

**Delsea Regional High School Board of Education
Comprehensive Annual Financial Report
For the Year Ended June 30, 2011**

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
FRANKLINVILLE, NEW JERSEY**

**Delsea Regional High School Board of Education
Franklinville, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Delsea Regional High School Board of Education
Franklinville, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by:

Delsea Regional High School Board of Education Administration

OUTLINE OF CAFR

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INTRODUCTORY SECTION



DELSEA REGIONAL HIGH SCHOOL DISTRICT

Dr. Piera Gravenor
Superintendent

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Joseph M. Collins
Business Administrator/
Board Secretary

November 15, 2011

Honorable President and
Members of the Board of Education
Delsea Regional High School District
242 Fries Mill Road
P.O. Box 405
Franklinville, New Jersey 08322

Dear Board Members:

The comprehensive annual financial report (C.A.F.R.) of the Delsea Regional High School District for the fiscal year ended June 30, 2011, is hereby submitted. This C.A.F.R. includes the District's basic financial statements prepared in accordance with Governmental Accounting Standards Board Statement 34. 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. 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 designated to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections:

- The Introductory Section contains a table of contents, letter of transmittal, list of principal officials, and an organizational chart of the District;
- The Financial Section begins with the Independent Auditors' Report and includes 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 other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;
- The Single Audit Section - The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and the New Jersey O.M.B. Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.

- Information related to this single audit, including the auditors' reports on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, if any, are included in the single audit section of this report.

Reporting Entity and Its Services

Delsea Regional High School District is an independent reporting entity within the criteria adopted by the G.A.S.B. as established by Statement No. 14. All funds and account groups of the District are included in this report. The Delsea Regional High School District Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2010-11 fiscal year with an average daily enrollment of 1,748 students, which is 5 students less than the previous year's enrollment.

The teaching staff consists of approximately 170 faculty members, plus classroom support personnel. The district administrative structure includes a superintendent, an assistant superintendent of curriculum, a business administrator/board secretary, a director of the child study team, and district wide instructional supervisors. The middle school has one principal and one vice principal; the high school has one principal and two vice principals. The nine-member board of education is an elected body consisting of seven representatives from Franklin Township and two from Elk Township. Each of the two satellite districts, Franklin and Elk, has its own board of education.

The District is committed to helping every student reach his or her individual potential, capabilities and goals, and in doing so, provides a stimulating physical and social environment which is designed to activate the appetite for learning and motivate the students to excel to their fullest potential. It is the District philosophy that education must be flexible and oriented toward the future and that we must attempt to insure the fulfillment of the student's educational and/or vocational aspirations and their correlated growth characteristics. Our educational process shall continually be improved, expanded, and evaluated to meet the demands of the times. We must provide a physical and social environment which discovers, develops, and nurtures human talents, self-confidence, and critical thinking. Additionally, an emphasis has been placed on technology throughout the District through integration and immersion. The District has a State approved 2010-2013 Technology Plan.

Specialized Honors and Advanced Placement subjects are available for students in grades seven through twelve to prepare them for college-level learning experiences. These courses operate through a sequentially based process from honors courses in the lower grades to Advanced Placement courses in grades eleven and twelve. The programs are available in math, science, English, social studies, art, music, history, psychology, and foreign language. A number of extra curricular activities designed for the gifted students are present in both the Middle and High schools.

A strong basic skills curriculum in reading, writing, and math is available for students who benefit from small group instruction and need reinforcement of their foundation skills.

Comprehensive special education programs are provided to meet the requirements of the special needs population. The District employs six Child Study Team members whose purpose is to ensure that these students receive an educational program appropriate to their needs.

The District has made available to students a number of intervention groups to provide for the varied needs of our diversified population. Natural Helpers is a group whose purpose is to help students develop the capacity to intervene effectively with troubled friends. Peer Mediation is available for students to meet with a student mediator for the purpose of resolving conflicts. The 9th Grade Transition Program consists of a select group of upper classman who are trained to work with incoming freshmen providing academic, emotional and social assistance. Additional intervention groups are: Affected Others Educational Support Group, Students United for Respect and Equality, Achieving Sex Equality Through Students, Drug Information Support Group, Recovering Support Group, Pupil Assistance Committee, Concerned Persons Group, Chemical Dependency Support Group, and Teens as Teachers.

The high school students are scheduled for an eight-period day to complete the State and District requirements for graduation and also to select from the extensive program of 65 to 70 elective courses. Vocational training is offered through Delsea's successful comprehensive technical education programs. State-of-the-art instructional equipment is part of the educational services provided to the students of the District.

Delsea students participate in college admissions testing programs, where the average scores for Delsea students typically exceed state and national averages. Graduates of Delsea have successfully completed degree programs at a full range of institutions of higher learning from Ivy League universities to community colleges.

A comprehensive after-school activities program for high school students includes academic, social, and service organizations; interest clubs; and extensive inter-scholastic athletic programs for male and female students.

The Delsea Middle School offers a secure and caring environment to address the special needs of the adolescent student. The friendly and empathetic staff, coupled with a meaningful curricula for middle level students, provides an atmosphere conducive to the student's academic, social, and emotional growth.

All seventh and eighth grade students are exposed to a seven period day of sequentially designed programs in language arts; math; science; social studies; health/physical education; Latin-4-vocabulary/library/study skills; and exploratory programs in art, music, foreign language, and computer technology. Students are scheduled into program levels according to their interest, test scores, teacher recommendations, past achievements, and parental requests. A multiplicity of clubs and activities are available to meet the social, academic, and physical needs of the middle school student.

Economic Condition and Outlook

The Delsea Regional High School District is nestled in a rural area in Gloucester County in the southern part of New Jersey, and serves the seventh through twelfth grade populations of two constituencies, Franklin and Elk Townships.

The total land area of the two townships is seventy-six square miles. Eighty percent of the land is undeveloped. The sites are classified rural/agricultural made up of small truck farms and fruit orchards. A few small, locally-operated businesses are located within the communities; industries and large businesses are not part of the regional setting. The location of the two townships; the desire for safe, non-urban residences; the pastoral setting; the massive amounts of undeveloped land; and the travel convenience to Philadelphia, Wilmington, Atlantic City, and the shore areas entice new residents into the District. The 2000 census shows a 31% growth rate from 1990 to 2000. However, this movement of positive and controlled population growth may change dramatically in the near future. Presently there are minor and major subdivisions being presented to planning and zoning boards in both Franklin and Elk Townships. These housing developments will impact on the populations of not only the regional school district but also our elementary school districts. Our municipal governments have closely monitored this process as they are sensitive to the needs of the schools and their communities.

The museums, theaters, and other enriching activities of Philadelphia and New York City are within a short driving distance, allowing residents to enjoy the quiet, bucolic life without sacrificing cultural stimulation. Many major colleges and universities are within an hour drive in both urban and suburban settings. Within the communities, the Delsea Regional school buildings and grounds are the hub of many varied activities for both children and adults.

Delsea Regional is comprised of two buildings on an attractive 85 acre campus. The high school, constructed in 1960, houses students in grades nine through twelve, and the middle school, built in 1989, accommodates the seventh and eighth grade populations. To keep up with the present demands of educational growth, both buildings have been refurbished to include appropriate technology upgrades and expansion of core facilities.

Major Initiatives

The District is continuing to provide an enhanced educational program for our students through the upgrading of the high school facilities, new, innovative educational programs and activities, and a comprehensive curriculum which addresses students' needs from basic skills to advanced placement.

Alternative School Program - The District was granted approval by the State to operate an Alternative School Program. The program offers unique non-traditional educational opportunities to students who do not perform well in the traditional school setting. This program serves as a major component to our Dropout Prevention Program.

Bookbinders Alternative School Program - The District added an additional alternative school program for the special education population. This program offers the same non-traditional educational opportunities to students not performing well in the traditional school setting to those students needing accommodations and modifications to increase academic success.

In-District Specialized Educational Programs for Students with Disabilities - The District has developed programs for low functioning cognitive children to ensure their placements would remain in-district. These programs provide for life skills and transitioning while maintaining strong academic components. When an opening is available we promote and accept tuition students from other districts.

Junior Reserve Officers' Training Corps (J.R.O.T.C.) - The J.R.O.T.C. program is a cooperative effort financially and curricularly agreed to by the Army and the District to provide secondary school students with opportunities for the development of leadership, patriotism, strength of character, self discipline and responsibility.

Technology - In order to challenge students in the twenty-first century, an emphasis has been placed on technology throughout the District. Technology has been integrated into every aspect of the curriculum. Both the high school and middle school facilities are equipped with state of the art labs, media centers, and technological tools, as well as a district wide wireless network with e-mail and internet access. The high school also boasts many specialized areas for specific, more sophisticated technology utilization. In addition to numerous computer labs, there is a television/broadcast studio, language lab, and an ITV distance learning lab. There are also wireless laptop carts in both the middle school and high school, an iPad cart in the high school, and "Smartboard" technology in both buildings.

Distance Learning - The District has formed partnerships with another school district within the county to provide for the sharing of courses via the interactive television lab. Through this reciprocal agreement, the two districts will be in a position to offer students courses or instructional units that would not normally be available due to budgetary constraints, limited enrollments, or lack of resources.

Advanced Placement - The District offers a variety of Advanced Placement courses that expand and solidify the college preparatory curricula to provide students with college entrance skills compatible to, and competitive with, the skills of academic students in other post-secondary institutions in the nation. This special academic curricula in grades seven through twelve function through an articulated and graduated program process from Honors courses in the lower grade levels to fifteen Advanced Placement courses in grades 10, 11, and 12.

Violence Reduction - As a result of continuing revisions in the District's discipline code and board policy, as well as the institution of a variety of pro-active violence prevention strategies, such as service learning, there has been a reduction in the number of acts of violence as reported in the District Report on Violence and Vandalism and Substance Abuse.

School to Careers - Emphasis is being placed on School to Career initiatives to provide students with work-based learning, school-based learning, and connecting activities. To this end, the District has formed School to Career Partnerships with other local school districts, as well as partnerships with businesses and industry.

Renaissance Program - To recognize and reward the academic achievement of our students, the District has implemented the national education-focused program called "Renaissance." The program is designed to promote a comprehensive change in attitude that brings academic achievement to the forefront. It sets academic standards for students and recognizes continuous improvement in academic achievement and behavior. The program also promotes teacher enthusiasm by recognizing them as dedicated and valued professionals, and raises the level of community participation in our schools by seeking the involvement of parents and businesses.

Professional Development - The District, as an advocate of professional growth, recognizes the need to remain current on educational research, practice and initiatives. The District recognizes each student's ability to learn and promotes training in Let Me Learn, a program which focuses on individual learning patterns. Through a comprehensive training cycle, staff members are instructed in the application of this innovative program, proven instructional practices, research based activities, and effective school procedures to affect all student achievement and performance.

SHAPE Program - SHAPE serves as a summer enrichment program for academic and social programs for the most at-risk population. Students are exposed to instruction in math, English, and study skills, are mentored by high school students who serve as role models, and complete hands-on projects. Cultural excursions are also part of the program.

Internal Accounting Controls

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (G.A.A.P.). The internal controls are 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 financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal controls are also subject to periodic evaluation by the District management.

As part of the district's single audit described earlier, tests are made to determine the adequacy of the internal controls, including that portion related to Federal and State financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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 voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. 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 reservations of fund balance at year end.

Accounting System and Reports

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the fund basis. These funds are explained in "Notes to the Financial Statements," Note 1.

Management's Discussion and Analysis

G.A.A.P. require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District is required to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("G.U.D.P.A."). G.U.D.P.A. 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.

Risk Management

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

Independent Audit

State statutes require an annual audit by independent Certified Public Accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC, was selected by the Board of Education. In addition to meeting the requirements set forth in the state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related O.M.B. Circular A-133 and New Jersey Circular Letter 04-04, as revised. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Significant Awards - Educational

Delsea Regional School District's service learning program was selected as a "National Promising Practice" by the Character Education Partnership in Washington, D.C.

Delsea Regional High School has been recognized for their outstanding J.R.O.T.C. program. The program was awarded the designation of "Honor Unit with Distinction" for the 2010-11 school year by the Department of the Army.

Eight high school students in the D.E.C.A. (Distributive Education Club of America) program were selected to represent Delsea in the National D.E.C.A. competition.

The Delsea Regional School District has been recognized by the New Jersey Education Association for its exemplary professional development program model of action research. The District was also recognized by the National Education Association as having one of the top three professional development programs in the nation.

Delsea was selected as one of sixteen pilot programs from across the state for the development of Personalized Student Learning Plans. The State will financially support the development of these plans through a grant in the amount of \$15,000.

Acknowledgements

We would like to express our appreciation to the members of the Delsea Regional High School District Board of Education 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.

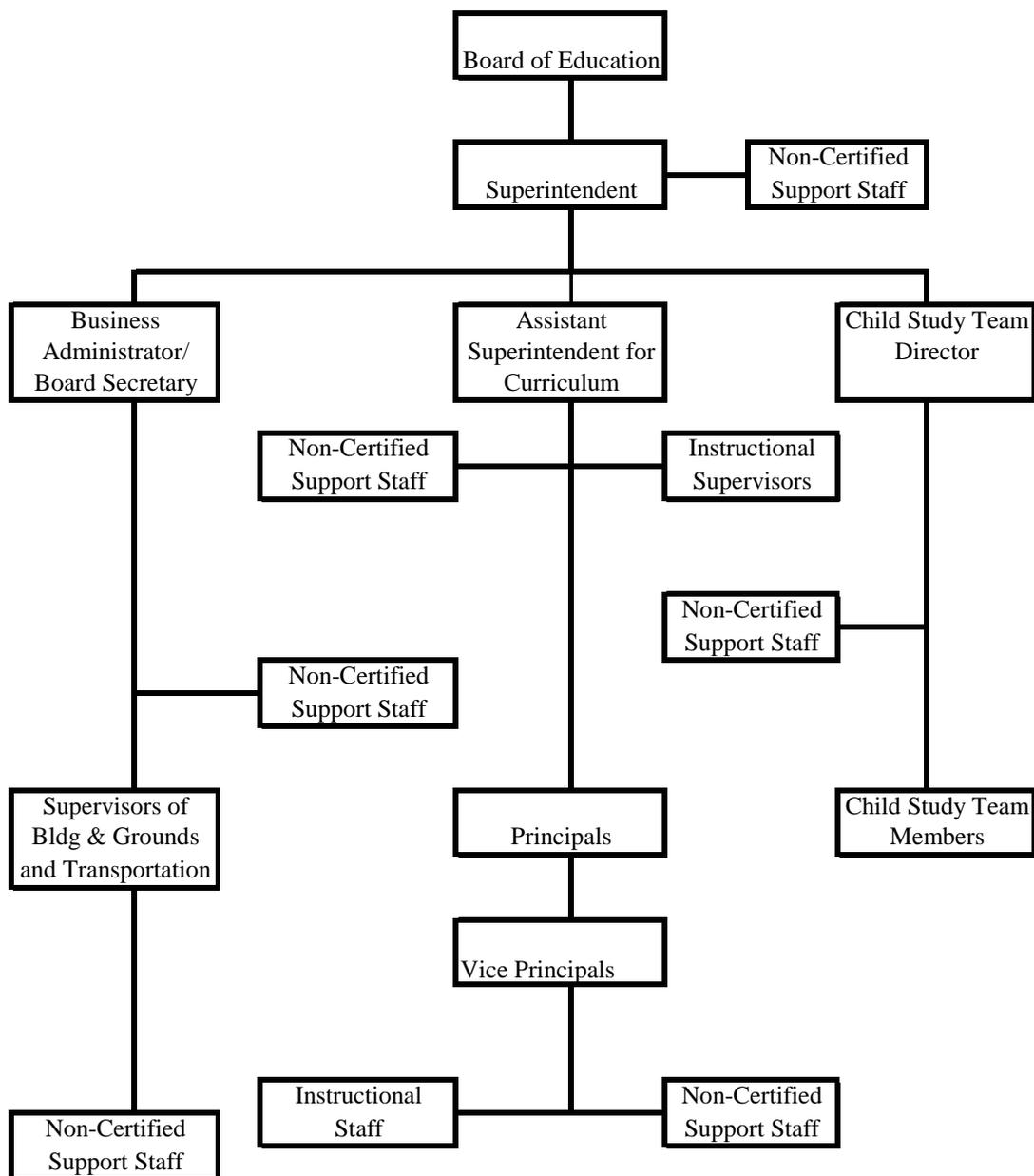
Respectfully submitted,

Dr. Piera Gravenor
Dr. Piera Gravenor
Superintendent

Joseph M. Collins
Joseph M. Collins
Business Administrator/Board Secretary

BOARD OF EDUCATION
OF THE
DELSEA REGIONAL HIGH SCHOOL DISTRICT
Franklinville, New Jersey 08322

ORGANIZATIONAL CHART



DELSEA REGIONAL HIGH SCHOOL DISTRICT

FRANKLINVILLE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2011

Members of the Board of Education	Term Expires
Mario R. Christina, President	2014
Kathie P. Catucci, Vice President	2014
John Bruno	2012
Ruth D. Short	2012
Joyce A. Burnett	2012
Thomas Tobin	2012
William DiMatteo	2013
David J. Piccirillo	2013
William Lahn	2014

Other Officials

Dr. Piera Gravenor, Superintendent

Joseph M. Collins, School Business Administrator/Board Secretary

Angela M. Gregory, Treasurer

Frank P. Cavallo, Jr. Esq., Solicitor

DELSEA REGIONAL HIGH SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

ARCHITECT

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14000 F Commerce Parkway
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ATTORNEY

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Glassboro, NJ 08028

OFFICIAL DEPOSITORY

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18-24 West Boulevard
Newfield, NJ 08344

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028
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CERTIFIED PUBLIC ACCOUNTANTS

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Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Delsea Regional High School District
242 Fries Mill Road
P.O. Box 405
Franklinville, New Jersey 08322

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of the Board of Education of the Delsea Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Delsea Regional High School Board of Education's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Delsea Regional High School Board of Education, in the County of Gloucester, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2011, on our consideration of the Delsea Regional High School Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison information referenced in the outline of C.A.F.R. are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 inquires of management about the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delsea Regional High School Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey O.M.B.'s Circular 04-04 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* respectively, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and the schedules of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 16, 2011

Required Supplementary Information – Part I

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The discussion and analysis of Delsea Regional High School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- In total, net assets increased \$1,743,728 from \$13,554,795 to \$15,298,523, which represents a 12.9 percent increase from fiscal year 2010.
- General revenues (see exhibit A-2) accounted for \$29,302,755 in revenue or 92.5 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,362,208 or 7.5 percent of total revenues of \$31,665,137.
- The District had (see exhibit A-2) \$29,921,409 in expenses; only \$2,362,208 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$29,302,929 were adequate to provide for these programs.
- Among governmental funds, (see exhibit B-2) the general fund had \$27,725,917 in revenues and \$26,579,547 in expenditures. The fund balance for the general fund increased \$915,596 from fiscal year 2010.

Using this Comprehensive Annual Financial Report (C.A.F.R.)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Delsea Regional High School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. Of the governmental funds, the general fund is by far the most significant fund.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "Is the District as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps you answer this question. These statements are prepared to include all assets and liabilities, using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors. Because the goal of the District is to provide services to our students, not to generate a profit as commercial entities do, one must consider the many non-financial factors, including the quality of the education provided and the safety of the schools, when assessing the overall health of the District.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

- Governmental activities – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The food service enterprise fund is reported as a business-type activity.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide more detailed information about the District's funds. The District uses many funds to account for a multitude of financial transaction. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements. The District's governmental funds are the general fund, special revenue fund, and debt service fund.

