96,011		96,011
Receivables From Other Governments	26,625		\$ 5,987,354	6,013,979
Other Accounts Receivables	1,675	685		2,360
Restricted Cash and Cash Equivalents	1,045,658	327,067		1,372,725
Total Assets	<u>\$ 1,860,627</u>	<u>\$ 583,103</u>	<u>\$ 5,987,354</u>	<u>\$ 8,431,084</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable		\$ 19,736	\$ 1,027,483	\$ 1,047,219
Accounts Payable	620,135	69,001	27,150	716,286
Accrued Liability for Insurance Claims	18,778			18,778
Payable to Federal Government		26,717		26,717
Payable to State Government		102,510		102,510
Unearned Revenue		57,808		57,808
Total Liabilities	<u>638,913</u>	<u>275,772</u>	<u>1,054,633</u>	<u>1,969,318</u>
Fund Balances:				
Restricted:				
Capital Reserve	497,296			497,296
Maintenance Reserve	537,490			537,490
Unemployment Compensation	10,872			10,872
Student Activities		307,331		307,331
Committed			4,932,721	4,932,721
Assigned:				
Other Purposes	119,830			119,830
Unassigned	56,226			56,226
Total Fund Balances	<u>1,221,714</u>	<u>307,331</u>	<u>4,932,721</u>	<u>6,461,766</u>
Total Liabilities and Fund Balances	<u>\$ 1,860,627</u>	<u>\$ 583,103</u>	<u>\$ 5,987,354</u>	<u>\$ 8,431,084</u>

SUSSEX COUNTY TECHNICAL SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

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

Total Fund Balances from previous page	\$ 6,461,766
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	22,318,780
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.	(853,832)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(2,847,535)
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.	(335,000)
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	421,022
Deferred Inflows of Resources Related to Pensions	(326,774)
Net Position of Governmental Activities	<u>\$ 24,838,427</u>

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
County Tax Levy	\$ 8,007,116			\$ 8,007,116
Tuition from LEA's	2,013,020			2,013,020
Other Tuition	1,675			1,675
Unrestricted Miscellaneous Revenue	163,201			163,201
Other Restricted Miscellaneous Revenue	71,066	\$ 335,777		406,843
Total - Local Sources	10,256,078	335,777		10,591,855
State Sources	7,391,252	399,577	\$ 1,429,349	9,220,178
Federal Sources		502,467		502,467
Total Revenues	17,647,330	1,237,821	1,429,349	20,314,500
EXPENDITURES:				
Current:				
Instruction:				
Regular Instruction	2,651,338	46,498		2,697,836
Special Education Instruction	290,433	122,008		412,441
Vocational Education Instruction	1,885,779	103,717		1,989,496
School-Sponsored/Other Instruction	680,930			680,930
Support Services and Undistributed Costs:				
Student and Other Instruction Related Services	1,203,572	801,620		2,005,192
General Administration	469,099			469,099
School Administration	620,315			620,315
Central Services	427,607			427,607
Administrative Information Technology	193,792			193,792
Plant Operations and Maintenance	2,062,623			2,062,623
Student Transportation	85,583			85,583
Unallocated Benefits	6,094,234			6,094,234
Capital Outlay	4,075	130,764	4,074,065	4,208,904
Special Schools	26,009	23,324		49,333
Total Expenditures	16,695,389	1,227,931	4,074,065	21,997,385
Excess/(Deficit) of Revenue Over/(Under) Expenditures	951,941	9,890	(2,644,716)	(1,682,885)
Other Financing Sources/(Uses):				
County Improvement Authorization			5,034,700	5,034,700
Total Other Financing Sources/(Uses)			5,034,700	5,034,700
Net Change in Fund Balances	951,941	9,890	2,389,984	3,351,815
Fund Balance - July 1	269,773	297,441	2,542,737	3,109,951
Fund Balance - June 30	\$ 1,221,714	\$ 307,331	\$ 4,932,721	\$ 6,461,766

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, 2025

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 3,351,815
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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	\$ (788,263)	
Capital Asset Additions	<u>4,198,600</u>	
		3,410,337

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 (+).

63,519

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	272,649	
Changes in Deferred Outflows Related to Pensions	(26,016)	
Changes in Deferred Inflows Related to Pensions	<u>2,870</u>	

Change in Net Position of Governmental Activities (A-2)	<u>\$ 7,075,174</u>
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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, 2025

	Business-Type Activities - Enterprise Funds	
	Non-Major Funds	Total Enterprise
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 366,426	\$ 366,426
Interfund Receivable - General Fund	121,558	121,558
Intergovernmental Accounts Receivable:		
State	513	513
Federal	7,713	7,713
Other	21,800	21,800
Other Accounts Receivable	8,713	8,713
Inventories	8,938	8,938
Total Current Assets	535,661	535,661
Non-Current Assets:		
Capital Assets	984,150	984,150
Less: Accumulated Depreciation	(661,221)	(661,221)
Total Non-Current Assets	322,929	322,929
Total Assets	858,590	858,590
LIABILITIES:		
Current Liabilities:		
Accounts Payable	5,025	5,025
Unearned Revenue:		
Donated Commodities	1,577	1,577
Supply Chain Assistance	2,019	2,019
Total Liabilities	8,621	8,621
NET POSITION:		
Investment in Capital Assets	322,929	322,929
Unrestricted	527,040	527,040
Total Net Position	\$ 849,969	\$ 849,969

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, 2025

	Business-Type Activities - Enterprise Funds	
	Non-Major Funds	Total Enterprise
Operating Revenue:		
Daily Sales:		
Reimbursable Programs	\$ 210,558	\$ 210,558
Non-Reimbursable Programs	175,360	175,360
Program Fees	299,992	299,992
Total Operating Revenue	685,910	685,910
Operating Expenses:		
Cost of Sales:		
Reimbursable Programs	145,846	145,846
Non-Reimbursable Programs	121,467	121,467
Salaries	368,933	368,933
Employee Benefits	51,827	51,827
Other Purchased Services	48,485	48,485
Supplies and Materials	11,537	11,537
Miscellaneous Expenses	142,361	142,361
Depreciation Expense	43,963	43,963
Total Operating Expenses	934,419	934,419
Operating Income/(Loss)	(248,509)	(248,509)
Non-Operating Revenue:		
Local Sources:		
Interest Income	9,210	9,210
State Sources:		
State School Lunch Program	6,050	6,050
State School Breakfast Program	423	423
State Extended Income Eligibility - Breakfast	139	139
State Extended Income Eligibility - Lunch	3,372	3,372
S-EBT Reimbursement	322	322
Federal Sources:		
National School Lunch Program	123,840	123,840
School Breakfast Program	16,088	16,088
S-EBT Reimbursement	321	321
COVID-19 - Supply Chain Assistance Utilized	25,497	25,497
Food Distribution Program	27,612	27,612
Total Non-Operating Revenue	212,874	212,874

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds	
	Non-Major Funds	Total Enterprise
Change in Net Position Before Other Items	\$ (35,635)	\$ (35,635)
Other Items:		
Cancellation of Prior Year Accounts Payable	2,731	2,731
Change in Net Position	(32,904)	(32,904)
Net Position - Beginning of Year	882,873	882,873
Net Position - End of Year	\$ 849,969	\$ 849,969

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, 2025

	Business-Type Activities - Enterprise Funds	
	Non-Major Funds	Total Enterprise
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 735,896	\$ 735,896
Payments to Food Service Company	(506,262)	(506,262)
Payments to/for Employees	(203,732)	(203,732)
Payments to Suppliers	(172,949)	(172,949)
Net Cash Provided by/(Used for) Operating Activities	(147,047)	(147,047)
Cash flows from Financing Activities:		
Interest Income	9,210	9,210
Net Cash Provided by Financing Activities	9,210	9,210
Cash flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	(152,580)	(152,580)
Net Cash Used for Capital and Related Financing Activities	(152,580)	(152,580)
Cash Flows from Noncapital Financing Activities:		
Intrafund Returned	(1,615)	(1,615)
Interfund Advanced - General Fund	(121,558)	(121,558)
Federal Sources	152,692	152,692
State Sources	11,897	11,897
Net Cash Provided by/(Used for) Noncapital Financing Activities	41,416	41,416
Net Increase/(Decrease) in Cash and Cash Equivalents	(249,001)	(249,001)
Cash and Cash Equivalents, July 1	615,427	615,427
Cash and Cash Equivalents, June 30	\$ 366,426	\$ 366,426

SUSSEX COUNTY TECHNICAL SCHOOL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds	
	Non-Major Funds	Total Enterprise
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Operating Income/(Loss)	\$ (248,509)	\$ (248,509)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Depreciation	43,963	43,963
Food Distribution Program	27,612	27,612
Changes in Assets and Liabilities:		
Decrease in Other Accounts Receivable	49,986	49,986
Increase/(Decrease) in Accounts Payable	(19,036)	(19,036)
Increase in Unearned Revenue - Donated Commodities	199	199
(Increase) in Inventory	(1,262)	(1,262)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (147,047)</u>	<u>\$ (147,047)</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 \$27,811 and utilized U.S.D.A. Commodities valued at \$27,612.

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, 2025

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 Commissioners 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, 2025

(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, 2025
(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 Commissioners 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, 2025
(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 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 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 and Other Financing Sources/Fund Balance - Budgetary Basis	\$ 5,495,940	\$ 8,726,323
Reconciliation to Governmental Funds Statements (GAAP):		
Grant Revenue Recognized on GAAP Basis	1,429,349	
Grant Revenue/Receivable not Recognized on GAAP Basis	<u>(461,240)</u>	<u>(3,793,602)</u>
Revenue/Fund Balance per Governmental Funds (GAAP)	<u>\$ 6,464,049</u>	<u>\$ 4,932,721</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(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	\$ 17,644,442	\$ 1,181,918
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		(13,985)
Cancellation of Prior Year Encumbrances		(605)
Prior Year Encumbrances		70,493
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	(416,421)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 17,647,330</u>	<u>\$ 1,237,821</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,695,389	\$ 1,172,028
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		(13,985)
Cancellation of Prior Year Encumbrances		(605)
Prior Year Encumbrances		70,493
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 16,695,389</u>	<u>\$ 1,227,931</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2025

(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, 2025.

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, 2025
(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 is 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, 2025.

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, 2025
(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 and capital projects fund.

T. Fund Balance Appropriated

General Fund: Of the \$1,221,714 General Fund fund balance at June 30, 2025, \$119,830 is assigned for year-end encumbrances; \$497,296 is restricted in the capital reserve account; \$537,490 is restricted in the maintenance reserve account; \$10,872 is restricted for unemployment compensation; and \$56,226 is unassigned which is \$416,421 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, 2026.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2025 of \$307,331 is restricted for student activities.

Capital Projects Fund: The Capital Projects Fund has \$4,932,721 of committed fund balance at June 30, 2025, which is \$3,793,602 less on the GAAP basis due to the SDA and the Securing Our Children's Future Bond Act 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, 2025.

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, 2025
(Continued)

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

U. Deficit Fund Balance

The District had a deficit unrestricted net position in the Transportation Enterprise Fund of \$29,954. The District will need to consider rate increases in future years.

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, 2025 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, 2025

(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, 2025.

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 on the budgetary basis at June 30, 2025.

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 respective 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, 2025
(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, 2025
(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
- (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.);

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments: (Cont'd)

- (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in 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.

