

**Delsea Regional High School Board of Education  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2019**

**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, 2019**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

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

**For the Fiscal Year Ended June 30, 2019**

Prepared by:

**Delsea Regional High School  
Board of Education Administration**

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## **INTRODUCTORY SECTION**





# DELSEA REGIONAL HIGH SCHOOL DISTRICT

P.O. Box 405 • 242 Fries Mill Road • Franklinville, NJ 08322 • Ph: (856) 694-0100 • HS Fax: (856) 694-2046 • MS Fax: (856) 694-4417  
Dr. Piera Gravenor, Superintendent • Dr. Melissa Williams, Assistant Superintendent • Joseph Collins, Business Administrator  
Jackie Scerbo, Director of Special Services/CST • Fran Ciociola, HS Principal • Jill Bryfogle, MS Principal

December 10, 2019

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 (CAFR) of the Delsea Regional High School District for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 and account groups 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, and the *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* "Audits of State and Local Governments," and the New Jersey OMB's Circular Letter 15-08, 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 GASB 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 and vocational, as well as special education for handicapped youth. The District completed the 2018-19 fiscal year with an average daily enrollment of 1,605 students, which is 7 students more than the previous year's enrollment.

The teaching staff consists of approximately 142 teachers, plus 30 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 Assistant Principal; the high school has one Principal and two Assistant 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 students to excel to their fullest potential. It is the District's 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 successfully submitted their 2016-2019 Technology Plan for Digital Learning and recently was awarded the distinction of being a Future Ready School NJ.

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, computer science, and foreign language. A number of extra-curricular activities designed for the gifted student are available 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 foundational skills. The District utilizes various research based programs such as the Accelerated Reader program, IXL Math, and Edmentum to provide differentiated instruction.

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 also utilizes READ 180 to provide targeted literacy instruction to struggling readers and Freckle to address targeted math 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 9<sup>th</sup> Grade Transition Program consists of a select group of upperclassmen 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, the SURE club, and Student Voice Committee. This year the District was awarded a \$2.4 million Federal grant focused on the MS climate and culture grant over the next four years.

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 (CTE) 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 interscholastic athletic programs for male and female students.

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 curriculum 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; and exploratory programs in art, music, foreign language, writing, and computer technology. Students are scheduled into program levels according to their interest, test scores, teacher recommendations, past achievements, and parental requests. The middle school Climate Team in addition to a variety 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 the southernmost part of Gloucester County, 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 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 vast 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. The 2019-2020 school year saw the reinstatement of an 18-21 year old program for our special needs students who have graduated but wish to continue attending school.

**Junior Reserve Officers' Training Corps (JROTC)** - The JROTC program is an award-winning cooperative financial and curricular effort agreed to by the Army and the District to provide secondary school students with opportunities for the development of leadership, patriotism, strength of character, community service, 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 email and internet access. An educational technology coach works with staff to enhance learning and innovate pedagogy. 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, a CAD lab, online course offerings, and a language lab. The iPad cart in the middle school music department infuses technology into music, creating a seamless transition to the high school music tech program. The District's commitment to technology advanced with the start of the 2013/2014 school year. Every student at Delsea is given a Chromebook as part of the District's 1:1 device initiative. Teachers are able to enhance learning by providing Flipped and Blended learning for students. The focus of technology has shifted from merely placing devices in students' hands or offering workshops to teachers. Preparing students for future success is about maximizing learning and leveraging technology, increasing equity and access for all.

**Literacy and Math** - The District continues its focus on literacy continuing the daily Sustained Silent Reading (SSR) at the middle school. The summer reading program was altered to promote more student interest and nonfiction. Through professional development, Science and Social Studies teachers have increased the focus on informational text in their curriculum. The Read 180 program is used in the District to assist those struggling readers needing additional foundational support. The HS Math sequence has been restructured to better align with student learning needs. The Freckle math program addresses the needs of struggling students while building confidence in math and accelerating their progress to algebra. Both math and ELA enrichment courses, tutoring, and a summer program operate to provide enhanced support for students.

**Advanced Placement** - The District is a leader in the county in the offerings of 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 nineteen 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 proactive 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. The Olweus Anti-Bullying program was used in the middle school and provides a strong foundation in character building. This has now transitioned to a character education program that both the middle and high schools utilize to foster respect and community. With the federal MS Culture and Climate grant, both PBIS and restorative justice will be added into the school over the next four years.

**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. The high school has added a Structured Learning Experiences coordinator to place students into relevant internships and jobs, helping to prepare them for careers following high school.

**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. This year's professional development focus is on equity and access, continuing to offer "Personalized Professional Development" that promotes "Choose Your Own PD," allowing staff to remain current on State and District initiatives while promoting individual growth and learning. The District's multi-year commitment to equity and access includes PD for administrators, staff, teachers, and students. The District recognizes each student's ability to learn and promotes training in Let Me Learn, a program which focuses on individual learning patterns. Professional development also focuses on assessment, technology, and best practices to enhance growth and learning.

**SHAPE Program** - SHAPE (School and Home for a Partnership in Education) 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 that reinforce teamwork. Cultural excursions are also part of the program.

**Olweus Bullying Prevention Program** - The District received a grant from Gloucester County in 2011/2012 to implement the Olweus Bullying Prevention program in both schools. The program focused on changing the culture of the school and community to decrease incidents of bullying and teach students to be inclusive and accepting. Both schools continue to implement the tenets of the program fostering safe and accepting environments. With the ongoing focus on equity and access and the new MS culture and climate grant, the work with continue to grow over the next year.

### **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 (GAAP). 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 municipality. 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.

### **Accounting System and Reports**

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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at year end.

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

### **Management's Discussion and Analysis**

GAAP requires 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 ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **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. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the revised Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08. The auditor's report on the basic 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 Middle School, in partnership with three other districts, was awarded a federal culture and climate grant for 2.4 million dollars over the next four years. This will assist the district in furthering their commitment to fostering an environment conducive to success and the whole student.

Delsea Regional Middle School is home to the New Jersey State Teacher of the Year for the 2013/2014 school year. Delsea Regional High School is home to the New Jersey State Counselor of the year for the 2017-2018 school year.

The Delsea Regional music department won a NAMM Music Award for Best Music Community in 2012-2013, 2013-2014, 2015-2016, 2016-2017, and 2017-2018.

Delsea Regional Middle and High Schools were awarded the Future Ready NJ Schools Bronze Status for their commitment to technology.

Delsea Regional High School has been recognized for their outstanding JROTC program. The program was awarded the designation of "Honor Unit with Distinction" for multiple years beginning in the 2012 school year by the Department of the Army.

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

High school students in the DECA (Distributive Education Club of America) program are regularly recognized as top students in the State of New Jersey and are selected to represent Delsea at the International Career Development Conferences annually.

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 financially supported the development of these plans through a grant in the amount of \$15,000.

Delsea was awarded an Olweus grant from Gloucester County in the amount of \$11,000 to begin a bullying prevention program aimed at altering school and community climates. The Olweus program will continue in future years.

Delsea was awarded a Mosaic Arts Grant in the amount of \$15,812 to design, create, and commission a Mosaic at the district.

Delsea was awarded the Achievement Coaches grant from the NJDOE in 2016-2017 in the amount of \$50,000 to train teachers and administrators in teaching and learning with the goal of then providing professional development within district and to neighboring school districts. The program continues to grow as the Achievement Coaches support non-tenured teachers within the District.

Delsea participated in the Highly Effective Educator pilot during the 2015-2016 school year, helping to shape the current Highly Effective Educator protocol for teacher evaluations.

Delsea also participated in the NJ Principal Evaluation pilot during the 2017-2018 school year, helping to guide the Department of Education in the development of an administrative evaluation system.

### **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 operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

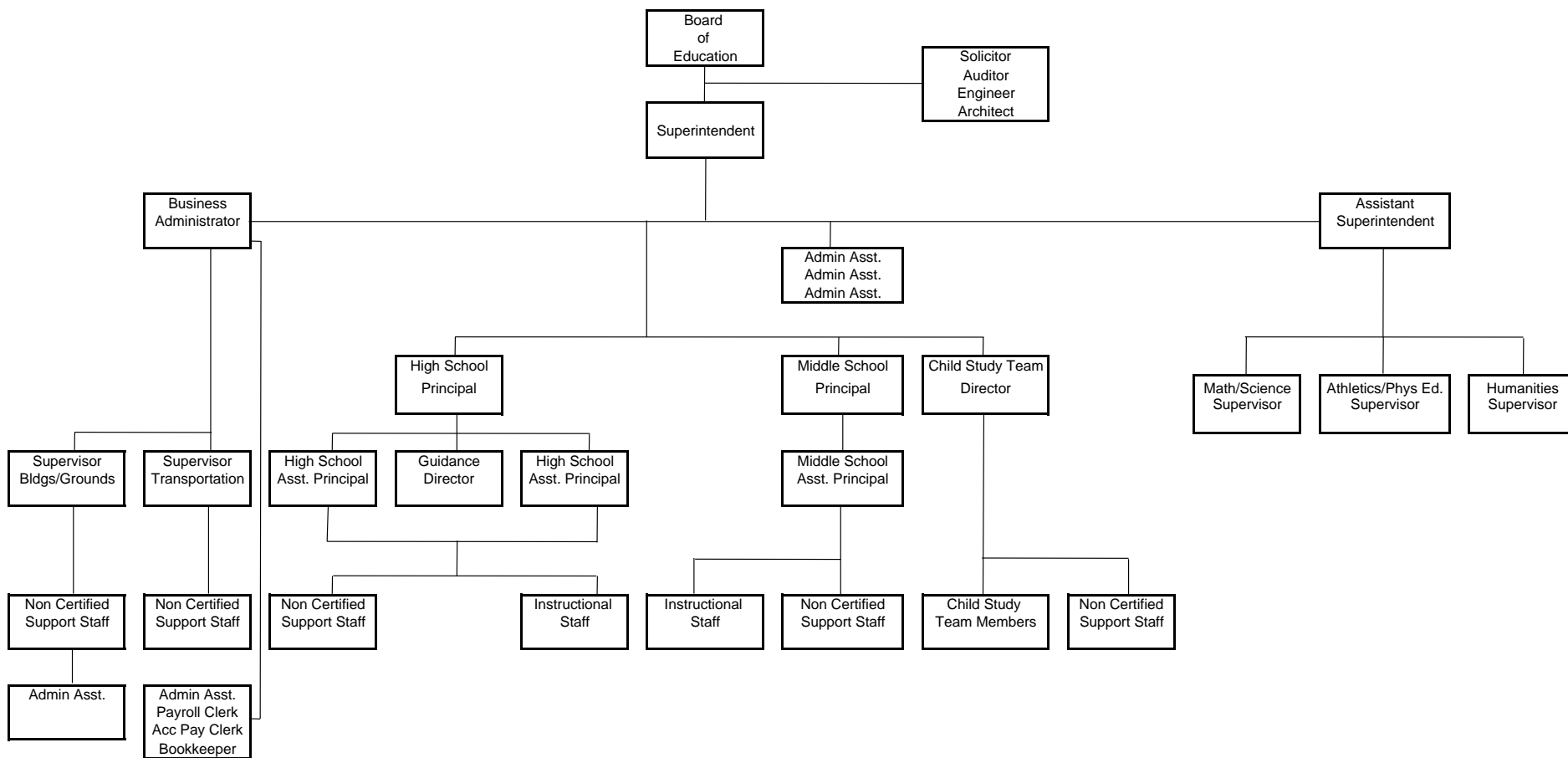
*Dr. Piera Gravenor*

Dr. Piera Gravenor  
Superintendent

*Joseph M. Collins, CPA*

Joseph M. Collins, CPA  
Business Administrator/Board Secretary

**DELSEA REGIONAL SCHOOL DISTRICT  
ORGANIZATIONAL CHART**



**DELSEA REGIONAL HIGH SCHOOL DISTRICT**

**FRANKLINVILLE, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2019**

<b>Members of the Board of Education</b>	<b>Term Expires</b>
Gregory Coffin, Vice President	2019
David J. Piccirillo, Vice President	2019
William DiMatteo	2019
Kathie P. Catucci	2020
James Kelly	2020
Harry Kennedy	2020
Tina DeSilvio	2021
Garry Lightfoot	2021
Diane Trace	2021

**Other Officials**

Dr. Piera Gravenor, Superintendent

Joseph M. Collins, Business Administrator/Board Secretary

Angela M. Gregory, Treasurer

Frank P. Cavallo, Jr. Esq., Solicitor

**DELSEA REGIONAL HIGH SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

Garrison Architects  
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Mount Laurel, NJ 08054

**ATTORNEY**

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**AUDIT FIRM**

Petroni & Associates LLC  
102 West High Street, Suite 100  
Glassboro, NJ 08028

**OFFICIAL DEPOSITORY**

Newfield National Bank  
18-24 West Boulevard  
Newfield, NJ 08344

## **FINANCIAL SECTION**

# PETRONI & ASSOCIATES LLC

**Certified Public Accountants • Registered Municipal Accountants**  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
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MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

*Nick L. Petroni, CPA, RMA*

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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

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

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Delsea Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Delsea Regional High Board of Education as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delsea Regional High Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019, on our consideration of the Delsea Regional High 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* in considering Delsea Regional High Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

December 10, 2019



**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Delsea Regional High School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2019  
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, 2019. 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 2019 are as follows:

- In total, governmental activities net position decreased \$1,986,894 from \$(66,896,006) as restated to \$18,996,305, resulting in an 11 percent decrease from fiscal year 2018. This was mainly due to recording of OPEB liability.
- General revenues (see exhibit A-2) accounted for \$41,276,338 in revenue or 94 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,743,638 or 4 percent of total revenues of \$43,735,331.
- The District had (see exhibit A-2) \$45,668,777 in expenses; only \$2,458,993 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$41,276,338 were adequate to provide for these programs.
- Among Governmental Funds, (see exhibit B-2) the General Fund had \$37,913,113 in revenues and \$39,305,662 in expenditures. The fund balance for the General Fund decreased \$771,283 from fiscal year 2018.

### **Using this Comprehensive Annual Financial Report (CAFR)**

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 Position* 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.

### **Reporting the District as a Whole**

#### **Statement of Net Position 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 Position 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

Delsea Regional High School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2019  
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**Statement of Net Position and the Statement of Activities (Continued)**

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 position and changes in that position. This change in net position 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 Position 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.

**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 Position 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.

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Management's Discussion and Analysis  
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**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.

**Reporting on the District's Fiduciary Responsibilities**

All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. 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.

**The District as a Whole**

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position 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 position for fiscal years 2019 and 2018.

Delsea Regional High School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2019  
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**The District as a Whole (Continued)**

Table I - Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>ASSETS</b>						
Current & other assets	\$ 5,422,695	\$ 5,783,281	\$ 176,158	\$ 133,902	\$ 5,598,853	\$ 5,917,183
Capital assets	37,528,989	38,912,956	39,053	42,128	37,568,042	38,955,084
Total assets	<u>42,951,684</u>	<u>44,696,237</u>	<u>215,211</u>	<u>176,030</u>	<u>43,166,895</u>	<u>44,872,267</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to OPEB		93,169				93,169
Deferred outflows related to pension	578,334	837,099			578,334	837,099
	<u>578,334</u>	<u>930,268</u>			<u>578,334</u>	<u>930,268</u>
<b>LIABILITIES</b>						
Long-term liabilities	22,750,017	100,884,290			22,750,017	100,884,290
Other liabilities	652,604	958,337	7,446	10,845	660,050	969,182
Total liabilities	<u>23,402,621</u>	<u>101,842,627</u>	<u>7,446</u>	<u>10,845</u>	<u>23,410,067</u>	<u>101,853,472</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to OPEB		9,093,684				9,093,684
Deferred inflows related to pension	3,106,986	1,586,200			3,106,986	1,586,200
	<u>3,106,986</u>	<u>10,679,884</u>			<u>3,106,986</u>	<u>10,679,884</u>
<b>NET POSITION</b>						
Invested in capital assets, net of debt	27,192,201	28,304,260	39,053	42,128	27,231,254	28,346,388
Restricted	5,272,827	6,122,634			5,272,827	6,122,634
Unrestricted	(15,444,617)	(101,322,900)	168,712	123,057	(15,275,905)	(101,199,843)
Total net position	<u>\$ 17,020,411</u>	<u>\$ (66,896,006)</u>	<u>\$ 207,765</u>	<u>\$ 165,185</u>	<u>\$ 17,228,176</u>	<u>\$ (66,730,821)</u>

The District's combined net position was \$17,228,176 on June 30, 2019. This was a decrease of 10 percent from the prior year as restated.

Total assets decreased \$1,705,372. There was a decrease in current and other assets of \$318,330 and a decrease in capital assets of \$1,387,042. The decreases are due primarily to receivables and depreciation.

Total liabilities decreased \$78,443,405 due primarily to OPEB liability.

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Management's Discussion and Analysis  
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**The District as a Whole (Continued)**

Table 2 shows changes in net position for fiscal year 2019 compared to fiscal year 2018.

Table 2- Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 765,907	\$ 840,273	\$ 446,193	\$ 414,213	\$ 1,212,100	\$ 1,254,486
Operating grants & contributions	977,731	954,743	269,162	275,883	1,246,893	1,230,626
General revenues:						
Property taxes	16,034,235	15,730,421			16,034,235	15,730,421
Federal & state aid	21,335,915	17,978,575			21,335,915	17,978,575
Other	3,906,188	3,866,440	132	122	3,906,320	3,866,562
<b>Total revenues</b>	<b>43,019,976</b>	<b>39,370,452</b>	<b>715,487</b>	<b>690,218</b>	<b>43,735,463</b>	<b>40,060,670</b>
<b>Expenses:</b>						
Instruction	12,846,535	13,115,510			12,846,535	13,115,510
Support services	28,709,772	29,251,280			28,709,772	29,251,280
Interest on debt	288,501	298,255			288,501	298,255
Unallocated depreciation	2,006,217	871,339			2,006,217	871,339
Capital outlay	1,144,845	785,379			1,144,845	785,379
Food service			672,907	706,647	672,907	706,647
<b>Total Expenses</b>	<b>44,995,870</b>	<b>44,321,763</b>	<b>672,907</b>	<b>706,647</b>	<b>45,668,777</b>	<b>45,028,410</b>
<b>Change in net position</b>	<b>\$ (1,975,894)</b>	<b>\$ (4,951,311)</b>	<b>\$ 42,580</b>	<b>\$ (16,429)</b>	<b>\$ (1,933,314)</b>	<b>\$ (4,967,740)</b>

Program revenues include charges for services and operating grants and contributions. The increase in program revenues is primarily the result of a 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. Other revenues include revenues from transportation jointures, tuition, community school, athletic events, and other miscellaneous sources.