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. There are two types of proprietary funds, enterprise funds, and internal service funds. The enterprise fund (food service fund) is the same as the business-type activities in the district-wide statements, but additional detail and information is provided in the fund statements. The District uses the internal service fund to report activities associated with supplying transportation, technology, and administrative services to other school districts.

The District as Trustee

Reporting on the District's Fiduciary Responsibilities

All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District as a trustee, or fiduciary, is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. This information is information that has not been presented on the face of the financial statements, for reasons of practicality, but is essential for the financial statements to be fairly presented.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Net assets may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary comparison of the District's net assets for fiscal years 2011 and 2010.

**Table 1
Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and other assets	\$ 2,898,821	\$ 1,668,255	\$ 98,248	\$ 46,359	\$ 2,997,069	\$ 1,714,614
Capital assets	19,231,625	19,660,198	13,098	15,210	19,244,723	19,675,408
Total assets	22,130,446	21,328,453	111,346	61,569	22,241,792	21,390,022
Liabilities:						
Long-term liabilities	5,493,753	5,267,465			5,493,753	5,267,465
Other liabilities	1,446,714	2,562,342	2,802	5,420	1,449,516	2,567,762
Total liabilities	6,940,467	7,829,807	2,802	5,420	6,943,269	7,835,227
Net Assets:						
Invested in capital assets, net of debt	14,550,244	13,766,917	13,098	15,210	14,563,342	13,782,127
Restricted	1,950,525	1,332,932	11,751		1,962,276	1,332,932
Unrestricted	(1,310,790)	(1,601,203)	83,695	40,939	(1,227,095)	(1,560,264)
Total net assets	\$ 15,189,979	\$ 13,498,646	\$ 108,544	\$ 56,149	\$ 15,298,523	\$ 13,554,795

The District's combined net assets were \$15,298,523 on June 30, 2011. This was an increase of 12.9 percent from the prior year.

Total assets increased \$851,770. There was an increase in current and other assets of \$1,282,455 and a decrease in capital assets of \$430,685. The decrease in capital assets is due primarily to depreciation of the assets.

Total liabilities decreased \$891,958 due primarily to a decrease in bonds and loans payable.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal year 2011, compared to fiscal year 2010.

**Table 2
Changes in Net Assets**

	Governmental Activities		Business- Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 579,576	\$ 628,636	\$ 534,661	\$ 558,036	\$ 1,114,237	\$ 1,186,672
Operating grants and contributions	958,299	1,291,463	289,672	289,338	1,247,971	1,580,801
General revenues:						
Property taxes	12,639,762	11,772,858			12,639,762	11,772,858
Federal and State aid not restricted	15,256,246	15,407,161			15,256,246	15,407,161
Other	1,406,747	1,307,645	174	178	1,406,921	1,307,823
Total revenues	30,840,630	30,407,763	824,507	847,552	31,665,137	31,255,315
Functions/Programs Expenses:						
Instruction	10,582,744	17,548,945			10,582,744	17,548,945
Support services:						
Pupils and instructional staff	4,299,796	3,513,745			4,299,796	3,513,745
General, school and business administration	2,093,188	2,812,441			2,093,188	2,812,441
Plant operations and maintenance	2,232,770	2,950,282			2,232,770	2,950,282
Pupil transportation	2,844,651	3,625,374			2,844,651	3,625,374
Employee benefits	6,158,013				6,158,013	
Special schools		20,007				20,007
Interest on debt	196,906	232,132			196,906	232,132
Unallocated depreciation	738,107	243,741			738,107	243,741
Capital outlay	3,122				3,122	
Food service			772,112	834,244	772,112	834,244
Total expenses	29,149,297	30,946,667	772,112	834,244	29,921,409	31,780,911
Increase (decrease) in net assets	\$ 1,691,333	\$ (538,904)	\$ 52,395	\$ 13,308	\$ 1,743,728	\$ (525,596)

Program revenues include charges for services and operating grants and contributions. The increase in program revenues is primarily the result of an increase in grant revenues.

General revenues include property taxes, federal and state aids, and other revenues, with unrestricted state aid being the predominant source of revenue for the District. State aid decreased from the prior year due mainly to a withholding of state aid during the school year. Federal aid increased because of the receipt of Federal IDEA and Title I ARRA funds. Other revenues include revenues from transportation jointures, tuition, community school, athletic events, and other miscellaneous sources.

There was an increase in property taxes of \$866,904. The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District budget and related tax levy.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The District as a Whole (Continued)

The 2009-10 budget was passed by the voters, but the 2010-11 and 2011-12 budget was defeated by the voters in April of each year. In accordance with state law, defeated budgets are reviewed by the municipalities within which the student population resides, and budget cuts are recommended.

Total expenses decreased by \$1,600,924 mainly due to various budget cuts made in order to balance the budget.

Governmental Activities

The District's total revenues for governmental activities were \$30,261,054 for the year ended June 30, 2011. Federal, state, and local grants/aid accounted for 50.3 percent of revenue. Property taxes made up 41.7 percent of revenues for governmental activities and operating grants and contributions made up 3.1 percent.

The total cost of all program and services was \$29,368,873. Instruction and instruction related activities account for 50.7 percent of District expenses, plant operations and maintenance account for 7.4 percent, pupil transportation 8.1 percent, school and other administrative services 6.2 percent, employee benefits 21 percent.

The Statement of Activities shows the cost of program services and the charges for these services and offsetting grant revenues. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Of the \$29,149,297 total cost of services for fiscal year 2011, \$27,611,422 is for activities which are not self-supporting, and are supported by tax revenue and unrestricted State aid.

**Table 3
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction	\$ 10,582,744	\$ 17,548,945	\$ 10,235,855	\$ 16,544,951
Support Services:				
Pupils and instructional staff	4,299,796	3,513,745	3,687,973	3,255,026
General, school and business administration	2,093,188	2,812,441	1,896,240	2,602,841
Plant operations and maintenance	2,232,770	2,950,282	2,201,043	2,892,970
Pupil transportation	2,844,651	3,625,374	2,520,922	3,247,304
Employee benefits	6,158,013		6,131,254	
Special schools		20,007		7,603
Interest on debt	196,906	232,132	196,906	232,132
Capital outlay	3,122		3,122	
Unallocated depreciation	738,107	243,741	738,107	243,741
Total expenses	\$ 29,149,297	\$ 30,946,667	\$ 27,611,422	\$ 29,026,568

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Business-Type Activities

Business-type activities include the food service operation. This program had program revenues of \$824,333 and expenses of \$772,112 for fiscal year 2011. The District received 35.1% of its program revenues from grants from the Federal and State reimbursable lunch programs. Revenues from Federal and State grant programs are driven by participation. The increase in net assets of \$52,395 for fiscal year 2011, was mainly caused by an expenditure cuts.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$30,261,054 and expenditures were \$29,368,873. The net increase in fund balance for the year was most significant in the general fund, an increase of \$915,273. The increase was mainly caused by budget cuts. The negative balance in unreserved undesignated fund balance in the general fund is the result of the deferred June state aid payments as described in the footnotes to the financial statements.

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

Over the course of the year, the District revised the annual operating budget numerous times. Many of the amendments are due to changes in expenditure priorities in the District. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

Revisions in the budget were made to prevent over-expenditures in specific line item accounts. Budget revisions were made to adjust for staffing changes based on student needs, additional costs for student transportation, and the purchase of transportation vehicles.

For the general fund, total revenues, on the budget basis, were \$27,612,027, which includes \$1,667,193 in reimbursed T.P.A.F. pension and social security contributions. The State contribution for T.P.A.F. members for pension and social security is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements, elimination of this item will provide a more accurate comparison of budget to actual revenues and expenditures. The total revenues represent an increase of \$2,229,070 over the final budget amount. This was mainly due to additional transportation fees earned for transportation jointures, and unanticipated tuition revenue. Total expenditures, on the budget basis, were \$26,579,547. Expenditures were \$379,172 more than the final budget amount of \$26,200,375 due to \$1,667,193 in reimbursed T.P.A.F. pension and social security contributions.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

General Fund Budgeting Highlights (Continued)

The final budget includes amounts encumbered in the prior year to be expended in the current year, as well as additional transportation revenue appropriated in the current year. Expenditures were less than anticipated due to tight budgetary controls.

Capital Assets

At the end of the fiscal year 2011, the District had \$19,244,723 invested in land, buildings, and furniture and equipment. Table 4 shows fiscal year 2011 balances compared to 2010.

Overall capital assets decreased \$630,212 from fiscal year 2009 to fiscal year 2010. The decrease in capital assets is due primarily to depreciation of existing fixed assets. Total capital asset additions for fiscal year 2010 were \$387,329, and include the purchase of instructional, athletic, and maintenance equipment, as well as transportation vehicles.

**Table 4
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	71,500				\$ 71,500	
Site improvements	\$ 1,147,220	\$ 1,343,134			1,147,220	\$ 1,343,134
Buildings and improvements	16,562,211	16,694,312			16,562,211	16,694,312
Furniture and equipment	1,450,694	1,622,752	13,098	15,210	1,463,792	1,637,962
Total	\$ 19,231,625	\$ 19,660,198	\$ 13,098	\$ 15,210	\$ 19,244,723	\$ 19,675,408

Debt Administration

At June 30, 2011, the District had \$5,493,753 of outstanding debt. Of this amount, \$3,040,000 is for serial bonds for school construction/renovation, \$1,579,583 for E.D.A. loans for school construction/renovation, and \$874,170 is for compensated absences. The District continues to pay down its debt, decreasing bonds and loans \$1,205,956 in fiscal year 2011. There was no new debt issued during the year.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Debt Administration (Continued)

**Table 5
Outstanding Debt at Year End**

	<u>2011</u>	<u>2010</u>
1993 general obligation bonds	\$ 2,660,000	\$ 3,250,000
2000 general obligation bonds	380,000	470,000
1993 EDA facilities loan	1,554,078	2,072,104
1993 EDA small projects loan	20,758	27,106
1993 EDA safe schools loan	4,747	6,329
Compensated absences payable	<u>874,170</u>	<u>866,903</u>
 Total	 <u><u>\$ 5,493,753</u></u>	 <u><u>\$ 6,692,442</u></u>

At June 30, 2011, the District's overall legal debt limit was \$56,108,585, the District borrowing margin available was \$51,489,002. The District maintains an AA bond rating.

Factors Bearing on the District's Future

The Delsea Regional High School District has continued to maintain the highest standards of service to our students, parents, and community. The District is proud of its community support of the public schools. A major concern is the continued increase in the costs of operating the District with a decrease in State aid. State aid comprises a significant portion of District revenue, 50.4% for fiscal year 2010-2011.

Franklin and Elk Townships are rural communities, with very little industry, thus the burden of tax increases is born by the homeowners. The budget was defeated by the voters at the annual election in April of 2010 and 2011.

The District has experienced a decrease in enrollment over the past five years, but the District could experience an increase in the future. Housing projects have been approved in both townships on land that was previously used for agricultural purposes. A drastic increase in the growth rate would necessitate an expansion of existing facilities, or the construction of a new facility.

Newfield Board of Education recently requested the severance of their sending-receiving relationship with Buena Board of Education for the education of their students in grades kindergarten through grade twelve. The matter was brought to the level of the Commissioner of Education, and the districts agreed to sever the relationship over multiple years to lessen the financial impact on the Buena Board of Education. According to the agreement, Delsea will receive students in grade nine in the 2010-11 school year and an additional grade in each subsequent year. The additional students from Newfield School District will not have an impact on the District's existing facilities, as there are approximately 100 students in grades seven through twelve that will attend Delsea and our current facilities can accommodate this minimal increase in enrollment.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Factors Bearing on the District's Future (Continued)

There will be a positive effect on the financial position of the District from the tuition revenue that will be received from the Newfield School District. The District continues to investigate and implement shared service agreements to decrease costs while providing quality services. Recently the District signed shared service agreements with the constituent elementary districts for the provision of numerous services including superintendent, business administrator, transportation, child study team, technology and purchasing services. Through a committee of the Board, meetings are being held with the constituent elementary districts to discuss additional opportunities for the sharing of services and personnel. The areas of concentration have been suggested by the Executive County Superintendent, who by law has been charged with the task of studying and assisting school district in consolidating administrative services. The suggested areas are curriculum, transportation, child study team services, and maintenance of facilities.

The configuration of the District may change in the future based on a law that was recently passed by the legislature. The law mandates the submission of a plan by the Executive County Superintendent, within a three year period, to consolidate local public school districts within the county into comprehensive consolidated or regional school districts, with a focus on the consolidation of limited purpose regional school districts with the local public school districts of the constituent municipalities. The plan was submitted by the Executive County Superintendent in March of 2010, and indicated a full purpose regional school district comprised of the municipalities of Franklin, Elk, Newfield, and possibly Clayton, would be advantageous. The ultimate decision to create a full purpose regional school district and eliminate the constituent elementary districts resides with the taxpayers of the affected municipalities.

Subsequent to the release of the regionalization/consolidation plan by the Executive County Superintendent, the Franklin Township School District, one of the two constituent districts comprising the Delsea Regional High School District, presented in June of 2011, the results of a feasibility study conducted by the Franklin Township School District. Of the options discussed in the study, the Franklin Township School District made the decision to endorse the option of withdrawing from the Delsea Regional High School District, and passed a resolution to that effect. In accordance with law, the resolution was forwarded to the Executive County Superintendent for review. Based on the review of the Executive County Superintendent, a recommendation will be made to the Commissioner of Education, who has the authority to authorize a question to be submitted to the voters in the municipalities of Franklin and Elk to allow the withdraw of Franklin from the Delsea Regional High School District. Because there are only two district that comprise the regional district, a withdraw of Franklin would be a defacto dissolution of the regional district. The Delsea Regional High School District passed a resolution and forwarded it to the Commissioner of Education protesting the withdraw of Franklin based on this fact.

In conclusion, the Delsea Regional High School District has committed itself to financial excellence for many years. The District plans to continue its sound fiscal management to meet the challenges of the future.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Joseph M. Collins, Business Administrator/Board Secretary at Delsea Regional Board of Education, PO Box 405, 242 Fries Mill Road, Franklinville, NJ 08322. Please visit our website at www.delsearegional.us.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Delsea Regional High School District
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	956,838	56,016	1,012,854
Receivables, net	1,588,215	11,420	1,599,635
Interfund receivable		26,020	26,020
Inventory		4,792	4,792
Restricted assets:			
Restricted cash and cash equivalents	197		197
Capital reserve account	353,571		353,571
Capital assets:			
Non-depreciable assets	71,500		71,500
Assets net of depreciation	19,160,125	13,098	19,173,223
Total assets	22,130,446	111,346	22,241,792
LIABILITIES:			
Accounts payable	176,098		176,098
Deposits payable		1,698	1,698
Loans payable	1,170,579		1,170,579
Interfund payable	26,020		26,020
Payable to state government	6,221		6,221
Payable to federal government	5,998		5,998
Deferred revenue		1,104	1,104
Accrued interest payable	61,798		61,798
Noncurrent liabilities:			
Due within one year	1,464,791		1,464,791
Due beyond one year	4,028,962		4,028,962
Total liabilities	6,940,467	2,802	6,943,269
NET ASSETS:			
Invested in capital assets, net of related debt	14,550,244	13,098	14,563,342
Restricted for:			
Debt service	197		197
Capital projects	353,571		353,571
Other purposes	1,537,188	11,751	1,548,939
Unrestricted	(1,310,790)	83,695	(1,227,095)
Total net assets	15,130,410	108,544	15,238,954

The accompanying Notes to Financial Statements are an integral part of this statement.

Delsea Regional High School District
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	7,070,584			(7,070,584)		(7,070,584)
Special education	2,418,985		346,889	(2,072,096)		(2,072,096)
Other special instruction	262,113			(262,113)		(262,113)
Other instruction	829,769			(829,769)		(829,769)
Nonpublic school programs	1,293			(1,293)		(1,293)
Support services:						
Tuition	1,952,812		433,328	(1,519,484)		(1,519,484)
Student & instruction related services	2,346,984	27,172	151,323	(2,168,489)		(2,168,489)
School administrative services	1,131,314	36,200		(1,095,114)		(1,095,114)
Other administrative services	961,874	160,748		(801,126)		(801,126)
Plant operations and maintenance	2,232,770	31,727		(2,201,043)		(2,201,043)
Pupil transportation	2,844,651	323,729		(2,520,922)		(2,520,922)
Employee benefits	6,158,013		26,759	(6,131,254)		(6,131,254)
Interest on long-term debt	196,906			(196,906)		(196,906)
Capital outlay	3,122			(3,122)		(3,122)
Unallocated depreciation	738,107			(738,107)		(738,107)
Total governmental activities	<u>29,149,297</u>	<u>579,576</u>	<u>958,299</u>	<u>(27,611,422)</u>		<u>(27,611,422)</u>
Business-type activities:						
Food service	<u>772,112</u>	<u>534,661</u>	<u>289,672</u>		<u>52,221</u>	<u>52,221</u>
Total primary government	<u>29,921,409</u>	<u>1,114,237</u>	<u>1,247,971</u>	<u>(27,611,422)</u>	<u>52,221</u>	<u>(27,559,201)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				11,903,468		11,903,468
Taxes levied for debt service				736,294		736,294
Federal and State aid not restricted				15,256,246		15,256,246
Tuition				508,102		508,102
Transportation fees				818,988		818,988
Investment earnings				8,431	174	8,605
Miscellaneous income				71,226		71,226
Subtotal, general revenues				<u>29,302,755</u>	<u>174</u>	<u>29,302,929</u>
Changes in net assets				1,691,333	52,395	1,743,728
Net assets - beginning				<u>13,498,646</u>	<u>56,149</u>	<u>13,554,795</u>
Net assets - ending				<u>15,189,979</u>	<u>108,544</u>	<u>15,298,523</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Delsea Regional High School District
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	956,838			197	957,035
Due from other funds	821,693				821,693
Receivables from other governments	722,981	595,425	168,355		1,486,761
Other	2,875				2,875
Restricted cash and cash equivalents	353,571				353,571
Total assets	<u>2,857,958</u>	<u>595,425</u>	<u>168,355</u>	<u>197</u>	<u>3,621,935</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	147,651	23,149			170,800
Loans payable	1,170,579				1,170,579
Due to other funds	26,020	560,057	168,355		754,432
Payable to state government		6,221			6,221
Payable to federal government		5,998			5,998
Total liabilities	<u>1,344,250</u>	<u>595,425</u>	<u>168,355</u>		<u>2,108,030</u>
Fund balances:					
Restricted for					
Excess surplus - current year	1,146,757				1,146,757
Excess surplus - prior year - designated for subsequent year's expenditures	59,569				59,569
Capital reserve account	353,571				353,571
Assigned to:					
Designated by the BOE for subsequent year's expenditures	390,431			195	390,431
Other purposes	153,504				153,504
Debt service fund				2	2
Unassigned					
General Fund	(590,124)				(590,124)
Total fund balances	<u>1,513,708</u>			<u>197</u>	<u>1,513,905</u>
Total liabilities and fund balances	<u>2,857,958</u>	<u>595,425</u>		<u>197</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$37,803,923, and the accumulated depreciation is \$18,572,298.	19,231,625
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Bonds payable	3,040,000
Loans payable	1,579,583
Compensated absences payable	874,170
	(5,493,753)
Interest on long-term debt in the statement of activities is accrued, regardless of when due	(61,798)
Net assets of governmental activities	<u>\$ 15,189,979</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Delsea Regional High School District
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	11,903,468			736,294	\$ 12,639,762
Tuition	508,102				508,102
Transportation fees	818,988				818,988
Interest on Investments	6,418				6,418
Interest earned on capital reserve funds	2,013				2,013
Miscellaneous	71,226	13,605			84,831
Total - Local Sources	13,310,215	13,605		736,294	14,060,114
State sources	14,385,031	54,442	168,355	672,189	15,280,017
Federal sources	30,671	890,252			920,923
Total revenues	27,725,917	958,299	168,355	1,408,483	30,261,054
EXPENDITURES:					
Current:					
Regular instruction	7,048,107				7,048,107
Special education instruction	2,071,058	346,889			2,417,947
Other special instruction	261,873				261,873
Other instruction	824,501				824,501
Support services and undistributed costs:					
Tuition	1,519,484	433,328			1,952,812
Student & instruction related services	2,244,431	151,323			2,395,754
School administrative services	900,355				900,355
Other administrative services	941,807				941,807
Plant operations and maintenance	2,173,112				2,173,112
Pupil transportation	2,360,154	26,759			2,386,913
Employee benefits	6,157,496				6,157,496
Debt service:					
Principal				1,205,956	1,205,956
Interest and other charges				202,850	202,850
Capital outlay	77,169		422,221		499,390
Total expenditures	26,579,547	958,299	422,221	1,408,806	29,368,873
Excess (deficiency) of revenues over expenditures	<u>1,146,370</u>		<u>(253,866)</u>	<u>(323)</u>	<u>892,181</u>
OTHER FINANCING SOURCES (USES):					
Transfers in from Internal Service	23,092				23,092
Transfers in	(263,518)		263,518		
Transfers out	9,652		(9,652)		
Total other financing sources (uses)	(230,774)		253,866		23,092
Net change in fund balances	915,596			(323)	915,273
Fund balance - July 1	598,112			520	598,632
Fund balance - June 30	<u>1,513,708</u>			<u>197</u>	<u>1,513,905</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Delsea Regional High School District
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2011

	915,273
Total net change in fund balances - governmental funds (from B-2)	
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>	
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>	
Capital outlays	504,786
Depreciation	(933,359)
<p>In the statement of activities, only the gain/loss on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed.</p>	
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.	1,205,956
In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.	5,944
<p>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 a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>	
	(7,267)
Change in net assets of governmental activities	1,691,333

The accompanying Notes to Financial Statements are an integral part of this statement.