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
Checking and Savings Accounts	<u>\$ 366,426</u>	<u>\$ 1,372,725</u>	<u>\$ 1,739,151</u>

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2025, was \$1,739,151 and the bank balance was \$3,138,365.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

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, 2024	\$ 242,302
Add: Transfer from Unassigned Fund Balance per Board Resolution, June 2025	<u>254,994</u>
Balance at June 30, 2025	<u><u>\$ 497,296</u></u>

The balance in the capital reserve account at June, 30, 2025 does not exceed the local support costs of uncompleted capital projects in the District's approved LRFP.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 2,764,300			\$ 2,764,300
Construction in Progress	<u>3,767,826</u>	\$ 4,074,065	\$ (30,131)	<u>7,811,760</u>
Total Capital Assets Not Being Depreciated	<u>6,532,126</u>	<u>4,074,065</u>	<u>(30,131)</u>	<u>10,576,060</u>
Capital Assets Being Depreciated:				
Site Improvements	1,191,403			1,191,403
Buildings and Building Improvements	26,278,515	18,437		26,296,952
Machinery and Equipment	<u>5,796,569</u>	<u>106,098</u>	<u>30,131</u>	<u>5,932,798</u>
Total Capital Assets Being Depreciated	<u>33,266,487</u>	<u>124,535</u>	<u>30,131</u>	<u>33,421,153</u>
Governmental Activities Capital Assets	<u>39,798,613</u>	<u>4,198,600</u>		<u>43,997,213</u>
Less Accumulated Depreciation for:				
Site Improvements	(481,605)	(59,570)		(541,175)
Buildings and Building Improvements	(16,274,229)	(356,271)		(16,630,500)
Machinery and Equipment	<u>(4,134,336)</u>	<u>(372,422)</u>		<u>(4,506,758)</u>
	<u>(20,890,170)</u>	<u>(788,263)</u>		<u>(21,678,433)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 18,908,443</u></u>	<u><u>\$ 3,410,337</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 22,318,780</u></u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 5. CAPITAL ASSETS (Cont't)

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 831,570	\$ 152,580		\$ 984,150
Less Accumulated Depreciation	(617,258)	(43,963)		(661,221)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 214,312</u>	<u>\$ 108,617</u>	<u>\$ -0-</u>	<u>\$ 322,929</u>

The District expended \$4,074,065 towards construction projects in progress during the fiscal year. As of June 30, 2025, the District has \$7,811,760 in active construction projects for various improvements to the District.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 18,956
Vocational Instruction	318,647
School-Sponsored/Other Instruction	6,349
Student and Instruction Related Services	11,863
General Administration	537
School Administration	687
Central Services	14,635
Administrative Information Technology	75,691
Operations and Maintenance of Plant	171,777
Special Schools	169,121
	<u>\$ 788,263</u>

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2024	Accrued	Retired	Balance 6/30/2025	Due Within One Year
Compensated Absences Payable	\$ 917,351		\$ 63,519	\$ 853,832	\$ 19,350
Net Pension Liability	3,120,184		272,649	2,847,535	
	<u>\$ 4,037,535</u>	<u>\$ -0-</u>	<u>\$ 336,168</u>	<u>\$ 3,701,367</u>	<u>\$ 19,350</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

A. Bonds Payable:

Bonds are authorized in accordance with State law by the County of Sussex Board of Commissioners 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 Commissioners 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 \$19,350 and is separated from the long-term portion of \$834,482.

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, 2025, no liability existed for compensated absences in the Enterprise Funds. The General Fund will be used to liquidate the compensated absences payable.

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, 2025 is \$-0- and the long-term portion is \$2,847,535. 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.nj.gov/treasury/pensions/annual-reports.shtml.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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:

<u>Tier</u>	<u>Definition</u>
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.

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. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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 have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being 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 is adjusted by the rate of return on the actuarial value of assets.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 7. PENSION PLANS

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

Contributions (Cont'd)

District contributions to PERS amounted to \$285,155 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$9,180 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

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities and Pension Expense

At June 30, 2025, the District reported a liability of \$2,847,535 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.021%, which was a decrease of 0.0006% as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense in the amount of \$35,653 related to the District's proportionate share of net pension liability. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of \$9,180 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

At June 30, 2025, 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	2020	5.16		\$ (20,693)
	2021	5.13	\$ 3,538	
	2022	5.04		(11,705)
			<u>3,538</u>	<u>(32,398)</u>
Changes in Proportion	2020	5.16	2,427	
	2021	5.13	23,016	
	2022	5.04		(34,877)
	2023	5.08		(48,473)
	2024	5.08		(71,413)
			<u>25,443</u>	<u>(154,763)</u>
Difference Between Expected and Actual Experience	2020	5.16	1,152	
	2021	5.13		(2,813)
	2022	5.04		(4,768)
	2023	5.08	14,648	
	2024	5.08	41,241	
			<u>57,041</u>	<u>(7,581)</u>
Net Difference Between Projected and Actual	2021	5.00		(195,465)
Investment Earnings on Pension Plan Investments	2022	5.00		310,075
	2023	5.00		(80,408)
	2024	5.00		(166,234)
				<u>(132,032)</u>
District Contribution Subsequent to the Measurement Date	2024	1.00	335,000	
			<u>\$ 421,022</u>	<u>\$ (326,774)</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 and inflows of resources (excluding the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension expense as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2025	\$ (148,441)
2026	45,857
2027	(87,744)
2028	(49,828)
2029	(596)
	<u>\$ (240,752)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2023 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, 2025

(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, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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, 2025

(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, 2024 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, 2024		
	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	\$ 3,783,674	\$ 2,847,535	\$ 2,050,886

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.nj.gov/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. 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

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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 2024, 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 2025, the State of New Jersey contributed \$2,118,754 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of (\$90,932).

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, 2025, the District reported a liability of \$24,927,500 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.0504%, which was an decrease of 0.00023% as of June 30, 2023.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(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)

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	24,927,500
Total	<u>\$ 24,927,500</u>

For the fiscal year ended June 30, 2024, the State recognized pension benefit on behalf of the District in the amount of (\$90,932) and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 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	2017	8.30		\$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	\$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			<u>436,488,877</u>	<u>266,879,466</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
				<u>403,364,319</u>
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(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)

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
2025	\$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	<u>\$ (9,436,989,313)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2023 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, 2025
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (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, 2024) 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, 2024 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024 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, 2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Total Net Pension Liability	\$ 29,629,863	\$ 24,927,500	\$ 20,967,222

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 \$1,783 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$3,262 for the fiscal year ended June 30, 2025.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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. 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, 2025 audit report for the Fund is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2024 is as follows:

Total Assets	\$ 58,120,778
Net Position	\$ 19,408,763
Total Revenue	\$ 60,984,350
Total Expenses	\$ 61,472,363
Change in Net Position	\$ (488,013)
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

Through December 31, 2023, the District was 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 was the District's claims administrator through December 31, 2023.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. RISK MANAGEMENT (Cont'd)

Health Benefits (Cont'd)

As of June 30, 2025, the District has recorded an accrued liability for insurance claims of \$18,778, 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.

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>
2024-2025	\$ -0-	\$ 364	\$ 17,897	\$ 32,233	\$ 10,872
2023-2024	-0-	1,064	14,542	56,457	24,844
2022-2023	-0-	714	23,094	11,062	65,695

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	\$ 766,321			
Special Revenue Fund	159,340	\$ 19,736		
Capital Projects Fund		1,027,483		
Enterprise Funds:				
Food Service	121,558			
Use of Facilities			\$ 51,754	
Transportation				\$ 51,754
	<u>\$ 1,047,219</u>	<u>\$ 1,047,219</u>	<u>\$ 51,754</u>	<u>\$ 51,754</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. INTERFUND AND INTRAFUND BALANCES (Cont'd)

The interfund payable in the Capital Projects Fund is an interfund loan from the General Fund, Special Revenue Fund, and Food Service Fund for cash flow purposes due to timing of grant and county reimbursements. The interfund payable in the Special Revenue Fund is Student Activities interest due to the General Fund. 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.

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 District.

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 13. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2025, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<u> </u>	<u> </u>	<u> </u>	<u> </u>
\$ 119,830	\$ 13,985	\$ 1,008,281	\$ 1,142,096
<u> </u>	<u> </u>	<u> </u>	<u> </u>

On the District's Governmental Funds Balance Sheet as of June 30, 2025, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$13,985 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 \$1,008,281 year-end encumbrances in the Capital Projects Fund are included in the \$4,932,721 committed fund balance on a GAAP basis at June 30, 2025.

NOTE 14. ACCOUNTS PAYABLE

Accounts payable recorded as of June 30, 2025 consisted of the following:

	<u>Governmental Funds</u>			District Contribution Subsequent to the Measure- ment Date	Total Govern- mental Activities	Business- Type Activities <u>Enterprise Funds</u>
	General Fund	Special Revenue Fund	Capital Projects Fund			
Due to State of New Jersey		\$ 64,164		\$ 335,000	\$ 399,164	
Vendors	\$ 615,830	4,837	\$ 27,150		647,817	\$ 5,025
Payroll Deductions & Withholdings	4,305				4,305	
	<u>\$ 620,135</u>	<u>\$ 69,001</u>	<u>\$ 27,150</u>	<u>\$ 335,000</u>	<u>\$ 1,051,286</u>	<u>\$ 5,025</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 local 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.nj.gov/treasury/pensions/gasb-notice-oheb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	<u>219,185</u>
Total	<u><u>372,741</u></u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

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.

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 5.65%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

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 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine 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, 2025
(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 3.93%. This represents the municipal bond return 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

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 31,121,779
Changes for Year:	
Service Cost	1,104,710
Interest on the Total OPEB Liability	1,147,282
Difference between Actual and Expected Experience	(281,937)
Changes in Assumptions	2,607,477
Contributions from Members	30,002
Gross Benefit Payments by the State	(876,198)
Net Changes	<u>3,731,336</u>
Balance at June 30, 2024	<u>\$ 34,853,115</u>

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, 2024, 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 was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>June 30, 2024</u>		
	<u>At 1% Decrease (2.93%)</u>	<u>At Discount Rate (3.93%)</u>	<u>At 1% Increase (4.93%)</u>
Total OPEB Liability Attributable to the District	\$ 40,820,462	\$ 34,853,115	\$ 30,001,544

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024, 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 was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 29,032,899	\$ 34,853,115	\$ 42,434,331

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$664,443 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, 2024, the State had deferred outflows and 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		\$ 668,400
	2018	9.51		816,008
	2019	9.29	\$ 128,743	
	2020	9.24	3,321,015	
	2021	9.24	19,617	
	2022	9.13		5,329,907
	2023	9.30	48,404	
	2024	9.33	2,328,004	
			<u>5,845,783</u>	<u>6,814,315</u>
Differences between Expected and Actual Experience	2018	9.51		771,382
	2019	9.29		1,515,319
	2020	9.24	3,095,316	
	2021	9.24		3,772,434
	2022	9.13	548,904	
	2023	9.30		449,656
	2024	9.33	82,910	
			<u>3,727,130</u>	<u>6,508,791</u>
Changes in Proportion	N/A	N/A	<u>752,006</u>	<u>2,509,321</u>
			<u>\$ 10,324,919</u>	<u>\$ 15,832,427</u>

SUSSEX COUNTY TECHNICAL SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 of resources and deferred inflows of resources excluding changes in proportion related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2025	\$ (1,236,279)
2026	(1,036,629)
2027	(492,366)
2028	129,402
2029	(898,474)
Thereafter	(215,847)
	<u>\$ (3,750,193)</u>

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, 2024	\$ 155,000
Add: Transfer from Unassigned Fund Balance per Board Resolution - June 2025	<u>382,490</u>
Balance at June 30, 2025	<u>\$ 537,490</u>

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 TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0285235464%	0.0266084872%	0.0258436698%	0.0229185976%	0.0216476635%	0.0219953468%	0.0224744559%	0.0220214453%	0.0215417230%	0.0209561777%
District's proportionate share of the net pension liability	\$ 6,402,965	\$ 7,880,671	\$ 6,015,993	\$ 4,512,558	\$ 3,900,581	\$ 3,586,866	\$ 2,662,436	\$ 3,323,339	\$ 3,120,184	\$ 2,847,535
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	\$ 1,692,173
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	350.00%	443.19%	373.56%	298.31%	247.20%	219.61%	168.39%	206.56%	194.47%	168.28%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 245,226	\$ 243,883	\$ 244,299	\$ 288,932	\$ 211,273	\$ 240,618	\$ 263,202	\$ 277,701	\$ 287,911	\$ 285,155
Contributions in relation to the contractually required contribution	(245,226)	(243,883)	(244,299)	(288,932)	(211,273)	(240,618)	(263,202)	(277,701)	(287,911)	(285,155)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 1,778,164	\$ 1,610,448	\$ 1,512,699	\$ 1,577,896	\$ 1,633,292	\$ 1,581,069	\$ 1,608,889	\$ 1,604,427	\$ 1,692,173	\$ 1,700,585
Contributions as a percentage of covered employee payroll	13.79%	15.14%	16.15%	18.31%	12.94%	15.22%	16.36%	17.31%	17.01%	16.77%