There was an increase in property taxes of \$303,814. 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.

**Governmental Activities**

The District's total revenues for Governmental Activities were \$43,019,976 for the year ended June 30, 2019. Federal, state, and local grants/aid accounted for 52 percent of revenue, property taxes made up 37 percent of revenues for Governmental Activities and charges for services made up 2 percent. The total cost of all programs and services was \$44,995,870. Instruction and instruction related activities account for 30 percent of District expenses, plant operations and maintenance account for 7 percent, pupil transportation 13 percent, school and other administrative services 4 percent, and employee benefits 22 percent.

Delsea Regional High School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2019  
Unaudited

**Governmental Activities (Continued)**

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 \$44,995,870 total cost of services for fiscal year, \$43,252,232 is for activities which are not self-supporting and are supported by tax revenue and unrestricted State aid.

Table 3 - Governmental Activities

	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:	\$ 12,846,535	\$ 12,108,072	\$ 13,115,510	\$ 12,423,173
Support services:				
Tuition	3,498,676	3,498,676	2,916,971	2,916,971
Student & instructional related services	3,120,480	2,887,859	3,043,773	2,807,663
School administrative services	520,241	406,516	578,927	454,736
General & business administrative services	1,141,374	1,026,484	1,097,037	954,028
Plant operations & maintenance	2,899,941	2,897,296	2,959,811	2,934,306
Pupil transportation	5,370,618	4,986,142	5,419,578	5,044,032
Employee benefits	12,158,442	12,008,271	13,235,183	13,063,161
Interest on long-term debt	288,501	288,501	298,255	298,255
Capital outlay	1,144,845	1,138,198	785,379	759,083
Depreciation	2,006,217	2,006,217	871,339	871,339
Total expenses	<u>\$ 44,995,870</u>	<u>\$ 43,252,232</u>	<u>\$ 44,321,763</u>	<u>\$ 42,526,747</u>

**Business-type Activities**

Business-type Activities include the food service operation. This program had program revenues of \$715,355 and expenses of \$672,907 for fiscal year 2019. The District received 38% 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 position of \$42,580 for fiscal year 2019 was mainly caused by an increase in sales.

**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 39,518,533 and expenditures were \$40,911,082. The net decrease in fund balance for the year was most significant in the general fund, a decrease of \$771,283.

**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.

Delsea Regional High School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2019  
Unaudited

**General Fund Budgeting Highlights (Continued)**

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 \$37,912,809, which includes \$4,201,064 for the TPAF 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 \$903,461 over the final budget amount. This was mainly due to additional transportation fees earned for transportation jointures and tuition revenue. Total expenditures, on the budget basis, were \$39,305,662. Expenditures were \$946,777 less than the final budget amount of \$36,051,375 after eliminating the reimbursed TPAF Pension and Social Security contributions.

The final budget includes amounts encumbered in the prior year to be expended in the current year. Expenditures were less than anticipated due to tight budgetary controls.

**Capital Assets**

At the end of the fiscal year 2019, the District had \$37,568,042 invested in land, buildings, and furniture and equipment. Table 4 shows fiscal year 2019 balances compared to 2018.

Overall capital assets decreased \$1,387,042 from fiscal year 2018 to fiscal year 2019. The decrease in capital assets is due primarily to depreciation. Total capital asset additions for fiscal year 2019 were \$622,250.

Table 4 - Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 71,500	\$ 71,500			\$ 71,500	\$ 71,500
Site improvements	658,522	717,873			658,522	717,873
Buildings & improvements	33,118,908	34,272,092			33,118,908	34,272,092
Machinery & equipment	3,680,059	3,851,491	\$ 39,053	\$ 42,128	3,719,112	3,893,619
Total	<u>\$ 37,528,989</u>	<u>\$ 38,912,956</u>	<u>\$ 39,053</u>	<u>\$ 42,128</u>	<u>\$ 37,568,042</u>	<u>\$ 38,955,084</u>

**Debt Administration**

At June 30, 2019, the District had \$11,301,970 of outstanding debt. Of this amount, \$9,371,000 is for serial bonds for school construction/renovation, \$987,262 for capital leases, and \$943,708 is for compensated absences. The District continues to pay down its debt, decreasing bonds and loans \$335,000 in fiscal year 2019.



Delsea Regional High School District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2019  
Unaudited

**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 committed to preparing its students for the future. A major concern, however, is the continued increase in the costs of operating the District along with the District's limited ability to increase revenue.

The Delsea Regional High School District receives a majority of its revenue from two sources, state aid and local property taxes. With state aid being reduced over the next several years and the 2% mandated cap on property tax increases, several challenges have arisen for the District to move forward with its curriculum and operations.

The District has experienced a decrease in enrollment over the past several years however, in 2012/2013 Delsea was designated as a Choice School. This designation has brought a limited number of new students to Delsea. This slight increase was easily absorbed by the school but with several new housing projects approved in both townships the potential for an eventual, significant increase in enrollment could create a need for the District to expand and build. This new construction would increase the burden on the taxpayers of our District.

The Choice School designation has provided Delsea with some additional students and revenue. This additional revenue for these students was intended to allow the District to implement a 1:1 Chromebook initiative. However, the State has limited the choice student enrollments; with limited enrollments, the choice school revenue is also limited. Regardless of the limitations, the District moved forward with the 1:1 Chromebook initiative.

The District continues to investigate and implement shared service agreements to decrease costs while providing quality services. The District has signed shared service agreements with one of the constituent elementary districts, Elk Township, for the provision of all administrative services including Superintendent, Business Administrator, Director of Curriculum, Director of Child Study Team, Facilities Manager, transportation, technology, and purchasing services. This decision has essentially made Elk and Delsea a de facto Pre-K through 12 District with the ultimate beneficiaries being the students and taxpayers.

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 continues to reside with the taxpayers of the affected municipalities.

In conclusion, the Delsea Regional High School District has committed itself to the advancement of its students while maintaining good financial planning 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  
Fiscal Year Ended June 30, 2019  
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](http://www.delsearegional.us).

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

Delsea Regional High School District  
Statement of Net Position  
June 30, 2019

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 190,332	\$ 116,642	\$ 306,974
Receivables, net	4,237,214	47,215	4,284,429
Inventory		12,301	12,301
Restricted assets:			
Restricted cash and cash equivalents:	20,001		20,001
Capital reserve account	975,148		975,148
Capital assets:			
Non-depreciable assets	71,500		71,500
Assets net of depreciation	37,457,489	39,053	37,496,542
Total assets	<u>42,951,684</u>	<u>215,211</u>	<u>43,166,895</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	578,334		578,334
	<u>578,334</u>		<u>578,334</u>
<b>LIABILITIES</b>			
Accounts payable	505,579		505,579
Deposits payable		4,951	4,951
Payable to state government	3,635		3,635
Deferred revenue	23,530	2,495	26,025
Accrued interest payable	119,860		119,860
Noncurrent liabilities:			
Due within one year	751,482		751,482
Due beyond one year	10,550,488		10,550,488
Net pension liability	11,448,047		11,448,047
Total liabilities	<u>23,402,621</u>	<u>7,446</u>	<u>23,410,067</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension	3,106,986		3,106,986
	<u>3,106,986</u>		<u>3,106,986</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	27,192,201	39,053	27,231,254
Restricted for:			
Capital projects	20,001		20,001
Other purposes	5,252,826		5,252,826
Unrestricted	(15,444,617)	168,712	(15,275,905)
Total net position	<u>\$ 17,020,411</u>	<u>\$ 207,765</u>	<u>\$ 17,228,176</u>

See accompanying notes to the basic financial statements.

Delsea Regional High School District  
Statement of Activities  
For the Year Ended June 30, 2019

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 8,852,199				\$ (8,852,199)		\$ (8,852,199)
Special education	2,345,504			\$ 738,463	(1,607,041)		(1,607,041)
Other special instruction	563,506				(563,506)		(563,506)
Other instruction	1,085,326				(1,085,326)		(1,085,326)
Support services:							
Tuition	3,498,676				(3,498,676)		(3,498,676)
Student & instruction related services	3,120,480			232,621	(2,887,859)		(2,887,859)
School administrative services	520,241	\$ 113,725			(406,516)		(406,516)
Other administrative services	1,141,374	114,890			(1,026,484)		(1,026,484)
Plant operations and maintenance	2,899,941	2,645			(2,897,296)		(2,897,296)
Pupil transportation	5,370,618	384,476			(4,986,142)		(4,986,142)
Employee benefits	12,158,442	150,171			(12,008,271)		(12,008,271)
Interest on long-term debt	288,501				(288,501)		(288,501)
Capital outlay	1,144,845			6,647	(1,138,198)		(1,138,198)
Unallocated depreciation	2,006,217				(2,006,217)		(2,006,217)
Total governmental activities	44,995,870	765,907		977,731	(43,252,232)		(43,252,232)
Business-type activities:							
Food service	672,907	446,193		269,162		\$ 42,448	42,448
Total primary government	\$ 45,668,777	\$ 1,212,100		\$ 1,246,893	\$ (43,252,232)	\$ 42,448	\$ (43,209,784)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 15,406,546		\$ 15,406,546
Taxes levied for debt service					627,689		627,689
Federal and state aid not restricted					21,335,915		21,335,915
Tuition					2,104,622		2,104,622
Transportation fees					1,579,182		1,579,182
Investment earnings					6,055	\$ 132	6,187
Miscellaneous income					216,329		216,329
Subtotal, general revenues					41,276,338	132	41,276,470
Changes in net position					(1,975,894)	42,580	(1,933,314)
Net position - beginning					(66,896,006)	165,185	(66,730,821)
Prior period adjustment of OPEB liability					85,892,311		85,892,311
Restated net position - beginning					18,996,305		19,161,490
Net position - ending					\$ 17,020,411	\$ 207,765	\$ 17,228,176

See accompanying notes to the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

Delsea Regional High School District  
Balance Sheet  
Governmental Funds  
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 189,590	\$ 742	\$ 20,001		\$ 210,333
Due from other funds	843,088				843,088
Receivables from other governments	3,195,801	637,992			3,833,793
Other receivables	133,121				133,121
Restricted cash and cash equivalents	975,148				975,148
<b>Total Assets</b>	<b><u>\$ 5,336,748</u></b>	<b><u>\$ 638,734</u></b>	<b><u>\$ 20,001</u></b>		<b><u>5,995,483</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 467,052	\$ 37,268			504,320
Due to other funds		574,301			574,301
Deferred revenue		23,530			23,530
Payable to state government		3,635			3,635
<b>Total Liabilities</b>	<b><u>467,052</u></b>	<b><u>638,734</u></b>			<b><u>1,105,786</u></b>
Fund balances:					
Restricted for					
Excess surplus - current year	1,137,680				1,137,680
Excess surplus - prior year - designated for subsequent year's expenditures	1,947,468				1,947,468
Capital reserve account	1,400,000				1,400,000
Capital projects fund			\$ 20,001		20,001
Assigned to:					
Designated by the BOE for subsequent year's expenditures	130,892				130,892
Other purposes	636,786				636,786
Unassigned					
General fund	(383,130)				(383,130)
<b>Total fund balances</b>	<b><u>4,869,696</u></b>		<b><u>20,001</u></b>		<b><u>4,889,697</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 5,336,748</u></b>	<b><u>\$ 638,734</u></b>	<b><u>\$ 20,001</u></b>		

See accompanying notes to the basic financial statements.



Delsea Regional High School District  
Balance Sheet  
Governmental Funds  
June 30, 2019

Amounts reported for *Governmental Activities* in the Statement of Net Position (A-1) are different because:

Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$64,247,703 and the accumulated depreciation is \$25,718,714 (See Note 7).	\$ 37,528,989
Internal Service Funds are used by management to charge the costs of certain activities, such as custodial services to other governments. Assets and liabilities of the Internal Service Fund of \$254 are included in the Statement of Net Position.	254
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 (See Note 8).	(11,301,970)
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(119,860)
Net pension liability adjustment	(13,976,699)
Net position of Governmental Activities	<u>\$ 17,020,411</u>

See accompanying notes to the basic financial statements.

Delsea Regional High School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 15,406,546			\$ 627,689	\$ 16,034,235
Tuition	2,104,622				2,104,622
Transportation fees	1,579,182				1,579,182
Interest earned on capital reserve funds	6,055				6,055
Miscellaneous	216,329				216,329
Total - local sources	<u>19,312,734</u>			<u>627,689</u>	<u>19,940,423</u>
State sources	18,547,916	\$ 80,315			18,628,231
Federal sources	52,463	897,416			949,879
Total revenues	<u>37,913,113</u>	<u>977,731</u>		<u>627,689</u>	<u>39,518,533</u>
<b>EXPENDITURES:</b>					
Current:					
Regular instruction	8,794,135				8,794,135
Special education instruction	1,641,249	738,463			2,379,712
Other special instruction	562,414				562,414
Other instruction	1,099,678				1,099,678
Support services and undistributed costs:					
Tuition	3,498,676				3,498,676
Student & instruction related services	2,907,688	232,621			3,140,309
School administrative services	448,744				448,744
Other administrative services	1,518,942				1,518,942
Plant operations and maintenance	2,881,762				2,881,762
Pupil transportation	5,014,405				5,014,405
Employee benefits	9,177,521				9,177,521
Debt service:					
Principal				335,000	335,000
Interest and other charges				292,689	292,689
Capital outlay	1,760,448	6,647			1,767,095
Total expenditures	<u>39,305,662</u>	<u>977,731</u>		<u>627,689</u>	<u>40,911,082</u>
Excess (deficiency) of revenues over expenditures	<u>(1,392,549)</u>				<u>(1,392,549)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
State sources-cancelation of state aid receivable					
Capital leases (non-budgeted)	621,266				621,266
Total other financing sources (uses)	<u>621,266</u>				<u>621,266</u>
Net change in fund balances	<u>(771,283)</u>				<u>(771,283)</u>
Fund balance - July 1	5,640,979		\$ 20,001		5,660,980
Fund balance - June 30	<u>\$ 4,869,696</u>		<u>\$ 20,001</u>		<u>\$ 4,889,697</u>

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, 2019

Total net change in fund balances - Governmental Funds (from B-2)	\$ (771,283)
<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	622,250
Depreciation	(2,006,217)
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.</p>	
Bond and loan repayments	335,000
Capital lease repayment	536,700
<p>Proceeds from debt issues are a financing source in the Governmental Funds. They are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the statement of net assets.</p>	
Capital lease proceeds	(621,266)
<p>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.</p>	
	4,188
<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>	
	21,474
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>	
	(96,740)
Change in net position of Governmental Activities	<u>\$ (1,975,894)</u>

See accompanying notes to the basic financial statements.

Delsea Regional High School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2019

	Business-type Activities Enterprise Fund	Governmental Activities
	Food Service	Internal Service Fund
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 116,642	
Accounts receivable:		
State	1,410	
Federal	44,582	
Other	1,223	
Intergovernmental		\$ 270,300
Inventories	12,301	
Total current assets	176,158	270,300
Noncurrent assets:		
Furniture, machinery & equipment	471,342	
Less: accumulated depreciation	(432,289)	
Total noncurrent assets	39,053	
Total assets	215,211	270,300
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable		1,259
Deposits payable	4,951	
Interfund payables		268,787
Deferred revenue	2,495	
Total current liabilities	7,446	270,046
<b>NET POSITION</b>		
Invested in capital assets net of related debt	39,053	
Unrestricted	168,712	254
Total net position	\$ 207,765	\$ 254

See accompanying notes to the basic financial statements.

Delsea Regional High School District  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2019

	Business-type Activities <u>Enterprise Funds</u> Food Service	Governmental Activities <u>Internal Service Fund</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 216,030	
Daily sales - non-reimbursable programs	201,809	
Special functions	28,354	
Services provided to other LEA's		\$ 765,907
Total operating revenues	<u>446,193</u>	<u>765,907</u>
Operating expenses:		
Cost of sales - reimbursable	202,284	
Cost of sales - non-reimbursable	100,391	
Salaries	225,386	384,648
Employee benefits	57,996	151,072
Other professional/technical services		20,267
Cleaning, repair, and maintenance		2,645
Other purchased services	57,814	
Miscellaneous transportation services		11,159
Contracted services (aid in lieu payments)		17,167
General supplies	25,348	95,525
Communications/telephone		2,750
Energy		709
Electricity		949
Insurance		77,036
Travel		1,400
Miscellaneous	613	580
Depreciation	3,075	
Total operating expenses	<u>672,907</u>	<u>765,907</u>
Operating income (loss)	<u>(226,714)</u>	
Non-operating revenues (expenses):		
State sources:		
State school lunch program	6,098	
Federal sources:		
National school lunch program	184,078	
National school breakfast program	36,616	
Food distribution program	42,370	
Interest and investment revenue	132	
Total non-operating revenues (expenses)	<u>269,294</u>	
Change in net position	<u>42,580</u>	
Total net position - beginning	165,185	254
Total net position - ending	<u>\$ 207,765</u>	<u>\$ 254</u>

See accompanying notes to the basic financial statements.