Delsea Regional High School District
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities Enterprise Funds Food Service	Governmental Activities - Internal Service Fund
ASSETS:		
Current assets:		
Cash and cash equivalents	56,016	
Accounts receivable:		
State	380	
Federal	9,850	
Intergovernmental	1,190	98,579
Interfund receivable	26,020	
Inventories	4,792	
Total current assets	98,248	98,579
Noncurrent assets:		
Furniture, machinery & equipment	422,536	
Less accumulated depreciation	(409,438)	
Total noncurrent assets	13,098	
Total assets	111,346	98,579
LIABILITIES:		
Current liabilities:		
Accounts payable		5,298
Deposits payable	1,698	
Interfund payables		93,281
Deferred revenue	1,104	
Total current liabilities	2,802	98,579
NET ASSETS:		
Invested in capital assets net of related debt	13,098	
Restricted for encumbrances	11,751	
Unrestricted	83,695	
Total net assets	108,544	

The accompanying Notes to Financial Statements are an integral part of this statement.

Delsea Regional High School District
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	<u>Business-type Activities Enterprise Funds</u>	<u>Governmental Activities - Internal Service Fund</u>
	<u>Food Service</u>	<u>Service Fund</u>
Operating revenues:		
Charges for services		
Daily sales - reimbursable programs	292,908	
Daily sales - non-reimbursable programs	218,094	
Special functions	23,659	
Services provided to other LEA's		579,576
Total operating revenues	<u>534,661</u>	<u>579,576</u>
Operating expenses:		
Cost of sales	372,086	
Salaries	234,816	328,851
Employee benefits	93,541	115,790
Other professional/technical services		1,399
Purchased property service	10,016	2,371
Other purchased services	47,781	9,959
Contracted services (aid in lieu payments)		40,472
General supplies	11,390	57,395
Depreciation	2,112	
Miscellaneous	370	247
Total operating expenses	<u>772,112</u>	<u>556,484</u>
Operating income (loss)	<u>(237,451)</u>	<u>23,092</u>
Nonoperating revenues (expenses):		
State sources		
State school lunch program	8,348	
Federal sources		
National school lunch program	205,216	
National school breakfast program	20,843	
Food distribution program	55,265	
Interest and investment revenue	174	
Total nonoperating revenues (expenses)	<u>289,846</u>	
Income (loss) before contributions & transfers	<u>52,395</u>	<u>23,092</u>
Transfers in (out)		<u>(23,092)</u>
Change in net assets	<u>52,395</u>	
Total net assets - beginning	<u>56,149</u>	
Total net assets - ending	<u><u>108,544</u></u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

Delsea Regional High School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities <u>Enterprise Funds</u> Food Service	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	534,661	542,494
Payments to employees	(234,816)	(328,851)
Payments for employee benefits	(93,541)	(115,790)
Payments to suppliers	(384,534)	(107,767)
	<u>(178,230)</u>	<u>(9,914)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State Sources	9,081	
Federal Sources	233,489	
Increase (decrease) in interfund loan	(27,327)	33,006
Operating subsidies and transfers to other funds		(23,092)
	<u>215,243</u>	<u>9,914</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends	<u>174</u>	
Net increase (decrease) in cash and cash equivalents	37,187	
Balances - beginning of year	<u>18,829</u>	
Balances - end of year	<u><u>56,016</u></u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(237,451)	23,092
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	2,112	
Federal commodities	55,265	
(Increase) decrease in accounts receivable, net		(37,082)
(Increase) decrease in inventories	4,346	
Increase (decrease) in deferred revenue	(2,502)	
Increase (decrease) in accounts payable		4,076
Total adjustments	<u>59,221</u>	<u>(33,006)</u>
Net cash provided by (used for) operating activities	<u><u>(178,230)</u></u>	<u><u>(9,914)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Delsea Regional High School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Private Purpose Trust Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Funds</u>	<u>Agency Fund</u>
ASSETS:			
Cash and cash equivalents	52,932	52,131	320,704
Investments		<u>247,783</u>	
Total assets	<u>52,932</u>	<u>299,914</u>	<u>320,704</u>
LIABILITIES:			
Accounts payable	15,667	33,650	
Payable to student groups			187,410
Payroll deductions and withholdings			<u>133,294</u>
Total liabilities	<u>15,667</u>	<u>33,650</u>	<u>320,704</u>
NET ASSETS:			
Held in trust for unemployment claims and other purposes	<u>37,265</u>		
Permanent endowment-nonexpendable		50,000	
Expendable scholarship funds		<u>216,264</u>	
Total reserved for scholarships		<u>266,264</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

Delsea Regional High School District
 Statement of Changes in Fiduciary Net Assets
 Fiduciary Funds
 For the Year Ended June 30, 2011

	<u>Private Purpose Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Funds</u>
ADDITIONS:		
Contributions:		
Plan member	37,430	
Other	124,500	71,562
Investment earnings:		
Interest	<u>310</u>	<u>377</u>
Total additions	<u>162,240</u>	<u>71,939</u>
DEDUCTIONS:		
Quarterly contribution reports	11,008	
Unemployment claims	132,010	
Scholarships awarded		<u>63,424</u>
Total deductions	<u>143,018</u>	<u>63,424</u>
Change in net assets	19,222	8,515
Net asset - beginning of the year	<u>18,043</u>	<u>257,749</u>
Net assets - end of the year	<u><u>37,265</u></u>	<u><u>266,264</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of Delsea Regional High School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (G.A.A.P.) as applied to governmental units. The Governmental Accounting Standards Board (G.A.S.B.) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in (G.A.A.P.) and used by the District are discussed below.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (G.A.S.B.) and the pronouncements of the Financial Accounting Standards Board (F.A.S.B.) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict (G.A.S.B.) pronouncements. Although the District has the option to apply (F.A.S.B.) pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so.

A. Reporting Entity:

The Delsea Regional High School District is a Type II school district located in the County of Gloucester, State of New Jersey. As a Type II school district, the District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the District is to educate students in grades 7-12.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the G.A.S.B. *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

B. Basis of Presentation, Basis of Accounting:

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

District-wide Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and 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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

Governmental Fund Types

The focus of governmental fund measurement is on determination of financial position and changes of financial position, (sources, uses and balances of financial resources) rather than on net income. 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 all expendable financial resources except those required to be accounted for in another fund.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (Continued)

General Fund (Continued) - As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state 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 revenues. These resources can be transferred from and to current expense by Board resolution. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land; existing buildings; improvements of grounds; construction of buildings; additions to or remodeling of buildings; and the purchase of built-in equipment; which are not required to be accounted for in the capital projects fund. Also included are certain expenditures for vehicles and movable instructional or non-instructional equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from the State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities and capital renovations/repairs to existing facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes, serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, state funding through grant agreements in accordance with the Educational Facilities Construction and Financing Act, P.L. 2000 c.72, and/or transfers from the general fund to augment the grant.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Types

The focus of proprietary fund measurement is on determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The District reports the following proprietary funds:

Enterprise (Food Service) Fund - The enterprise fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is 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 on a continuing basis are financed or recovered primarily through user charges.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Internal Service Fund - The internal service fund has been established to account for the financing of transportation, administrative, technology and custodial services provided by the District for use by other school districts and governmental entities. Services are provided on a cost-reimbursement basis.

Fiduciary Fund Types

Fiduciary funds include private purpose trust funds and agency funds. The private purpose trust funds consist of expendable trust funds and nonexpendable trust funds. The measurement focus of the expendable trust funds is the same as for governmental funds. The measurement focus of the nonexpendable trust funds is similar to proprietary funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The District reports the following fiduciary funds:

Private Purpose Trust Funds - The private purpose trust funds consist of both expendable and nonexpendable trust funds. The expendable trust funds are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. The expendable trust funds account for assets where both the principal and interest may be spent. The expendable trust funds include the unemployment compensation insurance fund and various scholarship funds. The nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The nonexpendable trust fund includes a scholarship fund.

Agency Funds - The agency funds are used to account for the assets that the District holds on behalf of others as their agent. The agency funds are custodial in nature and do not involve measurement of results of operations. The agency funds include the payroll and student activities funds.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (G.A.S.B.) and the pronouncements of the Financial Accounting Standards Board (F.A.S.B.) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict G.A.S.B. pronouncements. The District's proprietary funds have elected not to apply the standards issued by F.A.S.B. after November 30, 1989.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the proprietary and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – 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. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its District the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." 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.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlement received before the eligibility requirements are met are recorded as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April.

Budgets are prepared using the modified accrual basis of accounting except for special revenue funds. 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. 6:23-2.2 f(1). All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (G.A.A.P.) with the exception of the legally mandated revenue recognition of the June state aid payments for budgetary purposes only. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from G.A.A.P. in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the G.A.A.P. basis does not. Sufficient supplemental records are maintained to allow for the presentation of G.A.A.P. basis financial reports. At June 30, 2011, there were reconciling differences between the budgetary basis and G.A.A.P. basis in the special revenue fund see exhibit C-3.

D. Encumbrance Accounting:

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

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Encumbrance Accounting: (Continued)

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.

E. Assets, Liabilities, and Equity:

Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

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

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

Inventories

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (F.I.F.O.) method.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure. The capitalization threshold used by districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the full month convention over the following estimated useful lives:

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Asset Class	Estimated Useful Lives
Site improvements	20
School buildings	50
Building improvements	20
Electrical/plumbing	30
Vehicles	12
Office & computer equipment	5-10
Instructional equipment	10
Grounds/custodial equipment	15
Kitchen equipment	15

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

Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits 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 the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with G.A.A.P., for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bond principal maturities are recognized as a liability on the fund financial statements when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

The District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

F. Revenues, Expenses and Other

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service, and charges for administrative, technology, maintenance, and transportation services. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the funds.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions and are reported with direct expenses in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function.

Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

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

NOTE 2 - 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.

Custodial Credit Risk – Cash and Cash Equivalents

Custodial Credit Risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal policy regarding Custodial Credit Risk. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the Governmental Unit Deposit Protection Act (G.U.D.P.A.) or in qualified investments established in New Jersey Statutes N.J.S.A. 18A:20-37 that are treated as cash equivalents). The carrying amount of the District's cash and cash equivalents at June 30, 2011 and 2010, was \$1,792,389 and \$967,221. As of June 30, 2011 and 2010, \$0 of the District's bank balance of \$2,270,952 and \$1,447,392, respectively, was exposed to Custodial Credit Risk.

Investments

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months as investments.

Custodial Credit Risk - Investments

For an investment, Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to Custodial Credit Risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. The carrying amount of the District's, investments at June 30, 2011 and 2010, was \$247,783 and \$541,374, which are certificates of deposit held in the District's name covered by G.U.D.P.A.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 3 – RECEIVABLES

Receivables at June 30, 2011, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	359,743	380
Other	521,936	1,190
Federal aid	607,957	9,850
	<u>1,489,636</u>	<u>11,420</u>

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011:

	Interfund	
	Receivable	Payable
General fund	821,693	26,020
Food service fund	26,020	
Special revenue fund		560,057
Internal service fund		93,281
Capital projects fund		168,355
	<u>847,713</u>	<u>847,713</u>

Interfund balances are the result of negative cash balances at June 30, set up as interfunds.

NOTE 5 – INVENTORY

Inventory in the Food Service Fund at June 30, 2011, consisted of the following:

Food	2,778
Commodities	1,104
Supplies	<u>910</u>
Total	<u>4,792</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated - Land	71,500			71,500
Site Improvements	2,967,045			2,967,045
Building and building improvements	28,795,188	400,943		29,196,131
Machinery and equipment	5,465,404	103,843		5,569,247
Totals at historical cost	<u>37,227,637</u>	<u>504,786</u>	None	<u>37,732,423</u>
Less accumulated depreciation for :				
Site Improvements	(1,695,412)	(124,414)		(1,819,826)
Building and improvements	(12,100,876)	(533,044)		(12,633,920)
Equipment	(3,842,651)	(275,901)		(4,118,552)
Total accumulated depreciation	<u>(17,638,939)</u>	<u>(933,359)</u>	None	<u>(18,572,298)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>19,588,698</u>	<u>(428,573)</u>		<u>19,160,125</u>
Government activities capital assets, net	<u><u>19,660,198</u></u>	<u><u>(428,573)</u></u>		<u><u>19,231,625</u></u>
Business-type activities:				
Equipment	422,536			422,536
Less accumulated depreciation for :				
Equipment	(407,326)	(2,112)		(409,438)
Business-type activities capital assets, net	<u><u>15,210</u></u>	<u><u>(2,112)</u></u>	None	<u><u>13,098</u></u>

NOTE 7 - LONG-TERM OBLIGATIONS

A. Long-term Obligation Activity:

During the year ended June 30, 2011, the following changes occurred in bonds, loans, and compensated absences payable:

	<u>July 1, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2011</u>	<u>Due within One Year</u>
Bonds payable	3,720,000		(680,000)	3,040,000	765,000
Loans payable	2,105,539		(525,956)	1,579,583	526,229
Compensated absences payable	866,903	261,167	(253,900)	874,170	173,562
	<u><u>6,692,442</u></u>	<u><u>261,167</u></u>	<u><u>(1,459,856)</u></u>	<u><u>5,493,753</u></u>	<u><u>1,464,791</u></u>

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

A. Long-term Obligation Activity: (Continued)

Bonds and loans payable have been liquidated in the debt service fund, and compensated absences payable have been liquidated in the general fund.

Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal due on the serial bonds is as follows:

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Outstanding Amount</u>
1993	9,830,000	2005 to 2014	5.00	2,660,000
2000	1,200,000	2005 to 2015	5.65	<u>380,000</u>
				<u><u>3,040,000</u></u>

Loans Payable - The District obtained loans from the New Jersey Economic Development Authority (N.J.E.D.A.) for the purpose of high school reconstruction/renovation and stadium renovations. The loans were received in 1993 and will be paid back over a 20 year period.

Principal due on the loans payable is as follows:

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Outstanding Amount</u>
1993	97,500	2005 to 2013	5.228%	20,758
1993	9,842,500	2005 to 2013	1.500	1,554,078
1993	32,500	2005 to 2013	1.500	<u>4,747</u>
				<u><u>1,579,583</u></u>

B. Debt Service Requirements:

As of June 30, 2011, debt service requirements in future years are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	1,291,229	158,128	1,449,357
2013	1,291,523	111,108	1,402,631
2014	1,291,831	64,073	1,355,904
2015	<u>745,000</u>	<u>21,618</u>	<u>766,618</u>
	<u><u>4,619,583</u></u>	<u><u>354,927</u></u>	<u><u>4,974,510</u></u>

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 8 - OPERATING LEASES

The District has commitments to lease copying equipment, computers, technology equipment and software, and telephones under operating leases. Total operating lease expenditures for the year ended June 30, 2011, were \$197,313. Future minimum lease payments are as follows:

Year Ending <u>June 30</u>	<u>Amount</u>
2012	111,422
2013	71,529
2014	<u>32,255</u>
Total future minimum lease payments	<u><u>215,206</u></u>

NOTE 9 - PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (T.P.A.F.)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (P.E.R.S.)

The Public Employees' Retirement System was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality,

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 9 - PENSION PLANS (CONTINUED)

Public Employees' Retirement System (P.E.R.S.) (Continued)

District or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. T.P.A.F. and P.E.R.S. provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both T.P.A.F. and P.E.R.S. The current T.P.A.F. rate is 5.5% and the P.E.R.S. rate is 5.5% of covered payroll. The School District's contributions to T.P.A.F. for the years ending June 30, 2011, 2010 and 2009, were \$810,092, \$768,581 and \$749,898 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to P.E.R.S. for the years ending June 30, 2011, 2010 and 2009, were \$418,034, \$319,559 and \$243,466 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2011, 2010 and 2009, the State of New Jersey contributed \$810,092, \$768,581 and \$749,898, respectively, to the T.P.A.F. for normal benefits and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$857,101, \$829,668, and \$853,751 during the same fiscal years for the employer's share of social security contributions for T.P.A.F. members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in G.A.S.B. 27.

Defined Contribution Retirement Program – The Defined Contribution Retirement Program (D.C.R.P.) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.A.C. 43:15C-1 et. seq.). The D.C.R.P. provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's D.C.R.P. liability for the year ending June 30, 2011, was \$2,561.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 10 - POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (T.P.A.F.) and the Public Employees' Retirement System (P.E.R.S.), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the T.P.A.F. and P.E.R.S. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of P.E.R.S. and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

NOTE 11 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$1.00 on October 4, 2000, 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 (L.R.F.P.). Upon submission of the L.R.F.P. to the department, 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. 6A-23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved L.R.F.P.

The June 30, 2011, L.R.F.P. balance of local support costs of uncompleted capital projects is \$1,048,150.