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 TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.0521117141%	0.0557555225%	0.0555668276%	0.0535024307%	0.0533559915%	0.0532428145%	0.0533587961%	0.0529899957%	0.0527510866%	0.0504348943%
State's proportionate share of the net pension liability attributable to the District	\$ 32,936,829	\$ 43,860,844	\$ 37,465,159	\$ 34,037,097	\$ 32,745,076	\$ 35,059,753	\$ 25,652,342	\$ 27,339,879	\$ 26,920,288	\$ 24,927,500
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	\$ 6,042,342
State's proportionate share of the net pension liability attributable to the District as a percentage of the District's covered employee payroll	583.67%	784.31%	667.62%	599.26%	555.74%	595.94%	423.93%	472.83%	460.71%	412.55%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 2,011,090	\$ 3,295,532	\$ 2,595,396	\$ 1,984,244	\$ 1,931,392	\$ 2,180,165	\$ 603,611	\$ 735,793	\$ 661,353	\$ (90,932)
Contributions in relation to the contractually required contribution	(446,401)	(603,163)	(787,902)	(1,049,384)	(1,167,818)	(1,551,076)	(2,181,416)	(2,156,496)	(2,149,200)	(2,118,754)
Contribution deficiency/(excess)	\$ 1,564,689	\$ 2,692,369	\$ 1,807,494	\$ 934,860	\$ 763,574	\$ 629,089	\$ (1,577,805)	\$ (1,420,703)	\$ (1,487,847)	\$ (2,209,686)
District's covered employee payroll	\$ 5,592,289	\$ 5,611,772	\$ 5,679,855	\$ 5,892,118	\$ 5,883,105	\$ 6,051,131	\$ 5,782,168	\$ 5,843,197	\$ 6,042,342	\$ 5,868,059
Contributions as a percentage of covered employee payroll	7.98%	10.75%	13.87%	17.81%	19.85%	25.63%	37.73%	36.91%	35.57%	36.11%

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 EIGHT 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 & 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%
						421%
						468%

* Covered payroll for the fiscal years ending June 30, 2017 through 2024 are based on the payroll on the June 30, 2016 through 2023 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, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

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, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
County Tax Levy	\$ 7,907,116		\$ 7,907,116	\$ 8,007,116	\$ 100,000
Tuition From Other LEAs Within the State	2,028,125		2,028,125	2,013,020	(15,105)
Tuition From Other Sources				1,675	1,675
Unrestricted Miscellaneous Revenues	70,000		70,000	163,201	93,201
Interest Earned on Maintenance Reserve	125		125		(125)
Interest Earned on Capital Reserve Funds	150		150		(150)
Other Restricted Miscellaneous Revenues	72,751		72,751	71,066	(1,685)
Total Revenues from Local Sources	10,078,267		10,078,267	10,256,078	177,811
Revenues from State Sources:					
Categorical Special Education Aid	461,389		461,389	461,389	
Equalization Aid	2,237,834		2,237,834	2,237,834	
Categorical Security Aid	74,363		74,363	74,363	
Vocational Expansion Stabilization Aid	1,423,581		1,423,581	1,423,581	
TPAF Post Retirement Contributions (Non-Budgeted)				626,771	626,771
TPAF Pension Contributions (Non-Budgeted)				2,118,754	2,118,754
TPAF Non-Contributory Insurance (Non-Budgeted)				26,246	26,246
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,185	1,185
Reimbursed TPAF Social Security Contributions				418,241	418,241
Total Revenues from State Sources	4,197,167		4,197,167	7,388,364	3,191,197
TOTAL REVENUE	14,275,434		14,275,434	17,644,442	3,369,008

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 2,639,421	\$ (64,072)	\$ 2,575,349	\$ 2,534,440	\$ 40,909
Purchased Professional - Educational Services	50,000	(36,937)	13,063	13,063	
Other Purchased Services (400-500 series)	1,500	(1,500)			
General Supplies	45,659	(18,732)	26,927	23,437	3,490
Textbooks		12,690	12,690	12,690	
Other Objects		2,451	2,451	2,451	
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	3,820	8,820	8,820	
Purchased Professional - Educational Services	12,000	52,564	64,564	56,437	8,127
Total Regular Programs - Instruction	2,753,580	(49,716)	2,703,864	2,651,338	52,526
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	101,802	131,377	233,179	171,163	62,016
Other Salaries for Instruction	119,222	(770)	118,452	118,452	
General Supplies	3,800	(2,500)	1,300	818	482
Total Resource Room/Resource Center	224,824	128,107	352,931	290,433	62,498
TOTAL SPECIAL EDUCATION - INSTRUCTION	224,824	128,107	352,931	290,433	62,498
VOCATIONAL PROGRAMS					
Regular Vocational Programs - Instruction:					
Salaries of Teachers	1,581,582	110,717	1,692,299	1,588,910	103,389
Other Salaries for Instruction		33,085	33,085	33,085	
Other Purchased Services (400-500 series)	28,950	16	28,966	17,259	11,707
General Supplies	253,281	11,321	264,602	217,593	47,009
Textbooks	68,676	(20,926)	47,750	28,932	18,818
Total Regular Vocational Programs - Instruction	1,932,489	134,213	2,066,702	1,885,779	180,923
Total Vocational Programs	1,932,489	134,213	2,066,702	1,885,779	180,923

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 97,677	\$ 2,603	\$ 100,280	\$ 98,480	\$ 1,800
Other Objects	29,630	(6,616)	23,014	22,841	173
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	127,307	(4,013)	123,294	121,321	1,973
School-Sponsored Athletics - Instruction:					
Salaries	345,826	9,121	354,947	352,050	2,897
Purchased Services (300-500 series)	86,650	45,161	131,811	120,685	11,126
Supplies and Materials	37,950	(2,664)	35,286	22,213	13,073
Other Objects	122,274	(48,000)	74,274	64,661	9,613
Total School-Sponsored Athletics - Instruction	592,700	3,618	596,318	559,609	36,709
TOTAL INSTRUCTION	5,630,900	212,209	5,843,109	5,508,480	334,629
Undistributed Expenditures - Attendance & Social Work:					
Salaries	54,452	4,233	58,685	57,993	692
Supplies and Materials	250		250		250
Total Undistributed Expenditures - Attendance and Social Work	54,702	4,233	58,935	57,993	942
Undistributed Expenditures - Health Services:					
Salaries	96,446		96,446	96,013	433
Purchased Professional and Technical Services	3,000	(3,000)			
Supplies and Materials	3,700	(35)	3,665	1,773	1,892
Total Undistributed Expenditures - Health Services	103,146	(3,035)	100,111	97,786	2,325
Undistributed Expenditures - Speech, OT, PT, Related Svcs:					
Purchased Professional - Educational Services	43,837	(8,669)	35,168	19,869	15,299
Total Undistributed Expenditures - Speech, OT, PT, Related Svcs	43,837	(8,669)	35,168	19,869	15,299
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	415,933		415,933	381,009	34,924
Salaries of Secretarial and Clerical Assistants	87,937	3,950	91,887	91,887	

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Guidance: (Cont'd)					
Other Purchased Professional and Technical Services	\$ 30,000	\$ (13,229)	\$ 16,771	\$ 16,771	
Supplies and Materials	5,500	(4,619)	881	526	\$ 355
Other Objects	22,302	(10,331)	11,971	11,733	238
Total Undistributed Expenditures - Guidance	561,672	(24,229)	537,443	501,926	35,517
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	307,069	816	307,885	301,937	5,948
Salaries of Secretarial and Clerical Assistants	57,452		57,452	57,452	
Other Purchased Professional and Technical Services	41,859	(9,314)	32,545	27,637	4,908
Other Purchased Services (400-500 series)	1,000		1,000	610	390
Supplies and Materials	1,000	(890)	110		110
Total Undistributed Expenditures - Child Study Team	408,380	(9,388)	398,992	387,636	11,356
Undistributed Expenditures - Improv. of Inst. Serv.:					
Salaries of Other Professional Staff	2,000	6,600	8,600	8,600	
Total Undistributed Expenditures - Improv. of Inst. Serv.	2,000	6,600	8,600	8,600	
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	92,725		92,725	92,725	
Purchased Professional and Technical Services	13,800		13,800	13,777	23
Other Purchased Services (400-500 series)	12,500	(1,137)	11,363	11,350	13
Supplies and Materials	2,500	(180)	2,320	2,286	34
Total Undistributed Expenditures - Edu. Media Serv./Sch. Library	121,525	(1,317)	120,208	120,138	70
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	5,000		5,000	3,230	1,770
Purchased Professional - Educational Service	2,500	1,050	3,550	3,550	
Other Purchased Services (400-500 series)	2,500	344	2,844	2,844	
Total Undistributed Expenditures - Instructional Staff Training Services	10,000	1,394	11,394	9,624	1,770

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Support Serv. - Gen. Admin.:					
Salaries	\$ 211,174	\$ 12,695	\$ 223,869	\$ 201,917	\$ 21,952
Legal Services	35,000	(300)	34,700	21,658	13,042
Audit Fees	52,290	12,540	64,830	64,830	
Architectural/Engineering Services	18,000	(12,540)	5,460		5,460
Other Purchased Professional Services	7,000	(750)	6,250	4,960	1,290
Communications / Telephone	109,585	852	110,437	89,887	20,550
BOE Other Purchased Services	2,200	1,160	3,360	2,129	1,231
Other Purchased Services (400-500 series other than 530 & 585)	48,514	898	49,412	49,411	1
General Supplies	1,000		1,000	917	83
Miscellaneous Expenditures	13,560	(1,632)	11,928	10,735	1,193
BOE Membership Dues and Fees	22,383	272	22,655	22,655	
Total Undistributed Expenditures - Support Serv. - Gen. Admin.	520,706	13,195	533,901	469,099	64,802
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	490,299		490,299	490,298	1
Salaries of Secretarial and Clerical Assistants	124,104		124,104	113,038	11,066
Purchased Professional and Technical Services	7,500	752	8,252	8,252	
Supplies and Materials	7,950	(4,693)	3,257	3,257	
Other Objects	4,060	1,507	5,567	5,470	97
Total Undistributed Expenditures - Support Serv. - School Admin.	633,913	(2,434)	631,479	620,315	11,164
Undistributed Expenditures - Central Services:					
Salaries	310,271	9,752	320,023	320,023	
Purchased Technical Services	42,595	18,670	61,265	56,894	4,371
Miscellaneous Purchased Services (400-500 series other than 594)	54,601	324	54,925	35,972	18,953
Supplies and Materials	5,000	1,981	6,981	6,981	
Other Objects	8,400	(420)	7,980	7,737	243
Total Undistributed Expenditures - Central Services	420,867	30,307	451,174	427,607	23,567

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	\$ 104,512		\$ 104,512	\$ 104,479	\$ 33
Other Purchased Services (400-500 series)	75,000	\$ 5,618	80,618	73,738	6,880
Supplies and Materials	90,000	(16,491)	73,509	15,575	57,934
Total Undistributed Expenditures - Admin. Info. Technology	269,512	(10,873)	258,639	193,792	64,847
Undistributed Expenditures - Required Maint. for School Facilities:					
Salaries	402,952	42,718	445,670	388,695	56,975
Cleaning, Repair, and Maintenance Services	327,186	(14,778)	312,408	283,038	29,370
General Supplies	35,000	(9,069)	25,931	7,712	18,219
Other Objects		430	430	430	
Total Undistributed Expenditures - Required Maint. for School Facilities	765,138	19,301	784,439	679,875	104,564
Undistributed Expenditures - Custodial Services:					
Salaries	529,336	(4,673)	524,663	512,825	11,838
Cleaning, Repair, and Maintenance Services	8,000	(930)	7,070	6,050	1,020
Other Purchased Property Services	24,595	(1,072)	23,523	23,523	
Insurance	299,009	(5,000)	294,009	266,901	27,108
Miscellaneous Purchased Services	900		900		900
General Supplies	151,207	(4,846)	146,361	137,223	9,138
Energy (Natural Gas)	207,143	(46,470)	160,673	145,222	15,451
Energy (Electricity)	199,242	63,124	262,366	259,465	2,901
Energy (Gasoline)	11,725	(10,902)	823		823
Total Undistributed Expenditures - Custodial Services	1,431,157	(10,269)	1,420,888	1,327,686	93,202
Security:					
Salaries	43,616	10,325	53,941	53,248	693
Purchased Professional and Technical Services	2,177	(262)	1,915	1,814	101
Total Security	45,793	10,063	55,856	55,062	794
Total Undistributed Expenditures - Oper. And Maint. Of Plant Serv.	2,242,088	19,095	2,261,183	2,062,623	198,560