Delsea Regional High School District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2019

	Business-type Activities Enterprise Funds	Governmental Activities - Internal Service Fund
	Food Service	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 496,971	\$ 765,907
Payments to employees	(225,386)	(384,648)
Payments for employee benefits	(57,996)	(151,072)
Payments to suppliers	(388,776)	(230,187)
	<u>(175,187)</u>	
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State sources	5,743	
Federal sources	217,305	
	<u>223,048</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest and dividends	132	
	<u>47,993</u>	
Net increase (decrease) in cash and cash equivalents		
Balances - beginning of year	68,649	
Balances - end of year	<u>\$ 116,642</u>	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (226,714)	
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	3,075	
Food distribution program	42,370	
(Increase) decrease in accounts receivable, net		(42,115)
(Increase) decrease in inventories	1,772	
(Increase) decrease in other receivables	7,708	
Increase (decrease) in accounts payable		1,259
Increase (decrease) in deferred revenue	(2,619)	
Increase (decrease) in deposits payable	(779)	
Increase (decrease) in interfund payable		40,856
	<u>51,527</u>	
Total adjustments		
Net cash provided by (used for) operating activities	<u>\$ (175,187)</u>	

Delsea Regional High School District  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019

	Private Purpose Trust Funds		
	Unemployment Compensation Trust	Scholarship Funds	Agency Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 184,216	\$ 321,197	\$ 245,910
Accounts receivable	475		1,300
	<u>\$ 184,691</u>	<u>\$ 321,197</u>	<u>\$ 247,210</u>
Total assets	<u>\$ 184,691</u>	<u>\$ 321,197</u>	<u>\$ 247,210</u>
<b>LIABILITIES</b>			
Payroll deductions & withholdings			\$ 5,829
Accounts payable			14,500
Due to student groups			226,881
			<u>\$ 247,210</u>
Total liabilities			<u>\$ 247,210</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	<u>\$ 184,691</u>		
Permanent endowment - nonexpendable		\$ 50,000	
Expendable scholarship funds		<u>271,197</u>	
Total reserved for scholarships		<u>\$ 321,197</u>	

See accompanying notes to the basic financial statements.

Delsea Regional High School District  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2019

	Private Purpose Trust Funds	
	Unemployment Compensation Trust	Scholarship Funds
OPERATING REVENUES:		
Gifts and contributions		\$ 54,301
Deductions from employees' salaries	\$ 42,000	
Interest on investments	850	241
Total additions	<u>42,850</u>	<u>54,542</u>
OPERATING EXPENSES:		
Scholarship payments		51,295
Unemployment insurance claims	26,177	
Total deductions	<u>26,177</u>	<u>51,295</u>
Change in net position	16,673	3,247
Net position - beginning of the year	<u>168,018</u>	<u>317,950</u>
Net position - end of the year	<u>\$ 184,691</u>	<u>\$ 321,197</u>

See accompanying notes to the basic financial statements.



## **NOTES TO THE FINANCIAL STATEMENTS**

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Introduction**

The Delsea Regional High School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are 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 financial statements of the Board of Education of Delsea Regional High School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB).

The more significant accounting policies established in (GAAP) and used by the District, are discussed below.

**A. Reporting Entity**

The Delsea Regional High School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. 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 GASB Codification of Governmental Accounting and Financial Reporting Standards, is 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 a fiscal dependency by the organization on the District

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

**B. Basic Financial Statements – District-Wide Financial Statements**

The District's basic financial statements include both District-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the District-wide and fund financial statements categorize primary activities as either Governmental or Business-type. The District's general, special revenue, capital projects, and debt service are classified as Governmental Activities. The District's food service program is classified as a Business-type Activity. Fiduciary Funds are excluded from the Government-wide financial statements.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statements – District-Wide Financial Statements (Continued)**

In the District-wide Statement of Net Position, both the Governmental and Business-type Activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The District-wide Statement of Activities reports both the gross and net costs of each of the District's functions and Business-type Activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student and instruction related services, etc.) or Business-type Activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or Business-type Activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does not allocate indirect costs such on-behalf TPAF Pension contributions and TPAF Social Security Contributions.

The District-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**C. Basic Financial Statements – Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The District's Fiduciary Funds are presented in the Fiduciary Fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the District-wide statements.

The following fund types are used by the District:

**GOVERNMENTAL FUNDS**

The focus of the Governmental Fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the Capital Outlay Subfund.

As required by the New Jersey State Department of Education, the District included 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.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings, and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted 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 (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or 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.

**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 FUNDS**

The focus of the Proprietary Funds' measurement is upon the determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following is a description of the Proprietary Funds of the District:

**Enterprise Funds** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's 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 on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**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 FUNDS**

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 emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District reports the following Fiduciary Funds:

**Private Purpose Trust Funds** - The Private Purpose Trust Funds consist of Expendable 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 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, Payroll Agency, and Student Activities Funds.

**D. Basis of Accounting**

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

Both Governmental and Business-type Activities in the District-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting (Continued)**

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue from federal, state, or other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, are recorded when due.

**E. 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 for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. 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 NJAC 6:23-2(g). Budget amendments/transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and, under certain circumstances, require approval by the County Superintendent of Schools. 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 year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. 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.

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.

**G. Cash and Cash Equivalents**

Cash and cash equivalents include petty cash, change funds, cash in banks, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute NJSA 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 et seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository, unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**H. Tuition Receivable**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Inventories**

Inventories, other than those recorded in the Enterprise Fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first-out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

**J. Interfund Transactions**

Transfers between Governmental and Business-type Activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers.

Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term Interfund loans are classified as Interfund receivables/payables. These amounts are eliminated in the Statement of Net Position, except for amounts due between Governmental and Business-type Activities or Governmental and Agency Funds, which are presented as internal balances.

**K. 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 at the date of donation. The cost of normal maintenance and capitalized. The capitalization threshold used by school 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 over the estimated useful lives:

Asset Class	Estimated Useful Lives
Site improvements	20
Buildings & improvements	20-50
Machinery & equipment	7-20

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and underground pipes. Such items are considered to be part of the cost of buildings or other improvable property.

**L. Accrued Salaries and Wages**

None of the School District employees who provide services to the District, over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year.



**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the District and its employees is accrued as the 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 policy and negotiated agreement 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 School District's past experience of making termination payments. Salary-related payments for the employer's share of Social Security and Medicare taxes are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, 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.

**N. Deferred Revenue**

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

**O. 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 and 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. Bonds are recognized as a liability on the fund financial statements when due.

**P. Net Position**

Net Position represents the difference between assets and liabilities. Net position 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. Funds are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted funds are available.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Fund Balance**

The School 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 polices for determining such classifications, are as follows:

**Non-spendable** - The non-spendable 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.

**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.

**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 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, the District considers Restricted Funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Revenues**

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its School 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." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**S. Expenditures**

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**T. 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 but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of Social Security, worker's compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. 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.

**U. 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.

**V. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**W. Recent Accounting Pronouncements Not Yet Effective**

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This Statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**W. Recent Accounting Pronouncements Not Yet Effective (Continued)**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." This Statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." This Statement is effective for fiscal periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61." This Statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." This Statement, which is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the District's financial reporting.

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Deposits**

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's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes NJSA 18A:20-37 that are treated as cash equivalents.

The carrying amount of the District's cash and cash equivalents at June 30, 2019 and 2018, was \$2,053,446 and \$2,745,254. As of June 30, 2019 and 2018, \$0 of the District's bank balance of \$4,420,001 and \$5,193,693, respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2019 and 2018, the District did not have any investments.

**Interest Rate Risk** - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk** - NJSA 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools or repurchase of fully collateralized securities.

**Concentration of Credit Risk** - The District places no limit on the amount the District may invest in any one issuer.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 4: RECEIVABLES**

Receivables at June 30, 2019, consisted of intergovernmental and other receivables. All receivables are considered collectible in full. A summary of the principal items of the receivables are as follows:

	Governmental Activities	Business-type Activities
State aid	\$ 355,592	\$ 1,410
Other	3,225,185	1,223
Federal aid	656,437	44,582
	<u>\$ 4,237,214</u>	<u>\$ 47,215</u>

**NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

The following Interfund balances remained on the balance sheet at June 30, 2019:

	Interfund Receivable	Interfund Payable
General Fund	\$ 843,088	
Special Revenue Fund		\$ 574,301
Internal Service Fund		268,787
	<u>\$ 843,088</u>	<u>\$ 843,088</u>

Interfunds were the result of credit balances in the cash and cash equivalents at the end of the year.

**NOTE 6: INVENTORY**

Inventory in the Food Service Fund at June 30, 2019, consisted of the following:

Food	\$ 7,968
Commodities	2,495
Supplies	1,838
	<u>\$ 12,301</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 THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Balance June 30, 2019</u>
Governmental activities:			
Capital assets not being depreciated:			
Sites (land)	\$ 71,500		\$ 71,500
Total capital assets not being depreciated	<u>71,500</u>		<u>71,500</u>
Assets that are being depreciated:			
Site improvements	3,426,868	\$ 75,177	3,502,045
Building & building improvements	50,978,615	128,988	51,107,603
Machinery & equipment	10,148,470	418,085	10,566,555
Totals at historical cost	<u>64,553,953</u>	<u>622,250</u>	<u>65,176,203</u>
Less: accumulated depreciation			
Site improvements	2,708,995	134,528	2,843,523
Building & building improvements	16,706,523	1,282,172	17,988,695
Machinery & equipment	6,296,979	589,517	6,886,496
Total accumulated depreciation	<u>25,712,497</u>	<u>2,006,217</u>	<u>27,718,714</u>
Governmental activities capital assets, net	<u>\$ 38,912,956</u>	<u>\$ (1,383,967)</u>	<u>\$ 37,528,989</u>
Business-type activities:			
Machinery & equipment	\$ 471,342		\$ 471,342
Less: accumulated depreciation	429,214	\$ 3,075	432,289
Business-type capital assets, net	<u>\$ 42,128</u>	<u>\$ (3,075)</u>	<u>\$ 39,053</u>

Depreciation was charged as an unallocated expense since it could not be specifically identified to one program/function for Governmental Activities.

**NOTE 8: GENERAL LONG-TERM DEBT**

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 Board are General Obligation Bonds.

Permanently funded debt as of June 30, 2019, consisted of the following:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)**

**A. Bonds Payable**

\$10,581,000 General Obligation Bonds dated February 15, 2015, payable in annual installments through August 1, 2039. Interest is paid semi-annually at the rate of 3.00% - 3.25% per annum. The balance remaining at June 30, 2019, was \$9,371,000.

**B. Long-Term Obligation Activity**

Changes in long-term obligations for the fiscal year ended June 30, 2019, are as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Bonds payable	\$ 9,706,000		\$ 335,000	\$ 9,371,000	\$ 350,000
Capital leases	902,696	\$ 621,266	536,700	987,262	401,482
Compensated absences	965,182	321,510	342,984	943,708	
	<u>\$ 11,573,878</u>	<u>\$ 942,776</u>	<u>\$ 1,214,684</u>	<u>\$ 11,301,970</u>	<u>\$ 751,482</u>

**C. Bonds and Loans Payable**

Principal and interest due on serial bonds and loans outstanding is as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 350,000	\$ 282,414	\$ 632,414
2021	370,000	271,614	641,614
2022	380,000	260,364	640,364
2023	390,000	248,814	638,814
2024	405,000	236,889	641,889
2025-2029	2,250,000	989,969	3,239,969
2030-2034	2,375,000	638,147	3,013,147
2035-2039	2,375,000	269,131	2,644,131
2040	476,000	7,735	483,735
	<u>\$ 9,371,000</u>	<u>\$ 3,205,077</u>	<u>\$ 12,576,077</u>

**D. Bonds Authorized but not Issued**

As of June 30, 2019, the Board had no authorized but not issued bonds.

**E. Other**

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage. Earnings in excess of the yield on the debt issue are rebated to the federal government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)**

**E. Other (Continued)**

Rebatable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

For the year ended June 30, 2019, it is not necessary for the Board to establish a liability for arbitrage rebate.

**F. Capital Lease Payable**

The District has entered into lease purchase agreements for the acquisition of computers. The lease agreements range from three to five years and carry interest rates ranging from 0.0% to 8.26%. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of June 30, 2019.

Year Ended June 30,	Principal	Interest	Total
2020	\$ 401,482	\$ 50,669	\$ 452,151
2021	329,459	29,756	359,215
2022	202,518	10,911	213,429
2023	53,803	2,503	56,306
	<u>\$ 987,262</u>	<u>\$ 93,839</u>	<u>\$ 1,081,101</u>

**NOTE 9: OPERATING LEASES**

The District has commitments to lease copy machines under non-cancelable operating leases spanning 48 months. Total lease payments made during the year ended June 30, 2019, amounted to \$37,575. Future minimum lease payments are as follows:

Year Ended June 30,	Amount
2020	\$ 22,330
2021	19,281
2022	19,281
	<u>\$ 60,892</u>



**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 10: PENSION PLANS**

**Description of Plans** - All eligible employees of the District are covered by the Public Employees' Retirement System (PERS), or the Teachers' Pension and Annuity Fund (TPAF) a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System 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. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of NJSA 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 non-contributing 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 (PERS)** - The Public Employees' Retirement System was established as of January 1, 1955, under the provisions of NJSA 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, school 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 NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 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. The TPAF and the PERS provide for 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The District's contributions to the PERS for the years ending June 30, 2019, 2018, and 2017, were \$578,334, \$522,559, and \$513,588, respectively, equal to the required contributions for each year.

The School District's share of the TPAF for normal contributions, post-retirement medical benefits and life insurance premiums for the years ending June 30, 2019, 2018, and 2017, which were \$3,329,850, \$2,802,537, and \$2,330,486, respectively, paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 10: PENSION PLANS (CONTINUED)**

**Funding Policy (Continued)** - Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District for the years ending June 30, 2019, 2018, and 2017; \$871,214, \$864,119, and \$852,449, for the employer's share of Social Security contributions for the TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The District's total payroll for the years ended June 30, 2019, 2018, and 2017, were \$18,105,609, \$18,142,609, and \$18,107,609, respectively. Covered payroll was \$3,638,651, \$3,730,002, and \$3,945,064 for the PERS and \$12,108,298, \$12,082,874, and \$12,019,686 for the TPAF for the same years.

For the year ended June 30, 2019, the District recognized pension expense of \$675,074. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 43,408
Changes of assumptions		2,864,976
Net difference between projected and actual earnings on pension plan investments		76,417
Changes in proportion and differences between District contributions and proportionate share of contributions		122,185
Employer contributions subsequent to the measurement date	\$ 578,334	
	\$ 578,334	\$ 3,106,986

\$578,334 reported as deferred outflows of resources related to pensions, resulting from School District contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 10: PENSION PLANS (CONTINUED)**

**Funding Policy (Continued)**

Year Ended June 30,	Amount
2020	\$ (245,695)
2021	(555,766)
2022	(1,262,559)
2023	(819,625)
2024	(223,341)
	<u>\$ (3,106,986)</u>

Additional information – Collective balances at June 30, 2018 and 2017, are as follows:

	June 30, 2018	June 30, 2017
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	<u>19,689,501,539</u>	<u>23,278,401,588</u>
District's proportion	0.0581429000%	0.0564079054%

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) 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 (NJAC 43:15C-1 et seq.). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by NJSA 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 contributions to DCRP for years ending June 30, 2019, 2018, and 2017, were \$13,643, \$8,935, and \$10,264.

**NOTE 11: POSTEMPLOYMENT BENEFITS**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11: POSTEMPLOYMENT BENEFITS (CONTINUED)**

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the remeasured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

**Total Non-Employer OPEB Liability**

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the Board of Education/Board of Trustees. The State’s proportionate share of the net OPEB liability associated with the School District as of June 30, 2019, was \$65,357,982. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability. Note that actual numbers will be published in the NJ State’s CAFR at: <https://www.state.nj.us/treasury/pensions/gasbnotices.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2018, actuarial valuation reported by the State in the State’s most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11: POSTEMPLOYMENT BENEFITS (CONTINUED)**

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF). See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4
Discount rate	3.87%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014, and July 1, 2010 – June 30, 2013 for the TPAF, PERS, and PFRS, respectively.

The below table summarizes the changes in the Total OPEB Liability reported by the State of New Jersey:

	Total OPEB Liability
Balance at June 30, 2017	<u>\$ 53,639,841,858</u>
Changes for the year:	
Service cost	1,984,642,729
Interest	1,970,236,232
Changes of benefit terms	
Differences between expected and actual experience	(5,002,065,740)
Changes in assumptions or other inputs	(5,291,448,855)
Contributions - Member	42,614,005
Benefit payments	<u>(1,232,987,247)</u>
Net changes	<u>(7,529,008,876)</u>
Balance at June 30, 2018	<u><u>\$ 46,110,832,982</u></u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11: POSTEMPLOYMENT BENEFITS (CONTINUED)**

There were no changes in benefit terms from 2017 to 2018.

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017 to 3.87% in 2018.

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate -** The State's proportionate share of the total non-employer OPEB liability as of June 30, 2018, associated with the School District using a discount rate of 3.87%, as well as using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Total OPEB Liability (School Retirees)	\$ 77,266,942	\$ 65,357,982	\$ 55,892,352

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates -** The State's proportionate share of the total non-employer OPEB liability as of June 30, 2018, associated with the School District, using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 64,748,253	\$ 65,357,982	\$ 90,253,301

Additional information – Collective balances at June 30, 2018 and 2017, are as follows:

	June 30, 2018	June 30, 2017
Collective deferred outflows of resources	\$ 1,377,313,892	\$ 99,843,255
Collective deferred inflows of resources	16,189,378,926	6,443,612,287
Collective OPEB Expense	2,129,660,368	3,348,490,523
District's proportion	0.14%	0.14%

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

For the fiscal year ended June 30, 2019, the Board of Education recognized \$2,735,536 in OPEB expense and revenue, in the Government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2018, measurement date.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11: POSTEMPLOYMENT BENEFITS (CONTINUED)**

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ (4,476,086,167)
Changes of assumptions or other inputs		(10,335,978,867)
Total	None	\$ (14,812,065,034)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2019	\$ (1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Thereafter	(5,685,972,069)
	\$ (14,812,065,034)

**NOTE 12: DEFERRED COMPENSATION**

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by the entity listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning, Inc.  
Metropolitan Life Insurance

Syracusa Benefits Program

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 13: COMPENSATED ABSENCES**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreements with the various employee unions.