The activity of the capital reserve account for the July 1, 2010 to June 30, 2011, fiscal year is as follows:

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 11 - CAPITAL RESERVE ACCOUNT (CONTINUED)

Beginning balance, July 1, 2010	\$ 455,424
Deposit	150,000
Interest earnings	2,013
Withdrawals - November 4, 2010	(263,518)
Capital projects balance canceled	<u>9,652</u>
Ending balance, June 30, 2011	<u><u>\$ 353,571</u></u>

NOTE 12 - DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits 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 plan administrators are as follows:

Lincoln Investment Planning, Inc.
Syracusa Benefits Program
MetLife

NOTE 13 - 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.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2011, the District did not incur claims in excess of their coverage.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "benefits 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 employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 13 - RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - (Continued)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	124,500	37,430	143,018	37,265
2009-2010	None	39,559	73,130	18,043
2008-2009	None	36,829	33,176	62,903

The administration believes that any potential incurred but not reported claims would be covered by the balance in the funds.

NOTE 14: LABOR CONTRACTS

As of June 30, 2011, the District's employees are organized in the Delsea Regional High School Education Association collective bargaining unit expired June 30, 2010.

NOTE 15 - FUND BALANCE APPROPRIATED

General Fund – (Exhibit B-1) Of the \$1,513,708 fund balance in the general fund at June 30, 2011, \$153,504 is reserved for encumbrances; \$1,206,326 is reserved as excess surplus in accordance with N.J.A.C. 18A:7F-7 (\$59,569 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$353,571 is reserved in the capital reserve account, and there is a negative balance in unassigned balance of \$590,124.

Debt Service Fund - Of the \$197 fund balance in the debt service fund at June 30, 2011, \$195 has been designated for subsequent year's expenditures, and \$2 is unreserved and undesignated.

NOTE 16 - CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance – Excess surplus is a required calculation pursuant N.J.S.A. 18A:7F-7, as amended. New Jersey School Districts are required to reserve 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 years' budget. The excess fund balance at June 30, 2011 is \$1,206,326.

NOTE 17 – DEFICIT FUND BALANCE

The District has a deficit fund balance of \$590,124 in the general fund as of June 30, 2011, as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 17 – DEFICIT FUND BALANCE (CONTINUED)

The law provides legal authority for Districts to recognize this revenue in the current budget year. For intergovernmental transactions, G.A.S.B. Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes the asset, the other government recognizes the liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the District can not recognize the June state aid payments on the G.A.A.P. financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the G.A.A.P. fund statements of \$590,124 is less than the June state aid payments.

NOTE 18: STATE SCHOOL AID ANTICIPATION NOTE

N.J.S.A. 18A:22-44-2 provides school district board of education with the ability to enter into short term loans with a bank of their choice, if needed, due to the delay in the June State school aid payments. The school district borrowed \$1,170,579 dated June 1, 2011, with approval granted by the Executive County Superintendent. The loan is due on July 7, 2011, at the rate of 1.125%.

NOTE 19: ECONOMIC DEPENDENCY

The District is heavily reliant on federal and state sources to fund the District operations. Federal and state sources funded approximately 50.4% of the District's 2010-2011 governmental operations.

NOTE 20 - CONTINGENT LIABILITIES

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

The District is occasionally involved in certain legal claims arising in the ordinary course of its operations. The administration believes that the ultimate settlement of such claims will not have a material effect on the District's financial position.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

Delsea Regional High School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	11,903,468		11,903,468	11,903,468	
Tuition	275,012		275,012	508,102	(233,090)
Transportation fees from individuals				2,222	(2,222)
Transportation fees from other LEA's	600,000		600,000	816,766	(216,766)
Interest on investments	12,000		12,000	6,418	5,582
Interest earned on capital reserve				2,013	(2,013)
Unrestricted miscellaneous	58,000		58,000	71,226	(13,226)
Total - local sources	12,848,480		12,848,480	13,310,215	(461,735)
State sources:					
Extraordinary aid	86,429		86,429	155,198	(68,769)
Categorical special education aid	701,120	185,415	886,535	886,535	
Extraordinary aid	11,716,416	(185,415)	11,531,001	11,531,001	
Non-public transportation costs				31,214	(31,214)
T.P.A.F. post retirement medical (on-behalf - non-budgeted)				773,667	(773,667)
T.P.A.F. pension contrib. (on-behalf - non-budgeted)				36,425	(36,425)
Reimb. T.P.A.F. social security contrib. (non-budgeted)				857,101	(857,101)
Total - state sources	12,503,965		12,503,965	14,271,141	(1,767,176)
Federal sources:					
Medical assistance program	30,512		30,512	24,948	5,564
Medicaid administrative claiming				5,723	(5,723)
Total - federal sources	30,512		30,512	30,671	(159)
Total revenues	25,382,957		25,382,957	27,612,027	(2,229,070)

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers					
Grades 6-8	2,445,653	(55,429)	2,390,224	2,388,021	2,203
Grades 9-12	4,292,648	(53,670)	4,238,978	4,215,730	23,248
Regular programs - home instruction:					
Salaries of teachers					
Purchased professional - educational services	15,000	4,467	19,467	19,467	
Other purchased services (400-500 series)	6,000	21,044	27,044	27,044	
Other purchased services (400-500 series)	500	(200)	300	250	50
Regular programs - undistributed instruction:					
Other salaries for instruction					
Purchased professional - educational services	29,389	42,708	72,097	72,097	
Other purchased services (400-500 series)	23,000	(13,114)	9,886	8,400	1,486
General supplies	108,300	15,168	123,468	103,671	19,797
Textbooks	229,964	8,857	238,821	185,235	53,586
Other objects	75,730	(32,665)	43,065	27,479	15,586
	1,000		1,000	713	287
Total regular programs	<u>7,227,184</u>	<u>(62,834)</u>	<u>7,164,350</u>	<u>7,048,107</u>	<u>116,243</u>
Special education - instruction:					
Learning and/or language disabilities					
Salaries of teachers					
Other salaries for instruction	360,620	(3,397)	357,223	338,341	18,882
Other purchased services (400-500 series)	69,366		69,366	64,866	4,500
General supplies	1,350	5,900	7,250	7,233	17
Textbooks	3,000	(2,136)	864	863	1
	4,000	(3,772)	228		228
Total learning and/or language disabilities	<u>438,336</u>	<u>(3,405)</u>	<u>434,931</u>	<u>411,303</u>	<u>23,628</u>

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Behavioral disabilities:					
Salaries of teachers	114,517	18,725	133,242	131,242	2,000
Other salaries for instruction	31,938	1,501	33,439	33,439	
Other purchased services (400-500 series)	150		150	148	2
General supplies	1,000		1,000		1,000
Other objects	1,000		1,000	94	906
Total behavioral disabilities	148,605	20,226	168,831	164,923	3,908
Multiple disabilities:					
Salaries of teachers	95,947	31,775	127,722	126,728	994
Other salaries for instruction	34,458	1,202	35,660	35,660	
Other purchased services (400-500 series)	150		150	148	2
General supplies	500	150	650	631	19
Other objects	1,000	(150)	850	400	450
Total multiple disabilities	132,055	32,977	165,032	163,567	1,465
Resource room/resource center:					
Salaries of teachers	1,187,832	(54,505)	1,133,327	1,129,282	4,045
Other salaries for instruction	159,375	(25,237)	134,138	131,577	2,561
Other purchased services (400-500 series)	4,550		4,550	2,518	2,032
General supplies	6,000	7	6,007	4,028	1,979
Textbooks	11,000	(11,000)			
Other objects	1,000		1,000	12	988
Total resource room/resource center	1,369,757	(90,735)	1,279,022	1,267,417	11,605
Special education - instruction					
Autism					
Salaries of teachers	79,700		79,700		79,700
General supplies	500		500		500
Other objects	1,000	(851)	149		149
Total autism	81,200	(851)	80,349		80,349

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Home instruction:					
Salaries of teachers	5,000	(880)	4,120	4,120	
Purchased professional - educational services	32,000	27,728	59,728	59,728	
Total home instruction	37,000	26,848	63,848	63,848	
Total special education - instruction	2,206,953	(14,940)	2,192,013	2,071,058	120,955
Basic skills/remedial - instruction					
Salaries of teachers	354,790	(7,423)	347,367	260,352	87,015
Other purchased services (400-500 series)	1,000		1,000		1,000
General supplies	6,700	(525)	6,175	663	5,512
Textbooks	2,000	(1,000)	1,000	858	142
Total basic skills/remedial - instruction	364,490	(8,948)	355,542	261,873	93,669
Bilingual education - instruction:					
Salaries of teachers	3,000		3,000		3,000
General supplies	500		500		500
Total bilingual education - instruction	3,500		3,500		3,500
School sponsored cocurricular activities - instruction:					
Salaries	91,390		91,390	89,450	1,940
Purchased services (300-500 series)	16,650	(2,000)	14,650	6,093	8,557
Supplies and materials	12,700	43	12,743	7,229	5,514
Other objects	9,000	1,462	10,462	6,609	3,853
Total school sponsored cocurricular activities - instr.	129,740	(495)	129,245	109,381	19,864
School sponsored athletic - instruction					
Salaries	374,556		374,556	360,566	13,990
Purchased services (300-500 series)	50,625	678	51,303	47,872	3,431
Supplies and materials	102,345	(13,755)	88,590	79,212	9,378
Other objects	25,000		25,000	24,997	3
Total school sponsored athletic - instruction	552,526	(13,077)	539,449	512,647	26,802

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Before/after school programs - instructional					
Other salaries of instruction	10,000		10,000	9,675	325
Total before/after school programs - instructional	<u>10,000</u>		<u>10,000</u>	<u>9,675</u>	<u>325</u>
Summer school - instruction:					
Salaries of teachers	26,600	3,700	30,300	30,300	
Other salaries for instruction	9,500	(860)	8,640	8,640	
General supplies	1,000	319	1,319	1,319	
Other objects	1,000	(505)	495	495	
Total summer school - instruction	<u>38,100</u>	<u>2,654</u>	<u>40,754</u>	<u>40,754</u>	
Summer school - support services					
Salaries		300	300	300	
Total summer school	<u>38,100</u>	<u>2,954</u>	<u>41,054</u>	<u>41,054</u>	
Alternative education program - instructional					
Salaries of teachers	75,000		75,000	74,379	621
Other salaries for instruction	15,000	1,042	16,042	14,256	1,786
Supplies and materials	1,000		1,000		1,000
Total alternative education program - instructional	<u>91,000</u>	<u>1,042</u>	<u>92,042</u>	<u>88,635</u>	<u>3,407</u>
Alternative education program - support services					
Salaries	47,743	(1,042)	46,701	36,049	10,652
Total alternative education program - support services	<u>47,743</u>	<u>(1,042)</u>	<u>46,701</u>	<u>36,049</u>	<u>10,652</u>
Total alternative education program	<u>138,743</u>		<u>138,743</u>	<u>124,684</u>	<u>14,059</u>

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Community services programs - operations					
Salaries		6,874	6,874	6,874	
Other salaries	28,200	(6,874)	21,326	17,169	4,157
Purchased services (300-500 series)	4,000		4,000	2,738	1,262
materials	2,000		2,000	279	1,721
Total community services programs - operations	34,200		34,200	27,060	7,140
Total instruction	10,705,436	(97,340)	10,608,096	10,205,539	402,557
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - regular	25,300	21,276	46,576	40,688	5,888
Tuition to other LEA's within the state - special		5,300	5,300	5,168	132
Tuition to county vocational - regular	112,000	(20,600)	91,400	91,400	
Tuition to county vocational - special		25,287	25,287	24,862	425
Tuition to C.S.S.D. & regional day schools	206,223	16,269	222,492	167,693	54,799
Tuition to private sch. for the disabled - within state	967,507	93,905	1,061,412	1,008,981	52,431
Tuition - state facilities	66,000		66,000	66,000	
Tuition - other	89,512	32,658	122,170	114,692	7,478
Total undistributed expenditures - instruction	1,466,542	174,095	1,640,637	1,519,484	121,153
Undistributed exp. - attendance and social work:					
Salaries	44,672		44,672	43,598	1,074
Purchased professional and technical services	3,150		3,150	3,002	148
Other purchased services (400-500 series)	1,150		1,150	356	794
Supplies and materials	100		100		100
Total undistributed exp. - attendance and social work	49,072		49,072	46,956	2,116
Undistributed expenditures - health services:					
Salaries	157,705		157,705	154,746	2,959
Other purchased prof. and tech services	15,000		15,000	15,000	
Other purchased services (400-500 series)	950		950	454	496
Supplies and materials	7,100		7,100	3,658	3,442
Total undistributed expenditures - health services	180,755		180,755	173,858	6,897

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed expenditures - speech, OT, PT and related services:					
Salaries		45,891	45,891	35,759	10,132
Purchased professional - educational services	107,167	(58,934)	48,233	42,176	6,057
Supplies and materials	1,000	2,750	3,750	3,647	103
Other objects	250		250		250
Total undistributed expenditures - speech, OT, PT and related services:	108,417	(10,293)	98,124	81,582	16,542
Undistributed expenditures - special education - extraordinary services:					
Salaries	142,130	(16,051)	126,079	104,957	21,122
Purchased professional - educational services	6,000	(800)	5,200	3,740	1,460
Supplies and materials	500	900	1,400	1,020	380
Other objects	1,000	(900)	100		100
Total undistributed expenditures - special education - extraordinary services	149,630	(16,851)	132,779	109,717	23,062
Undistributed expenditures - guidance					
Salaries of other professional staff	531,791	2,504	534,295	505,545	28,750
Salaries of secretarial and clerical assistants	115,092	(2,644)	112,448	111,952	496
Other purchased prof. and tech services	15,330	(101)	15,229	12,741	2,488
Other purchased services (400-500 series)	13,500		13,500	6,067	7,433
Supplies and materials	16,100		16,100	9,431	6,669
Other objects	800		800	295	505
Total undistributed expenditures - guidance	692,613	(241)	692,372	646,031	46,341

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed expenditures - child study teams					
Salaries of other professional staff	412,926	(10,632)	402,294	352,708	49,586
Salaries of secretarial and clerical assistants	61,592	3,690	65,282	64,627	655
Purchased professional - educational services	33,800	(15,018)	18,782	5,327	13,455
Other purchased prof. and tech services	5,100		5,100	5,085	15
Misc pur serv (400-500 series other than resid costs)	11,050		11,050	5,008	6,042
Supplies and materials	11,500	7,000	18,500	13,719	4,781
Other objects	200		200	100	100
Total undistributed expenditures - child study teams	536,168	(14,960)	521,208	446,574	74,634
Undistributed exp. - improvement of instr. services:					
Salaries of supervisors of instruction	334,118	10,059	344,177	344,177	
Salaries of other professional staff		22,440	22,440	22,440	
Salaries of secretarial and clerical assistants	32,200	140	32,340	32,340	
Other purchased services (400-500 series)	4,250		4,250	957	3,293
Supplies and materials	4,000		4,000	876	3,124
Other objects	7,300		7,300	4,838	2,462
Total undistributed exp. - improv. of instr. services	381,868	32,639	414,507	405,628	8,879
Undistributed expenditures - educational media serv.					
School library					
Salaries of other professional staff	173,302	13,761	187,063	185,031	2,032
Salaries of secretarial and clerical assistants	12,025		12,025	12,025	
Other purchased services (400-500 series)	76,670	14,332	91,002	75,332	15,670
Supplies and materials	37,000	(4,498)	32,502	30,851	1,651
Other objects	250		250		250
Total undistributed exp. - educational media serv.	299,247	23,595	322,842	303,239	19,603

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed expenditures - instructional staff					
Training services					
Salaries of supervisors of instruction	26,948		26,948	26,948	
Salaries of other professional staff	5,000		5,000	2,935	2,065
Purchased professional - educational service	5,000		5,000		5,000
Other purchased services (400-500 series)	5,100		5,100	963	4,137
Supplies and materials	1,000		1,000		1,000
Total undistributed expenditures - instructional staff	<u>43,048</u>		<u>43,048</u>	<u>30,846</u>	<u>12,202</u>
Undistributed exp. - support services - gen. admin.:					
Salaries	254,744		254,744	254,244	500
Legal services	37,000	(11,250)	25,750	14,617	11,133
Audit fees	17,000	(1,000)	16,000	15,000	1,000
Architectural/engineering services	1,000	8,150	9,150	9,150	
Other purchased professional services	15,629	(3,450)	12,179	10,673	1,506
Purchased technical services	2,585	50	2,635	2,635	
Communications/telephone	69,000	2,600	71,600	54,252	17,348
BOE other purchased services	2,000		2,000		2,000
Other purchased services (400-500 series)	47,332	2,950	50,282	40,882	9,400
Supplies and materials	7,100	(201)	6,899	5,156	1,743
BOE in-house training/meeting supplies	500		500	345	155
Judgements against the school district	20,000		20,000	20,000	
Miscellaneous expenditures	5,000	2,151	7,151	6,928	223
BOE membership dues and fees	13,443		13,443	12,708	735
Total undistributed exp. - support serv. - gen. admin.	<u>492,333</u>		<u>492,333</u>	<u>446,590</u>	<u>45,743</u>

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed exp. - support serv. - school admin.:					
Salaries of principals/assistant principals	482,419	11,025	493,444	493,444	
Salaries of other professional staff	221,397		221,397	220,224	1,173
Salaries of secretarial and clerical assistants	145,895	(5,130)	140,765	124,009	16,756
Purchased professional and technical services	10,050	150	10,200	7,674	2,526
Other purchased services (400-500 series)	29,120	(4,650)	24,470	16,308	8,162
Supplies and materials	29,000	(100)	28,900	23,158	5,742
Other objects	10,500	5,100	15,600	15,538	62
Total undistributed exp. - support serv. - school admin.	928,381	6,395	934,776	900,355	34,421
Undistributed exp. - central services					
Salaries	310,985	5,938	316,923	301,709	15,214
Purchased technical services	22,140	4,920	27,060	27,018	42
Other purchased services (400-500 series)	7,760	(2,986)	4,774	4,120	654
Supplies and materials	9,000	(3,850)	5,150	4,258	892
Interest for lease purchase agreements	19,215	700	19,915	19,901	14
Miscellaneous expenditures	2,000	(658)	1,342	1,342	
Total undistributed exp. - central services	371,100	4,064	375,164	358,348	16,816
Undistributed exp. - admin. information technology					
Salaries	85,143	(833)	84,310	62,531	21,779
Purchased technical services	2,500	(1,800)	700	663	37
Other purchased services (400-500 series)	65,120	3,684	68,804	68,136	668
Supplies and materials	8,000	1,030	9,030	5,539	3,491
Other objects	100		100		100
Total undistributed exp. - admin. info. technology	160,863	2,081	162,944	136,869	26,075