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Student Transportation Serv.:					
Salaries of Non-Instructional Aides	\$ 45,000	\$ 35,544	\$ 80,544	\$ 61,686	\$ 18,858
Sal. for Pupil Trans. (Bet. Home and Sch) - Reg.	16,000	(13,263)	2,737		2,737
Contract. Serv. (Oth. than Bet. Home & Sch.) - Vend.	77,045	(54,748)	22,297	22,297	
General Supplies	2,000	(1,900)	100	100	
Other Objects		1,500	1,500	1,500	
Total Undistributed Expenditures - Student Transportation Serv.	140,045	(32,867)	107,178	85,583	21,595
UNALLOCATED BENEFITS					
Social Security Contributions	223,816	16,440	240,256	220,807	19,449
Other Retirement Contributions - PERS	278,356	11,019	289,375	285,155	4,220
Other Retirement Contributions - Regular	3,800		3,800	1,783	2,017
Unemployment Compensation		28,819	28,819	28,819	
Workers Compensation	162,421	5,399	167,820	167,820	
Health Benefits	2,349,625	(207,454)	2,142,171	2,095,906	46,265
Tuition Reimbursement	29,900	(5,276)	24,624	24,624	
Other Employee Benefits	135,000	(53,387)	81,613	78,123	3,490
TOTAL UNALLOCATED BENEFITS	3,182,918	(204,440)	2,978,478	2,903,037	75,441
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				626,771	(626,771)
TPAF Pension Contributions (Non-Budgeted)				2,118,754	(2,118,754)
TPAF Non-Contributory Insurance (Non-Budgeted)				26,246	(26,246)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,185	(1,185)
Reimbursed TPAF Social Security Contributions				418,241	(418,241)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,191,197	(3,191,197)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,182,918	(204,440)	2,978,478	6,094,234	(3,115,756)
TOTAL UNDISTRIBUTED EXPENDITURES	8,715,311	(222,428)	8,492,883	11,156,825	(2,663,942)

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL GENERAL CURRENT EXPENSE	\$ 14,346,211	\$ (10,219)	\$ 14,335,992	\$ 16,665,305	\$ (2,329,313)
CAPITAL OUTLAY					
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	4,075		4,075	4,075	
SPECIAL SCHOOLS					
Vocational Evening - Local - Instruction:					
Salaries of Teachers	10,000	5,745	15,745	15,745	
Other Salaries for Instruction		790	790	790	
General Supplies	5,000	4,474	9,474	9,474	
Other Objects	1,000	(790)	210		210
Total Vocational Evening - Local - Instruction	16,000	10,219	26,219	26,009	210
Vocational Evening - Local - Support Serv.:					
Personal Services - Employee Benefits	1,000		1,000		1,000
Other Purchased Services (400-500 series)	1,500		1,500		1,500
Supplies and Materials	1,000		1,000		1,000
Other Objects	1,000		1,000		1,000
Total Vocational Evening - Local - Support Serv.	4,500		4,500		4,500
Total Vocational Evening - Local	20,500	10,219	30,719	26,009	4,710
TOTAL SPECIAL SCHOOLS	20,500	10,219	30,719	26,009	4,710
TOTAL EXPENDITURES	14,370,786		14,370,786	16,695,389	(2,324,603)

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues Over/(Under) Expenditures					
Fund Balance, July 1	\$ 689,082		689,082		
Fund Balance, June 30	\$ 593,730	\$ -0-	\$ 593,730	\$ 1,638,135	\$ 1,044,405
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 497,296	
Maintenance Reserve				537,490	
Unemployment Compensation				10,872	
Assigned Fund Balance:					
Year End Encumbrances				119,830	
Unassigned Fund Balance				472,647	
				<u>1,638,135</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(416,421)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,221,714</u>	

SUSSEX COUNTY TECHNICAL SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 357,630	\$ 357,630	335,777	\$ (21,853)
State Sources	\$ 315,000	60,658	375,658	354,282	(21,376)
Federal Sources	411,709	157,213	568,922	491,859	(77,063)
Total Revenues	726,709	575,501	1,302,210	1,181,918	(120,292)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	218,013	(81,412)	136,601	123,713	12,888
Purchased Professional and Technical Services		8,600	8,600	6,500	2,100
General Supplies	145,342	6,537	151,879	140,132	11,747
Other Objects		16,344	16,344	8,886	7,458
Total Instruction	363,355	(49,931)	313,424	279,231	34,193
Support Services:					
Salaries of Other Professional Staff	145,342	156,524	301,866	282,614	19,252
Personal Services - Employee Benefits	72,671	62,809	135,480	129,828	5,652
Purchased Professional and Technical Services		16,674	16,674	6,451	10,223
Purchased Professional - Educational Services	72,671	(58,561)	14,110	11,052	3,058
Other Purchased Services		13,900	13,900	4,106	9,794
Supplies and Materials		27,009	27,009	22,076	4,933
Other Objects		6,308	6,308	6,308	
Student Activities		332,594	332,594	322,704	9,890
Total Support Services	290,684	557,257	847,941	785,139	62,802
Facilities Acquisition and Construction Services:					
Instructional Equipment	72,671	64,068	136,739	107,658	29,081
Non-Instructional Equipment		4,106	4,106		4,106
Total Facilities Acquisition and Construction Services	72,671	68,174	140,845	107,658	33,187
Total Expenditures	\$ 726,709	\$ 575,501	\$ 1,302,210	\$ 1,172,028	\$ 130,182
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-	\$ 9,890	\$ 9,890

SUSSEX COUNTY TECHNICAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	\$ 17,644,442	\$ 1,181,918
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		(13,985)
Cancellation of Prior Year Encumbrances		(605)
Prior Year Encumbrances		70,493
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	(416,421)	
Total Revenues as Reported on the Statement of Revenues, Expenditures	<u>\$ 17,647,330</u>	<u>\$ 1,237,821</u>
and Changes in Fund Balances - Governmental Funds		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 16,695,389	\$ 1,172,028
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		(13,985)
Cancellation of Prior Year Encumbrances		(605)
Prior Year Encumbrances		70,493
Total Expenditures as Reported on the Statement of Revenues,	<u>\$ 16,695,389</u>	<u>\$ 1,227,931</u>
Expenditures, and Changes in Fund Balances - Governmental Funds		

SUSSEX COUNTY TECHNICAL SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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, 2025

	I.D.E.A. BASIC		Carl D. Perkins	
	FY25	FY24	Secondary	Post Secondary
REVENUES				
Local Sources				
State Sources				
Federal Sources				
Total Revenues	\$ 176,739	\$ 9,433	\$ 144,995	\$ 77,326
	176,739	9,433	144,995	77,326
EXPENDITURES				
Instruction:				
Salaries of Teachers	122,008		1,581	124
Purchased Professional - Technical Services				
General Supplies			89,220	12,792
Other Objects				
Total Instruction	122,008		90,801	12,916
Support Services:				
Salaries of Other Professional Staff			14,529	
Personal Services - Employee Benefits	54,731	9,433		
Purchased Professional and Technical Services				
Purchased Professional - Educational Services				
Other Purchased Services				
Supplies and Materials			3,825	3,867
Other Objects				
Student Activities				
Total Support Services	54,731	9,433	18,354	3,867
Facilities Acquisition and Construction Services:				
Instructional Equipment			35,840	60,543
Total Facilities Acquisition and Construction Services			35,840	60,543
Total Expenditures	\$ 176,739	\$ 9,433	\$ 144,995	\$ 77,326

SUSSEX COUNTY TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Elementary and Secondary Education Act			
	Title I	2023-2024	Title II A 2024-2025	Title IV 2024-2025 2023-2024
REVENUES				
Local Sources				
State Sources				
Federal Sources				
Total Revenues	\$ 66,295	\$ 14	\$ 6,451	\$ 6,157 343
	66,295	14	6,451	6,157 343
EXPENDITURES				
Instruction:				
Salaries of Teachers				
Purchased Professional - Technical Services				6,157 343
General Supplies	23,469	14		
Other Objects	8,886			
Total Instruction	32,355	14		6,157 343
Support Services:				
Salaries of Other Professional Staff	21,055			
Personal Services - Employee Benefits	1,610			
Purchased Professional and Technical Services			6,451	
Purchased Professional - Educational Services				
Other Purchased Services				
Supplies and Materials				
Other Objects				
Student Activities				
Total Support Services	22,665		6,451	
Facilities Acquisition and Construction Services:				
Instructional Equipment	11,275			
Total Facilities Acquisition and Construction Services	11,275			
Total Expenditures	\$ 66,295	\$ 14	\$ 6,451	\$ 6,157 343

SUSSEX COUNTY TECHNICAL SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ARP	School Based Youth Services	Adolescent Pregnancy Prevention Initiative	Student Activities	Local Donations	Total
REVENUES						
Local Sources				\$ 332,594	\$ 3,183	\$ 335,777
State Sources		\$ 284,035	\$ 70,247			354,282
Federal Sources	\$ 4,106					491,859
Total Revenues	4,106	284,035	70,247	332,594	3,183	1,181,918
EXPENDITURES						
Instruction:						
Salaries of Teachers						123,713
Purchased Professional - Technical Services						6,500
General Supplies		11,454			3,183	140,132
Other Objects						8,886
Total Instruction		11,454			3,183	279,231
Support Services:						
Salaries of Other Professional Staff		205,798	41,232			282,614
Personal Services - Employee Benefits		39,414	24,640			129,828
Purchased Professional and Technical Services						6,451
Purchased Professional - Educational Services		10,750	302			11,052
Other Purchased Services	4,106					4,106
Supplies and Materials		14,178	4,073			22,076
Other Objects		2,441				6,308
Student Activities				322,704		322,704
Total Support Services	4,106	272,581	70,247	322,704		785,139
Facilities Acquisition and Construction Services:						
Instructional Equipment						107,658
Total Facilities Acquisition and Construction Services						107,658
Total Expenditures	\$ 4,106	\$ 284,035	\$ 70,247	\$ 322,704	\$ 3,183	\$ 1,172,028

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, 2025

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 461,240
County Bond Ordinance Proceeds	5,034,700
Total Revenue and Other Financing Sources	5,495,940
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	450,296
Construction Services	3,607,152
Other Objects	400
Bond Issuance and Legal Costs	16,217
Cancel Accounts Receivable from SDA	354,000
Total Expenditures and Other Financing Uses	4,428,065
Excess of Revenue and Other Financing Sources	
Over Expenditures and Other Financing Uses	1,067,875
Fund Balance - Beginning of Year	7,658,448
Fund Balance - End of Year	\$ 8,726,323
<u>Recapitulation:</u>	
Committed	\$ 7,718,042
Committed - Year End Encumbrances	1,008,281
Total Fund Balance - Budgetary Basis	8,726,323
Reconciliation to Governmental Funds Statements (GAAP):	
Grants Receivables not Recognized on the GAAP Basis	(3,793,602)
Fund Balance per Governmental Funds (GAAP)	\$ 4,932,721

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 GREENHOUSE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<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)		
County Improvement Authorization	<u>2,089,918</u>	<u></u>	<u>\$ 2,089,918</u>	<u>\$ 2,089,918</u>
Revenue and Other Financing Sources	<u>2,443,918</u>	<u>(354,000)</u>	<u>2,089,918</u>	<u>2,089,918</u>
Expenditures:				
Purchased Professional and Technical Services	42,477	93,797	136,274	194,600
Construction Services	952,732		952,732	1,853,318
Bond Issuance and Legal Costs	<u>3,930</u>	<u></u>	<u>3,930</u>	<u>42,000</u>
Total Expenditures	<u>999,139</u>	<u>93,797</u>	<u>1,092,936</u>	<u>2,089,918</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 1,444,779</u>	<u>\$ (447,797)</u>	<u>\$ 996,982</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; 3/27/24
County Bond Ordinance Authorized	\$ 2,119,000
Original Authorized Cost	\$ 1,902,000
Additional Authorized Cost	\$ 571,000
Unexpended Balance Cancelled	<u>\$ (383,082)</u>
Revised Authorized Cost	<u>\$ 2,089,918</u>

Percentage Increase over Original Authorized Cost	10%
Percentage Completion	52%
Original Target Completion Date	12/15
Revised Target Completion Date	06/27