The liability for vested compensated absences is recorded in the District-wide *Statement of Net Position*. The current portion of the compensated absence balance is not considered material to the Governmental Funds total liabilities and, is therefore not shown separately from the amount due in more than one year. The liability for compensated absences in the Governmental Fund at June 30, 2019, is \$943,708.

**NOTE 14: LABOR CONTRACTS**

As of June 30, 2019, the District's employees were represented by unions as follows:

Delsea Education Association - contract expires 6/30/22

Delsea Transportation Department Association - contract expires 6/30/20

Delsea Maintenance/Custodial Group - contract expires 6/30/21

Delsea Administration Association - contract expires 6/30/22

**NOTE 15: 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, student accidents and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. Any potential liability of the District with respect to loss claims would be equal to the deductibles associated with policies and events which may exceed coverage limits. There have been no significant reductions in insurance coverage amounts.

**New Jersey Unemployment Compensation Insurance:**

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. This District is billed quarterly for amounts due to the State. The following is a summary of District Contributions, 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 THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 15: RISK MANAGEMENT (CONTINUED)**

Fiscal Year	Interest	Employee Contributions	Amount Reimbursed	Ending Balance
2018-2019	\$ 850	\$ 42,000	\$ 26,177	\$ 184,691
2017-2018	870	42,024	14,559	168,018
2016-2017	626	42,097	25,689	139,683

**NOTE 16: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Delsea Regional High School Board of Education by inclusion of \$1 on October 4, 2000, for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve fund 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 NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2018 to June 30, 2019, fiscal year is as follows:

Beginning balance, July 1, 2018	\$ 1,819,093
Deposit	424,853
Transfer to capital outlay	(850,000)
Interest earnings	6,054
Ending balance, June 30, 2019	<u>\$ 1,400,000</u>

The June 30, 2019, LRFP balance of local support costs of uncompleted capital projects is \$1,966,378.

**NOTE 17: FUND BALANCE APPROPRIATED**

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 17: FUND BALANCE APPROPRIATED (CONTINUED)**

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used/spent first when expenditures are made.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Regular Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

**RESTRICTED**

General Fund - In accordance with NJSA 18A:7F-7, \$3,085,148 is restricted as excess surplus (\$1,947,468 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2020).

**ASSIGNED**

General Fund - The District has appropriated and included as an anticipated revenue for the year ending June 30, 2020, \$130,892 of General Fund balance as of June 30, 2019. As of June 30, 2019, the District had \$636,786 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Debt Service - The debt service had no fund balance as of June 30, 2019.

**UNASSIGNED**

General Fund - As of June 30, 2019, a deficit of \$383,130 of fund balance was unassigned.

Special Revenue Fund - As of June 30, 2019, the Special Revenue Fund had no fund balance.

**NOTE 18: CALCULATION OF EXCESS SURPLUS**

The designation of Reserved Fund Balance - Excess surplus is a required calculation pursuant NJSA 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, 2019, is \$3,085,148.

**NOTE 19: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$383,130 in the General Fund as of June 30, 2019, as reported in the fund statements (modified accrual basis). NJSA 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. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 19: DEFICIT FUND BALANCES (CONTINUED)**

symmetry, i.e. if one government recognizes an asset; the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the District cannot recognize the June state aid payment(s) on the GAAP 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 balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2 any negative unassigned General Fund balance that is reported as a direct result from a delay in the June payment(s) 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 GAAP statements of \$383,130 is less than the last state aid payments.

**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.

It is the opinion of the administration and legal counsel, that there exists no litigation or contingent liability that may be pending against the Delsea Regional High School District that would have a material or adverse effect on the Board or the financial position of the District.

**NOTE 21: ECONOMIC DEPENDENCY**

The District is heavily reliant on state aid and local tax levy to fund the District's operations. State sources accounted for approximately 49% of the District's 2018-2019 General Fund revenue, while local tax levy accounted for approximately 41%.

**NOTE 22: TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 22: TAX ABATEMENTS (CONTINUED)**

For a local school district Board of Education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Townships of Elk and Franklin did not have any tax abatements for the year-end December 31, 2018.

**NOTE 23: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 and December 10, 2019, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**NOTE 24: CHANGE IN ACCOUNTING PRINCIPLE**

During the prior year beginning July 1, 2017, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" whose primary objective is to improve accounting and financial reporting for postemployment benefits other than pensions (OPEB). These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for OPEB.

The State is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraph 193 and 203 through 205 of GASB Statement No. 75 is zero.

The effect of the State being the only entity that has a legal obligation to make employer contributions to OPEB is to eliminate the OPEB liability and deferred inflows related to OPEB by increasing the fiscal year ended June 30, 2018, net position by \$85,892,311 which is the prior period net OPEB liability and deferred inflows related to OPEB. Financial statements for the fiscal year ended June 30, 2018, have not been restated, and the cumulative effect of the change totaling \$85,892,311, is shown as a one-time credit to net position in the fiscal year ended June 30, 2019, statement of activities.

**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, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 15,406,546		\$ 15,406,546	\$ 15,406,546	
Tuition	1,920,000		1,920,000	2,104,622	\$ 184,622
Transportation fees from other LEA's	1,268,000		1,268,000	1,579,182	311,182
Interest earned on capital reserve	200		200	6,055	5,855
Unrestricted miscellaneous	50,000		50,000	216,329	166,329
<b>Total - local sources</b>	<b>18,644,746</b>		<b>18,644,746</b>	<b>19,312,734</b>	<b>667,988</b>
State sources:					
Extraordinary aid	100,000		100,000	310,917	210,917
Categorical special education aid	956,261		956,261	956,261	
Categorical security aid	231,243		231,243	231,243	
School choice aid	503,100		503,100	503,100	
Equalization aid	12,086,304		12,086,304	12,086,304	
Categorical transportation aid	300,718	\$ (61,200)	239,518	239,518	
Nonpublic transportation costs				19,205	19,205
TPAF post-retirement medical (on-behalf - non-budgeted)				1,038,717	1,038,717
TPAF pension contrib. (on-behalf - non-budgeted)				2,289,948	2,289,948
TPAF long-term disability insurance (on-behalf - non-budgeted)				1,185	1,185
Reimbursed TPAF social security contrib. (non-budgeted)				871,214	871,214
<b>Total - state sources</b>	<b>14,177,626</b>	<b>(61,200)</b>	<b>14,116,426</b>	<b>18,547,612</b>	<b>4,431,186</b>
Federal sources:					
Medical assistance program	47,112		47,112	52,463	5,351
<b>Total - federal sources</b>	<b>47,112</b>		<b>47,112</b>	<b>52,463</b>	<b>5,351</b>
<b>Total revenues</b>	<b>\$ 32,869,484</b>	<b>\$ (61,200)</b>	<b>\$ 32,808,284</b>	<b>\$ 37,912,809</b>	<b>\$ 5,104,525</b>

Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers					
Grades 6-8	\$ 2,423,183	\$ (82,133)	\$ 2,341,050	\$ 2,326,461	\$ 14,589
Grades 9-12	5,117,237	(62,703)	5,054,534	5,045,518	9,016
Regular programs - home instruction:					
Salaries of teachers	35,000	(29,559)	5,441	2,224	3,217
Purchased professional - educational services	10,000	6,664	16,664	16,664	
Other purchased services (400-500 series)	2,000		2,000	1,102	898
Regular programs - undistributed instruction:					
Other salaries for instruction	67,899	2,353	70,252	70,089	163
Purchased professional - educational services	418,693	2,941	421,634	418,816	2,818
Other purchased services (400-500 series)	641,818	85,263	727,081	700,770	26,311
General supplies	190,306	132,272	322,578	195,164	127,414
Textbooks	20,567	(8,636)	11,931	9,577	2,354
Other objects	16,445	(6,898)	9,547	7,750	1,797
Total regular programs	8,943,148	39,564	8,982,712	8,794,135	188,577
Special education - instruction:					
Learning and/or language disabilities					
Salaries of teachers	327,285	(30,000)	297,285	293,592	3,693
Other salaries for instruction	29,622		29,622	25,739	3,883
Other purchased services (400-500 series)	24,402	(15,540)	8,862	4,009	4,853
General supplies	2,030		2,030	58	1,972
Total learning and/or language disabilities	383,339	(45,540)	337,799	323,398	14,401



Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Behavioral disabilities:					
Salaries of teachers	114,733	(20,000)	94,733	86,362	8,371
Other salaries for instruction	56,327	(30,000)	26,327	21,499	4,828
Other purchased services (400-500 series)	1,800		1,800	1,500	300
General supplies	700		700		700
<b>Total behavioral disabilities</b>	<b>173,560</b>	<b>(50,000)</b>	<b>123,560</b>	<b>109,361</b>	<b>14,199</b>
Multiple disabilities:					
Salaries of teachers	95,052		95,052	91,299	3,753
Other salaries for instruction	26,895	(20,000)	6,895	3,040	3,855
Purchased professional - educational services	23,134	(1,572)	21,562	21,562	
Other purchased services (400-500 series)	16,500	(8,350)	8,150	6,830	1,320
General supplies	1,700		1,700		1,700
Other objects	500		500		500
<b>Total multiple disabilities</b>	<b>163,781</b>	<b>(29,922)</b>	<b>133,859</b>	<b>122,731</b>	<b>11,128</b>
Resource room/resource center:					
Salaries of teachers	956,558	(64,375)	892,183	892,183	
Other salaries for instruction	123,154	2,592	125,746	125,746	
Purchased professional - educational services	46,267	(6,136)	40,131	40,131	
Other purchased services (400-500 series)	10,000	(6,644)	3,356		3,356
General supplies	3,269	(335)	2,934	2,199	735
Other objects	400	335	735	735	
<b>Total resource room/resource center</b>	<b>1,139,648</b>	<b>(74,563)</b>	<b>1,065,085</b>	<b>1,060,994</b>	<b>4,091</b>
Home instruction:					
Salaries of teachers		17,747	17,747	17,747	
Purchased professional - educational services	5,000	2,018	7,018	7,018	
<b>Total home instruction</b>	<b>5,000</b>	<b>19,765</b>	<b>24,765</b>	<b>24,765</b>	
<b>Total special education - instruction</b>	<b>1,865,328</b>	<b>(180,260)</b>	<b>1,685,068</b>	<b>1,641,249</b>	<b>43,819</b>

Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Basic skills/remedial - instruction:					
Salaries of teachers	544,278	(23,193)	521,085	517,606	3,479
Purchased professional - educational services	47,192	(3,774)	43,418	43,418	
Other purchased services (400-500 series)	2,000		2,000		2,000
General supplies	1,682		1,682	1,390	292
Total basic skills/remedial - instruction	595,152	(26,967)	568,185	562,414	5,771
Bilingual education - instruction:					
Salaries of teachers	1,000		1,000		1,000
General supplies	500	(500)			
Total bilingual education - instruction	1,500	(500)	1,000		1,000
School sponsored co-curricular activities - instruction:					
Salaries	119,928	(2,449)	117,479	112,668	4,811
Other purchased services (400-500 series)	4,000	(267)	3,733		3,733
Miscellaneous purchased services	12,325	(83)	12,242	7,214	5,028
Supplies and materials	19,350	(8,455)	10,895	6,538	4,357
Other objects	12,800	(2,870)	9,930	1,532	8,398
Total school sponsored co-curricular activities - instruction	168,403	(14,124)	154,279	127,952	26,327
School sponsored athletic - instruction:					
Salaries	470,747	1,798	472,545	466,282	6,263
Purchased services (300-500 series)	83,050	(20,242)	62,808	60,375	2,433
Supplies and materials	110,487	27,922	138,409	102,141	36,268
Other objects	30,000	18,996	48,996	48,996	
Total school sponsored athletic - instruction	694,284	28,474	722,758	677,794	44,964
Before/after school programs - instructional:					
Other salaries of instruction	5,000	1,462	6,462	6,462	
Total before/after school programs - instructional	5,000	1,462	6,462	6,462	
Summer school - instruction:					
Salaries of teachers	79,000	(3,080)	75,920	75,643	277
Other salaries for instruction	26,000	(12,463)	13,537	12,497	1,040
General supplies	3,500	(700)	2,800	2,628	172
Miscellaneous expenditures	3,000	(2,963)	37		37
Total summer school - instruction	111,500	(19,206)	92,294	90,768	1,526

Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Alternative education program - instructional:					
Salaries of teachers	45,120	15,942	61,062	61,062	
Other salaries for instruction	8,700	(2,458)	6,242	5,857	385
Total alternative education program - instructional	53,820	13,484	67,304	66,919	385
Alternative education program - support services					
Salaries	63,400	(31,515)	31,885	29,495	2,390
Total alternative education program - support services	63,400	(31,515)	31,885	29,495	2,390
Total alternative education program	117,220	(18,031)	99,189	96,414	2,775
Other supplemental at-risk programs - instructional:					
Salaries of teachers	36,000	(3,400)	32,600	32,080	520
Other salaries for instruction	14,400	735	15,135	14,980	155
General supplies	2,000	(1,899)	101		101
Total supplemental at-risk programs - instructional	52,400	(4,564)	47,836	47,060	776
Other supplemental at-risk programs - support services:					
Salaries	18,000	(242)	17,758	17,675	83
Total supplemental at-risk programs - support services	18,000	(242)	17,758	17,675	83
Total supplemental at-risk programs	70,400	(4,806)	65,594	64,735	859
Community services programs - operations:					
Salaries					
Other salaries	54,450		54,450	35,264	19,186
Purchased services (300-500 series)	3,000	(289)	2,711		2,711
Supplies and materials		289	289	289	
Total community services programs - operations	57,450		57,450	35,553	21,897
Total instruction	12,629,385	(194,394)	12,434,991	12,097,476	337,515

Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - regular	126,302	(56,232)	70,070	70,070	
Tuition to county vocational - regular	230,580	(35,358)	195,222	191,507	3,715
Tuition to CSSD & regional day schools	1,330,698	126,060	1,456,758	1,456,758	
Tuition to private sch. for the disabled - within state	1,394,430	313,417	1,707,847	1,707,847	
Tuition - other	114,059	(38,034)	76,025	72,494	3,531
Total undistributed expenditures - instruction	3,196,069	309,853	3,505,922	3,498,676	7,246
Undistributed exp. - attendance and social work:					
Salaries	63,953	(13,279)	50,674	45,731	4,943
Other salaries	25,932	1,589	27,521	27,521	
Purchased professional and technical services	2,000	(310)	1,690		1,690
Other purchased services (400-500 series)	700	(600)	100		100
Supplies and materials	150		150		150
Total undistributed exp. - attendance and social work	92,735	(12,600)	80,135	73,252	6,883
Undistributed expenditures - health services:					
Salaries	213,878	6,250	220,128	219,564	564
Purchased professional - educational services	16,800	173	16,973	16,973	
Other purchased services (400-500 series)	1,240	327	1,567	1,500	67
Supplies and materials	7,971	(1,301)	6,670	6,002	668
Total undistributed expenditures - health services	239,889	5,449	245,338	244,039	1,299
Undistributed expenditures - speech, OT, PT and related services:					
Purchased professional - educational services	95,000	25,044	120,044	119,750	294
Supplies and materials	2,000	1,657	3,657	3,657	
Total undistributed expenditures - speech, OT, PT and related services	97,000	26,701	123,701	123,407	294

Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed expenditures - special education - extraordinary services:					
Salaries	112,212	31,467	143,679	143,679	
Purchased professional - educational services	44,000	11,467	55,467	54,345	1,122
Other purchased services (400-500 series)	3,150	(968)	2,182		2,182
Supplies and materials	26,800	(25,366)	1,434	1,434	
Other objects	100		100		100
<b>Total undistributed expenditures - special education - extraordinary services</b>	<b>186,262</b>	<b>16,600</b>	<b>202,862</b>	<b>199,458</b>	<b>3,404</b>
Undistributed expenditures - guidance:					
Salaries of other professional staff	550,300	(10,666)	539,634	533,659	5,975
Salaries of secretarial and clerical assistants	64,284	(2,125)	62,159	61,445	714
Other purchased prof. and tech services	21,580		21,580	21,580	
Other purchased services (400-500 series)	47,667	(10,953)	36,714	35,762	952
Supplies and materials	11,136	(248)	10,888	8,745	2,143
Other objects	5,573	8,204	13,777	13,052	725
<b>Total undistributed expenditures - guidance</b>	<b>700,540</b>	<b>(15,788)</b>	<b>684,752</b>	<b>674,243</b>	<b>10,509</b>
Undistributed expenditures - child study teams:					
Salaries of other professional staff	444,041	(18,925)	425,116	422,991	2,125
Salaries of secretarial and clerical assistants	74,468		74,468	72,768	1,700
Purchased professional - educational services	31,000		31,000	26,468	4,532
Other purchased prof. and tech services	9,000	(1,942)	7,058		7,058
Misc. purch. serv. (400-500 series other than resid. costs)	18,187		18,187	17,478	709
Supplies and materials	9,500	(2,689)	6,811	5,995	816
Other objects	3,000	3,556	6,556	6,331	225
<b>Total undistributed expenditures - child study teams</b>	<b>589,196</b>	<b>(20,000)</b>	<b>569,196</b>	<b>552,031</b>	<b>17,165</b>
Undistributed exp. - improvement of instr. services:					
Salaries of supervisors of instruction	634,251	(10,000)	624,251	613,960	10,291
Salaries of other professionals	88,244		88,244	88,244	
Salaries of secretarial and clerical assistants	28,962		28,962	28,822	140
Other salaries	25,200		25,200	22,383	2,817
Other purchased services (400-500 series)	42,260		42,260	29,386	12,874
Supplies and materials	3,000		3,000	1,500	1,500
Other objects	1,000		1,000	60	940
<b>Total undistributed exp. - improvement of instr. services</b>	<b>822,917</b>	<b>(10,000)</b>	<b>812,917</b>	<b>784,355</b>	<b>28,562</b>

Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed expenditures - educational media serv.:					
School library:					
Salaries of other professional staff	106,876		106,876	105,528	1,348
Other purchased services (400-500 series)	161,051	(63,920)	97,131	80,711	16,420
Supplies and materials	24,433	10,795	35,228	24,895	10,333
Other objects	639	(195)	444	65	379
Total undistributed exp. - educational media serv.					
School library	292,999	(53,320)	239,679	211,199	28,480
Undistributed expenditures - instructional staff:					
Training services:					
Salaries of supervisors of instruction	28,666		28,666	28,340	326
Salaries of other professional staff	5,000		5,000	120	4,880
Salaries of secretarial and clerical assistants	12,412		12,412	12,352	60
Purchased professional - educational service	5,000		5,000		5,000
Other purchased services (400-500 series)	10,194		10,194	4,892	5,302
Supplies and materials	2,000		2,000		2,000
Total undistributed expenditures - instructional staff					
Training services	63,272		63,272	45,704	17,568
Undistributed exp. - support services - general admin.:					
Salaries	152,996		152,996	151,996	1,000
Salaries of secretarial and clerical assistants	88,045		88,045	87,620	425
Other Salaries	3,819		3,819	3,801	18
Legal services	36,000		36,000	35,520	480
Audit fees	18,000		18,000	17,350	650
Architectural/engineering services	10,000	(7,405)	2,595		2,595
Other purchased professional services	7,500	(3,049)	4,451		4,451
Purchased technical services	3,000		3,000	2,685	315
Other purchased services (400-500 series)	54,320	(382)	53,938	45,593	8,345
Communications/telephone	74,080	11,561	85,641	74,718	10,923
Supplies and materials	7,300	2,331	9,631	6,057	3,574
BOE in-house training/meeting supplies	1,000	(329)	671	16	655
Miscellaneous expenditures	7,600	1,480	9,080	9,080	
BOE membership dues and fees	16,500	(51)	16,449	14,308	2,141
Total undistributed exp. - support serv. - gen. admin.	480,160	4,156	484,316	448,744	35,572

Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed exp. - support serv. - school admin.:					
Salaries of principals/assistant principals	382,111	(7,968)	374,143	353,476	20,667
Salaries of other professional staff	163,222	(6,482)	156,740	154,051	2,689
Salaries of secretarial and clerical assistants	110,177	619	110,796	110,796	
Purchased professional services	2,000	8,055	10,055	10,055	
Other purchased prof. and tech services	14,620	(1,935)	12,685	12,610	75
Other purchased services (400-500 series)	32,854	(3,961)	28,893	28,847	46
Supplies and materials	19,626	(729)	18,897	15,164	3,733
Other objects	12,500	(917)	11,583	10,660	923
<b>Total undistributed exp. - support serv. - school admin.</b>	<b>737,110</b>	<b>(13,318)</b>	<b>723,792</b>	<b>695,659</b>	<b>28,133</b>
Undistributed exp. - central services:					
Salaries	135,818	4,611	140,429	140,429	
Salaries of secretarial and clerical assistants	186,160	9,340	195,500	195,500	
Purchased technical services	22,895	(3,848)	19,047	18,867	180
Other purchased services (400-500 series)	16,054	(12,351)	3,703	3,648	55
Supplies and materials	6,928	(1,326)	5,602	5,474	128
Interest for lease purchase agreements	57,353	(31,633)	25,720	25,675	45
Miscellaneous expenditures	2,000	(424)	1,576	1,576	
<b>Total undistributed exp. - central services</b>	<b>427,208</b>	<b>(35,631)</b>	<b>391,577</b>	<b>391,169</b>	<b>408</b>
Undistributed exp. - admin. information technology:					
Salaries	221,047	(113,858)	107,189	99,028	8,161
Purchased technical services	2,500	82,500	85,000	84,999	1
Other purchased services (400-500 series)	188,962	(5,526)	183,436	181,712	1,724
Supplies and materials	21,235	55,710	76,945	66,010	10,935
Other objects	1,400	(1,035)	365	365	
<b>Total undistributed exp. - admin. info. technology</b>	<b>435,144</b>	<b>17,791</b>	<b>452,935</b>	<b>432,114</b>	<b>20,821</b>
Undistributed expenditures - required maintenance for school facilities:					
Cleaning, repair, and maintenance services	333,652	16,882	350,534	298,049	52,485
General supplies	44,000	(16,882)	27,118	25,689	1,429
<b>Total undistributed expenditures - required maintenance for school facilities</b>	<b>377,652</b>		<b>377,652</b>	<b>323,738</b>	<b>53,914</b>

Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed expenditures - custodial services:					
Salaries	1,017,881	15,128	1,033,009	1,031,936	1,073
Other employee benefits	26,175	8,160	34,335	33,589	746
Purchased professional and technical services	7,500	(6,213)	1,287		1,287
Cleaning, repair, and maintenance services	79,775	19,082	98,857	89,087	9,770
Other purchased property services	54,648	8,804	63,452	62,735	717
Insurance	199,078		199,078	197,078	2,000
Miscellaneous purchased services	3,500	(236)	3,264	2,114	1,150
General supplies	112,200	10,039	122,239	118,313	3,926
Energy - natural gas	224,000	(102,905)	121,095	121,095	
Energy - electricity	546,000	(63,382)	482,618	482,618	
Energy - oil	10,000	3,241	13,241	13,223	18
Energy - gasoline	2,600	(2,109)	491		491
Other objects	5,000	1,227	6,227	6,227	
<b>Total undistributed expenditures - custodial services</b>	<b>2,288,357</b>	<b>(109,164)</b>	<b>2,179,193</b>	<b>2,158,015</b>	<b>21,178</b>
Undistributed expenditures - care and upkeep of grounds:					
Salaries	131,250	(16,969)	114,281	113,312	969
Cleaning, repair, and maintenance services	59,657	61,533	121,190	88,874	32,316
General supplies	34,495	15,600	50,095	45,544	4,551
<b>Total undistributed exp. - care and upkeep of grounds</b>	<b>225,402</b>	<b>60,164</b>	<b>285,566</b>	<b>247,730</b>	<b>37,836</b>
Undistributed expenditures - security:					
Salaries	72,266	454	72,720	71,720	1,000
Purchased professional and technical services	62,000	18,275	80,275	80,275	
General supplies	1,000	(454)	546	284	262
<b>Total undistributed expenditures - security</b>	<b>135,266</b>	<b>18,275</b>	<b>153,541</b>	<b>152,279</b>	<b>1,262</b>
<b>Total operation and maintenance of plant</b>	<b>3,026,677</b>	<b>(30,725)</b>	<b>2,995,952</b>	<b>2,881,762</b>	<b>114,190</b>



Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed exp. - student transportation services:					
Salaries of non-instructional aides	492,616	(174,192)	318,424	311,351	7,073
Salaries for pupil trans (bet. home & school) - reg.	945,997	(76,082)	869,915	844,676	25,239
Salaries for pupil trans (bet. home & school) - spec. ed.	654,062	(64,480)	589,582	577,653	11,929
Salaries for pupil trans (other than bet. home & school)	99,156	47,332	146,488	137,569	8,919
Sal. for pupil trans (bet home & school) - nonpublic school	89,934	(4,574)	85,360	63,527	21,833
Social security contributions	153,413	(4,153)	149,260	131,555	17,705
Health benefits	1,513,007	(25,847)	1,487,160	1,450,868	36,292
Other employee benefits	20,500		20,500	15,696	4,804
Other purchased prof. and technical service	288,052	(21,465)	266,587	244,071	22,516
Cleaning, repair, and maintenance services	150,000	(97,006)	52,994	42,220	10,774
Rental payments - school buses	5,000	(2,000)	3,000		3,000
Contr. serv. - (bet. home and school) - vendors	6,000	(1,090)	4,910		4,910
Contr. serv. - (other than bet. home and school) - vendors	22,500	5,557	28,057	25,425	2,632
Contr. serv. - (bet. home and school) - joint agrmnts.	5,000		5,000		5,000
Contr. serv. - (special education) - vendors	150,000	307,120	457,120	457,120	
Contr. serv. - (special ed. students) - joint agrmnts.	10,000	7,480	17,480	17,480	
Contr. serv. - aid in lieu of payments - nonpublic	49,000	8,466	57,466	57,466	
Contr. serv. - aid in lieu of payments - choice	4,500	(4,466)	34		34
Misc. purchased services - transportation	112,590	(27,426)	85,164	75,185	9,979
Transportation supplies	540,067	39,223	579,290	553,910	25,380
Miscellaneous expenditures	5,400	3,921	9,321	8,633	688
<b>Total undistributed exp. - student transportation serv.</b>	<b>5,316,794</b>	<b>(83,682)</b>	<b>5,233,112</b>	<b>5,014,405</b>	<b>218,707</b>
Unallocated benefits - employee benefits:					
Social security contributions	297,946		297,946	290,013	7,933
Other retirement contribution - PERS	565,101	18,050	583,151	583,112	39
Unemployment compensation	20,000		20,000		20,000
Workmen's compensation	329,650	(5,178)	324,472	313,103	11,369
Health benefits	3,951,292	(340,030)	3,611,262	3,489,831	121,431
Tuition reimbursement	20,000	3,746	23,746	23,735	11
Other employee benefits	160,198	131,019	291,217	276,663	14,554
<b>Total unallocated benefits</b>	<b>5,344,187</b>	<b>(192,393)</b>	<b>5,151,794</b>	<b>4,976,457</b>	<b>175,337</b>

Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
TPAF post-retirement medical (on-behalf - non-budgeted)				1,038,717	(1,038,717)
TPAF pension contribution (on-behalf - non-budgeted)				2,289,948	(2,289,948)
TPAF long-term disability insurance (on-behalf - non-budgeted)				1,185	(1,185)
Reimb. TPAF social security contrib. (non-budgeted)				871,214	(871,214)
Total on-behalf contributions				4,201,064	(4,201,064)
Total undistributed expenditures	22,048,159	(86,907)	21,961,252	25,447,738	(3,486,486)
Total current expense	34,677,544	(281,301)	34,396,243	37,545,214	(3,148,971)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Undistributed		13,500	13,500	2,699	10,801
Undistributed - athletics	33,912	32,146	66,058	33,912	32,146
Undistributed - custodial services	54,002	101,639	155,641	17,331	138,310
School buses - regular	189,058	(21,421)	167,637	167,637	
School buses - special	115,200	(200)	115,000	115,000	
Total equipment	392,172	125,664	517,836	336,579	181,257
Facilities acquisition and construction services:					
Construction services	916,136	155,637	1,071,773	737,080	334,693
General supplies	65,348		65,348	65,348	
Other objects	175		175	175	
Total facilities acquisition and constructions services	981,659	155,637	1,137,296	802,603	334,693
Total capital outlay	1,373,831	281,301	1,655,132	1,139,182	515,950
Assets acquired under capital lease:					
Assets acquired under capital lease (non-budgeted):					
Undistributed expenditures:					
Support services - student regular				621,266	(621,266)
Total assets acquired under capital lease				621,266	(621,266)
Total expenditures	36,051,375		36,051,375	39,305,662	(3,254,287)

Delsea Regional High School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Excess (deficiency) of revenues over (under) expenditures	<u>(3,181,891)</u>	<u>(61,200)</u>	<u>(3,243,091)</u>	<u>(1,392,853)</u>	<u>8,358,812</u>
Other financing sources (uses):					
Operating transfer in:					
Capital leases (non-budgeted)				621,266	(621,266)
				<u>621,266</u>	<u>(621,266)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,181,891)	(61,200)	(3,243,091)	(771,587)	7,737,546
Fund balances, July 1	<u>6,944,202</u>		<u>6,944,202</u>	<u>6,944,202</u>	
Fund balances, June 30	<u>\$ 3,762,311</u>	<u>\$ (61,200)</u>	<u>\$ 3,701,111</u>	<u>\$ 6,172,615</u>	<u>\$ 7,737,546</u>
Recapitulation:					
Restricted fund balance:					
Capital reserve account				\$ 1,400,000	
Excess surplus - designated for subsequent year's expenditures				1,947,468	
Excess surplus - current year				1,137,680	
Assigned fund balance:					
Year-end encumbrances				636,786	
Designated for subsequent year's expenditures				130,892	
Unassigned fund balance				919,789	
				<u>6,172,615</u>	
Reconciliation to governmental funds statements (GAAP):					
June state aid payments are not recognized on GAAP basis				<u>(1,302,919)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 4,869,696</u>	

Delsea Regional High School District  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources	\$ 18,200		\$ 18,200		\$ 18,200
State sources	73,690	\$ 13,563	87,253	\$ 80,315	6,938
Federal sources	954,861	3,960	958,821	918,266	40,555
<b>Total revenues</b>	<b>\$ 1,046,751</b>	<b>\$ 17,523</b>	<b>\$ 1,064,274</b>	<b>\$ 998,581</b>	<b>\$ 65,693</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 100,000		\$ 100,000	\$ 100,000	
Purchased professional - educational services	96,846	\$ (70,202)	26,644	26,642	\$ 2
Tuition	540,537	40,966	581,503	581,503	
General supplies	22,533	363	22,896	22,895	1
Textbooks	8,165		8,165	7,423	742
<b>Total instruction</b>	<b>768,081</b>	<b>(28,873)</b>	<b>739,208</b>	<b>738,463</b>	<b>745</b>
Salaries	77,828	(10,707)	67,121	50,583	16,538
Personal services - employee benefits	34,757	1,995	36,752	36,685	67
Purchased professional - technical services	34,800	54,813	89,613	57,478	32,135
Purchased professional - educational services	27,861	6,086	33,947	22,458	11,489
Other purchased services (400-500 series)	62,708	(6,127)	56,581	53,879	2,702
Supplies & materials	36,908	(2,503)	34,405	32,388	2,017
<b>Total support services</b>	<b>274,862</b>	<b>43,557</b>	<b>318,419</b>	<b>253,471</b>	<b>64,948</b>
Facilities acquisition and construction services:					
Instructional equipment	3,808	(1,410)	2,398	2,398	
Non-instructional equipment		4,249	4,249	4,249	
	<u>3,808</u>	<u>2,839</u>	<u>6,647</u>	<u>6,647</u>	
<b>Total expenditures</b>	<b>\$ 1,046,751</b>	<b>\$ 17,523</b>	<b>\$ 1,064,274</b>	<b>\$ 998,581</b>	<b>\$ 65,693</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

Delsea Regional High School District  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2019

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

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 37,912,809	\$ 998,581
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in the encumbrances are recognized as expenditures and the related revenue is recognized.		(20,850)
The last two State aid payments for the prior fiscal year are not recognized as revenue for budgetary purposes, and differs from GAAP which recognizes this revenue in the subsequent year when the State recognizes the related expense (GASB 33).	1,303,223	
The last two State aid payments for the current year are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(1,302,919)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	\$ 37,913,113	\$ 977,731
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$ 39,305,662	\$ 998,581
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(20,850)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	\$ 39,305,662	\$ 977,731

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)**



DELSEA REGIONAL HIGH SCHOOL  
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS  
 Last Five Fiscal Years

	Fiscal Year Ended				
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
District's proportion of the net pension liability (asset)	0.0576717999%	0.0616951702%	0.0578113752%	0.0564079054%	0.0581429000%
District's proportionate share of the net pension liability (asset)	\$ 10,797,738	\$ 13,849,329	\$ 17,122,071	\$ 13,130,859	\$ 11,448,047
District's covered-employee payroll	4,815,991	3,941,737	3,945,064	3,730,002	3,638,651
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	224.21%	351.35%	434.01%	352.03%	314.62%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.13%	48.10%	53.59%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018

DELSEA REGIONAL HIGH SCHOOL  
 Schedule of District Contributions - PERS  
 Last Five Fiscal Years

	Fiscal Year Ended				
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Contractually required contribution	\$ 475,438	\$ 530,413	\$ 513,588	\$ 522,559	\$ 578,334
Contributions in relation to the contractually required contribution	475,438	530,413	513,588	522,559	578,334
Contribution deficiency (excess)	None	None	None	None	None
District's covered-employee payroll	\$ 4,815,991	\$ 3,941,737	\$ 3,945,064	\$ 3,730,002	\$ 3,638,651
Contributions as a percentage of covered-employee payroll	9.87%	13.46%	13.02%	14.01%	15.89%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018

DELSEA REGIONAL HIGH SCHOOL  
Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF  
Last Five Fiscal Years

	Fiscal Year Ended				
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
District's proportion of the net pension liability (asset)	0.1082656023%	0.1134466292%	0.1156327362%	0.1129375964%	0.1128312640%
District's proportionate share of the net pension liability (asset)	\$ 57,864,441	\$ 71,703,114	\$ 90,964,073	\$ 76,146,600	\$ 71,780,827
District's covered-employee payroll	12,181,522	11,739,889	11,739,889	12,019,686	12,082,874
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	475.02%	610.76%	774.83%	633.52%	594.07%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation – 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a Legal Obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also, on the A-1, and for the same reason, the District did not recognize any portion of the TPAF collective deferred outflows of resources and the TPAF deferred inflows of resources.