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed expenditures - required maintenance for school facilities					
Cleaning, repair and maintenance services	224,250		224,250	150,859	73,391
General supplies	30,039		30,039	3,792	26,247
Total undistributed expenditures - required maintenance for school facilities	254,289		254,289	154,651	99,638
Undistributed expenditures - custodial services:					
Salaries	931,180	(30,988)	900,192	863,019	37,173
Purchased professional and technical services	18,000	2,273	20,273	20,190	83
Cleaning, repair and maintenance services	28,063	50,428	78,491	34,191	44,300
Other purchased property services	6,150	545	6,695	4,888	1,807
Insurance	133,355	3,906	137,261	137,143	118
Miscellaneous purchased services	4,000	(2,247)	1,753	206	1,547
General supplies	119,652	(14,196)	105,456	87,692	17,764
Energy - natural gas	316,360	(33,930)	282,430	251,044	31,386
Energy - electricity	501,500	(51,176)	450,324	389,923	60,401
Energy - oil	12,000		12,000	10,345	1,655
Other objects	4,000		4,000	2,319	1,681
Total undistributed expenditures - custodial services	2,074,260	(75,385)	1,998,875	1,800,960	197,915
Undistributed expenditures - care and upkeep of grounds:					
Salaries	72,160		72,160	71,326	834
Cleaning, repair and maintenance services	83,530		83,530	59,175	24,355
General supplies	30,000	(8,324)	21,676	8,920	12,756
Total undistributed exp. - care and upkeep of grounds	185,690	(8,324)	177,366	139,421	37,945
Undistributed expenditures - security:					
Salaries	71,570	831	72,401	72,401	
Purchased professional and technical services	6,000	(321)	5,679	5,679	
Total undistributed expenditures - security	77,570	510	78,080	78,080	
Total operation and maintenance of plant	2,591,809	(83,199)	2,508,610	2,173,112	335,498

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed exp. - student transportation services:					
Salaries of non-instructional aides	228,080	30,134	258,214	258,214	
Salaries for pupil trans (bet home & sch) - reg	751,266	53,133	804,399	800,854	3,545
Salaries for pupil trans (bet home & sch) - sp ed	276,266	21,159	297,425	297,425	
Salaries for pupil trans (other than bet home & sch)	153,929	(16,210)	137,719	137,719	
Sal. for pupil trans (bet home & sch) - nonpublic sch	79,296	2,875	82,171	82,171	
Other purchased prof. and technical service	6,000	511	6,511	6,328	183
Cleaning, repair, & maint. services	35,000	(9,904)	25,096	23,910	1,186
Rental payments - school buses	2,000	(2,000)			
Contr serv. - (bet. home and sch.) - vendors	6,000	(6,000)			
Contr serv. - (other than bet. home and sch.) - vendors	12,000	(10,621)	1,379	1,276	103
Contr serv. - (bet. home and sch - joint agrmnts	2,000	29,768	31,768	31,768	
Contr serv. - (special education) - vendors	21,060	(13,413)	7,647	6,492	1,155
Contr serv. - (special ed stds) - joint agrmnts	70,000	16,639	86,639	86,639	
Contract serv - aid in lieu of payments	53,040	(10,600)	42,440	36,332	6,108
Contract serv - aid in lieu of payments - choice school		4,000	4,000		4,000
Misc. purchased services - transportation	58,670	(5,418)	53,252	50,855	2,397
Transportation supplies	508,888	35,062	543,950	537,595	6,355
Miscellaneous expenditures	3,000		3,000	2,576	424
Total undistributed exp. - student transportation serv.	2,266,495	119,115	2,385,610	2,360,154	25,456
Personnel services - employee benefits					
Regular programs - instruction					
Tuition reimbursement	20,000	(15,248)	4,752	4,122	630
Operation and maint. of plant serv. - employee benefits					
Other employee benefits	12,000		12,000	6,175	5,825

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Student transportation services - employee benefits					
Social security contributions	126,840	(3,981)	122,859	118,757	4,102
Health benefits	711,428	(25)	711,403	711,403	
Other employee benefits	12,700	2,988	15,688	15,559	129
Total student transportation services	850,968	(1,018)	849,950	845,719	4,231
Total allocated benefits	882,968	(16,266)	866,702	856,016	10,686
Unallocated benefits - employee benefits					
Social security contributions	313,879	(48,231)	265,648	255,738	9,910
Other retirement contribution - regular	362,183	56,169	418,352	418,352	
Unemployment compensation	124,500		124,500	124,500	
Workmen's compensation	259,400	2,000	261,400	260,798	602
Health benefits	2,645,410	(169,601)	2,475,809	2,468,951	6,858
Tuition reimbursement	35,000	(20,231)	14,769	10,541	4,228
Other employee benefits	59,600	37,076	96,676	95,407	1,269
Total unallocated benefits	3,799,972	(142,818)	3,657,154	3,634,287	22,867
Total personal services - employee benefits	4,682,940	(159,084)	4,523,856	4,490,303	33,553
T.P.A.F. post retirement medical (on-behalf - non-budgeted)				773,667	(773,667)
T.P.A.F. pension contribution (on-behalf -non-budgeted)				36,425	(36,425)
Reimb. T.P.A.F. social security contrib. (non-budgeted)				857,101	(857,101)
Total on-behalf contributions				1,667,193	(1,667,193)
Total undistributed expenditures	15,401,281	77,356	15,478,637	16,296,839	(818,202)
Total current expense	26,106,717	(19,984)	26,086,733	26,502,378	(415,645)

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Capital outlay:					
Equipment:					
School sponsored and other instructional programs		9,570	9,570	5,000	4,570
Undistributed expenditures					
Administrative information technology		2,370	2,370	2,370	
Custodial services	8,518	8,044	16,562	12,017	4,545
School buses - special	57,782		57,782	57,782	
Total equipment	66,300	19,984	86,284	77,169	9,115
Facilities acquisition and construction services:					
Construction services	7,216		7,216		7,216
Other objects	142		142		142
Total facilities acquisition and constructions services	7,358		7,358		7,358
Total capital outlay	73,658	19,984	93,642	77,169	16,473
Special schools:					
Adult education - local - instruction					
Other salaries for instruction	3,500		3,500		3,500
Purchased professional and technical services	5,000		5,000		5,000
General supplies	500		500		500
Total adult education - local - instruction	9,000		9,000		9,000
Adult education - local - support services:					
Salaries	3,500		3,500		3,500
Other purchased services (400-500 series)	7,000		7,000		7,000
General supplies	500		500		500
Total adult education - local - support services	11,000		11,000		11,000
Total adult education - local	20,000		20,000		20,000
Total special schools	20,000		20,000		20,000

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Total expenditures	<u>26,200,375</u>		<u>26,200,375</u>	<u>26,579,547</u>	<u>(379,172)</u>
Excess (deficiency) of revenues over (under) expenditures	(817,418)		(817,418)	1,032,480	(1,849,898)
Other financing sources (uses):					
Operating transfer in:					
Transfer from internal service fund				23,092	(23,092)
Transfer from capital projects canceled				9,652	
Capital reserve - transfer to capital projects	(305,284)		(305,284)	(263,518)	(41,766)
	<u>(305,284)</u>		<u>(305,284)</u>	<u>(230,774)</u>	<u>(64,858)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,122,702)		(1,122,702)	801,706	(1,914,756)
Fund balances, July 1	<u>1,905,626</u>		<u>1,905,626</u>	<u>1,905,626</u>	
Fund balances, June 30	<u><u>782,924</u></u>		<u><u>782,924</u></u>	<u><u>2,707,332</u></u>	<u><u>(1,914,756)</u></u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve account				353,571	
Excess surplus - designated for subsequent year's expenditures				59,569	
Excess surplus - current year				1,146,757	
Assigned Fund Balance:					
Year-end encumbrances				153,504	
Designated for subsequent year's expenditures				390,431	
Unassigned Fund Balance				<u>603,500</u>	
				<u>2,707,332</u>	
Reconciliation to governmental funds statements (G.A.A.P.):					
June state aid payments are not recognized on G.A.A.P. basis				<u>(1,193,624)</u>	
Fund balance per governmental funds (G.A.A.P.)				<u><u>1,513,708</u></u>	

Delsea Regional High School District
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources		13,605	13,605	13,605	
State sources	65,800	(6,190)	59,610	54,442	5,168
Federal sources	629,164	376,960	1,006,124	893,772	112,352
Total revenues	<u>694,964</u>	<u>384,375</u>	<u>1,079,339</u>	<u>961,819</u>	<u>117,520</u>
EXPENDITURES:					
Instruction					
Salaries of teachers	100,000	43,835	143,835	122,965	20,870
Other salaries for instruction		69,784	69,784	69,784	
Purchased professional - technical services	13,564	12,968	26,532	17,922	8,610
Purchased professional - educational services	27,300	(4,203)	23,097	18,841	4,256
Tuition	364,128	69,200	433,328	433,328	
General supplies	44,180	95,623	139,803	111,266	28,537
Textbooks	12,000	(1,996)	10,004	9,631	373
Total instruction	<u>561,172</u>	<u>285,211</u>	<u>846,383</u>	<u>783,737</u>	<u>62,646</u>
Support services					
Salaries of other professional staff	53,536	37,626	91,162	58,002	33,160
Personal services - employee benefits	32,302	(1,079)	31,223	26,759	4,464
Purchased professional - technical services	11,454	37,063	48,517	31,806	16,711
Purchased professional - educational services	15,500	(3,646)	11,854	11,315	539
Travel		3,380	3,380	3,380	
Other purchased services (400-500 series)	21,000	6,197	27,197	27,197	
Supplies & materials		19,623	19,623	19,623	
Total support services	<u>133,792</u>	<u>99,164</u>	<u>232,956</u>	<u>178,082</u>	<u>54,874</u>
Total expenditures	<u>694,964</u>	<u>384,375</u>	<u>1,079,339</u>	<u>961,819</u>	<u>117,520</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Delsea Regional High School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 Notes to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2011

Note A - Explanation of Differences between Budgetary Inflows and Outflows and
 G.A.A.P. Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	27,612,027	961,819
Difference - budget to G.A.A.P.:		
Grant accounting budgetary basis differs from G.A.A.P. in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(3,520)
The last two State aid payments for fiscal year 2009-2010 are not recognized as revenue for budgetary purposes, and differs from G.A.A.P. which recognizes this revenue in the subsequent year when the State recognizes the related expense (G.A.S.B. 33).	1,307,514	
The last two State aid payment for 2010-2011 are recognized as revenue for budgetary purposes and differs from G.A.A.P. which does not recognize this revenue until the subsequent year when the State recognizes the related expense (G.A.S.B. 33).	(1,193,624)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	27,725,917	958,299
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	26,579,547	961,819
Grant accounting budgetary basis differs from G.A.A.P. in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(3,520)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	26,579,547	958,299

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

Delsea Regional High School District
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1a)	Local Programs	Title I Part A		Title I School in Need of Improvement Summer	Title I ARRA	Title III	Totals FY 2011
			FY 2011	Carryover				
REVENUES:								
Local sources		13,605						13,605
State sources	54,442							54,442
Federal sources	660,165		148,036	27,090	39,563	18,852	66	893,772
Total revenues	<u>714,607</u>	<u>13,605</u>	<u>148,036</u>	<u>27,090</u>	<u>39,563</u>	<u>18,852</u>	<u>66</u>	<u>961,819</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers	1,065		100,000	18,019	2,527	1,354		122,965
Other salaries for instruction	69,784							69,784
Purchased professional - technical services			10,029	7,693		200		17,922
Purchased professional - educational services	18,841							18,841
Tuition	433,328							433,328
General supplies	60,523		9,477		32,106	9,094	66	111,266
Textbooks	9,631							9,631
Total instruction	<u>593,172</u>		<u>119,506</u>	<u>25,712</u>	<u>34,633</u>	<u>10,648</u>	<u>66</u>	<u>783,737</u>
Support services:								
Salaries of other professional staff	53,602				4,400			58,002
Personal services - employee benefits	10,107		14,640	1,378	530	104		26,759
Purchased professional - technical services	20,919		10,887					31,806
Purchased professional - educational services	11,315							11,315
Travel	3,266		114					3,380
Other purchased services (400-500 series)	16,208		2,889			8,100		27,197
Supplies & materials	6,018	13,605						19,623
Total support services	<u>121,435</u>	<u>13,605</u>	<u>28,530</u>	<u>1,378</u>	<u>4,930</u>	<u>8,204</u>		<u>178,082</u>
Total expenditures	<u>714,607</u>	<u>13,605</u>	<u>148,036</u>	<u>27,090</u>	<u>39,563</u>	<u>18,852</u>	<u>66</u>	<u>961,819</u>

Delsea Regional High School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1b)	Title II Part A	Title II Part A Summer	Title II Part D	IDEA Part B Carryover	IDEA Part B	IDEA Part B ARRA	Total Carried Forward
REVENUES:								
State sources	54,442							54,442
Federal sources	59,080	32,578	17,265	463	6,117	444,721	99,941	660,165
Total revenues	<u>113,522</u>	<u>32,578</u>	<u>17,265</u>	<u>463</u>	<u>6,117</u>	<u>444,721</u>	<u>99,941</u>	<u>714,607</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers	1,065							1,065
Other salaries for instruction							69,784	69,784
Purchased professional - educational services	18,841							18,841
Tuition						433,328		433,328
General supplies	33,077				5,321	11,393	10,732	60,523
Textbooks	9,631							9,631
Total instruction	<u>62,614</u>		-		<u>5,321</u>	<u>444,721</u>	<u>80,516</u>	<u>593,172</u>
Support services:								
Salaries of other professional staff	30,230	9,680	13,692					53,602
Personal services - employee benefits	3,721		1,048				5,338	10,107
Purchased professional - technical services		5,000	1,500	463	796		13,160	20,919
Purchased professional - educational services	11,315							11,315
Travel	1,466	1,500	300					3,266
Other purchased services (400-500 series)	3,915	10,843	725				725	16,208
Supplies & materials	261	5,555					202	6,018
Total support services	<u>50,908</u>	<u>32,578</u>	<u>17,265</u>	<u>463</u>	<u>796</u>		<u>19,425</u>	<u>121,435</u>
Total expenditures	<u>113,522</u>	<u>32,578</u>	<u>17,265</u>	<u>463</u>	<u>6,117</u>	<u>444,721</u>	<u>99,941</u>	<u>714,607</u>

Delsea Regional High School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1c)	Municipal Alliance	Perkins Vocational Grant	PSLP Grant	Total Carried Forward
REVENUES:					
State sources	41,892	5,050		7,500	54,442
Federal sources			59,080		59,080
	<u>41,892</u>	<u>5,050</u>	<u>59,080</u>	<u>7,500</u>	<u>113,522</u>
Total revenues	<u>41,892</u>	<u>5,050</u>	<u>59,080</u>	<u>7,500</u>	<u>113,522</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers				1,065	1,065
Purchased professional - educational services	18,841				18,841
General supplies			31,173	1,904	33,077
Textbooks	9,631				9,631
Total instruction	<u>28,472</u>		<u>31,173</u>	<u>2,969</u>	<u>62,614</u>
Support services:					
Salaries of other professional staff		5,050	22,690	2,490	30,230
Personal services - employee benefits			3,434	287	3,721
Purchased professional - educational services	11,315				11,315
Travel			1,113	353	1,466
Other purchased services (400-500 series)	2,105		670	1,140	3,915
Supplies & materials				261	261
Total support services	<u>13,420</u>	<u>5,050</u>	<u>27,907</u>	<u>4,531</u>	<u>50,908</u>
Total expenditures	<u>41,892</u>	<u>5,050</u>	<u>59,080</u>	<u>7,500</u>	<u>113,522</u>

Delsea Regional High School District
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	Transportation	Examination & Classification	Supplemental Instruction	Total Carried Forward
REVENUES:						
State sources	9,631	11,315	2,105	14,672	4,169	41,892
Total revenues	<u>9,631</u>	<u>11,315</u>	<u>2,105</u>	<u>14,672</u>	<u>4,169</u>	<u>41,892</u>
EXPENDITURES:						
Instruction:						
Purchased professional - educational services				14,672	4,169	18,841
Textbooks	9,631					9,631
Total instruction	<u>9,631</u>			<u>14,672</u>	<u>4,169</u>	<u>28,472</u>
Support services:						
Purchased professional - education services		11,315				11,315
Other purchased services (400-500 series)			2,105			2,105
Total support services		<u>11,315</u>	<u>2,105</u>	-		<u>13,420</u>
Total expenditures	<u>9,631</u>	<u>11,315</u>	<u>2,105</u>	<u>14,672</u>	<u>4,169</u>	<u>41,892</u>

CAPITAL PROJECTS FUND

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 June 30, 2011

<u>Description</u>	<u>Original Date</u>	<u>Amount Authorized</u>	<u>Contractual Orders Prior Years</u>	<u>Contractual Orders Current Year</u>	<u>Unexpended Balance Canceled</u>
Middle School Industrial Arts Project	11/04/10	<u>431,873</u>		<u>422,221</u>	<u>9,652</u>

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

REVENUES:

Transfer from capital reserve	263,518
State sources: SDA grant	168,355
Total revenues	431,873

OPERATING EXPENSES:

Purchased professional & technical services	25,274
Construction services	381,821
General supplies	15,126
Total expenses	422,221
Excess (deficiency) of revenues over (under) expenditures	9,652
Transfer canceled capital projects to capital reserve	(9,652)

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Middle School Industrial Arts Project
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from capital reserve		263,518	263,518	263,518
State sources: SDA grant		168,355	168,355	168,355
		<u>431,873</u>	<u>431,873</u>	<u>431,873</u>
Expenditures and other financing uses				
Purchased professional & technical services		25,274	25,274	27,125
Construction services		381,821	381,821	384,748
General supplies		15,126	15,126	20,000
		<u>422,221</u>	<u>422,221</u>	<u>431,873</u>
Excess (deficiency) or revenues over (under) expenditures		9,652	9,652	
Transfer canceled capital projects to capital reserve		(9,652)	(9,652)	
Additional project information:				
Project number		4940-060-10-1001		
Grant date		11/04/10		
Bond authorization date		n/a		
Bonds authorized		0		
Bonds issued		0		
Original authorized cost		431,873		
Additional authorized cost		None		
Revised authorized cost		431,873		
Percentage increase over original authorized cost:		0%		
Percentage completion		100%		
Original target completion date		March 2011		
Revised target completion date		June 2011		

PROPRIETARY FUNDS

Delsea Regional High School District
Combining Schedule of Net Assets
Enterprise Fund
June 30, 2011

	Enterprise Fund <hr/> Food Service <hr/>
ASSETS:	
Current assets:	
Cash and cash equivalents	56,016
Accounts receivable	
State	380
Federal	9,850
Other	1,190
Interfund receivable	26,020
Inventories	4,792
Total current assets	<hr/> 98,248 <hr/>
Noncurrent assets:	
Furniture, machinery & equipment	422,536
Less accumulated depreciation	<hr/> (409,438) <hr/>
Total noncurrent assets	<hr/> 13,098 <hr/>
Total assets	<hr/> <hr/> 111,346 <hr/> <hr/>
LIABILITIES:	
Current liabilities:	
Deposits payable	1,698
Deferred revenue	<hr/> 1,104 <hr/>
Total current liabilities	<hr/> 2,802 <hr/>
NET ASSETS:	
Invested in capital assets net of related debt	13,098
Restricted for encumbrances	11,751
Unrestricted	<hr/> 83,695 <hr/>
Total net assets	<hr/> <hr/> 108,544 <hr/> <hr/>

Delsea Regional High School District
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Fund
For the Year Ended June 30, 2011