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, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
County Improvement Authorization	\$ 895,000		\$ 895,000	\$ 895,000
Revenue and Other Financing Sources	895,000		895,000	895,000
Expenditures:				
Purchased Professional and Technical Services	40,947	\$ 35,996	76,943	85,000
Construction Services	774,532		774,532	774,532
Equipment				15,468
Bond Issuance and Legal Costs	4,292		4,292	20,000
Total Expenditures	819,771	35,996	855,767	895,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 75,229	\$ (35,996)	\$ 39,233	\$ -0-

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	\$ 895,000

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	96%
Original Target Completion Date	06/22
Revised Target Completion Date	06/26

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, 2025

	Prior Periods	Current Year	Totals	Project Authorization
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	633,505	\$ 26,965	660,470	800,000
Bond Issuance and Legal Costs	2,938		2,938	20,000
Total Expenditures	692,445	26,965	719,410	900,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 207,555	\$ (26,965)	\$ 180,590	\$ -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	80%
Original Target Completion Date	06/22
Revised Target Completion Date	06/26

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, 2025

	<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	\$ 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:				
Purchased Professional and Technical				
Services	472,279	\$ 115,351	587,630	587,630
Construction Services	781,200	3,580,187	4,361,387	5,759,726
Bond Issuance and Legal Costs	2,592	16,217	18,809	25,000
Total Expenditures	1,256,071	3,711,755	4,967,826	6,372,356
Excess/(Deficit) of Revenue and Other Financing				
Sources Over/(Under) Expenditures	\$ 5,116,285	\$ (3,711,755)	\$ 1,404,530	\$ -0-

Additional Project Information:

Project Numbers	5110-010-21-1000
Grant Date	7/1/21
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	78%
Original Target Completion Date	10/25
Revised Target Completion Date	12/26

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, 2025

	Prior Periods	Current Year	Totals	Project Authorization
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				810,000
Other Objects	400	\$ 400	800	5,000
Total Expenditures	400	400	800	815,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 814,600	\$ (400)	\$ 814,200	\$ -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	12/26

SUSSEX COUNTY TECHNICAL SCHOOL
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
SEWER TREATMENT PLAN PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
County Improvement Authorization		\$ 3,731,600	\$ 3,731,600	\$ 3,731,600
Revenue and Other Financing Sources		3,731,600	3,731,600	3,731,600
Expenditures:				
Purchased Professional and Technical Services		205,152	205,152	920,400
Construction Services				2,761,200
Bond Issuance and Legal Costs				50,000
Total Expenditures		205,152	205,152	3,731,600
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 3,526,448	\$ 3,526,448	\$ -0-

Additional Project Information:

Project Numbers	5110-010-25-1000
Grant Date	N/A
County Bond Ordinance Authorization Date	4/23/25
County Bond Ordinance Authorized	N/A
Original Authorized Cost	\$ 5,204,240
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	<u>\$ 5,204,240</u>
Percentage Increase/Decrease over Original Authorized Cost	0%
Percentage Completion	5%
Original Target Completion Date	09/25
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
UNIT VENTILATOR REPLACEMENT, HVAC SYSTEM UPGRADE AND MAINTENANCE VEHICLES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 461,240	\$ 461,240	\$ 461,240
County Improvement Authorization		1,303,100	1,303,100	1,303,100
Revenue and Other Financing Sources		1,764,340	1,764,340	1,764,340
Expenditures:				
Purchased Professional and Technical Services				403,585
Construction Services				1,210,755
Equipment				150,000
Total Expenditures				1,764,340
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 1,764,340	\$ 1,764,340	\$ -0-

Additional Project Information:

Project Numbers	5110-010-23-R502
Grant Date	2/9/24
County Bond Ordinance Authorization Date	4/23/25
County Bond Ordinance Authorized	N/A
Original Authorized Cost	\$ 1,764,340
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 1,764,340
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	06/27
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	Non-Major Funds			
	Food Service	Use of Facilities	Transportation	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 76,073	\$ 290,353		\$ 366,426
Intrafund Receivable		51,754		51,754
Interfund Receivable - General Fund	121,558			121,558
Intergovernmental Accounts Receivable:				
State	513			513
Federal	7,713			7,713
Other			\$ 21,800	21,800
Other Accounts Receivable	2,192	6,521		8,713
Inventories	8,938			8,938
Total Current Assets	216,987	348,628	21,800	587,415
Non-Current Assets:				
Capital Assets	311,274	52,700	620,176	984,150
Less: Accumulated Depreciation	(123,846)	(25,527)	(511,848)	(661,221)
Total Non-Current Assets	187,428	27,173	108,328	322,929
Total Assets	404,415	375,801	130,128	910,344
LIABILITIES:				
Current Liabilities:				
Intrafund Payable			51,754	51,754
Accounts Payable		5,025		5,025
Unearned Revenue:				
Donated Commodities	1,577			1,577
Supply Chain Assistance	2,019			2,019
Total Current Liabilities	3,596	5,025	51,754	60,375
Total Liabilities	3,596	5,025	51,754	60,375
NET POSITION:				
Investment in Capital Assets	187,428	27,173	108,328	322,929
Unrestricted/(Deficit)	213,391	343,603	(29,954)	527,040
Total Net Position	\$ 400,819	\$ 370,776	\$ 78,374	\$ 849,969

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Non-Major Funds			
	Food Service	Use of Facilities	Transportation	Totals
Operating Revenue:				
Daily Sales:				
Reimbursable Programs	\$ 210,558			\$ 210,558
Non-Reimbursable Programs	175,360			175,360
Charges for Services - Program Fees		\$ 188,042	\$ 111,950	299,992
Total Operating Revenue	385,918	188,042	111,950	685,910
Operating Expenses:				
Cost of Sales:				
Reimbursable Programs	145,846			145,846
Non-Reimbursable Programs	121,467			121,467
Salaries	196,165	51,425	121,343	368,933
Employee Benefits	51,827			51,827
Other Purchased Services	20,000	28,485		48,485
Supplies and Materials			11,537	11,537
Miscellaneous Expenses	87,316	48,987	6,058	142,361
Depreciation Expense	9,876	3,684	30,403	43,963
Total Operating Expenses	632,497	132,581	169,341	934,419
Operating Income/(Loss)	(246,579)	55,461	(57,391)	(248,509)
Non-Operating Revenue:				
Interest Income	9,210			9,210
State Sources:				
State School Lunch Program	6,050			6,050
State School Breakfast Program	423			423
State Extended Income Eligibility - Breakfast	139			139
State Extended Income Eligibility - Lunch	3,372			3,372
S-EBT Reimbursement	322			322
Federal Sources:				
National School Lunch Program	123,840			123,840
School Breakfast Program	16,088			16,088
S-EBT Reimbursement	321			321
COVID-19 - Supply Chain Assistance	25,497			25,497
Food Distribution Program	27,612			27,612
Total Non-Operating Revenue	212,874			212,874
Change in Net Position Before Other Items	(33,705)	55,461	(57,391)	(35,635)
Other Items:				
Cancellation of Prior Year Accounts Payable	2,731			2,731
Change in Net Position	(30,974)	55,461	(57,391)	(32,904)
Net Position - Beginning of Year	431,793	315,315	135,765	882,873
Net Position - End of Year	\$ 400,819	\$ 370,776	\$ 78,374	\$ 849,969

SUSSEX COUNTY TECHNICAL SCHOOL
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Non-Major Funds			
	Food Service	Use of Facilities	Transportation	Totals
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 387,418	\$ 233,678	\$ 114,800	\$ 735,896
Payments to Food Service Company	(506,262)			(506,262)
Payments to/for Employees	(30,964)	(51,425)	(121,343)	(203,732)
Payments to Suppliers	(82,907)	(72,447)	(17,595)	(172,949)
Net Cash Provided by/(Used for) Operating Activities	(232,715)	109,806	(24,138)	(147,047)
Cash Flows from Financing Activities:				
Interest Income	9,210			9,210
Net Cash Provided by Financing Activities	9,210			9,210
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(152,580)			(152,580)
Net Cash Used for Capital and Related Financing Activities	(152,580)			(152,580)
Cash Flows by Noncapital Financing Activities:				
Intrafund Advanced		(51,754)	51,754	
Intrafund Returned	(1,615)	27,616	(27,616)	(1,615)
Interfund Advanced - General Fund	(121,558)			(121,558)
Federal Sources	152,692			152,692
State Sources	11,897			11,897
Net Cash Provided by/(Used for) Noncapital Financing Activities	41,416	(24,138)	24,138	41,416
Net Increase/(Decrease) in Cash and Cash Equivalents	(334,669)	85,668	-0-	(249,001)
Cash and Cash Equivalents, July 1	410,742	204,685	-0-	615,427
Cash and Cash Equivalents, June 30	<u>\$ 76,073</u>	<u>\$ 290,353</u>	<u>\$ -0-</u>	<u>\$ 366,426</u>
Reconciliation of Operating Income/(Loss) to				
Net Cash Provided by/(Used for) Operating Activities:				
Operating Income/(Loss)	\$ (246,579)	\$ 55,461	\$ (57,391)	\$ (248,509)
Adjustment to Reconcile Operating Income/(Loss) to Net				
Cash Provided by/(Used for) Operating Activities:				
Depreciation	9,876	3,684	30,403	43,963
Food Distribution Program	27,612			27,612
Changes in Assets and Liabilities:				
Decrease in Other Accounts Receivable	1,500	45,636	2,850	49,986
Increase/(Decrease) in Accounts Payable	(24,061)	5,025		(19,036)
Increase in Unearned Revenue - Donated Commodities	199			199
(Increase) in Inventory	(1,262)			(1,262)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (232,715)</u>	<u>\$ 109,806</u>	<u>\$ (24,138)</u>	<u>\$ (147,047)</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 \$27,811 and utilized U.S.D.A. Commodities valued at \$27,612.

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net Investment in Capital Assets	\$ 13,182,426	\$ 13,417,964	\$ 15,380,891	\$ 15,984,158	\$ 17,396,290	\$ 17,069,430	\$ 17,358,046	\$ 17,841,574	\$ 18,908,443	\$ 22,318,780
Restricted	541	541	250,541	148,457	506,657	616,774	738,432	742,910	719,587	1,352,989
Unrestricted/(Deficit)	(3,464,976)	(3,002,659)	(4,858,610)	(4,686,682)	(5,451,229)	(4,528,244)	(3,740,515)	(1,762,209)	(1,864,777)	1,166,658
Total Governmental Activities Net Position	\$ 9,717,991	\$ 10,415,846	\$ 10,772,822	\$ 11,445,933	\$ 12,451,718	\$ 13,157,960	\$ 14,355,963	\$ 16,822,275	\$ 17,763,253	\$ 24,838,427
Business-Type Activities:										
Investment in Capital Assets	\$ 315,213	\$ 294,421	\$ 208,151	\$ 364,698	\$ 352,967	\$ 306,199	\$ 283,228	\$ 249,407	\$ 214,312	\$ 322,929
Unrestricted	638,982	795,398	751,760	474,544	276,635	263,633	473,027	531,600	668,561	527,040
Total Business-Type Activities Net Position	\$ 954,195	\$ 1,089,819	\$ 959,911	\$ 839,242	\$ 629,602	\$ 569,832	\$ 756,255	\$ 781,007	\$ 882,873	\$ 849,969
District-Wide:										
Net Investment in Capital Assets	\$ 13,497,639	\$ 13,712,385	\$ 15,589,042	\$ 16,348,856	\$ 17,749,257	\$ 17,375,629	\$ 17,641,274	\$ 18,090,981	\$ 19,122,755	\$ 22,641,709
Restricted	541	541	250,541	148,457	506,657	616,774	738,432	742,910	719,587	1,352,989
Unrestricted/(Deficit)	(2,825,994)	(2,207,261)	(4,106,850)	(4,212,138)	(5,174,594)	(4,264,611)	(3,267,488)	(1,230,609)	(1,196,216)	1,693,698
Total District Net Position	\$ 10,672,186	\$ 11,505,665	\$ 11,732,733	\$ 12,285,175	\$ 13,081,320	\$ 13,727,792	\$ 15,112,218	\$ 17,603,282	\$ 18,646,126	\$ 25,688,396