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS**

DELSEA REGIONAL HIGH SCHOOL DISTRICT  
Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Two Fiscal Years

	Fiscal Year Ended	
	2019	2018
Total OPEB Liability		
Service cost	\$ 2,620,451	\$ 3,150,773
Interest	2,816,602	2,424,839
Changes of benefit terms		
Differences between expected and actual experience	(7,783,464)	
Changes of assumptions or other inputs	(7,500,156)	(9,751,384)
Member contributions	60,402	65,580
Benefit payments	(1,747,649)	(1,780,977)
Net change in total OPEB liability	(11,533,814)	(5,891,169)
Total OPEB liability - beginning	76,891,796	82,782,965
Total OPEB liability - ending	<u>\$ 65,357,982</u>	<u>\$ 76,891,796</u>
Covered employee payroll	\$ 17,695,944	\$ 17,826,080
Total OPEB liability as a percentage of covered employee payroll	369.34%	431.34%

**Notes to Schedule:***Changes of benefit terms:*

There were no changes in benefit terms during the year.

*Changes of assumptions:*

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used for the period:

Discount Rate	3.87%	3.58%
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**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**DELSEA REGIONAL HIGH SCHOOL  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2019**

**NOTES RELATED TO PENSIONS**

**NOTE 1: CONTRIBUTIONS**

The contribution policy for the PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**NOTE 2: ACTUARIAL ASSUMPTIONS**

The collective total pension liability for the June 30, 2018, measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of July 1, 2015. This actuarial valuation used the following actuarial assumptions, applies to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For state employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013, using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notice.shtml>.

**DELSEA REGIONAL HIGH SCHOOL  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2019**

**NOTES RELATED TO OTHER POSTEMPLOYMENT BENEFITS**

**NOTE 3: CONTRIBUTIONS**

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

**NOTE 4: ACTUARIAL ASSUMPTIONS**

The total nonemployer OPEB liability as of June 30, 2018, was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (TPAF):	
Through 2026	1.55 – 4.55% based on years of service
Thereafter	2.00 – 5.45% based on years of service
Salary increases (PERS):	
Through 2026	2.15 – 4.15% based on age
Thereafter	3.15 – 5.15% based on age

Pre-retirement healthy mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 - June 30, 2014, for the TPAF and PERS, respectively.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.



## **OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

Delsea Regional High School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2019

	Total Brought Forward (Ex. E-1a)	Title I	Title II Part A	Title III	Totals FY 2019
<b>REVENUES:</b>					
State sources	\$ 80,315				\$ 80,315
Federal sources	716,711	\$ 166,691	\$ 34,689	\$ 175	918,266
<b>Total revenues</b>	<b>\$ 797,026</b>	<b>\$ 166,691</b>	<b>\$ 34,689</b>	<b>\$ 175</b>	<b>\$ 998,581</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers		\$ 100,000			\$ 100,000
Purchased professional - educational services	\$ 26,642				26,642
Tuition	581,503				581,503
General supplies	19,270	3,625			22,895
Textbooks	7,423				7,423
<b>Total instruction</b>	<b>634,838</b>	<b>103,625</b>			<b>738,463</b>
Support services:					
Salaries	4,020	27,527	\$ 18,861	\$ 175	50,583
Personal services - employee benefits	92	35,150	1,443		36,685
Purchased professional - technical services	57,478				57,478
Purchased professional - educational services	22,458				22,458
Other purchased services (400-500 series)	39,470	200	14,209		53,879
Supplies & materials	32,023	189	176		32,388
<b>Total support services</b>	<b>155,541</b>	<b>63,066</b>	<b>34,689</b>	<b>175</b>	<b>253,471</b>
Facilities acquisition and construction services:					
Instructional equipment	2,398				2,398
Non-instructional equipment	4,249				4,249
<b>Total facilities acquisition and construction services</b>	<b>6,647</b>				<b>6,647</b>
<b>Total expenditures</b>	<b>\$ 797,026</b>	<b>\$ 166,691</b>	<b>\$ 34,689</b>	<b>\$ 175</b>	<b>\$ 998,581</b>

Delsea Regional High School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2019

	Total Brought Forward (Ex. E-1b)	Perkins Grant	IDEA Basic	Title IV Part A	Total Carried Forward
<b>REVENUES:</b>					
State sources	\$ 80,315				\$ 80,315
Federal sources		\$ 68,705	\$ 638,981	\$ 9,025	716,711
<b>Total revenues</b>	<b>\$ 80,315</b>	<b>\$ 68,705</b>	<b>\$ 638,981</b>	<b>\$ 9,025</b>	<b>\$ 797,026</b>
<b>EXPENDITURES:</b>					
Instruction:					
Purchased professional - educational services	\$ 25,297	\$ 1,345			\$ 26,642
Tuition			\$ 581,503		581,503
Textbooks	7,423				7,423
General supplies		19,270			19,270
<b>Total instruction</b>	<b>32,720</b>	<b>20,615</b>	<b>581,503</b>		<b>634,838</b>
Support services:					
Salaries	2,820	1,200			4,020
Personal services - employee benefits		92			92
Purchased professional - technical services			57,478		57,478
Purchased professional - educational services	13,483	1,225		\$ 7,750	22,458
Other purchased services (400-500 series)	31,292	8,178			39,470
General supplies		30,748		1,275	32,023
<b>Total support services</b>	<b>47,595</b>	<b>41,443</b>	<b>57,478</b>	<b>9,025</b>	<b>155,541</b>
Facilities acquisition and construction services:					
Instructional equipment		2,398			2,398
Non-instructional equipment		4,249			4,249
<b>Total facilities acquisition and construction services</b>		<b>6,647</b>			<b>6,647</b>
<b>Total expenditures</b>	<b>\$ 80,315</b>	<b>\$ 68,705</b>	<b>\$ 638,981</b>	<b>\$ 9,025</b>	<b>\$ 797,026</b>

Delsea Regional High School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2019

	Total Brought Forward (Ex. E-1c)	Non-Public Technology Aid	Non-Public Nursing Aid	Non-Public Corrective Speech	Non-Public Security	Total Carried Forward
<b>REVENUES:</b>						
State sources	\$ 35,340	\$ 9,928	\$ 13,483	\$ 714	\$ 20,850	\$ 80,315
<b>Total revenues</b>	<b>\$ 35,340</b>	<b>\$ 9,928</b>	<b>\$ 13,483</b>	<b>\$ 714</b>	<b>\$ 20,850</b>	<b>\$ 80,315</b>
<b>EXPENDITURES:</b>						
Instruction:						
Purchased professional - educational services	\$ 24,583			\$ 714		\$ 25,297
Textbooks	7,423					7,423
<b>Total instruction</b>	<b>32,006</b>			<b>714</b>		<b>32,720</b>
Support services:						
Salaries	2,820					2,820
Purchased professional - educational services			\$ 13,483			13,483
Other purchased services (400-500 series)	514	\$ 9,928			\$ 20,850	31,292
<b>Total support services</b>	<b>3,334</b>	<b>9,928</b>	<b>13,483</b>		<b>20,850</b>	<b>47,595</b>
<b>Total expenditures</b>	<b>\$ 35,340</b>	<b>\$ 9,928</b>	<b>\$ 13,483</b>	<b>\$ 714</b>	<b>\$ 20,850</b>	<b>\$ 80,315</b>

Delsea Regional High School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2019

	Municipal Alliance	Auxiliary Services		Handicapped Services		Nonpublic Textbook Aid	Total Carried Forward
		Home Instruction	Transportation	Examination & Classification	Supplemental Instruction		
REVENUES:							
State sources	\$ 2,820	\$ 4,649	\$ 514	\$ 12,559	\$ 7,375	\$ 7,423	\$ 35,340
Total revenues	<u>\$ 2,820</u>	<u>\$ 4,649</u>	<u>\$ 514</u>	<u>\$ 12,559</u>	<u>\$ 7,375</u>	<u>\$ 7,423</u>	<u>\$ 35,340</u>
EXPENDITURES:							
Instruction:							
Purchased professional - educational services		\$ 4,649		\$ 12,559	\$ 7,375		\$ 24,583
Textbooks						\$ 7,423	7,423
Total instruction		<u>4,649</u>		<u>12,559</u>	<u>7,375</u>	<u>7,423</u>	<u>32,006</u>
Support services:							
Salaries	\$ 2,820						\$ 2,820
Other purchased services (400-500 series)			\$ 514				514
Total support services	<u>2,820</u>		<u>514</u>				<u>3,334</u>
Total expenditures	<u>\$ 2,820</u>	<u>\$ 4,649</u>	<u>\$ 514</u>	<u>\$ 12,559</u>	<u>\$ 7,375</u>	<u>\$ 7,423</u>	<u>\$ 35,340</u>

## **CAPITAL PROJECTS FUND**

DELSEA REGIONAL HIGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2019

Project Title/Issue	Approval Date	Revised Budgetary Appropriation	GAAP		Unexpended Appropriations June 30, 2019
			Prior Year	Current Year	
Middle School Special Education Classrooms (SCSE) Wing Addition	11/05/14	\$ 1,713,213	\$ 1,705,377		\$ 7,836
Middle School Roof Replacement, HVAC System and Electrical System Upgrades	11/05/14	7,554,343	7,542,178		12,165
High School Roof Replacement, HVAC System and Electrical System Upgrades	11/05/14	11,618,406	11,618,406		
		<u>\$ 20,885,962</u>	<u>\$ 20,865,961</u>		<u>\$ 20,001</u>



DELSEA REGIONAL HIGH SCHOOL DISTRICT  
Capital Projects Fund  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budgetary Basis  
For the Year Ended June 30, 2019

Fund balance - beginning	\$ 20,001
Fund balance - ending	<u>\$ 20,001</u>

DELSEA REGIONAL HIGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Middle School Special Education Classroom (SCSE) Wing Addition  
 From Inception and for the Year Ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds	\$ 1,368,949		\$ 1,368,949	\$ 1,368,949
State Sources: SDA Grant	344,264		344,264	344,264
Total revenues	<u>1,713,213</u>		<u>1,713,213</u>	<u>1,713,213</u>
Expenditures and other financing uses				
Legal services	\$ 289		289	16,000
Audit services				16,000
Engineer/architect	151,845		151,845	160,000
Other professional/technical services	16,145		16,145	16,000
Construction services	1,403,080		1,403,080	1,469,463
Supplies				8,250
Other objects	134,018		134,018	27,500
Total expenditures	<u>1,705,377</u>		<u>1,705,377</u>	<u>1,713,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 7,836</u>		<u>\$ 7,836</u>	
Additional project information:				
Project number	4940-060-14-1004			
Grant date	11/05/14			
Bond authorization date	11/05/14			
Bonds authorized	\$ 1,399,486			
Bonds issued	1,399,465			
Original authorized cost	1,743,750			
Additional authorized cost	None			
Transfer of bond proceeds	(30,537)			
Revised authorized cost	1,713,213			
Percentage increase over original authorized cost	0%			
Percentage completion	100%			
Original target completion date	August 2016			
Revised target completion date	August 2017			

DELSEA REGIONAL HIGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Middle School Roof Replacement, HVAC System, and Electrical System Upgrades  
 From Inception and for the Year Ended June 30, 2019

	Prior Periods	Current Year	Transfer of Unexpended Bond Proceeds	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>					
Bond proceeds	\$ 3,637,682		\$ (283)	\$ 3,637,399	\$ 3,637,399
State Sources: SDA Grant	3,916,944			3,916,944	3,916,944
<b>Total revenues</b>	<b>7,554,626</b>		<b>(283)</b>	<b>7,554,343</b>	<b>7,554,343</b>
<b>Expenditures and other financing uses</b>					
Legal services	24,780			24,780	86,000
Audit services	3,000			3,000	16,000
Engineer/architect	687,245			687,245	600,000
Other professional/technical services	77,980			77,980	90,000
Construction services	6,740,891			6,740,891	6,668,093
Supplies	845			845	64,250
Other objects	7,437			7,437	30,000
<b>Total expenditures</b>	<b>7,542,178</b>			<b>7,542,178</b>	<b>7,554,343</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 12,448</b>		<b>\$ (283)</b>	<b>\$ 12,165</b>	
<b>Additional project information:</b>					
Project number	4940-060-13-1003				
Grant date	11/05/14				
Bond authorization date	11/05/14				
Bonds authorized	\$ 3,962,459				
Bonds issued	3,962,459				
Original authorized cost	8,216,250				
Additional authorized cost	None				
Transfer of bond funds	(661,624)				
Revised authorized cost	7,554,626				
Percentage increase over original authorized cost	0%				
Percentage completion	100%				
Original target completion date	August 2015				
Revised target completion date	August 2017				

DELSEA REGIONAL HIGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 High School Roof Replacement, HVAC System, and Electrical System Upgrades  
 From Inception and for the Year Ended June 30, 2019

	Prior Periods	Current Year	Transfer of Unexpended Bond Proceeds	Totals	Revised Authorized Cost
Revenues and other financing sources					
Bond proceeds	\$ 5,574,390		\$ 283	\$ 5,574,673	\$ 5,574,673
State Sources: SDA Grant	5,602,799			5,602,799	5,602,799
Transfer from Capital Reserves	440,934			440,934	440,934
<b>Total revenues</b>	<b>11,618,123</b>		<b>283</b>	<b>11,618,406</b>	<b>11,618,406</b>
Expenditures and other financing uses					
Legal services	7,056			7,056	98,000
Audit services					168,000
Engineer/architect	717,518			717,518	790,000
Other professional/technical services	64,662			64,662	94,000
Construction services	10,829,170			10,829,170	10,362,531
Supplies					70,000
Other objects					35,875
<b>Total expenditures</b>	<b>11,618,406</b>			<b>11,618,406</b>	<b>11,618,406</b>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (283)</u>		<u>\$ 283</u>		
Additional project information:					
Project number	4940-050-13-1001				
Grant date	11/05/14				
Bond authorization date	11/05/14				
Bonds authorized	\$ 5,219,076				
Bonds issued	5,219,076				
Original authorized cost	10,821,875				
Additional authorized cost	796,248				
Revised authorized cost	11,618,123				
Percentage increase over original authorized cost	7%				
Percentage completion	100%				
Original target completion date	August 2016				
Revised target completion date	August 2017				

## **PROPRIETARY FUNDS**

Delsea Regional High School District  
Combining Schedule of Net Position  
Enterprise Fund  
June 30, 2019

	Enterprise Fund <hr/> Food Service <hr/>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 116,642
Accounts receivable	
State	1,410
Federal	44,582
Other	1,223
Inventories	12,301
Total current assets	<hr/> 176,158 <hr/>
Noncurrent assets:	
Furniture, machinery & equipment	471,342
Less: accumulated depreciation	<hr/> (432,289) <hr/>
Total noncurrent assets	<hr/> 39,053 <hr/>
Total assets	<hr/> 215,211 <hr/>
<b>LIABILITIES</b>	
Current liabilities:	
Deposits payable	4,951
Deferred revenue	2,495
Total current liabilities	<hr/> 7,446 <hr/>
<b>NET POSITION</b>	
Invested in capital assets net of related debt	39,053
Unrestricted	168,712
Total net position	<hr/> <hr/> \$ 207,765 <hr/> <hr/>

## EXHIBIT G-2

Delsea Regional High School District  
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position  
Enterprise Fund  
For the Year Ended June 30, 2019

	Enterprise Fund
	Food Service
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 216,030
Daily sales - non-reimbursable programs	201,809
Special functions	28,354
	446,193
Total operating revenues	446,193
Operating expenses:	
Salaries	225,386
Employee benefits	57,996
Other purchased services	57,814
General supplies	25,348
Cost of sales-reimbursable	202,284
Cost of sales-non-reimbursable	100,391
Miscellaneous	613
Depreciation	3,075
	672,907
Total operating expenses	672,907
Operating income (loss)	(226,714)
Non-operating revenues (expenses):	
State sources:	
State school lunch program	6,098
Federal sources:	
National school lunch program	184,078
National school breakfast program	36,616
Food distribution program	42,370
Interest and investment revenue	132
	269,294
Total non-operating revenues (expenses)	269,294
Income (loss) before operating transfers	42,580
Net Income (loss)	42,580
Total net position - beginning	165,185
Total net position - ending	\$ 207,765

Delsea Regional High School District  
Combining Schedule of Cash Flows  
Enterprise Fund  
For the Year Ended June 30, 2019

	Enterprise Funds
	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 496,971
Payments to employees	(225,386)
Payments for employee benefits	(57,996)
Payments to suppliers	(388,776)
Net cash provided by (used for) operating activities	(175,187)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
State reimbursements	5,743
Federal reimbursements	217,305
Net cash provided by (used for) non-capital financing activities	223,048
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and dividends	132
Net increase (decrease) in cash and cash equivalents	47,993
Balances - beginning of year	68,649
Balances - end of year	\$ 116,642
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (226,714)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	3,075
Food distribution program	42,370
(Increase) decrease in inventories	1,772
(Increase) decrease in other receivables	7,708
Increase (decrease) in deposits payable	(779)
Increase (decrease) in deferred revenue	(2,619)
Total adjustments	51,527
Net cash provided by (used for) operating activities	\$ (175,187)



Delsea Regional High School District  
Combining Schedule of Net Position  
Internal Service Fund  
June 30, 2019

	Internal Service Fund
<b>ASSETS</b>	
Current assets:	
Accounts receivable:	
Intergovernmental	\$ 270,300
Total assets	270,300
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	1,259
Interfund payable	268,787
Total current liabilities	270,046
<b>NET POSITION</b>	
Unrestricted	\$ 254

Delsea Regional High School District  
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Fund  
For the Year Ended June 30, 2019

	Internal Service Fund
Operating revenues:	
Charges for services	
Service provided to other LEA's	\$ 765,907
Operating expenses:	
Salaries	384,648
Employee benefits	151,072
Other professional/technical services	20,267
Cleaning, repair, and maintenance	2,645
Miscellaneous transportation services	11,159
Contracted services (aid in lieu payments)	17,167
General supplies	95,525
Communications/telephone	2,750
Energy	709
Electricity	949
Insurance	77,036
Travel	1,400
Miscellaneous	580
Total operating expenses	765,907
Operating income (loss)	
Total net position - beginning	254
Total net position - ending	\$ 254

Delsea Regional High School District  
Combining Schedule of Cash Flows  
Internal Service Fund  
For the Year Ended June 30, 2019