	Enterprise Fund <u>Food Service</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	292,908
Daily sales - non-reimbursable programs	218,094
Special functions	<u>23,659</u>
Total operating revenues	<u>534,661</u>
Operating expenses:	
Cost of sales	372,086
Salaries	234,816
Employee benefits	93,541
Purchased property service	10,016
Other purchased professional services	47,781
General supplies	11,390
Other objects	370
Depreciation	<u>2,112</u>
Total operating expenses	<u>772,112</u>
Operating income (loss)	<u>(237,451)</u>
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	8,348
Federal sources:	
National school lunch program	205,216
National school breakfast program	20,843
Food distribution program	55,265
Interest and investment revenue	<u>174</u>
Total nonoperating revenues (expenses)	<u>289,846</u>
Change in net assets	52,395
Total net assets - beginning	<u>56,149</u>
Total net assets - ending	<u><u>108,544</u></u>

Delsea Regional High School District
Combining Schedule of Cash Flows
Enterprise Fund
For the Year Ended June 30, 2011

	Enterprise Funds
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	534,661
Payments to employees	(234,816)
Payments for employee benefits	(93,541)
Payments to suppliers	(384,534)
Net cash provided by (used for) operating activities	(178,230)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	9,081
Federal Sources	233,489
Increase in interfund payable	(26,137)
Net cash provided by (used for) non-capital financing activities	216,433
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	174
Net increase (decrease) in cash and cash equivalents	38,377
Balances - beginning of year	18,829
Balances - end of year	57,206
Reconciliation of operating income (loss) to net cash provided	
(used) by operating activities:	
Operating income (loss)	(237,451)
Adjustments to reconcile operating income (loss) to net cash provided by	
(used for) operating activities:	
Depreciation and net amortization	2,112
Federal commodities	55,265
Decrease in inventories	4,346
Decrease in deferred revenue	(2,502)
Total adjustments	59,221
Net cash provided by (used for) operating activities	(178,230)

Delsea Regional High School District
 Combining Schedule of Net Assets
 Internal Service Fund
 June 30, 2011

	Internal Service Fund
	<u> </u>
ASSETS:	
Current assets:	
Accounts receivable:	
Intergovernmental	98,579
	<u> </u>
LIABILITIES:	
Current liabilities:	
Accounts payable	5,298
Interfund payable	93,281
	<u> </u>
Total current liabilities	<u>98,579</u>

Delsea Regional High School District
 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets
 Internal Service Fund
 For the Year Ended June 30, 2011

	<u>Internal Service Fund</u>
Operating revenues:	
Charges for services	
Service provided to other LEA's	<u>579,576</u>
Operating expenses:	
Salaries	328,851
Employee benefits	115,790
Other professional/technical services	1,399
Cleaning, repair and maintenance	2,371
Other purchased services	9,959
Contracted services (aid in lieu payments)	40,472
General supplies	57,395
Miscellaneous	<u>247</u>
Total operating expenses	<u>556,484</u>
Operating income (loss)	23,092
Transfers in (out)	<u>(23,092)</u>

Delsea Regional High School District
Combining Schedule of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2011

	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	542,494
Payments to employees	(328,851)
Payments for employee benefits	(115,790)
Payments to suppliers	<u>(107,767)</u>
Net cash provided by (used for) operating activities	<u>(9,914)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Increase in interfund payable	33,006
Operating subsidies and transfers to other funds	<u>(23,092)</u>
Net cash provided by (used for) non-capital financing activities	<u>9,914</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	23,092
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable, net	(37,082)
Increase (decrease) in accounts payable	<u>4,076</u>
Total adjustments	<u>(33,006)</u>
Net cash provided by (used for) operating activities	<u><u>(9,914)</u></u>

FIDUCIARY FUNDS

Delsea Regional High School District
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2011

	Private Purpose Trust		Agency		Totals
	New Jersey Unemployment Compensation	Scholarship	Student Activity	Payroll	
ASSETS:					
Cash and cash equivalents	52,932	52,131	187,410	133,294	425,767
Investments		247,783			247,783
Total assets	52,932	299,914	187,410	133,294	673,550
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	15,667	33,650			49,317
Payroll deductions & withholdings				133,294	133,294
Due to student groups			187,410		187,410
Total liabilities	15,667	33,650	187,410	133,294	370,021
Net Assets:					
Held in trust for unemployment claims and other purposes		37,265			37,265
Permanent endowment - nonexpendable		50,000			50,000
Expendable scholarship funds		216,264			216,264
Total reserved for scholarships		266,264			266,264
Total net assets					303,529
Total liabilities and net assets					673,550

Delsea Regional High School District
Combining Statement of Changes in
Fiduciary Net Assets
for the Fiscal Year Ended June 30, 2011

	<u>Scholarship</u>	<u>New Jersey Unemployment Compensation</u>	<u>Total</u>
OPERATING REVENUES:			
Gifts and contributions	71,562		71,562
Employer contribution		124,500	124,500
Deductions from employees' salaries		37,430	37,430
Interest on investments	377	310	687
Total additions	<u>71,939</u>	<u>162,240</u>	<u>234,179</u>
OPERATING EXPENSES:			
Scholarship payments	63,424		63,424
Quarterly contribution reports		11,008	11,008
Unemployment compensation insurance claims		132,010	132,010
Total deductions	<u>63,424</u>	<u>143,018</u>	<u>206,442</u>
Changes in net assets	8,515	19,222	27,737
Net assets, July 1	<u>257,749</u>	<u>18,043</u>	<u>275,792</u>
Net assets, June 30	<u><u>266,264</u></u>	<u><u>37,265</u></u>	<u><u>303,529</u></u>

Delsea Regional High School District
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
SCHOOLS:				
Delsea High School	123,198	482,246	447,838	157,606
Delsea Middle School	<u>33,601</u>	<u>47,558</u>	<u>51,355</u>	<u>29,804</u>
Total all schools	<u><u>156,799</u></u>	<u><u>529,804</u></u>	<u><u>499,193</u></u>	<u><u>187,410</u></u>

Delsea Regional High School District
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and cash equivalents	139,238	18,235,585	18,241,529	133,294
LIABILITIES:				
Net payroll		10,611,255	10,611,255	
Payroll deductions and withholdings	139,238	7,624,330	7,630,274	133,294
Total liabilities	139,238	18,235,585	18,241,529	133,294

LONG-TERM DEBT

Delsea Regional High School District
 Schedule of Serial Bonds
 Year Ended June 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2010</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
			<u>Date</u>	<u>Amount</u>				
High school reconstruction and renovation	10/1/93	9,830,000	10/1/11-13 10/1/14	670,000 650,000	5.000	3,250,000	590,000	2,660,000
Athletic stadium renovations	6/15/00	1,200,000	1/15/12-15	95,000	5.650	470,000	90,000	380,000
						3,720,000	680,000	3,040,000
						3,720,000	680,000	3,040,000

Delsea Regional High School District
Statement of Loans Payable
Year Ended June 30, 2011

Loan	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Retired	Balance June 30, 2011
			Date	Amount				
New Jersey Public School Facilities Loan Assistance Programs								
Facilities loan	8/18/93	9,842,500	7/15/11-13	518,026	1.500%	2,072,104	518,026	1,554,078
Small projects loan	8/18/93	97,500	7/15/11 7/15/12 7/15/13	6,621 6,915 7,223	5.228%	27,106	6,348	20,758
Safe schools loan	8/18/93	32,500	7/15/11-13	1,582	1.500%	6,329	1,582	4,747
						<u>2,105,539</u>	<u>525,956</u>	<u>1,579,583</u>

Delsea Regional High School District
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	736,294		736,294	736,294	
Total local sources	736,294		736,294	736,294	-
State sources:					
Debt service aid type II	672,189		672,189	672,189	
Total revenues	1,408,483		1,408,483	1,408,483	
EXPENDITURES:					
Regular debt service:					
Interest	202,851		202,851	202,850	1
Redemption of principal	1,205,957		1,205,957	1,205,956	1
Total expenditures	1,408,808		1,408,808	1,408,806	2
Excess (deficiency) of revenues over (under) expenditures	(325)		(325)	(323)	(2)
Fund balance, July 1	520		520	520	
Fund balance, June 30	195		195	197	(2)
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Budgeted fund balance	(325)		(325)	(323)	(2)

STATISTICAL SECTION

Delsea Regional High School District
Statistical Section

Contents	<u>Page</u>
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.	110-115
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	116-119
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.	120-123
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.	124-125
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the district provides and the activities it performs.	126-130

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (C.A.F.R.) for the relevant year. The District implemented G.A.S.B. Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

Delsea Regional High School District
Net Assets by Component
Last Nine Fiscal Years

	Fiscal Year Ending June 30								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
Invested in capital assets, net of related debt	9,746,629	10,715,999	11,468,792	12,326,241	12,604,684	12,895,375	13,175,895	13,766,917	14,550,244
Restricted	77,706	415,515	580,606	616,002	592,554	991,113	1,771,230	1,332,932	1,950,525
Unrestricted	(21,348)	168,131	(114,824)	(373,585)	(136,053)	(309,430)	(909,575)	(1,601,203)	(1,310,790)
Total governmental activities net assets	<u>9,802,987</u>	<u>11,299,645</u>	<u>11,934,574</u>	<u>12,568,658</u>	<u>13,061,185</u>	<u>13,577,058</u>	<u>14,037,550</u>	<u>13,498,646</u>	<u>15,189,979</u>
Business-type activities:									
Invested in capital assets, net of related debt	127,773	107,438	85,807	64,544	43,500	27,046	17,321	15,210	13,098
Restricted									11,751
Unrestricted	18,850	4,727	23,518	16,121	31,901	28,146	25,520	40,939	83,695
Total business-type activities net assets	<u>146,623</u>	<u>112,165</u>	<u>109,325</u>	<u>80,665</u>	<u>75,401</u>	<u>55,192</u>	<u>42,841</u>	<u>56,149</u>	<u>108,544</u>
District-wide:									
Invested in capital assets, net of related debt	9,874,402	10,823,437	11,554,599	12,390,785	12,648,184	12,922,421	13,193,216	13,782,127	14,563,342
Restricted	77,706	415,515	580,606	616,002	592,554	991,113	1,771,230	1,332,932	1,962,276
Unrestricted	(2,498)	172,858	(91,306)	(357,464)	(104,152)	(281,284)	(884,055)	(1,560,264)	(1,227,095)
Total District net assets	<u>9,949,610</u>	<u>11,411,810</u>	<u>12,043,899</u>	<u>12,649,323</u>	<u>13,136,586</u>	<u>13,632,250</u>	<u>14,080,391</u>	<u>13,554,795</u>	<u>15,298,523</u>

Source: District records

Delsea Regional High School District
Changes in Net Assets
Last Nine Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES:									
Governmental activities:									
Instruction									
Regular	8,228,817	8,788,862	9,115,603	9,449,578	10,119,561	10,927,233	10,234,450	10,381,084	7,070,584
Special education	1,970,255	2,319,233	2,482,324	2,562,256	2,701,408	2,494,855	2,751,321	3,233,428	2,418,985
Other special instruction	547,764	413,113	449,123	491,282	599,399	424,142	554,313	707,509	262,113
Other instruction	902,580	827,355	880,827	949,678	969,312	1,057,131	1,089,055	1,432,853	829,769
Nonpublic school programs	41,953	50,933	62,680	50,692	70,810	71,026	67,055	49,250	1,293
Support Services									
Tuition	1,340,076	982,256	869,170	1,156,386	1,542,813	1,487,658	1,423,268	1,744,821	1,952,812
Student & instruction related services	2,732,318	2,883,964	3,257,899	3,603,007	3,571,229	3,885,437	3,515,522	3,513,745	2,346,984
School administrative services	1,138,367	1,253,474	1,266,372	1,374,845	1,352,403	1,504,334	1,433,770	1,424,900	1,131,314
General and business administrative services	982,122	968,431	950,614	1,002,111	1,057,715	1,162,694	1,274,939	1,387,541	961,874
Plant operations and maintenance	1,971,092	2,159,376	2,303,779	2,488,798	2,682,454	2,834,396	2,831,279	2,950,282	2,232,770
Pupil transportation	1,874,448	2,015,019	2,340,203	2,574,423	2,825,207	3,351,606	3,332,165	3,625,374	2,844,651
Employee benefits									6,158,013
Special schools	95,653	110,087	191,780	129,099	123,992	91,700	111,217	20,007	
Transfer of funds to charter schools			6,600						
Interest on long-term debt	614,485	544,475	488,265	401,837	350,760	312,367	273,834	232,132	196,906
Capital outlay									3,122
Unallocated depreciation	289,822	285,796	276,178	268,447	263,156	258,991	258,942	243,741	738,107
Total governmental activities expenses	22,729,752	23,602,374	24,941,417	26,502,439	28,230,219	29,863,570	29,151,130	30,946,667	29,149,297
Business-type activities:									
Food service	701,742	725,081	729,096	772,243	830,924	830,148	828,719	834,244	772,112
Total District expenses	23,431,494	24,327,455	25,670,513	27,274,682	29,061,143	30,693,718	29,979,849	31,780,911	29,921,409
PROGRAM REVENUES:									
Governmental activities:									
Charges for services									
Student and instruction related services									27,172
School administrative services									36,200
General and business administration						111,961	146,375	209,600	160,748
Plant operation and maintenance				893			20,253	38,955	31,727
Pupil transportation	80,551	82,249	62,736	88,637	126,233	399,581	428,349	367,677	323,729
Special schools	15,169	14,463	18,184	11,450	14,310	18,287	15,404	12,404	
Operating grants and contributions	858,023	818,025	859,913	1,060,944	1,116,492	1,496,231	1,145,479	1,291,463	958,299
Total governmental activities program revenues	953,743	914,737	940,833	1,161,924	1,257,035	2,026,060	1,755,860	1,920,099	1,537,875

Delsea Regional High School District
Changes in Net Assets
Last Nine Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
PROGRAM REVENUES: - (Continued)									
Business-type activities:									
Charges for services									
Food service	518,424	531,958	571,259	576,139	621,374	603,236	580,557	558,036	534,661
Operating grants and contributions	148,845	158,453	154,806	167,201	204,044	206,475	235,591	289,338	289,672
Total business type activities program revenues	667,269	690,411	726,065	743,340	825,418	809,711	816,148	847,374	824,333
Total District program revenues	1,621,012	1,605,148	1,666,898	1,905,264	2,082,453	2,835,771	2,572,008	2,767,473	2,362,208
NET (EXPENSE)/REVENUE:									
Governmental activities	(21,776,009)	(22,687,637)	(24,000,584)	(25,340,515)	(26,973,184)	(27,837,510)	(27,395,270)	(29,026,568)	(27,611,422)
Business-type activities	(34,473)	(34,670)	(3,031)	(28,903)	(5,506)	(20,437)	(12,571)	13,130	52,221
Total District-wide net expense	(21,810,482)	(22,722,307)	(24,003,615)	(25,369,418)	(26,978,690)	(27,857,947)	(27,407,841)	(29,013,438)	(27,559,201)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:									
Governmental activities:									
Property taxes levied for general purposes, net	6,493,368	7,717,383	7,752,806	8,781,801	9,932,194	10,241,799	10,591,471	11,136,304	11,903,468
Taxes levied for debt service	967,091	940,382	913,543	872,802	650,279	633,818	617,817	636,554	736,294
Federal and State aid not restricted	13,984,605	15,065,391	15,480,255	15,648,188	16,085,653	16,524,649	15,585,378	15,407,161	15,256,246
Federal and State aid restricted		13,122							
Tuition		14,811	29,419	118,755	86,228	117,871	152,442	409,136	508,102
Transportation fees from other LEAs within the State	209,574	298,683	340,300	341,200	545,467	614,878	749,965	807,122	818,988
Investment earnings	28,886	23,869	26,573	45,016	63,233	54,704	26,017	17,628	8,431
Miscellaneous income	62,783	105,680	92,617	166,837	102,657	165,664	132,672	73,759	71,226
Extraordinary items		4,974							
Total governmental activities	21,746,307	24,184,295	24,635,513	25,974,599	27,465,711	28,353,383	27,855,762	28,487,664	29,302,755
Business-type activities:									
Investment earnings	362	212	191	243	242	228	220	178	174
Total business-type activities	362	212	191	243	242	228	220	178	174
Total District-wide	21,746,669	24,184,507	24,635,704	25,974,842	27,465,953	28,353,611	27,855,982	28,487,842	29,302,929
CHANGES IN NET ASSETS:									
Governmental activities	(29,702)	1,496,658	634,929	634,084	492,527	515,873	460,492	(538,904)	1,691,333
Business-type activities	(34,111)	(34,458)	(2,840)	(28,660)	(5,264)	(20,209)	(12,351)	13,308	52,395
Total District	(63,813)	1,462,200	632,089	605,424	487,263	495,664	448,141	(525,596)	1,743,728

Source: District records

Delsea Regional High School District
Fund Balances, Governmental Funds
Last Nine Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	77,706	415,515	620,845	666,574	732,749	1,121,910	2,095,666	1,332,412	2,103,832
Unreserved	592,535	671,324	408,142	158,802	334,065	363,411	(360,151)	(734,300)	(590,124)
Total general fund	<u>670,241</u>	<u>1,086,839</u>	<u>1,028,987</u>	<u>825,376</u>	<u>1,066,814</u>	<u>1,485,321</u>	<u>1,735,515</u>	<u>598,112</u>	<u>1,513,708</u>
All Other Governmental Funds									
Unreserved, reported in:									
Special revenue fund	(7,895)	(3,772)	(3,772)	(3,772)	(3,772)	(3,772)			
Debt service fund	485	277	10,679	279	793	1,517	389	520	197
Total all other governmental funds	<u>(7,410)</u>	<u>(3,495)</u>	<u>6,907</u>	<u>(3,493)</u>	<u>(2,979)</u>	<u>(2,255)</u>	<u>389</u>	<u>520</u>	<u>197</u>