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 4,316,769	\$ 5,116,687	\$ 5,276,074	\$ 4,660,042	\$ 4,697,773	\$ 4,697,820	\$ 4,470,883	\$ 4,012,495	\$ 3,842,083	\$ 3,846,434
Special Education	1,368,925	467,204	731,289	612,283	634,475	592,568	537,497	511,802	514,125	541,761
Vocational Education	2,908,830	3,995,379	3,836,945	3,615,702	3,402,583	3,318,857	3,177,653	3,427,039	3,288,255	2,992,357
School-Sponsored/Other Instruction	918,782	1,078,597	986,741	909,256	946,980	901,840	909,876	880,051	986,306	909,185
Support Services:										
Student and Instruction Related Services	2,525,986	2,593,938	2,745,649	2,539,393	2,528,898	2,468,040	2,589,882	2,807,211	2,416,636	2,489,633
General Administrative Services	738,150	722,345	745,747	603,539	618,648	642,845	615,297	583,690	576,161	558,639
School Administrative Services	630,379	1,017,870	1,097,615	997,172	838,636	840,320	879,040	916,060	839,864	866,411
Central Services	597,303	570,275	623,689	638,886	644,530	607,666	539,309	595,462	599,304	594,175
Administrative Information Technology	195,967	210,955	262,882	209,703	270,154	265,927	330,185	251,019	272,144	318,621
Plant Operations and Maintenance	2,073,262	2,179,084	2,242,213	2,290,934	2,241,395	2,647,695	2,638,935	2,548,476	2,593,703	2,640,631
Pupil Transportation	460,368	508,920	320,341	246,261	152,122	125,640	192,199	236,513	248,940	113,128
Special Schools	254,000	316,510	242,896	219,660	154,198	205,550	145,001	144,573	237,606	231,037
Total Governmental Activities Expenses	16,988,721	18,777,764	19,112,081	17,542,831	17,130,392	17,314,768	17,025,757	16,914,391	16,415,127	16,102,012
Business-Type Activities:										
Transportation	817,355	804,323	226,615	224,411	272,436	163,916	110,402	118,307	126,103	169,341
Use of Facilities	72,996	90,602	155,334	207,470	108,062	23,802	55,173	149,477	140,510	132,581
Food Service	435,438	417,022	417,650	415,105	286,116	214,668	481,608	451,728	530,659	632,497
Total Business-Type Activities Expense	1,325,789	1,311,947	799,599	846,986	666,614	402,386	647,183	719,512	797,272	934,419
Total District Expenses	18,314,510	20,089,711	19,911,680	18,389,817	17,797,006	17,717,154	17,672,940	17,633,903	17,212,399	17,036,431
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	1,650,771	1,723,034	1,736,034	1,507,671	1,740,713	1,739,705	1,598,095	1,730,986	1,849,183	2,001,985
Student & Instruction Related Services						128,013	128,013	343,629	343,629	343,629
Operating Grants and Contributions	3,938,840	5,395,048	5,933,107	4,735,093	4,667,366	4,113,181	4,376,246	3,376,718	2,864,032	2,382,970
Capital Grants and Contributions	146,515		576,048		224,728		50,029	533	39,704	1,429,349
Total Governmental Activities Program Revenues	5,736,126	7,118,082	8,245,189	6,242,764	6,632,807	5,980,899	6,152,383	5,451,866	5,096,548	6,157,933
Business-Type Activities:										
Charges for Services:										
Transportation	953,014	856,779	194,724	160,114	132,330	144,660	40,928	89,600	109,950	111,950
Use of Facilities	128,983	177,279	145,088	171,754	61,531	10,836	104,521	149,901	181,662	188,042
Food Service	321,986	355,308	355,559	321,665	202,357	9,620	56,936	308,676	406,995	385,918
Operating Grants and Contributions	107,316	81,174	70,568	72,601	72,664	177,441	631,591	192,894	185,961	203,664
Capital Grants and Contributions			7,787							
Total Business-Type Activities Program Revenues	1,511,299	1,470,540	773,726	726,134	468,882	342,557	833,976	741,071	884,568	889,574
Total District Program Revenues	7,247,425	8,588,622	9,018,915	6,968,898	7,101,689	6,323,456	6,986,359	6,192,937	5,981,116	7,047,507

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

UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
Net (Expense)/Revenue:										
Governmental Activities	\$ (11,252,595)	\$ (11,659,682)	\$ (10,866,892)	\$ (11,300,067)	\$ (10,497,585)	\$ (11,333,869)	\$ (10,873,374)	\$ (11,462,525)	\$ (11,318,579)	\$ (9,944,079)
Business-Type Activities	185,510	158,593	(25,873)	(120,852)	(197,732)	(59,829)	186,793	21,559	87,296	(44,845)
Total District-Wide Net Expense	(11,067,085)	(11,501,089)	(10,892,765)	(11,420,919)	(10,695,317)	(11,393,698)	(10,686,581)	(11,440,966)	(11,231,283)	(9,988,924)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
County Tax Levy	6,962,974	6,962,974	6,983,863	6,983,863	7,120,050	7,280,251	7,425,900	7,574,424	7,688,040	8,007,116
Federal and State Aid not Restricted	3,847,345	3,853,083	3,855,765	3,790,971	3,782,004	3,784,033	3,784,033	3,784,033	3,784,033	3,743,170
Miscellaneous Income	125,784	212,304	384,240	120,873	113,636	80,827	159,525	143,541	216,484	234,267
County Improvement Authorization and Financed Purchases Proceeds	1,464,000	1,331,000		1,106,553	243,017	895,000	900,000	2,426,839	571,000	5,034,700
Cancellation of Intergovernmental Accts Receivable	(58,749)	(1,824)		(29,082)			(198,081)			
Total Governmental Activities	12,341,354	12,357,537	11,223,868	11,973,178	11,258,707	12,040,111	12,071,377	13,928,837	12,259,557	17,019,253
Business-Type Activities:										
Miscellaneous Income	267	132	148	187	197	59	80	3,193	9,519	9,210
Cancellation of Prior Year Accounts Receivable	(24,859)	(26,929)	(16,208)	(4)	(12,105)		(450)			
Cancellation of Prior Year Accounts Payable		3,828							5,051	2,731
Disposal of Capital Assets, Net of Accumulated Depreciation			(87,975)							
Total Business-Type Activities	(24,592)	(22,969)	(104,035)	183	(11,908)	59	(370)	3,193	14,570	11,941
Total District-Wide	12,316,762	12,334,568	11,119,833	11,973,361	11,246,799	12,040,170	12,071,007	13,932,030	12,274,127	17,031,194
Change in Net Position:										
Governmental Activities	1,088,759	697,855	356,976	673,111	761,122	706,242	1,198,003	2,466,312	940,978	7,075,174
Business-Type Activities	160,918	135,624	(129,908)	(120,669)	(209,640)	(59,770)	186,423	24,752	101,866	(32,904)
Total District	\$ 1,249,677	\$ 833,479	\$ 227,068	\$ 552,442	\$ 551,482	\$ 646,472	\$ 1,384,426	\$ 2,491,064	\$ 1,042,844	\$ 7,042,270

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	\$ 541	\$ 541	\$ 250,541	\$ 148,457	\$ 302,040	\$ 404,571	\$ 495,251	\$ 482,997	\$ 422,146	\$ 1,045,658
Assigned	69,135	72,559	257,036	57,586	53,798	9,610	27,282			119,830
Unassigned/(Deficit)	41,432	341,289	51,480	43,045	100,765	150,172	119,319	(360,014)	(152,373)	56,226
Total General Fund/(Deficit)	\$ 111,108	\$ 414,389	\$ 559,057	\$ 249,088	\$ 456,603	\$ 564,353	\$ 641,852	\$ 122,983	\$ 269,773	\$ 1,221,714
All Other Governmental Funds:										
Restricted					\$ 204,617	\$ 212,203	\$ 243,181	\$ 259,913	\$ 297,441	\$ 307,331
Committed	\$ 2,611,538	\$ 3,340,645	\$ 1,756,604	\$ 2,005,905	888,469	1,601,041	1,536,469	3,323,511	2,542,737	4,932,721
Total All Other Governmental Funds	\$ 2,611,538	\$ 3,340,645	\$ 1,756,604	\$ 2,005,905	\$ 1,093,086	\$ 1,813,244	\$ 1,779,650	\$ 3,583,424	\$ 2,840,178	\$ 5,240,052
Governmental Funds:										
Restricted	\$ 541	\$ 541	\$ 250,541	\$ 148,457	\$ 506,657	\$ 616,774	\$ 738,432	\$ 742,910	\$ 719,587	\$ 1,352,989
Committed	2,611,538	3,340,645	1,756,604	2,005,905	888,469	1,601,041	1,536,469	3,323,511	2,542,737	4,932,721
Assigned	69,135	72,559	257,036	57,586	53,798	9,610	27,282			119,830
Unassigned/(Deficit)	41,432	341,289	51,480	43,045	100,765	150,172	119,319	(360,014)	(152,373)	56,226
Total Governmental Funds	\$ 2,722,646	\$ 3,755,034	\$ 2,315,661	\$ 2,254,993	\$ 1,549,689	\$ 2,377,597	\$ 2,421,502	\$ 3,706,407	\$ 3,109,951	\$ 6,461,766

Source: School District Financial Reports

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
County Tax Levy	\$ 6,962,974	\$ 6,962,974	\$ 6,983,863	\$ 6,983,863	\$ 7,120,050	\$ 7,280,251	\$ 7,425,900	\$ 7,574,424	\$ 7,688,040	\$ 8,007,116
Tuition from Individuals								5,681	3,753	
Tuition from LEAs	1,650,771	1,723,034	1,736,034	1,507,671	1,740,713	1,739,705	1,726,108	1,725,305	1,844,360	2,013,020
Other Tuition										1,675
Unrestricted Miscellaneous Revenue	31,181	93,545	106,185	8,213	53,183	26,851	96,394	76,136	187,882	163,201
Interest Earned on Capital Reserve Funds					329	304	246			
Other Restricted Miscellaneous Revenue	94,603	118,759	278,055	112,660	86,701	186,006	333,141	416,380	389,916	406,843
State Sources	6,045,716	6,061,900	6,878,149	6,563,817	6,776,247	6,973,108	7,689,301	7,738,149	7,718,956	9,220,178
Federal Sources	322,295	493,862	437,730	456,899	492,253	510,401	688,871	946,515	662,073	502,467
Total Revenue	15,107,540	15,454,074	16,420,016	15,633,123	16,269,476	16,716,626	17,959,961	18,482,590	18,494,980	20,314,500
Expenditures:										
Instruction:										
Regular Instruction	2,673,849	2,636,356	2,783,952	2,777,617	2,869,891	2,986,858	3,009,330	2,798,849	2,819,392	2,697,836
Special Education Instruction	436,482	446,704	442,609	364,731	442,356	418,235	408,444	383,049	393,019	412,441
Vocational Education Instruction	2,114,391	2,157,351	2,096,073	2,127,781	2,048,351	2,031,191	2,106,572	2,242,354	2,146,267	1,989,496
School-Sponsored/Other Instruction	626,878	657,359	599,935	584,050	627,929	571,822	667,631	644,842	748,507	680,930
Support Services:										
Student and Instruction Related Services	1,610,805	1,548,771	1,668,083	1,669,375	1,715,579	1,750,140	1,981,455	2,242,451	1,908,215	2,005,192
General Administrative Services	599,935	560,701	579,528	471,000	495,837	497,041	525,613	487,112	479,303	469,099
School Administrative Services	424,834	530,246	589,241	584,370	498,694	511,770	586,857	618,685	590,448	620,315
Central Services	372,710	303,665	313,128	345,809	376,103	341,179	323,227	403,707	421,867	427,607
Administrative Information Technology	123,225	118,138	178,046	127,295	211,273	175,365	219,790	176,523	172,161	193,792
Plant Operations and Maintenance	1,482,783	1,470,362	1,549,591	1,718,882	1,804,206	2,032,345	2,029,352	1,954,144	2,051,958	2,062,623
Pupil Transportation	205,109	244,298	209,691	198,163	100,087	113,587	173,924	205,518	215,787	85,583
Unallocated Benefits	3,953,999	4,120,819	4,352,068	4,637,872	4,541,662	4,995,998	5,657,546	6,389,405	6,056,206	6,094,234
Special Schools	94,540	93,555	75,485	60,607	33,967	95,493	40,549	35,445	58,141	49,333
Capital Outlay	688,659	885,332	2,421,959	1,644,035	1,696,525	262,694	887,685	1,042,440	1,601,165	4,208,904
Total Expenditures	15,408,199	15,773,657	17,859,389	17,311,587	17,462,460	16,783,718	18,617,975	19,624,524	19,662,436	21,997,385
Deficit of Revenues Under Expenditures	(300,659)	(319,583)	(1,439,373)	(1,678,464)	(1,192,984)	(67,092)	(658,014)	(1,141,934)	(1,167,456)	(1,682,885)
Other Financing Sources (Uses):										
County Improvement Authorization	1,464,000	1,331,000		1,106,553	243,017	895,000	900,000	2,426,839	571,000	5,034,700
Financed Purchases (Non-Budgeted)		22,795								
Intergovernmental Accts Receivable Canceled	(58,749)	(1,824)		(29,082)			(198,081)			
Total Other Financing Sources (Uses)	1,405,251	1,351,971		1,077,471	243,017	895,000	701,919	2,426,839	571,000	5,034,700
Net Change in Fund Balances	\$ 1,104,592	\$ 1,032,388	\$ (1,439,373)	\$ (600,993)	\$ (949,967)	\$ 827,908	\$ 43,905	\$ 1,284,905	\$ (596,456)	\$ 3,351,815
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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