	Internal Service Fund
	Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 765,907
Payments to employees	(384,648)
Payments for employee benefits	(151,072)
Payments to suppliers	(230,187)
	-
Net cash provided by (used for) operating activities	\$ -
Net increase (decrease) in cash and cash equivalents	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Increase) decrease in accounts receivable, net	\$ (42,115)
Increase (decrease) in accounts payable	1,259
Increase (decrease) in interfund payable	40,856
	-
Net cash provided by (used for) operating activities	\$ -

## FIDUCIARY FUNDS

Delsea Regional High School District  
Fiduciary Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2019

	Private Purpose Trust		Agency		Totals
	Unemployment Compensation	Scholarship	Student Activity	Payroll	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 184,216	\$ 321,197	\$ 240,081	\$ 5,829	\$ 751,323
Accounts receivable	475		1,300		1,775
Total assets	\$ 184,691	\$ 321,197	\$ 241,381	\$ 5,829	\$ 753,098
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable			\$ 14,500		\$ 14,500
Payroll deductions & withholdings				\$ 5,829	5,829
Due to student groups			226,881		226,881
Total liabilities			\$ 241,381	\$ 5,829	\$ 247,210
Net Position:					
Held in trust for unemployment claims and other purposes	\$ 184,691				184,691
Permanent endowment - nonexpendable		\$ 50,000			50,000
Expendable scholarship funds		271,197			271,197
Total reserved for scholarships		\$ 321,197			321,197
Total net position					505,888
Total liabilities and net position					\$ 753,098

Delsea Regional High School District  
Combining Statement of Changes in  
Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2019

	<u>Scholarship</u>	<u>New Jersey Unemployment Compensation</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Gifts and contributions	\$ 54,301		\$ 54,301
Deductions from employees' salaries		\$ 42,000	42,000
Interest on investments	241	850	1,091
<b>Total additions</b>	<u>54,542</u>	<u>42,850</u>	<u>97,392</u>
<b>OPERATING EXPENSES:</b>			
Scholarship payments	51,295		51,295
Unemployment compensation insurance claims		26,177	26,177
<b>Total deductions</b>	<u>51,295</u>	<u>26,177</u>	<u>77,472</u>
<b>Changes in net position</b>	<u>3,247</u>	<u>16,673</u>	<u>19,920</u>
<b>Net position, July 1</b>	<u>317,950</u>	<u>168,018</u>	<u>485,968</u>
<b>Net position, June 30</b>	<u><u>\$ 321,197</u></u>	<u><u>\$ 184,691</u></u>	<u><u>\$ 505,888</u></u>

Delsea Regional High School District  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2019

	Balance June 30, 2018	Cash Receipts	Cash Disbursements	Balance June 30, 2019
<b>SCHOOLS:</b>				
Delsea High School	\$ 151,428	\$ 616,846	\$ 586,821	\$ 181,453
Delsea Middle School	39,243	38,401	32,216	45,428
Total all schools	<u>\$ 190,671</u>	<u>\$ 655,247</u>	<u>\$ 619,037</u>	<u>\$ 226,881</u>

Delsea Regional High School District  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 7,540</u>	<u>\$ 18,105,610</u>	<u>\$ 18,107,321</u>	<u>\$ 5,829</u>
<b>LIABILITIES</b>				
Net payroll		\$ 10,946,415	\$ 10,946,415	
Payroll deductions and withholdings	<u>\$ 7,540</u>	<u>7,159,195</u>	<u>7,160,906</u>	<u>\$ 5,829</u>
Total liabilities	<u>\$ 7,540</u>	<u>\$ 18,105,610</u>	<u>\$ 18,107,321</u>	<u>\$ 5,829</u>

## **LONG-TERM DEBT**



Delsea Regional High School District  
Schedule of Serial Bonds  
Year Ended June 30, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2018	Retired	Balance June 30, 2019
			Date	Amount				
Improvements and renovations to the middle school and high school	2/15/2015	\$ 10,581,000	08/01/19	\$ 350,000	3.00%			
			08/01/20	370,000	3.00%			
			08/01/21	380,000	3.00%			
			08/01/22	390,000	3.00%			
			08/01/23	405,000	3.00%			
			08/01/24	420,000	3.00%			
			08/01/25	430,000	3.00%			
			08/01/26	450,000	3.00%			
			08/01/27-32	475,000	3.00%			
			08/1/33-35	475,000	3.125%			
			08/1/36-38	475,000	3.25%			
			08/01/39	476,000	3.25%			
					<u>\$ 9,706,000</u>	<u>\$ 335,000</u>	<u>\$ 9,371,000</u>	

DELSEA REGIONAL HIGH SCHOOL DISTRICT  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2019

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance		Balance June 30, 2019	
			Principle	Interest		June 30, 2018	Issued		Retired
Phone lease	09/01/13	5 Years	\$ 126,465	\$ 13,076	4.08%	\$ 4,628		\$ 4,628	
Computer equipment	06/04/15	5 Years	43,332	3,293	3.80%	17,638		8,653	
Computer equipment	06/04/15	4 Years	46,425	2,748	3.97%	11,823		11,823	
Virtual appliance	05/23/16	3 Years	47,653		0%	13,896		13,896	
Chromebooks	06/06/16	3 Years	199,262	9,515	4.85%	66,371		66,371	
Computer equipment	06/06/16	5 Years	290,259	20,637	3.56%	174,014		55,989	
Computer equipment	06/13/16	3 Years	6,993	562	8.26%	2,326		2,326	
Fortinet lease	06/15/16	3 Years	80,460	6,461	8.26%	26,763		26,763	
Fortinet lease	06/15/16	3 Years	13,975	1,122	8.26%	4,649		4,649	
Fiber backbone	06/13/16	3 Years	36,846	2,959	8.26%	12,256		12,256	
Fortinet switches	08/01/17	5 Years	149,990	19,649	6.56%	116,062		26,310	
Dell chromebooks	08/01/17	3 Years	237,193	13,639	5.86%	153,582		74,604	
Computer equipment	08/01/17	5 Years	222,693	21,378	4.81%	173,879		40,459	
51 promethean boards	09/26/17	5 Years	151,700	26,493	6.04%	124,809		28,515	
Fortinet Lease (TSM04872)	09/01/18	4 years	140,000	21,533	6.94%		\$ 140,000	31,475	
IP Phones	09/01/18	5 years	34,358	5,563	5.22%		34,358	6,191	
43 Promethan Boards	09/01/18	5 years	167,400	20,766	4.03%		167,400	30,889	
Wireless Access Points	09/01/18	5 years	23,231	4,175	5.78%		23,231	4,140	
Chromebooks	09/01/18	3 years	233,514	11,150	4.85%		233,514	81,555	
3 Servers	09/01/18	5 years	22,763	3,278	7.22%		22,763	5,208	
						\$ 902,696	\$ 621,266	\$ 536,700	\$ 987,262

Delsea Regional High School District  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 627,689		\$ 627,689	\$ 627,689	
Total local sources	627,689		627,689	627,689	
Total revenues	627,689		627,689	627,689	
EXPENDITURES:					
Regular debt service:					
Interest	292,689		292,689	292,689	
Redemption of principal	335,000		335,000	335,000	
Total expenditures	627,689		627,689	627,689	

**STATISTICAL SECTION**  
**(Unaudited)**

**Delsea Regional High School District  
Statistical Section**

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	127-132
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	133-136
<b>Debt Capacity</b> 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.	137-140
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	141-142
<b>Operating Information</b> 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.	143-147

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

Delsea Regional High School District  
 Net Position by Component  
 Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Invested in capital assets, net of related debt	\$ 13,766,917	\$ 14,550,244	\$ 14,946,760	\$ 15,539,924	\$ 16,258,259	\$ 10,029,998	\$ 20,087,435	\$ 28,386,542	\$ 28,304,260	\$ 27,192,201
Restricted	1,332,932	1,950,525	3,970,350	4,269,276	5,567,578	22,952,933	12,061,889	6,505,723	6,122,634	5,272,827
Unrestricted	(1,601,203)	(1,310,790)	(1,348,536)	(1,521,471)	(1,486,949)	(10,924,892)	(10,499,398)	(14,053,996)	(101,322,900)	(15,444,617)
Total governmental activities net position	<u>\$ 13,498,646</u>	<u>\$ 15,189,979</u>	<u>\$ 17,568,574</u>	<u>\$ 18,287,729</u>	<u>\$ 20,338,888</u>	<u>\$ 22,058,039</u>	<u>\$ 21,649,926</u>	<u>\$ 20,838,269</u>	<u>\$ (66,896,006)</u>	<u>\$ 17,020,411</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 15,210	\$ 13,098	\$ 11,304	\$ 13,051	\$ 10,835	\$ 8,824	\$ 6,894	\$ 45,710	\$ 42,128	\$ 39,053
Restricted		11,751								
Unrestricted	40,939	83,695	80,572	111,181	126,751	141,157	146,688	135,904	123,057	168,712
Total business-type activities net position	<u>\$ 56,149</u>	<u>\$ 108,544</u>	<u>\$ 91,876</u>	<u>\$ 124,232</u>	<u>\$ 137,586</u>	<u>\$ 149,981</u>	<u>\$ 153,582</u>	<u>\$ 181,614</u>	<u>\$ 165,185</u>	<u>\$ 207,765</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 13,782,127	\$ 14,563,342	\$ 14,958,064	\$ 15,552,975	\$ 16,269,094	\$ 10,038,822	\$ 20,094,329	\$ 28,432,252	\$ 28,346,388	\$ 27,231,254
Restricted	1,332,932	1,950,525	3,970,350	4,269,276	5,567,578	22,952,933	12,061,889	6,505,723	6,122,634	5,272,827
Unrestricted	(1,560,264)	(1,227,095)	(1,267,964)	(1,410,290)	(1,360,198)	(10,783,735)	(10,352,710)	(13,918,092)	(101,199,843)	(15,275,905)
Total District net position	<u>\$ 13,554,795</u>	<u>\$ 15,286,772</u>	<u>\$ 17,660,450</u>	<u>\$ 18,411,961</u>	<u>\$ 20,476,474</u>	<u>\$ 22,208,020</u>	<u>\$ 21,803,508</u>	<u>\$ 21,019,883</u>	<u>\$ (66,730,821)</u>	<u>\$ 17,228,176</u>

Source: District records

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>EXPENSES:</b>										
Governmental activities:										
Instruction:										
Regular	\$ 10,381,084	\$ 7,070,584	\$ 7,141,834	\$ 7,896,578	\$ 7,896,965	\$ 8,080,763	\$ 8,363,282	\$ 8,623,669	\$ 8,889,722	\$ 8,852,199
Special education	3,233,428	2,418,985	1,959,016	2,404,974	2,528,466	2,750,548	2,696,918	2,579,859	2,526,822	2,345,504
Other special instruction	707,509	262,113	255,045	308,085	256,675	303,388	369,628	567,685	486,454	563,506
Other instruction	1,432,853	829,769	1,002,302	1,085,718	1,098,780	1,068,763	1,165,302	1,109,757	1,212,512	1,085,326
Nonpublic school programs	49,250	1,293	1,293							
Support services:										
Tuition	1,744,821	1,952,812	2,033,131	1,327,893	1,261,409	1,582,393	2,027,675	2,296,333	2,916,971	3,498,676
Student & instruction related services	3,513,745	2,346,984	2,644,388	3,034,202	2,951,779	3,141,564	3,109,952	3,090,711	3,043,773	3,120,480
School administrative services	1,424,900	1,131,314	828,329	901,045	513,054	532,837	491,292	512,785	578,927	520,241
General and business administrative services	1,387,541	961,874	1,004,520	947,147	1,077,853	1,151,980	1,140,117	1,033,505	1,097,037	1,141,374
Plant operations and maintenance	2,950,282	2,232,770	2,363,505	2,468,621	2,480,972	2,739,056	2,477,707	2,820,985	2,959,811	2,899,941
Pupil transportation	3,625,374	2,844,651	3,156,366	3,839,673	5,096,037	4,904,905	5,030,983	5,240,580	5,419,578	5,370,618
Employee benefits		6,158,013	6,803,880	7,480,309	6,560,993	7,172,701	8,411,483	10,113,699	13,235,183	12,158,442
Special schools	20,007									
Interest on long-term debt	232,132	196,906	139,821	92,786	49,490	124,859	307,312	304,731	298,255	288,501
Capital outlay		3,122	26,167	309,595	1,376,070	270,332	726,934		785,379	1,144,845
Unallocated depreciation	243,741	738,107	717,965	682,353	672,751	660,031	658,822	635,710	871,339	2,006,217
Total governmental activities expenses	<u>30,946,667</u>	<u>29,149,297</u>	<u>30,077,562</u>	<u>32,778,979</u>	<u>33,821,294</u>	<u>34,484,120</u>	<u>36,977,407</u>	<u>38,930,009</u>	<u>44,321,763</u>	<u>44,995,870</u>
Business-type activities:										
Food service	834,244	772,112	802,569	738,577	711,371	690,145	664,646	681,849	706,647	672,907
Total District expenses	<u>\$ 31,780,911</u>	<u>\$ 29,921,409</u>	<u>\$ 30,880,131</u>	<u>\$ 33,517,556</u>	<u>\$ 34,532,665</u>	<u>\$ 35,174,265</u>	<u>\$ 37,642,053</u>	<u>\$ 39,611,858</u>	<u>\$ 45,028,410</u>	<u>\$ 45,668,777</u>
<b>PROGRAM REVENUES:</b>										
Governmental activities:										
Charges for services:										
Student and instruction related services		\$ 27,172	\$ 26,547							
School administrative services		36,200	91,500	\$ 143,191	\$ 145,774	\$ 124,191	\$ 119,463	\$ 124,191	\$ 124,191	\$ 113,725
General and business administration	\$ 209,600	160,748	100,538	100,000	114,800	114,800	106,980	161,761	143,009	114,890
Plant operation and maintenance	38,955	31,727	37,846	40,238	35,731	25,086	41,892	10,781	25,505	2,645
Pupil transportation	367,677	323,729	427,919	540,490	584,067	456,046	299,164	440,642	375,546	384,476
Employee benefits							178,165		172,022	150,171
Special schools	12,404									
Operating grants and contributions	1,291,463	958,299	828,905	748,687	760,227	1,036,408	954,183	1,007,324	954,743	977,731
Total governmental activities program revenues	<u>1,920,099</u>	<u>1,474,503</u>	<u>1,513,255</u>	<u>1,572,606</u>	<u>1,640,599</u>	<u>1,756,531</u>	<u>1,699,847</u>	<u>1,744,699</u>	<u>1,795,016</u>	<u>1,743,638</u>

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services										
Food service	558,036	534,661	473,176	450,963	415,734	414,229	396,911	406,274	414,213	446,193
Operating grants and contributions	289,338	289,672	312,601	319,842	308,891	288,234	271,204	258,712	275,883	269,162
Total business type activities program revenues	847,374	824,333	785,777	770,805	724,625	702,463	668,115	664,986	690,096	715,355
Total district program revenues	\$ 2,767,473	\$ 2,298,836	\$ 2,299,032	\$ 2,343,411	\$ 2,365,224	\$ 2,458,994	\$ 2,367,962	\$ 2,409,685	\$ 2,485,112	\$ 2,458,993
NET (EXPENSE)/REVENUE:										
Governmental activities	\$ (29,026,568)	\$ (27,674,794)	\$ (28,564,307)	\$ (31,206,373)	\$ (32,180,695)	\$ (32,727,589)	\$ (35,277,560)	\$ (37,185,310)	\$ (42,526,747)	\$ (43,252,232)
Business-type activities	13,130	52,221	(16,792)	32,228	13,254	12,318	3,469	(16,863)	(16,551)	42,448
Total district-wide net expense	\$ (29,013,438)	\$ (27,622,573)	\$ (28,581,099)	\$ (31,174,145)	\$ (32,167,441)	\$ (32,715,271)	\$ (35,274,091)	\$ (37,202,173)	\$ (42,543,298)	\$ (43,209,784)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 11,136,304	\$ 11,903,468	\$ 11,801,436	\$ 12,591,764	\$ 13,274,157	\$ 13,874,384	\$ 14,517,932	\$ 14,808,291	\$ 15,104,457	\$ 15,406,546
Taxes levied for debt service	636,554	736,294	757,823	733,390	708,761	400,641	531,800	617,314	625,964	627,689
Federal and state aid not restricted	15,407,161	15,256,246	16,271,448	16,316,250	16,711,108	16,872,901	17,035,334	17,430,709	17,978,575	21,335,915
Federal and state aid restricted						10,200,875				
Tuition	409,136	508,102	983,497	1,121,220	1,698,159	1,858,599	1,779,475	2,167,049	2,523,723	2,104,622
Transportation fees from other LEA's within the state	807,122	818,988	1,001,273	1,176,681	1,345,317	1,217,727	842,823	1,217,929	1,442,730	1,579,182
Investment earnings	17,628	8,431	10,458	13,806	17,342	3,400	3,732	6,343	6,384	6,055
Miscellaneous income	73,759	71,226	116,967	59,508	60,764	86,774	158,351	126,018	(106,397)	216,329
Extraordinary items				(86,893)	(3,208)	(28,390)				
Total governmental activities	28,487,664	29,302,755	30,942,902	31,925,726	33,812,400	44,486,911	34,869,447	36,373,653	37,575,436	41,276,338
Business-type activities:										
Investment earnings	178	174	124	128	100	77	132	139	122	132
Capital asset contributions								44,756		
Total business-type activities	178	174	124	128	100	77	132	44,895	122	132
Total district-wide	\$ 28,487,842	\$ 29,302,929	\$ 30,943,026	\$ 31,925,854	\$ 33,812,500	\$ 44,486,988	\$ 34,869,579	\$ 36,418,548	\$ 37,575,558	\$ 41,276,470
CHANGES IN NET POSITION:										
Governmental activities	\$ (538,904)	\$ 1,627,961	\$ 2,378,595	\$ 719,353	\$ 1,631,705	\$ 11,759,322	\$ (408,113)	\$ (811,657)	\$ (4,951,311)	\$ (1,975,894)
Business-type activities	13,308	52,395	(16,668)	32,356	13,354	12,395	3,601	28,032	(16,429)	42,580
Total district	\$ (525,596)	\$ 1,680,356	\$ 2,361,927	\$ 751,709	\$ 1,645,059	\$ 11,771,717	\$ (404,512)	\$ (783,625)	\$ (4,967,740)	\$ (1,933,314)