Source: District records

Delsea Regional High School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES:										
Tax levy	6,808,669	7,460,459	8,657,765	8,666,349	9,654,603	10,582,473	10,875,617	11,209,288	11,772,858	12,639,762
Tuition charges	4,598		14,811	29,419	118,755	86,228	117,871	152,442	409,136	508,102
Transportation fees								749,965	807,122	818,988
Interest earnings								26,017	17,628	8,431
Miscellaneous	318,509	316,412	442,695	481,255	573,187	731,417	859,233	173,406	96,556	84,831
State sources	14,487,097	14,186,437	15,190,583	15,622,821	15,793,718	16,263,049	16,975,363	15,689,585	13,287,266	15,280,017
Federal sources	590,238	656,191	692,833	713,766	906,730	933,346	1,039,817	1,015,942	3,400,965	920,923
Total revenue	<u>22,209,111</u>	<u>22,619,499</u>	<u>24,998,687</u>	<u>25,513,610</u>	<u>27,046,993</u>	<u>28,596,513</u>	<u>29,867,901</u>	<u>29,016,645</u>	<u>29,791,531</u>	<u>30,261,054</u>
EXPENDITURES:										
Instruction										
Regular instruction	6,380,104	6,400,150	6,754,891	6,906,018	7,005,161	7,116,394	7,707,616	7,611,868	7,742,463	7,048,107
Special education instruction	1,787,196	1,557,281	1,801,804	1,905,925	1,923,701	1,921,715	1,768,361	2,054,398	2,446,588	2,417,947
Other special instruction	318,181	436,238	296,472	383,953	411,156	474,755	324,358	427,948	545,100	261,873
Other instruction	615,026	654,367	587,402	618,689	671,599	686,962	747,711	760,080	1,013,212	824,501
Nonpublic school programs	29,845	41,130	50,110	63,472	49,869	69,987	70,037	66,232	47,618	
Community service	38,542	37,117	39,396	40,109	38,280	28,789	36,329	35,556	38,995	
Support Services:										
Tuition	909,127	1,340,076	982,256	869,170	1,156,386	1,542,813	1,487,658	1,423,268	1,744,821	1,952,812
Student & instruction related services	2,116,545	2,199,535	2,284,055	2,549,075	2,832,886	2,724,556	3,013,815	2,707,752	2,709,361	2,395,754
General administrative services	420,086	399,211	404,671	400,312	407,694	426,307	455,292	474,542	495,837	446,590
School administrative services	840,946	883,804	971,841	971,427	1,026,331	976,233	1,011,501	1,051,191	1,059,298	900,355
Central services				245,901	273,287	290,989	318,559	324,106	335,890	358,348
Admin. information technology				120,314	124,767	112,883	118,639	118,282	132,337	136,869
Plant operations and maintenance	1,700,259	1,747,674	1,920,272	2,036,213	2,192,642	2,345,309	2,454,702	2,397,730	2,491,428	2,173,112
Pupil transportation	1,168,536	1,616,835	1,744,639	2,049,130	2,244,687	2,445,898	2,138,465	2,075,153	2,239,814	2,386,913
Other support services	359,513	409,429	397,880							
Employee benefits	2,773,427	3,182,279	3,669,098	3,889,636	4,443,120	5,379,876	6,059,336	5,573,817	6,071,456	6,157,496
Special Schools	60,951	80,364	92,171	166,097	105,447	99,946	74,921	88,913	16,895	
Charter Schools				6,600						
Capital outlay	178,879	361,416	453,258	264,645	350,529	229,644	225,482	205,749	387,329	499,390
Debt service:										
Principal	1,569,045	1,573,209	1,579,394	1,579,608	1,573,779	1,119,995	1,120,219	1,125,456	1,205,697	1,205,956
Interest and other charges	741,319	633,166	565,244	496,437	430,932	363,039	324,652	286,253	245,558	202,850
Total expenditures	<u>22,007,527</u>	<u>23,553,281</u>	<u>24,594,854</u>	<u>25,562,731</u>	<u>27,262,253</u>	<u>28,356,090</u>	<u>29,457,653</u>	<u>28,808,294</u>	<u>30,969,697</u>	<u>29,368,873</u>
Excess (deficiency) of revenues over (under) expenditures	201,584	(933,782)	403,833	(49,121)	(215,260)	240,423	410,248	208,351	(1,178,166)	892,181
OTHER FINANCING SOURCES (USES):										
Capital leases (non-budgeted)			21,000							
Bond proceeds										
Original issue premium										
Transfers in	3,692	5,524	2,754	1,671	1,249	1,529	8,983	44,487	40,894	23,092
Transfers out	(672)		(7,074)							
Total other financing sources (uses)	<u>3,020</u>	<u>5,524</u>	<u>16,680</u>	<u>1,671</u>	<u>1,249</u>	<u>1,529</u>	<u>8,983</u>	<u>44,487</u>	<u>40,894</u>	<u>23,092</u>
Net change in fund balances	<u>204,604</u>	<u>(928,258)</u>	<u>420,513</u>	<u>(47,450)</u>	<u>(214,011)</u>	<u>241,952</u>	<u>419,231</u>	<u>252,838</u>	<u>(1,137,272)</u>	<u>915,273</u>
Debt service as a percentage of noncapital expenditures	10.6%	9.5%	8.9%	8.2%	7.4%	5.3%	4.9%	4.9%	4.7%	4.9%

Source: District records

Delsea Regional High School District
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Source:										
Interest on investments	45,454	28,886	23,677	22,822	45,016	62,440	53,981	25,209	12,687	
Athletic events	18,864	14,054	17,606	14,014	16,944	17,519	14,670	15,465	14,530	13,451
Sale of assets	6,869	3,573	4,595	9,847	29,458	7,113	2,059	1,224	7,264	9,782
Rentals	3,237	2,960	2,811	3,608	3,193	5,457	7,027	4,720	10,568	4,506
Refunds	31,912	11,116	6,077	2,576	28,535	14,497	6,206	10,303	5,721	19,977
Prior year purchase order adjustment	8,975		30,668	10,351		109	563	6,968	331	1,601
Fines	5,305	4,371	5,224	7,606	9,220	10,489	6,303	6,223	3,729	1,125
Community school	10,235	15,169	14,463	18,184	11,450	14,310	18,287	15,404	12,404	
Contributions/donations		10,891	3,475	2,000				1,000		
Educational Fee										9,000
Insurance dividend			22,523		65,150	28,469	50,533	44,330	17,449	11,680
Miscellaneous	14,071	15,647	12,701	42,616	12,552	13,871	84,726	42,439	13,972	104
	<u>144,922</u>	<u>106,667</u>	<u>143,820</u>	<u>133,624</u>	<u>221,518</u>	<u>174,274</u>	<u>244,355</u>	<u>173,285</u>	<u>98,655</u>	<u>71,226</u>

Source: District records

Delsea Regional High School District
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

FRANKLIN TOWNSHIP

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
2002	30,964,400	517,303,800	30,371,200	5,718,500	55,159,400	109,300	2,378,800	642,005,400	4,726,426	646,731,826	685,358,420	0.897
2003	28,795,600	533,080,800	31,995,500	5,680,100	56,677,100		2,206,100	658,435,200	4,803,878	663,239,078	733,312,923	0.984
2004	30,227,200	549,012,900	31,171,200	5,545,000	58,359,100		2,206,100	676,521,500	4,307,595	680,829,095	811,606,074	1.027
2005	30,250,800	573,994,100	31,929,600	5,438,700	59,033,600		1,981,200	702,628,000	3,576,585	706,204,585	937,211,634	1.048
2006	29,814,600	604,152,100	32,267,900	5,412,300	58,711,100		1,985,700	732,343,700	2,903,630	735,247,330	1,115,205,228	1.112
2007	28,786,900	624,421,300	33,380,800	5,327,000	59,315,300		1,985,700	753,217,000	2,577,876	755,794,876	1,337,579,555	1.146
2008	25,204,900	656,497,100	34,245,100	5,323,100	59,615,100		1,957,100	782,842,400	2,528,351	785,370,751	1,512,873,481	1.131
2009	24,893,100	674,513,800	33,593,800	5,128,100	61,432,900		1,969,800	801,531,500	2,676,260	804,207,760	1,543,539,661	1.146
2010	24,021,100	681,600,400	31,797,900	5,883,200	60,877,100		1,969,800	806,149,500	2,676,260	808,825,760	1,499,113,437	1.210
2011	23,414,600	676,493,100	32,851,900	5,907,600	62,685,000		1,969,800	803,322,000	2,405,012	805,727,012	1,460,207,338	1.256

ELK TOWNSHIP

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
2002	9,005,700	117,179,600	11,859,000	4,334,100	14,311,600	1,883,100		158,573,100	985,711	159,558,811	174,730,282	0.909
2003	11,078,200	123,501,100	11,450,800	4,279,000	15,641,100	813,500	74,500	166,838,200	1,093,359	167,931,559	195,675,027	0.957
2004	12,685,600	128,384,100	11,051,300	4,329,900	16,117,000	813,500		173,381,400	1,030,878	174,412,278	207,586,433	0.954
2005	10,854,400	139,700,900	11,109,300	4,352,800	16,383,900	813,500		183,214,800	929,096	184,143,896	236,387,595	0.988
2006	10,166,200	152,623,400	11,737,100	4,262,400	16,223,400	813,500		195,826,000	770,469	196,596,469	277,462,206	0.988
2007	23,642,500	301,100,300	24,557,900	4,295,700	25,429,300	1,137,400		380,163,100	1,126,105	381,289,205	326,320,260	0.542
2008	24,226,600	304,093,100	25,243,000	4,324,100	25,485,800	1,137,400		384,510,000	1,310,507	385,820,507	368,937,053	0.558
2009	23,663,000	311,873,900	25,622,600	4,369,000	27,731,500	1,137,400		394,397,400	1,421,103	395,818,503	392,665,910	0.613
2010	21,249,300	314,651,800	25,981,400	4,396,300	24,901,100	1,137,400		392,317,300	1,421,103	393,738,403	398,626,420	0.634
2011	21,291,000	317,066,800	26,197,200	4,501,700	26,812,600	1,137,400		397,006,700	1,406,464	398,413,164	391,638,213	

Source: District records & Municipal Tax Assessor

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 when ordered by the County

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

b Tax rates are per \$100 of assessed value

Delsea Regional High School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

FRANKLIN TOWNSHIP

Fiscal Year Ended June 30	Delsea Regional High School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Franklin Township Municipality	Franklin Township School District	Gloucester County	
2002	0.773	0.124	0.897	0.684	0.751	0.661	2.993
2003	0.868	0.116	0.984	0.718	0.751	0.690	3.143
2004	0.917	0.110	1.027	0.702	0.745	0.743	3.217
2005	0.946	0.102	1.048	0.705	0.790	0.853	3.396
2006	1.028	0.084	1.112	0.685	0.926	0.896	3.619
2007	1.077	0.069	1.146	0.740	1.011	0.975	3.872
2008	1.067	0.064	1.131	0.777	1.014	1.058	3.980
2009	1.083	0.063	1.146	0.820	1.014	1.054	4.034
2010	1.142	0.068	1.210	0.869	1.048	1.018	4.145
2011	1.183	0.073	1.256	0.912	1.082	0.98	4.230

ELK TOWNSHIP

Fiscal Year Ended June 30	Delsea Regional High School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Elk Township Municipality	Elk Township School District	Gloucester County	
2002	0.717	0.116	0.833	0.714	0.821	0.729	3.097
2003	0.802	0.107	0.909	0.728	0.933	0.778	3.348
2004	0.854	0.103	0.957	0.735	0.973	0.786	3.451
2005	0.861	0.093	0.954	0.721	1.021	0.876	3.572
2006	0.914	0.074	0.988	0.721	1.038	0.896	3.643
2007	0.510	0.032	0.542	0.444	0.551	0.509	2.046
2008	0.526	0.032	0.558	0.512	0.562	0.567	2.199
2009	0.543	0.032	0.575	0.549	0.588	0.586	2.298
2010	0.579	0.034	0.613	0.549	0.600	0.596	2.358
2011	0.597	0.037	0.634	0.574	0.604	0.575	2.387

Source: District records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

- a** The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

Delsea Regional High School District
Principal Property Taxpayers
Current Year and Nine Years Ago

FRANKLIN TOWNSHIP

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
RT Enterprises, LLC	\$ 4,483,900	1	0.56%			
R. Leo & Sons, LLC	2,277,700	2	0.28%			
Wawa, Inc.	1,498,800	3	0.19%	1,087,300	5	0.17%
Sharon Reed Community Dev. Corp.	1,438,200	4	0.18%			
Individual Taxpayer 1	1,260,300	5	0.16%	2,277,700	1	0.35%
State of NJ, DEP C/O White Oaks CC	1,195,900	6	0.15%	1,978,800	2	0.31%
Blackwood Town Industries, Inc.	1,143,300	7	0.14%	1,169,900	4	0.18%
Visconti Brothers Properties, LLC	1,117,900	8	0.14%			
PDM, LLC:CVS:C/O Eproperty Tax, Inc.	1,086,500	9	0.13%	1,087,000	6	0.16%
Individual Taxpayer 2	1,076,000	10	0.13%	870,700	9	0.14%
Berkshire Gardens & Properties				1,663,700	3	0.26%
Meredith Farms Inc.				1,023,600	7	0.16%
Rosemar Properties, V.L.L.C.				950,000	8	0.15%
Niagara Chemical Co. FMC Corp.				847,900	10	0.13%
Total	\$ 16,578,500		2.06%	\$ 12,956,600		2.01%

ELK TOWNSHIP

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Laux Lakeview Park, Inc.	\$ 4,294,700	1	1.09%	\$2,954,400	1	1.91%
Paparone at Silver Lake Estates LLC	2,587,200	2	0.66%			
SCP 2007-C-27, LLC (CVS Caremark)	2,000,000	3	0.51%	608,100	9	0.40%
Silvergate Associates	1,932,500	4	0.49%			
Valley Del Sol	1,844,900	5	0.47%	758,080	5	0.50%
Verizon New Jersey	1,406,464	6	0.36%	813,500	4	0.54%
Clayton Associates	1,223,200	7	0.31%	1,069,600	3	0.71%
Individual Taxpayer 1	1,181,300	8	0.30%	1,375,000	2	0.91%
Western Oilfields Supply Co.	1,140,600	9	0.29%			
Christy Enterprises, LLC	1,037,800	10	0.26%			
Individual Taxpayer 2				675,000	6	0.45%
Individual Taxpayer 3				650,000	8	0.43%
First National Bank of Elmer				669,000	7	0.44%
Total	\$ 18,648,664		4.74%	\$ 9,572,680		6.29%

Source: Municipal Tax Assessor

Delsea Regional High School District
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	7,134,564	7,134,564	100.00%	
2003	8,059,112	8,059,112	100.00%	
2004	8,612,057	8,612,057	100.00%	
2005	9,160,476	9,160,476	100.00%	
2006	10,118,538	10,118,538	100.00%	
2007	10,582,473	10,582,473	100.00%	
2008	10,875,617	10,875,617	100.00%	
2009	11,209,288	11,209,288	100.00%	
2010	11,772,858	11,772,858	100.00%	
2011	12,639,762	12,639,762	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Delsea Regional High School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	EDA Loans	Capital Leases			
2002	10,403,000	6,304,872		16,707,872	0.18%	863
2003	9,354,000	5,780,662		15,134,662	0.21%	772
2004	8,299,000	5,251,294	13,532	13,563,826	0.24%	677
2005	7,239,000	4,731,686	7,034	11,977,720	0.29%	588
2006	6,190,000	4,206,907		10,396,907	0.35%	502
2007	5,595,000	3,681,912		9,276,912	0.41%	440
2008	5,000,000	3,156,694		8,156,694	0.48%	383
2009	4,400,000	2,631,236		7,031,236	0.56%	329
2010	3,720,000	2,105,539		5,825,539	N/A	N/A
2011	3,040,000	1,579,583		4,619,583	N/A	N/A

Source: District records

N/A - Information not available

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.

Delsea Regional High School District
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2002	10,403,000		10,403,000	1.29%	537
2003	9,354,000		9,354,000	1.13%	477
2004	8,299,000		8,299,000	0.97%	414
2005	7,239,000		7,239,000	0.81%	355
2006	6,190,000		6,190,000	0.66%	299
2007	5,595,000		5,595,000	0.49%	265
2008	5,000,000		5,000,000	0.43%	235
2009	4,400,000		4,400,000	0.37%	206
2010	3,720,000		3,720,000	0.31%	N/A
2011	3,040,000		3,040,000	N/A	N/A

Source: District records

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

N/A: Information not available

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14.

Delsea Regional High School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Franklin Township	7,855,614	79.26%	6,226,564
Elk Township	2,710,750	20.74%	562,136
Township of Franklin School District	382,000	79.26%	302,783
Township of Elk School District	1,725,000	100.00%	1,725,000
Gloucester County	308,779,932	6.43%	<u>19,872,327</u>
Subtotal, overlapping debt			28,688,810
Delsea Regional High School District direct debt			<u>4,619,583</u>
Total direct and overlapping debt			<u><u>33,308,393</u></u>

Sources: Township Finance Officers, County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Franklin and Elk Townships. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

- a. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

Delsea Regional High School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Legal Debt Margin Calculation

	Equalized valuation basis		
	Elk	Franklin	Combined
2008	380,627,598	1,502,288,236	\$ 1,882,915,834
2009	398,099,727	1,485,142,672	\$ 1,883,242,399
2010	384,813,438	1,459,886,816	\$ 1,844,700,254
	<u>1,163,540,763</u>	<u>4,447,317,724</u>	<u>\$ 5,610,858,487</u>
Average equalized valuation of taxable property	\$ 387,846,921	\$ 1,482,439,241	\$ 1,870,286,162
Debt limit (3% of average equalized valuation)	11,635,408	44,473,177	a \$ 56,108,585
Net bonded school debt			<u>5,825,539</u>
Legal debt margin			<u>\$ 50,283,046</u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 27,722,111	\$ 28,401,567	\$ 31,583,461	\$ 34,886,372	\$ 34,226,742	\$ 40,527,234	\$ 47,475,218	\$ 53,071,347	\$ 55,795,662	\$ 56,108,585
Total net debt applicable to limit	<u>16,707,872</u>	<u>15,134,662</u>	<u>13,550,294</u>	<u>11,970,686</u>	<u>10,396,907</u>	<u>9,276,912</u>	<u>8,156,694</u>	<u>7,031,236</u>	<u>5,825,539</u>	<u>4,619,583</u>
Legal debt margin	<u>\$ 11,014,239</u>	<u>\$ 13,266,905</u>	<u>\$ 18,033,167</u>	<u>\$ 22,915,686</u>	<u>\$ 23,829,835</u>	<u>\$ 31,250,322</u>	<u>\$ 39,318,524</u>	<u>\$ 46,040,111</u>	<u>\$ 49,970,123</u>	<u>\$ 51,489,002</u>
Total net debt applicable to the limit as a percentage of debt limit	60.27%	53.29%	42.90%	34.31%	30.38%	22.89%	17.18%	13.25%	10.44%	8.23%

Source: Abstract of Ratables and District records

a Limit set by NJSA 18A:24-19 for a 7 through 12 regional district; other % limits would be applicable for other districts

Delsea Regional High School District
Demographic and Economic Statistics
Last Ten Fiscal Years

FRANKLIN TOWNSHIP

Fiscal Year Ended June 30	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2002	15,807	485,685,882	30,726	5.9%
2003	15,989	500,727,513	31,317	6.2%
2004	16,353	537,817,464	32,888	5.5%
2005	16,587	570,144,951	34,373	6.5%
2006	16,845	613,174,845	36,401	7.0%
2007	17,174	648,387,196	37,754	6.4%
2008	17,319	676,133,760	39,040	8.2%
2009	17,368	687,616,488	39,591	12.0%
2010	N/A	N/A	N/A	12.7%
2011	N/A	N/A	N/A	N/A

ELK TOWNSHIP

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2002	3,548	109,015,848	30,726	4.9%
2003	3,604	112,866,468	31,317	5.2%
2004	3,682	121,093,616	32,888	4.6%
2005	3,787	130,170,551	34,373	4.8%
2006	3,878	141,163,078	36,401	5.2%
2007	3,932	148,448,728	37,754	4.7%
2008	3,974	155,144,960	39,040	6.1%
2009	4,005	158,561,955	39,591	9.0%
2010	N/A	N/A	N/A	9.5%
2011	N/A	N/A	N/A	N/A

Source:

- a** Population information provided by the NJ Dept of Labor and Workforce Development
 - b** Personal income has been estimated based upon the municipal population and per capita income presented
 - c** Per Capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
 - d** Unemployment data provided by the NJ Dept of Labor and Workforce Development
- N/A - Information not available

Delsea Regional High School District
Principal Employers
Current Year and Nine Years Ago

Employer	2011			2002	
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Percentage of Total Employment
Underwood Memorial Hospital	1,825	1	N/A	N/A	N/A
Washington Township School District	1,648	2	N/A	N/A	N/A
County of Gloucester	1,500	3	N/A	N/A	N/A
Rowan University	1,300	4	N/A	N/A	N/A
Kennedy Hospital	1,200	5	N/A	N/A	N/A
Missa Bay, LLC	950	6	N/A	N/A	N/A
Monroe Township School District	741	7	N/A	N/A	N/A
U.S. Foodservices	725	8	N/A	N/A	N/A
DGI Services	600	9	N/A	N/A	N/A
Delaware Valley Wholesale Florist	500	10	N/A	N/A	N/A
	<u>10,989</u>				

Source: Gloucester County Department of Economic Development and Employer Directly

Note - The information provided is for the County of Gloucester, information at the municipal level is not readily available.