<u>Fiscal Year Ended June 30,</u>	<u>Evening School/ Other Program Fees</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2024	36,151	31,542	1,848,113	148,791	2,064,597
2025	37,975	71,581	2,014,695	124,711	2,248,962

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)
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	1,643,363,784	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
2023	309,317,300	14,268,840,450	593,838,200	24,607,500	1,719,673,500	246,157,700	149,879,700	17,312,314,350	2,014,005,150	2,337,089	17,314,651,439	N/A	21,185,772,331
2024	324,793,600	16,350,050,900	614,091,500	24,962,700	1,885,290,800	340,321,700	237,122,900	19,776,634,100	2,358,089,200	2,385,189	19,779,019,289	N/A	23,579,223,310

N/A - Not Applicable

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

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

Source: Sussex County Tax Assessor

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

Taxpayer	2024		
	Taxable Assessed Value	Rank	% of Total County Net Assessed Value
Martin Properties	\$ 56,027,300	1	0.28%
Tenneco, Inc.	50,731,300	2	0.26%
ThorLabs	44,094,100	3	0.22%
Edgewater Associates, LLC	36,404,000	4	0.18%
Gordon Byram Associates	36,044,600	5	0.18%
Wantage Avenue Holding Co.	30,999,500	6	0.16%
Wild Turkey Golf Club SPE	29,904,700	7	0.15%
Weldon Quarry Co.	28,091,700	8	0.14%
Walmart Stores	27,449,400	9	0.14%
Mountain Creek	22,983,900	10	0.12%
Total	<u>\$ 362,730,500</u>		<u>1.83%</u>

Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Kenneth D. Martin & Associates. LLC	\$ 53,097,600	1	0.34%
Mountain Creek	41,013,000	2	0.26%
Wantage Avenue Holding Company, Inc.	35,006,600	3	0.22%
Crystal Springs Development	25,759,100	4	0.16%
Metairie Corporation	24,730,000	5	0.16%
United Telephone of NJ Embauq	21,494,845	6	0.14%
Gordon Byram Associates, LLC	18,586,900	7	0.12%
Kere Associates LLC	15,962,300	8	0.10%
Weldon Quarry	15,005,100	9	0.10%
Jersey Investors Growth	13,535,300	10	0.09%
Total	<u>\$ 264,190,745</u>		<u>1.68%</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	
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-
2024	7,688,040	7,688,040	100.00%	-0-
2025	7,907,116	8,007,116	101.26%	-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	Bond		Business-Type Activities				
			Financed Purchases	Anticipation Notes (BANs)	Financed Purchases				
2016	\$ -0-	\$ -0-	\$ 52,658	\$ -0-	\$ 104,635	\$ 157,293	\$ 0.0020%	\$ 1.11	
2017	-0-	-0-	55,825	-0-	70,563	126,388	0.0016%	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	
2024	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	0.00	
2025	-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.

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

<u>Year</u>	<u>Population ^a</u>	<u>Sussex County Per Capita Personal Income ^b</u>	<u>Total County Personal Income</u>	<u>Unemployment Rate ^c</u>
2016	142,004	\$ 55,872	\$ 7,934,047,488	4.60%
2017	141,267	57,565	8,132,034,855	4.20%
2018	140,995	59,870	8,441,370,650	3.80%
2019	140,710	63,036	8,869,795,560	3.30%
2020	140,002	66,361	9,290,672,722	9.00%
2021	145,543	70,228	10,221,193,804	6.20%
2022	146,084	71,343	10,422,070,812	3.80%
2023	146,132	75,364	11,013,092,048	4.00%
2024	147,444	75,364 *	11,111,969,616 ***	4.30%
2025	147,444 **	75,364 *	11,111,969,616 ***	N/A

* - Latest Sussex County per capita personal income available (2023) was used for calculation purposes.

** - Latest population data available (2024) was used for calculation purposes.

*** - Latest available population data (2024) and latest available Sussex County per capita personal income (2023) 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	2024		
	Employees	Rank (Optional)	Percentage of Total Employment
Selective Insurance Group Inc.	1,000-4,999	1	1.29%-6.44%
Crystal Springs Resort	1,000-4,999	2	1.29%-6.44%
Newton Medical Center	1,000-4,999	3	1.29%-6.44%
Thorlabs	1,000-4,999	4	1.29%-6.44%
County of Sussex	500-999	5	0.64%-1.29%
Mountain Creek Resort	500-999	6	0.64%-1.29%
Shop Rite	500-999	7	0.64%-1.29%
Sussex County Community College	250-499	8	0.64%-1.29%
United Methodist Community Bristol Glen	250-499	9	0.64%-1.29%
Franklin Mutual Insurance	100-249	10	0.13%-0.32%
	<u>6,100-23,740</u>		<u>7.86%-30.60%</u>
Total Employment	<u>77,594</u>		

Employer	2015		
	Employees	Rank (Optional)	Percentage of Total Employment
Newton Memorial Hospital	1,000-4,999	1	1.36%-6.79%
Selective Insurance Group Inc.	1,000-4,999	2	1.36%-6.79%
Mountain Creek Resort	500-999	3	0.68%-1.36%
Thor Labs	500-999	4	0.68%-1.36%
Sussex County Offices	500-999	5	0.68%-1.36%
Ames Rubber Corp	250-499	6	0.34%-0.68%
Raider Express	250-499	7	0.34%-0.68%
Sussex County Community College	250-499	8	0.34%-0.68%
Mountain Creek Waterpark	100-249	9	0.14%-0.34%
A&P Food Store	100-249	10	0.14%-0.34%
	<u>4,450-14,990</u>		<u>6.05%-20.36%</u>
Total Employment	<u>73,609</u>		

Source: Sussex County

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

<u>Function/Program</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction:										
Regular	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	33.0	32.0
Special Education	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	3.0	3.0
Other Special Education	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Vocational	23.0	23.0	23.0	23.0	23.0	23.0	23.0	22.0	22.0	19.0
Other Instruction	9.0	9.0	9.0	9.0	9.0	9.0	9.0	6.0	3.0	-0-
Support Services:										
Student & Instruction Related Services	15.0	15.0	15.0	15.0	15.0	15.0	15.0	17.5	24.0	19.1
School Administrative Services	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
General Administrative Services	1.0	1.5	1.5	1.5	2.0	2.0	2.0	2.0	1.5	1.5
Central Services	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Administrative Information Technology	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant Operations and Maintenance	13.5	11.5	11.5	11.5	11.5	13.5	13.5	15.5	16.0	16.8
Pupil Transportation	11.2	11.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5
Total	121.7	118.7	108.5	108.5	109.0	111.0	111.0	110.5	115.0	103.4

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 Enrollment (ADE) ^c	* Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School					
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%
2024	753	18,061,271	23,986	-7.06%	65	1:11.6		709	651	1.58%	91.82%
2025	745	17,788,481	23,877	-0.45%	66	1:11.1		706	660	-0.42%	93.48%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>District Buildings</u>										
Vocational High School (1967)										
Square Feet	225,249	225,249	225,249	225,249	225,249	225,249	225,249	225,249	225,249	225,249
Capacity (students) *	734.4	734.4	734.4	734.4	734.4	734.4	734.4	734.4	734.4	734.4
Enrollment *	777.0	785.0	787.0	787.0	759.0	758.0	723.0	720.0	753.0	745.0

Number of Schools at June 30, 2025

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>School Facilities:</u>										
Sussex County Technical School	\$ 679,875	\$ 669,091	\$ 690,818	\$ 827,805	\$ 884,502	\$ 787,455	\$ 719,369	\$ 678,065	\$ 662,701	\$ 544,464

Source: School District records.

SUSSEX COUNTY TECHNICAL SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2025
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 Sexual Abuse and Molestation:	10,000,000	
Per Occurrence		
General Aggregate	46,000,000	
Product/Completed Ops	Included	
Personal Injury	Included	
Fire Damage	2,500,000	
Medical Expenses (excluding students taking part in athletics)	10,000	
Employee Benefits Liability	5,000,000	
Abuse and Molestation	10,000,000	
Automobile Coverage	10,000,000	
CYBER Liability	750,000 Occurrence	10,000
	2,000,000 Aggregate	
Environmental Impairment Liability	1,000,000 Occurrence	50,000
	10,000,000 Fund Aggregate	
Crime Coverage	50,000 Inside/Outside	1,000
Blanket Dishonesty Bond	500,000 Per Loss	1,000
Boiler and Machinery	100,000,000	2,500
Excess School Board Legal Liability	5,000,000 / 5,000,000	
Workers' Compensation:	Statutory	
Employer's Liability	6,000,000	
Supplemental Indemnity	Statutory	
Tank Policy		
Per Tank Accident (1 UST Tank)	500,000 1,000,000 Aggregate	1,000
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

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 7, 2025.

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.

October 7, 2025
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

Report on Compliance For Each Major State Program;
Report on Internal Control Over Compliance Required by 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 State Program

Opinion on Each Major 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 *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on the District's major state program for the fiscal year ended June 30, 2025. The District's major state program is 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 the major state program for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major 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 the major state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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.

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

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 the major 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.

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.

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

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.

October 7, 2025
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, 2025

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2024			Prior Yr Encum- brance Cancelled	Adjust- ments	Budgetary Expenditures	Return to Grantor	Balance at June 30, 2025			Amount Provided to Subre- cipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	
U.S. Department of Agriculture:															
Passed-through State Department of Agriculture:															
Child Nutrition Cluster:															
Food Distribution Program	10.555	N/A	7/1/24-6/30/25	\$ 27,811					\$ 27,811	\$ (26,234)			\$ 1,577		
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	34,704		\$ 1,378				(1,378)					
School Breakfast Program	10.553	N/A	7/1/24-6/30/25	16,088					15,048	(16,088)			\$ (1,040)		
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	15,029	\$ (3,061)				3,061						
National School Lunch Program	10.555	N/A	7/1/24-6/30/25	123,840					117,167	(123,840)			(6,673)		
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	99,288	(17,095)				17,095						
COVID-19 Supply Chain Assistance	10.555	N/A	7/1/22-6/30/24	83,600	(20,156)	27,516				(25,497)			2,019		
Total Child Nutrition Cluster						28,894			180,182	(193,037)			(7,713)	3,596	
Summer Electronic Benefit															
Transfer (S-EBT)	10.646	N/A	7/1/24-6/30/25	321					321	(321)					
Total U.S. Department of Agriculture					(20,156)	28,894			180,503	(193,358)			(7,713)	3,596	
U.S. Department of Education:															
Special Revenue Fund:															
Passed-through State Department of Education:															
Elementary and Secondary Education Act:															
Title I	84.010	ESEA511025	7/1/24-9/30/25	89,168					43,400	(66,295)			(22,895)		
Title I	84.010	ESEA511024	7/1/23-9/30/24	84,381	(22,430)				22,444	(14)					
Total Title I					(22,430)				65,844	(66,309)			(22,895)		
Title IIA	84.367	ESEA511025	7/1/24-9/30/25	23,621					1,834	(6,451)			(4,617)		
Title IIA	84.367	ESEA511024	7/1/23-9/30/24	13,863	(750)				750						
Total Title IIA					(750)				2,584	(6,451)			(4,617)		
Title IV	84.424	ESEA511025	7/1/24-9/30/25	19,309	(711)				4,500	(6,157)			(1,657)		
Title IV	84.424	ESEA511024	7/1/23-9/30/24	19,309					1,054	(343)					
Title IV	84.424	ESEA511023	7/1/22-9/30/23	10,000			\$ 691				\$ (691)				
Total Title IV					(711)		691		5,554	(6,500)			(1,657)		
Education Stabilization Fund:															
COVID 19 - ARP:															
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	407,930		4,106				(4,106)					
Summer Learning & Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(6,204)				6,204						
Comp. Beyond School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(1,849)				1,849						
Total Education Stabilization Fund					(8,053)	4,106			8,053	(4,106)					

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2024			Cash Received	Budgetary Expenditures	Adjust- ments	Prior Yr Encum- brance Cancelled	Return to Grantor	Balance at June 30, 2025			Amount Provided to Subre- cipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor						Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	
U.S. Department of Education: (Cont'd)																
Special Revenue Fund: (Cont'd)																
Passed-through State Department of Education:																
Carl D. Perkins Secondary	84.048	PERK511025	7/1/24-6/30/25	\$ 144,999			\$ 144,995		\$ 493	\$ (493)						
Carl D. Perkins Secondary	84.048	PERK511024	7/1/23-6/30/24	158,412	\$ (3,370)		3,370									
Carl D. Perkins Post Secondary	84.048	PERK511025	7/1/24-6/30/25	77,342			77,326									
Total Carl D. Perkins					(3,370)		225,691		493	(493)						
Special Education Cluster (IDEA):																
ID.E.A. Part B, Basic	84.027	IDEA511025	7/1/24-9/30/25	200,094			109,807					\$ (66,932)				
ID.E.A. Part B, Basic	84.027	IDEA511024	7/1/23-9/30/24	204,300	(100,345)		109,778									
Total Special Education Cluster (IDEA)					(100,345)		219,585									
Total U.S. Department of Education					(135,659)	\$ 4,106	\$ 691	493	(493)	\$ (691)						
U.S. Department of Labor:																
Special Revenue Fund:																
(Passed Through Morris County Private Industry Council):																
WIOA Cluster:																
WIOA - Youth Activities	17.259	N/A	7/1/21-6/30/22	63,794			360							\$ 360		
WIOA - Youth Activities	17.259	N/A	7/1/19-6/30/20	62,238			2,431							2,431		
WIOA - Youth Activities	17.259	N/A	7/1/18-6/30/19	61,018			302							302		
WIOA - Youth Activities	17.259	N/A	7/1/17-6/30/18	49,912			6,548							6,548		
WIOA - Youth Activities	17.259	N/A	7/1/16-6/30/17	63,458			9,161							9,161		
Total WIOA Cluster							18,802							18,802		
Total U.S. Department of Labor							18,802							18,802		
U.S. Federal Communications Commission:																
Special Revenue Fund:																
Emergency Connectivity Fund (ECF)	32.009	ECF202104607	7/1/21-6/30/22	45,537			7,915							7,915		
Total U.S. Federal Communications Commission							7,915							7,915		
Total Special Revenue Fund					(135,659)	4,106	27,408	493	(493)	(691)				26,717		
Total Federal Awards					\$ (155,815)	\$ 33,000	\$ 27,408	\$ 707,814	\$ (685,217)	\$ 493	\$ (493)	\$ (691)	\$ (103,814)	\$ 3,596	\$ 26,717	\$ -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, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024			Balance at June 30, 2025			MEMO
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Budgetary Due to Grantor	GAAP Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	
NJ Department of Education:										
General Fund State Aid:										
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	\$ 2,237,834							
Special Education Categorical Aid	25-495-034-5120-089	7/1/24-6/30/25	461,389				\$ 2,015,808	\$ (2,237,834)	\$ (222,026)	\$ 2,237,834
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	74,363				415,612	(461,389)	(45,777)	461,389
Vocational Expansion Stabilization Aid	N/A	7/1/24-6/30/25	1,423,581				66,985	(74,363)	(7,378)	74,363
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24-6/30/25	418,241				1,282,341	(1,423,581)	(141,240)	1,423,581
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	626,771				397,893	(418,241)	(20,348)	418,241
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	2,118,754				626,771	(626,771)		626,771
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	26,246				2,118,754	(2,118,754)		2,118,754
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	1,185				26,246	(26,246)		26,246
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	2,237,834	\$ (223,566)			223,566	(1,185)		2,237,834
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	413,134	(41,273)			41,273			413,134
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	74,363	(7,429)			7,429			74,363
Vocational Expansion Stabilization Aid	N/A	7/1/23-6/30/24	1,471,836	(147,041)			147,041			224,391
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	437,420	(21,157)			21,157			437,420
Total General Fund State Aid				(440,466)			7,392,061	(7,388,364)	(436,769)	10,775,506
NJ School Development Authority:										
Capital Projects Fund:										
Securing Our Children's Future Bond Act	N/A	7/1/20-6/30/22	51,756	(1,194)			1,194			51,756
Securing Our Children's Future Bond Act	N/A	7/1/21-6/30/26	4,760,517				1,428,155	(1,428,155)	(3,332,362)	1,428,155
Total Capital Projects Fund				(1,194)			1,429,349	(1,428,155)	(3,332,362)	1,479,911
Special Revenue Fund:										
School Development Authority:										
Emergent & Capital Maintenance Needs	N/A	7/1/23-6/30/25	19,640		\$ 19,640			\$ 19,640		
Emergent & Capital Maintenance Needs	N/A	7/1/22-6/30/25	20,153		1,716			1,716		18,437
Total Special Revenue Fund					21,356			21,356		18,437
Total NJ Department of Education				(441,660)	21,356		8,821,410	(8,816,519)	(3,769,131)	12,273,854
NJ Department of Agriculture:										
Special Revenue Fund:										
Curriculum for Agricultural Science Education	N/A	4/1/15-6/30/15	7,500			\$ 4,487			\$ 4,487	3,013
Future Farmers' Youth Development	100-010-3330-019	7/1/23-6/30/24	3,085		5			20		3,065
Total Special Revenue Fund					5	4,487		20	4,487	6,078
Enterprise Fund:										
State School Lunch Program	25-100-010-3350-023	7/1/24-6/30/25	6,050				5,732	(6,050)	(318)	6,050
State School Lunch Program - NJEIE	25-100-010-3350-023	7/1/24-6/30/25	3,372				3,208	(3,372)	(164)	3,372
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	6,428	(1,107)						6,428
State School Lunch Program - NJEIE	24-100-010-3350-023	7/1/23-6/30/24	3,449	(793)			793			3,449
State School Breakfast Program	25-100-010-3350-021	7/1/24-6/30/25	423				398	(423)	(25)	423
State School Breakfast Program - NJEIE	25-100-010-3350-021	7/1/24-6/30/25	139				133	(139)	(6)	139
State School Breakfast Program	24-100-010-3350-021	7/1/23-6/30/24	472	(94)			94			472
State School Breakfast Program - NJEIE	24-100-010-3350-021	7/1/23-6/30/24	473	(110)			110			473
Summer Electronic Benefit Transfer (S-EBT)	N/A	7/1/24-6/30/25	322				322	(322)		322
Total Enterprise Fund				(2,104)			11,897	(10,306)	(513)	21,601
Total NJ Department of Agriculture				(2,104)	5	4,487	11,897	(10,306)	(513)	27,679

SUSSEX COUNTY TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024				Return to Grantor	Balance at June 30, 2025			MEMO Cumulative Total Expenditures	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Budgetary Due to Grantor	Cash Received		Budgetary Expenditures	Adjust-ments	GAAP Accounts Receivable		Budgetary Unearned Revenue
<u>NJ Department of Labor and Workforce Development:</u>													
Special Revenue Fund:													
Apprenticeship Coordinator	341-6140	7/1/09-6/30/10	\$ 15,339		\$ 86					\$ 86		\$ 15,253	
Total NJ Department of Labor and Workforce Development					86					86		15,253	
<u>NJ Department of Human Services:</u>													
Special Revenue Fund:													
Adolescent Pregnancy Prevention Initiative:													
FY25	#SB05037	7/1/24-6/30/25	73,720				\$ 73,720	\$ (70,247)			3,473	70,247	
FY24	#SB05037	7/1/23-6/30/24	76,018		9,388							76,018	
FY23	#SB05037	7/1/22-6/30/23	39,051		15,230				\$ 1	\$ (9,389)	15,230	23,821	
FY16	#SB05037	7/1/15-6/30/16	62,777		1,363						1,363	61,414	
FY15	#SB05037	7/1/14-6/30/15	62,777		693						693	62,084	
FY14	#SB05037	7/1/13-6/30/14	62,777		417						417	62,360	
Total Adolescent Pregnancy Prevention Initiative					27,091		73,720	(70,247)	1	(9,389)	21,176	434,534	
<u>School Based Youth Services:</u>													
FY25	#SB05037	7/1/24-6/30/25	284,035				284,035	(284,035)				284,035	
FY24	#SB05037	7/1/23-6/30/24	292,888		55,475					(55,475)	97	292,791	
FY23	#SB05037	7/1/22-6/30/23	266,044		12,671				97		12,671	253,373	
FY22	#SB05037	7/1/21-6/30/22	302,799		40,300						40,300	262,499	
FY21	#SB05037	7/1/20-6/30/21	256,601		10,785						10,785	245,816	
FY16	#SB05037	7/1/15-6/30/16	256,601		4,381						4,381	252,220	
FY15	#SB05037	7/1/14-6/30/15	256,101		2,018						2,018	254,083	
FY14	#SB05037	7/1/13-6/30/14	261,401		6,509						6,509	254,892	
Total School Based Youth Services					132,139		284,035	(284,035)	97	(55,475)	76,761	2,099,709	
Total NJ Department of Human Services					159,230		357,755	(354,282)	98	(64,864)	97,937	2,534,243	
Total Special Revenue Fund				\$ 21,361	163,803		357,755	(354,282)	113	(64,864)	102,510	2,574,011	
Total State Awards				<u>\$ (443,764)</u>	<u>\$ 21,361</u>	<u>\$ 163,803</u>	<u>\$ 9,191,062</u>	<u>\$ (9,181,107)</u>	<u>\$ 113</u>	<u>\$ (64,864)</u>	<u>\$ 102,510</u>	<u>\$ (3,769,644)</u>	<u>\$ 14,851,029</u>
<u>Less: State Awards Not Subject to Single Audit Major Program Determination</u>													
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	(626,771)				(626,771)	626,771					
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	(2,118,754)				(2,118,754)	2,118,754					
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	(26,246)				(26,246)	26,246					
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	(1,185)				(1,185)	1,185					
Subtotal - On-Behalf TPAF Pension System Contributions							(2,772,956)	2,772,956					
Total State Awards Subject to Single Audit Major Program Determination							<u>\$ 6,418,106</u>	<u>\$ (6,408,151)</u>					
N/A - Not Applicable/Available													
										Prior Year Encumbrance Canceled Adjustment		\$ 112	
										1			
										<u>\$ 113</u>			

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, 2025

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, 2025. 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 \$2,888 for the general fund and \$55,903 for the special revenue fund. 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, 2025
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 7,391,252	\$ 7,391,252
Special Revenue Fund	\$ 502,467	399,577	902,044
Capital Projects Fund		1,429,349	1,429,349
Enterprise Fund	<u>193,358</u>	<u>10,306</u>	<u>203,664</u>
Total Federal and State Awards	<u>\$ 695,825</u>	<u>\$ 9,230,484</u>	<u>\$ 9,926,309</u>

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, 2025.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANTS

During fiscal year 2025, the District had one active grant in the amount of \$461,420 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2025, the project is still in progress. As of June 30, 2025, \$0- 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 2025, 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, 2025, one project is completed and one is still in progress. As of June 30, 2025, \$1,479,911 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, 2025

K-6

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No

Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2025 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

State Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?			
	_____ Yes	_____ X	No

Identification of major programs:

Program Name or Cluster	State Grant No.	<u>Grant Period</u>		<u>Award Amount</u>	<u>Budgetary Expenditures</u>
		Start	End		
Securing Our Children's Future Bond Act	N/A	7/1/21	6/30/26	\$ 4,760,517	\$ 1,428,155
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?		_____ X	Yes	_____	No

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

SUSSEX COUNTY TECHNICAL SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

There were no prior year findings.