N/A - Information not available

Delsea Regional High School District
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction										
Regular	109	111	112	109	106	109	108	107	107	107
Special education	34	35	39	41	39	37	36	36	40	41
Other special instruction	6	6	6	6	6	7	5	5	5	4
Support Services:										
Student & instruction related services	34	36	36	39	39	34	36	36	34	34
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	14	14	14	13	13	12	12	12	12	13
Other administrative services	8	7								
Central services			5	5	5	5	5	5	5	5
Administrative information technology			3	2	2	2	3	3	3	3
Plant operations and maintenance	28	28	26	28	28	28	29	29	31	32
Pupil transportation	36	41	41	46	46	49	61	61	67	67
Total	<u>272</u>	<u>281</u>	<u>285</u>	<u>292</u>	<u>287</u>	<u>286</u>	<u>298</u>	<u>297</u>	<u>307</u>	<u>309</u>

Source: District personnel records

Delsea Regional High School District
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Middle School	High School				
2002	1,862.5	19,697,163	10,576	-0.29%	137	12.6:1	12.0:1	1,823	1,698	1.67%	93.1%
2003	1,914.0	21,346,906	11,153	5.46%	141	12.5:1	12.4:1	1,869	1,750	2.52%	93.6%
2004	1,949.5	22,450,216	11,516	3.25%	146	12.4:1	12.4:1	1,894	1,760	1.34%	92.9%
2005	1,874.0	23,486,686	12,533	8.83%	143	11.5:1	12.0:1	1,834	1,725	-3.17%	94.1%
2006	1,852.5	25,257,542	13,634	8.79%	141	11.4:1	11.9:1	1,829	1,718	-0.27%	93.9%
2007	1,823.0	26,643,412	14,615	7.19%	141	12.2:1	11.1:1	1,790	1,678	-2.13%	93.7%
2008	1,807.0	27,787,300	15,378	5.22%	136	11.8:1	11.3:1	1,773	1,671	-0.95%	94.2%
2009	1,795.5	27,190,836	15,144	-1.52%	136	12.1:1	11.6:1	1,781	1,677	0.45%	94.2%
2010	1,765.5	29,131,113	16,500	8.96%	136	10.6:1	11.9:1	1,753	1,651	-1.57%	94.2%
2011	1,743.0	27,460,677	15,755	-4.52%	126	N/A	N/A	1,748	1,648	-0.27%	94.3%

Source: District records

Note: Enrollment based on annual October district count.

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

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

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

Delsea Regional High School District
School Building Information
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Building										
Middle School										
Delsea Regional Middle School (1989)										
Square Feet	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000
Capacity (students)	724	724	724	724	724	724	724	724	724	724
Enrollment	654	636	618	588	567	611	622	628	570	547
High School										
Delsea Regional High School (1960)										
Square Feet	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800
Capacity (students)	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376
Enrollment	1,151	1,208	1,285	1,255	1,253	1,212	1,185	1,168	1,182	1,196
Other										
Bus Garage (1996) ^a										
Square Feet	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739
Maintenance/Transportation Trailer (1991)										
Square Feet	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180
Waste Water Treatment Plant (1989)										
Square Feet	700	700	700	700	700	700	700	700	700	700
Stadium Wrestling Building (1973)										
Square Feet	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118
Stadium Maintenance Office (1973)										
Square Feet	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352
Stadium Storage Building (1973)										
Square Feet	760	760	760	760	760	760	760	760	760	760
Stadium Press Box (2001)										
Square Feet	256	256	256	256	256	256	256	256	256	256
Concession Stand #1 (1973)										
Square Feet	320	320	320	320	320	320	320	320	320	320
Concession Stand #2 (1973)										
Square Feet	320	320	320	320	320	320	320	320	320	320
Stadium Equipment Storage Building (1989)										
Square Feet	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520
Greenhouse										
Square Feet	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012

Number of Schools at June 30, 2011

 Middle School = 1

 High School = 1

 Other = 8

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October district count.

a The bus garage was purchased in 1994 but was originally constructed in 1963.

Delsea Regional High School District
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 Last Ten Fiscal Years

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES											
11-000-261-XXX											
School facilities:	Project Numbers:										
Delsea High School	N/A	\$ 114,599	\$ 75,901	\$ 69,197	\$ 108,603	\$ 102,968	\$ 100,358	\$ 242,691	\$ 119,613	\$ 194,986	\$ 95,152
Delsea Middle School	N/A	45,939	50,263	39,973	44,556	77,187	135,583	75,491	55,054	57,868	33,108
Total school facilities		160,538	126,164	109,170	153,159	180,155	235,941	318,182	174,667	252,854	128,260
Other facilities:											
Wastewater treatment plant	N/A	32,244	31,703	30,285	40,670	48,297	36,963	38,982	40,573	38,464	26,391
Grand total		<u>\$ 192,782</u>	<u>\$ 157,867</u>	<u>\$ 139,455</u>	<u>\$ 193,829</u>	<u>\$ 228,452</u>	<u>\$ 272,904</u>	<u>\$ 357,164</u>	<u>\$ 215,240</u>	<u>\$ 291,318</u>	<u>\$ 154,651</u>

Source: District records

Delsea Regional High School District
Insurance Schedule

	Coverage	Deductible
Commercial Package Policy - Republic Franklin Insurance Company		
Property - blanket building & contents	\$74,662,735	\$ 1,000
Crime Coverage		
Employee dishonesty/forgery/alteration	100,000	
Comprehensive General Liability		
General aggregate	3,000,000	
Products and completed operations	3,000,000	
Personal advertising injury	1,000,000	
Each occurrence	1,000,000	
Medical expense (any one person)	10,000	
School District Legal Liability		
Legal liability	1,000,000	
Aggregate for each year	2,000,000	\$7,500 plus 5%
Employee Benefits	3,000,000	
Inland Marine		100
Data processing hardware	3,300,000	
Software	600,000	
Extra expense	200,000	
Commercial Umbrella - Utica Mutual Insurance Company	10,000,000	
Storage Tank System - Zurich	1,000,000	5,000
Catastrophe Access - Fireman's Fund Insurance Co.	50,000,000	
Comprehensive Automobile Liability - Republic Franklin Ins Co.	1,000,000	
Comprehensive		500
Collision		1,000
Worker's Compensation - New Jersey School Boards Association Insurance Group	2,000,000	
School Board Legal Liability - Utica National Insurance Group	1,000,000	2,500
Student Accident Insurance - Life Ins. Co. of North America	25,000	
Accident medical expense	2,500,000	
Public Employees' Faithful Performance Bond - Ohio Casualty Insurance Co.		
Treasurer	227,000	
Board Secretary	35,000	

Source - District records

SINGLE AUDIT SECTION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and
Members of the Board of Education
Delsea Regional High School District
242 Fries Mill Road
P.O. Box 405
Franklinville, New Jersey 08322

We have audited 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 Delsea Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Delsea Regional High School District's basic financial statements and have issued our report thereon dated November 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Delsea Regional High School District, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Delsea Regional High School District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

Compliance and Other Matters

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

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 16, 2011

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH O.M.B. CIRCULAR A-133 AND NEW JERSEY O.M.B. CIRCULAR 04-04

The Honorable President and
Members of the Board of Education
Delsea Regional High School District
242 Fries Mill Road
P.O. Box 405
Franklinville, NJ 08322

Compliance

We have audited the compliance of the Board of Education of the Delsea Regional High School District, in the County of Gloucester, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (O.M.B.) Circular A-133 *Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2011. Delsea Regional High School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Delsea Regional High School District's management. Our responsibility is to express an opinion on the Delsea Regional High School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; and New Jersey O.M.B.'s Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*.

Those standards, O.M.B. Circular A-133 and New Jersey O.M.B.'s Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred.

An audit includes examining, on a test basis, evidence about the Delsea Regional High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Delsea Regional High School District's compliance with those requirements.

In our opinion, the Delsea Regional High School District, in the County of Gloucester, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of the Delsea Regional High School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Delsea Regional High School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with O.M.B. Circular A-133, and New Jersey O.M.B.'s Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Delsea Regional High School District Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 16, 2011

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2010	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011			MEMO Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S.Department of Education															
General Fund:															
Medical Assistance Program (SEMI)	93.778	N/A	24,948	7/1/10	6/30/11			22,045	(24,948)			(2,903)			24,948
Medical Assistance Program (SEMI)	93.778	N/A	42,689	7/1/09	6/30/10	(10,868)		10,868							42,689
Medicaid Administrative Claiming (MAC)	93.778	N/A	5,723	7/1/10	6/30/11			5,425	(5,723)			(298)			5,723
Total General Fund						(10,868)		38,338	(30,671)			(3,201)			73,360
U.S.Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
Title I, Part A	84.010	NCLB494011	187,934	9/1/10	8/31/11				(148,036)			(148,036)			148,036
Title I, Part A - Carryover	84.010	NCLB494010	174,781	9/1/09	8/31/10	(36,645)		59,958	(39,563)			(16,250)			174,781
Title I, Part A	84.010	NCLB494010	34,218	9/1/09	8/31/10	32,969		119	(27,090)		5,998			28,220	
ARRA - Title I, Part A	84.389	ARRA494010	119,622	9/1/09	8/31/10	(2,492)		21,344	(18,852)					97,001	
Title I, SIA	84.010	NCLB494010	7,530	9/1/09	8/31/10	(7,530)		7,530						7,530	
IDEA Part B, Basic Regular	84.027	FT494011	447,880	9/1/10	8/31/11			93,898	(444,721)			(350,823)		444,721	
IDEA Part B, Basic Regular	84.027	FT494010	446,033	9/1/09	8/31/10	(74,765)		74,765	(6,117)			(6,117)		444,309	
ARRA - IDEA Part B, Basic Regular	84.391	ARRA494010	450,141	9/1/09	8/31/10	(12,554)		79,636	(99,941)			(32,859)		436,300	
Title II Part A	84.367	NCLB494011	57,326	9/1/10	8/31/11			12,905	(32,578)			(19,673)		32,578	
Title II Part A	84.367	NCLB494010	56,163	9/1/09	8/31/10	(28,314)		45,579	(17,265)					56,163	
Title II Part A	84.367	NCLB494009	53,357	9/1/08	8/31/09	(22,959)		22,959						53,537	
Title II Part D	84.318	NCLB494011	463	9/1/10	8/31/11			463	(463)					463	
Title III	84.365	NCLB494011	430	9/1/10	8/31/11			66	(66)					66	
Title III	84.365	NCLB494010	1,059	9/1/09	8/31/10	(1,059)		1,059						1,059	
Title IV	84.186	NCLB494010	4,478	9/1/09	8/31/10	(20)		20						4,478	
Your Organization for Disaster Action	N/A	N/A	15,000	9/1/09	10/31/10	(7,500)		7,500						15,000	
Perkins	84.048	11-100-034-5060-027	59,080	7/1/10	6/30/11			35,392	(59,080)			(23,688)		59,080	
Perkins	84.048	10-100-034-5060-027	61,506	7/1/09	6/30/10	(11,270)		11,270						61,506	
Total Special Revenue Fund						(172,139)		474,463	(893,772)			(597,446)	5,998	2,064,828	
U.S.Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	55,265	7/1/10	6/30/11			55,265	(54,161)				1,104	54,161	
Food Distribution Program	10.550	N/A	58,760	7/1/09	6/30/10	3,606			(3,606)					58,760	
School Breakfast Program	10.553	N/A	20,843	7/1/10	6/30/11			19,728	(20,843)			(1,115)		20,843	
School Breakfast Program	10.553	N/A	23,269	7/1/09	6/30/10	(2,381)		2,381						23,269	
National School Lunch Program	10.555	N/A	205,216	7/1/10	6/30/11			196,481	(205,216)			(8,735)		205,216	
National School Lunch Program	10.555	N/A	191,807	7/1/09	6/30/10	(14,899)		14,899						191,807	
Total Enterprise Fund						(13,674)		288,754	(283,826)			(9,850)	1,104	554,056	
Total Federal Financial Awards						(196,681)		801,555	(1,208,269)			(610,497)	1,104	5,998	2,692,244

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2010		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2011			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Extraordinary Aid	11-100-034-5120-473	155,198	7/1/10	6/30/11					(155,198)		(155,198)				155,198
Extraordinary Aid	10-100-034-5120-473	86,429	7/1/09	6/30/10	(86,429)			86,429							86,429
Categorical Special Education Aid	11-495-034-5120-089	886,535	7/1/10	6/30/11				886,535	(886,535)					88,654	886,535
Equalization Aid	11-495-034-5120-078	11,531,001	7/1/10	6/30/11				11,531,001	(11,531,001)					1,104,970	11,531,001
Reimbursement of Nonpublic Transportation	N/A	31,214	7/1/10	6/30/11					(31,214)		(31,214)				31,214
Reimbursement of Nonpublic Transportation	N/A	41,899	7/1/09	6/30/10	(21,221)			21,221							41,899
On-behalf T.P.A.F. Pension Contribution	11-495-034-5095-006	36,425	7/1/10	6/30/11				36,425	(36,425)						36,425
On-behalf T.P.A.F. Postretirement Contribution	11-495-034-5095-001	773,667	7/1/10	6/30/11				773,667	(773,667)						773,667
Reimbursed T.P.A.F. Social Security Aid	11-495-034-5095-002	857,101	7/1/10	6/30/11				820,911	(857,101)		(36,190)				857,101
Total General Fund					(107,650)			14,156,189	(14,271,141)		(222,602)			1,193,624	14,399,469
Special Revenue Fund:															
N.J. Nonpublic Aid															
Textbook Aid	11-100-034-5120-064	10,004						10,004	(9,631)				373		9,631
Textbook Aid	10-100-034-5120-064	13,150	7/1/09	6/30/10			1,051						1,051		12,099
Auxiliary Services:															
Transportation	11-100-034-5120-067	2,105	7/1/10	6/30/11				2,105	(2,105)						2,105
Home Instruction	10-100-034-5120-067	74	7/1/09	6/30/10	(74)			74							74
Handicapped Services:															
Corrective Speech	11-100-034-5120-066	782	7/1/10	6/30/11				782					782		
Corrective Speech	09-100-034-5120-066	1,793	7/1/09	6/30/10			896			(896)					897
Examination and Classification	11-100-034-5120-066	14,672	7/1/10	6/30/11				14,672	(14,672)						14,672
Examination and Classification	10-100-034-5120-066	14,260	7/1/09	6/30/10			1,466			(1,466)					12,794
Supplementary Instruction	11-100-034-5120-066	7,643	7/1/10	6/30/11				7,643	(4,169)				3,474		4,169
Supplementary Instruction	10-100-034-5120-066	8,761	7/1/09	6/30/10			3,186			(3,186)					5,575
Nursing Services Aid	11-100-034-5120-070	11,854	7/1/10	6/30/11				11,854	(11,315)				539		11,315
Nursing Services Aid	10-100-034-5120-070	15,594	7/1/09	6/30/10			1,930			(1,930)					13,664
Reaching Everyone By Exposing Lies	N/A	1,000	7/1/09	6/30/10	(500)						(500)				1,000
Personalized Student Learning Plan	N/A	7,500	7/1/10	6/30/11				6,500	(7,500)		(1,000)				7,500
Personalized Student Learning Plan	N/A	7,500	7/1/09	6/30/10	(1,000)			1,000							7,500
Department of Community Affairs															
Passed-through County of Gloucester															
Special Revenue Fund:															
Municipal Alliance	N/A	5,050	7/1/10	6/30/11				5,050	(5,050)						5,050
Total Special Revenue Fund					(1,574)	8,529		59,684	(54,442)	(7,478)	(1,500)		6,219		108,045
Capital Projects Fund:															
SDA Grant	4940-060-10-1001	168,355	11/04/10	06/30/11					(168,355)		(168,355)				
Debt Services Fund:															
Debt Service Aid Type II	11-495-034-5120-017	672,189	7/1/10	6/30/11				672,189	(672,189)						672,189
Total Debt Service Fund								672,189	(672,189)						672,189
State Department of Agriculture															
Enterprise Fund:															
School Breakfast Program (State Share)	10-100-010-3350-021	2,467	7/1/09	6/30/10	(251)			251							2,467
National School Lunch Program (State Share)	11-100-010-3350-023	8,348	7/1/10	6/30/11				7,968	(8,348)		(380)				8,348
National School Lunch Program (State Share)	10-100-010-3350-023	11,314	7/1/09	6/30/10	(862)			862							11,314
Total Enterprise Fund					(1,113)			9,081	(8,348)		(380)				22,129
Total State Financial Assistance					(110,337)	8,529		14,897,143	(15,174,475)	(7,478)	(392,837)		6,219	1,193,624	15,201,832

a = Prior year encumbrance canceled

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Delsea Regional High School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a G.A.A.P. basis. Budgetary comparison statements or schedules (R.S.I.) 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 G.A.A.P. 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 payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44-.2. For G.A.A.P. purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 revenues, whereas the G.A.A.P. basis does not. The Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4-.2.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the G.A.A.P. basis is \$113,890 for the General Fund and (\$3,520) for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a G.A.A.P. basis as presented:

	Federal	State	Total
General fund	30,671	14,385,031	14,415,702
Special revenue fund	890,252	54,442	944,694
Debt service fund		672,189	672,189
Capital projects fund		168,355	168,355
Food service fund	281,324	8,348	289,672
Total financial assistance	<u>1,202,247</u>	<u>15,288,365</u>	<u>16,490,612</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2011, Delsea Regional High School District has food commodities totaling \$1,104 in inventory.

NOTE 6: OTHER

The amount reported as T.P.A.F. Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2011. T.P.A.F. Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for T.P.A.F. members for the year ended June 30, 2011.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

1. Material weakness (es) identified? Yes X No

2. Significant deficiencies identified that are not considered to be material weaknesses? Yes X None

Noncompliance material to basic financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? Yes X No

2. Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? X Yes No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553	School Breakfast Program
10.555	National School Lunch Program
84.010	Title I
84.389	ARRA – Title I

Dollar threshold used to distinguish between type A and type B programs: \$300,000

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I – Summary of Auditor’s Results (Continued)

Auditee qualified as low-risk auditee? X Yes No

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$450,184

Auditee qualified as low-risk auditee? X Yes No

Internal control over major programs:

1. Material weakness(es) identified? Yes X No

3. Significant deficiencies identified that
are not considered to be material weaknesses? Yes X None
reported

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

Any audit findings disclosed that are required to
be reported in accordance with N.J. O.M.B. Circular
Letter 04-04? X Yes No

Identification of major programs:

State Grant/Project Numbers

495-034-5120-078
495-034-5120-089
495-034-5095-002
100-034-5120-473

Name of State Program

Equalization Aid
Special Education Categorical Aid
Social Security Tax
Extraordinary Aid

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section II – Financial Statement Findings

No matters were reported.

Section III Federal Awards Findings and Questions Costs

No matters were reported.

Section II – State Financial Assistance Findings and Questions Costs

No matters were reported.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

No matters reported