Source: District records



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

	Fiscal Year Ending June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Restricted		\$ 1,559,897	\$ 3,218,851	\$ 3,342,876	\$ 4,686,194	\$ 5,655,748	\$ 4,745,633	\$ 4,513,876	\$ 5,079,683	\$ 4,485,148
Assigned		543,935	751,301	926,400	881,383	1,440,002	2,407,087	1,543,529	1,022,950	767,678
Unrestricted		(590,124)	(552,322)	(648,380)	(683,408)	(663,106)	(614,664)	(530,266)	(461,654)	(383,130)
Reserved	\$ 1,332,412									
Unreserved	(734,300)									
Total general fund	<u>\$ 598,112</u>	<u>\$ 1,513,708</u>	<u>\$ 3,417,830</u>	<u>\$ 3,620,896</u>	<u>\$ 4,884,169</u>	<u>\$ 6,432,644</u>	<u>\$ 6,538,056</u>	<u>\$ 5,527,139</u>	<u>\$ 5,640,979</u>	<u>\$ 4,869,696</u>
All other governmental funds										
Assigned										
Capital projects						\$ 15,857,379	\$ 4,909,365	\$ 448,514	\$ 20,001	\$ 20,001
Debt service fund		\$ 197	\$ 198	\$ 198	\$ 1	(196)	(196)	(196)		
Unreserved, reported in:										
Debt service fund	\$ 520									
Total all other governmental funds	<u>\$ 520</u>	<u>\$ 197</u>	<u>\$ 198</u>	<u>\$ 198</u>	<u>\$ 1</u>	<u>\$ 15,857,183</u>	<u>\$ 4,909,169</u>	<u>\$ 448,318</u>	<u>\$ 20,001</u>	<u>\$ 20,001</u>

Source: District records

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>REVENUES:</b>										
Tax levy	\$ 11,772,858	\$ 12,639,762	\$ 12,559,259	\$ 13,325,154	\$ 13,982,918	\$ 14,275,025	\$ 15,049,732	\$ 15,425,605	\$ 15,730,421	\$ 16,034,235
Tuition charges	409,136	508,102	983,497	1,121,220	1,698,159	1,858,599	1,779,475	2,167,049	2,523,723	2,104,622
Transportation fees	807,122	818,988	1,001,273	1,176,681	1,345,317	1,217,727	842,823	1,217,929	1,442,730	1,579,182
Interest earnings	17,628	8,431	10,458	13,806	3,095	3,400	3,732	6,343	6,384	6,055
Miscellaneous	96,556	84,831	125,015	59,508	93,018	103,374	158,745	126,018	230,450	216,329
State sources	13,287,266	15,280,017	15,846,684	16,321,867	16,727,998	27,070,677	17,061,674	17,498,373	17,997,099	18,628,231
Federal sources	3,400,965	920,923	1,245,621	743,070	725,330	984,090	930,022	939,660	936,219	949,879
<b>Total revenue</b>	<b>29,791,531</b>	<b>30,261,054</b>	<b>31,771,807</b>	<b>32,761,306</b>	<b>34,575,835</b>	<b>45,512,892</b>	<b>35,826,203</b>	<b>37,380,977</b>	<b>38,867,026</b>	<b>39,518,533</b>
<b>EXPENDITURES:</b>										
Instruction:										
Regular instruction	7,742,463	7,048,107	7,156,285	7,874,369	7,882,966	8,016,291	8,257,144	8,443,624	8,725,643	8,794,135
Special education instruction	2,446,588	2,417,947	1,969,339	2,400,459	2,513,419	2,736,786	2,712,384	2,587,899	2,521,715	2,379,712
Other special instruction	545,100	261,873	243,915	308,646	256,675	303,388	369,628	567,075	486,116	562,414
Other instruction	1,013,212	824,501	1,000,990	1,071,493	1,082,151	1,050,974	1,120,825	1,109,411	1,211,367	1,099,678
Nonpublic school programs	47,618									
Community service	38,995									
Support services:										
Tuition	1,744,821	1,952,812	2,033,131	1,327,893	1,261,409	1,582,393	2,027,675	2,296,333	2,916,971	3,498,676
Student & instruction related services	2,709,361	2,395,754	2,614,197	3,026,133	2,974,270	3,103,613	3,105,819	3,101,866	3,039,351	3,140,309
General administrative services	495,837	446,590	455,183	428,394	472,086	431,458	423,852	432,914	452,864	448,744
School administrative services	1,059,298	900,355	785,768	782,903	688,985	704,002	697,019	688,163	714,288	695,659
Central services	335,890	358,348	310,176	328,169	333,270	325,116	378,066	394,808	409,330	391,169
Admin. information technology	132,337	136,869	137,650	170,445	238,996	325,904	378,855	319,151	385,009	432,114
Plant operations and maintenance	2,491,428	2,173,112	2,311,087	2,406,575	2,432,008	2,690,712	2,386,014	2,736,786	2,891,880	2,881,762
Pupil transportation	2,239,814	2,386,913	2,591,332	3,174,276	4,323,808	4,231,443	4,479,983	4,518,234	4,685,587	5,014,405
Employee benefits	6,071,456	6,157,496	6,809,390	7,476,608	6,564,899	7,060,293	7,694,611	8,362,376	8,504,282	9,177,521
Special schools	16,895									
Capital outlay	387,329	499,390	53,359	725,868	1,890,873	5,817,016	12,915,596	6,762,919	2,035,865	1,767,095
Debt service:										
Principal	1,205,697	1,205,956	1,291,229	1,291,524	1,291,832	745,000	240,000	310,000	325,000	335,000
Interest and other charges	245,558	202,850	158,127	111,108	64,073	21,617	291,800	307,314	300,964	292,689
<b>Total expenditures</b>	<b>30,969,697</b>	<b>29,368,873</b>	<b>29,921,158</b>	<b>32,904,863</b>	<b>34,271,720</b>	<b>39,146,006</b>	<b>47,479,271</b>	<b>42,938,873</b>	<b>39,606,232</b>	<b>40,911,082</b>
Excess (deficiency) of revenues over (under) expenditures	(1,178,166)	892,181	1,850,649	(143,557)	304,115	6,366,886	(11,653,068)	(5,557,896)	(739,206)	(1,392,549)
<b>OTHER FINANCING SOURCES (USES):</b>										
Capital leases (non-budgeted)			28,340	331,622	858,417	384,076	727,223		761,576	621,266
State sources-cancellation of state aid receivable									(336,847)	
Transfers in	40,894	23,092	25,136	55,709	100,544	73,695	83,243	86,128		
Bond proceeds						10,581,000				
Transfers out				(40,708)						
<b>Total other financing sources (uses)</b>	<b>40,894</b>	<b>23,092</b>	<b>53,476</b>	<b>346,623</b>	<b>958,961</b>	<b>11,038,771</b>	<b>810,466</b>	<b>86,128</b>	<b>424,729</b>	<b>621,266</b>
<b>Net change in fund balances</b>	<b>\$ (1,137,272)</b>	<b>\$ 915,273</b>	<b>\$ 1,904,125</b>	<b>\$ 203,066</b>	<b>\$ 1,263,076</b>	<b>\$ 17,405,657</b>	<b>\$ (10,842,602)</b>	<b>\$ (5,471,768)</b>	<b>\$ (314,477)</b>	<b>\$ (771,283)</b>
Debt service as a percentage of noncapital expenditures	4.7%	4.9%	4.9%	4.4%	4.2%	2.3%	1.5%	1.7%	1.7%	1.6%

Source: District records

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Interest on investments	\$ 12,687			\$ 10,444	\$ 14,247	\$ 36,678	\$ 46,994	\$ 17,134	\$ 5,123	\$ 10,975
Athletic events	14,530	\$ 13,451	\$ 11,707	20,672	22,264	19,996	17,772	18,999		16,579
Sale of assets	7,264	9,782	730							
Rentals	10,568	4,506	7,239	7,036	8,711	13,928	2,189	4,744		7,016
Refunds	5,721	19,977	45,056	14,774	29,125	9,331	9,516	34,043	5,416	21,784
Prior year purchase order adjustment	331	1,601		2,807						
Fines	3,729	1,125	861	266	571	900	58	310		150
Community school	12,404									
Dividend										24,998
Educational fee		9,000								
Insurance dividend	17,449	11,680	37,874							
Miscellaneous	13,972	104	13,500	13,953	93	5,941	31,588	50,788	219,911	134,827
	<u>\$ 98,655</u>	<u>\$ 71,226</u>	<u>\$ 116,967</u>	<u>\$ 69,952</u>	<u>\$ 75,011</u>	<u>\$ 86,774</u>	<u>\$ 108,117</u>	<u>\$ 126,018</u>	<u>\$ 230,450</u>	<u>\$ 216,329</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 <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
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
2012	23,785,000	676,688,100	33,177,400	5,877,300	62,760,500		1,969,800	804,258,100	2,447,866	806,705,966	1,383,180,084	1.277
2013	37,838,500	1,042,344,800	48,877,100	5,843,700	103,327,000		4,149,800	1,242,380,900	3,746,836	1,246,127,736	1,316,263,732	0.869
2014	36,089,600	1,041,281,400	47,646,600	6,035,100	96,487,300		3,605,700	1,231,145,700	3,008,212	1,234,153,912	1,275,979,921	0.907
2015	34,235,200	1,043,381,600	49,129,500	6,105,900	93,789,600		3,103,600	1,229,745,400	2,956,780	1,232,702,180	1,294,883,839	0.940
2016	34,255,500	1,045,898,900	48,197,300	5,995,600	93,081,000		2,127,000	1,229,555,300	2,907,975	1,232,463,275	1,296,691,472	0.971
2017	33,979,400	1,047,692,500	48,604,500	6,071,800	95,784,400		2,127,000	1,234,259,600	2,819,379	1,237,078,979	1,306,330,003	0.979
2018	32,122,000	1,047,529,000	49,158,100	6,166,900	92,504,200		2,127,000	1,229,607,200	2,145,537	1,231,752,737	1,304,220,449	1.005
2019	32,143,500	1,048,027,300	49,508,200	5,625,200	92,593,900		1,927,000	1,229,825,100	2,161,153	1,231,986,253	1,322,706,396	1.019

**ELK TOWNSHIP**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
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	0.613
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	0.634
2012	19,466,400	320,339,500	26,458,300	4,412,100	27,936,500	1,137,400		399,750,200	1,336,575	401,086,775	382,547,020	0.658
2013	14,151,800	275,989,300	23,117,900	4,313,700	31,157,500	1,189,200		349,919,400	1,231,905	351,151,305	374,101,341	0.801
2014	14,194,800	276,047,800	22,896,000	4,398,500	30,622,800	1,189,200		349,349,100	1,093,377	350,442,477	359,865,466	0.838
2015	14,240,600	277,730,900	22,274,100	4,378,200	30,307,000	1,189,200		350,120,000	1,109,178	351,229,178	360,723,805	0.875
2016	17,933,400	275,905,100	24,150,100	4,349,300	30,344,300	1,189,200		353,871,400	1,088,181	354,959,581	368,583,465	0.922
2017	19,532,500	284,780,900	23,915,600	4,314,500	30,934,200	1,189,200		364,666,900	1,007,309	365,674,209	382,130,867	0.949
2018	17,934,500	293,890,500	22,894,800	4,119,600	29,913,100	1,189,200		369,941,700	1,077,657	371,019,357	383,914,044	0.945
2019	16,910,800	296,901,200	23,690,400	3,789,000	29,037,900	1,189,200		371,518,500	1,065,004	372,583,504	390,369,066	0.979

Source: District records & Municipal/County Tax Assessor

- Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each County. Reassessment occurs when ordered by the County Board of Taxation.  
**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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Franklin Township Municipality	Franklin Township School District	Gloucester County	
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	0.980	4.230
2012	1.205	0.072	1.277	0.903	1.114	0.944	4.238
2013	0.821	0.048	0.869	0.617	0.763	0.638	2.887
2014	0.861	0.046	0.907	0.621	0.799	0.635	2.962
2015	0.914	0.026	0.940	0.622	0.831	0.688	3.081
2016	0.937	0.034	0.971	0.671	0.863	0.706	3.211
2017	0.940	0.039	0.979	0.671	0.87	0.706	3.226
2018	0.965	0.040	1.005	0.671	0.891	0.722	3.289
2019	0.979	0.040	1.019	0.669	0.911	0.735	3.334

**ELK TOWNSHIP**

Fiscal Year Ended June 30,	Delsea Regional High School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Elk Township Municipality	Elk Township School District	Gloucester County	
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
2012	0.586	0.030	0.616	0.658	0.642	0.565	2.481
2013	0.757	0.044	0.801	0.764	0.714	0.687	2.966
2014	0.796	0.042	0.838	0.794	0.810	0.681	3.123
2015	0.850	0.025	0.875	0.861	0.816	0.721	3.273
2016	0.889	0.033	0.922	0.876	0.822	0.75	3.370
2017	0.911	0.038	0.949	0.876	0.826	0.753	3.404
2018	0.907	0.038	0.945	0.876	0.925	0.755	3.501
2019	0.941	0.038	0.979	0.903	0.921	0.764	3.567

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 pre-budget 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	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
RT Enterprises, LLC	7,091,000	0.58%	3,999,800	0.49%
R. Leo & Sons, LLC	3,586,300	0.29%	2,277,700	0.28%
US Bank NA Trustee	2,922,400	0.24%		
Wawa, Inc.	2,770,800	0.22%	1,498,800	0.19%
PDM, LLC (CVS)	2,500,000	0.20%	1,086,500	0.13%
Verizon New Jersey	2,161,153	0.18%		
New Greenways, LLC	2,158,300	0.18%		
Graiff Brothers Properties LLC	2,044,400	0.17%		
Rosemar Properties, V.L.L.C.	1,600,000	0.13%		
AJ Seerat LLC	1,550,000	0.13%		
Sharon Reed Community Dev. Corp			1,438,200	0.18%
Individual Taxpayer 1			1,278,900	0.16%
State of NJ, DEP C/O White Oaks CC			1,195,900	0.15%
Blackwood Town Industries, Inc.			1,143,300	0.14%
Individual Taxpayer 2			1,130,400	0.14%
Visconti Brothers Properties LLC			1,119,600	0.14%
<b>Total</b>	<b>28,384,353</b>	<b>2.30%</b>	<b>16,169,100</b>	<b>2.00%</b>

**ELK TOWNSHIP**

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Individual Taxpayer 1	6,043,000	1.62%	1,056,300	0.27%
Laux Lakeview Park Inc.	4,140,100	1.11%	924,000	0.02%
Aura Investors LLC	3,198,500	0.86%		
SCP 2007-C27, LLC (CVS Caremark)	2,449,900	0.66%	2,196,100	0.56%
Aura Development Group LLC	1,546,200	0.41%		
Clayton Associates	1,189,200	0.32%	1,137,400	0.29%
Copart of Connecticut Inc.	1,102,000	0.30%		
Verizon New Jersey	1,065,004	0.29%	1,802,555	0.46%
Robinson Property Holdings	1,052,200	0.28%		
US Bank NA Trustee	1,042,600	0.28%		
Western Oilfields Supply Co			1,140,600	0.29%
Christy Enterprises			1,037,800	0.26%
Individual Taxpayer 2			936,200	0.24%
Laux Lakeview Park Inc.			924,000	0.22%
Individual Taxpayer 3			867,000	0.22%
<b>Total</b>	<b>22,828,704</b>	<b>6.13%</b>	<b>12,021,955</b>	<b>3.05%</b>

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	
2010	\$ 11,209,288	\$ 11,209,288	100.00%	
2011	11,772,858	11,772,858	100.00%	
2012	12,639,762	12,639,762	100.00%	
2013	12,559,259	12,559,259	100.00%	
2014	13,325,154	13,325,154	100.00%	
2015	13,982,918	13,982,918	100.00%	
2016	14,275,025	14,275,025	100.00%	
2017	15,425,605	15,425,605	100.00%	
2018	15,730,421	15,730,421	100.00%	
2019	16,034,235	16,034,235	100.00%	

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

Note: 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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	EDA Loans	Capital Leases			
2010	\$ 3,720,000	\$ 2,105,539		\$ 5,825,539	0.57%	278
2011	3,040,000	1,579,583		4,619,583	0.71%	221
2012	2,275,000	1,053,355	\$ 22,117	3,350,472	0.38%	161
2013	1,510,000	526,831	242,898	2,279,729	0.24%	110
2014	745,000		809,582	1,554,582	0.16%	75
2015	10,581,000		884,488	11,465,488	1.12%	555
2016	10,341,000		1,192,905	11,533,905	1.11%	561
2017	10,031,000		689,583	10,720,583	0.99%	521
2018	9,706,000		902,696	10,608,696	N/A	516
2019	9,371,000		987,262	10,358,262	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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2010	\$ 3,720,000		\$ 3,720,000	0.37%	178
2011	3,040,000		3,040,000	0.31%	146
2012	2,275,000		2,275,000	0.25%	109
2013	1,510,000		1,510,000	0.19%	73
2014	745,000		745,000	0.05%	36
2015	10,581,000		10,581,000	0.67%	512
2016	10,341,000		10,341,000	0.65%	503
2017	10,031,000		10,031,000	0.63%	487
2018	9,706,000		9,706,000	0.61%	472
2019	9,371,000		9,371,000	0.58%	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-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, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Franklin Township	\$ 6,175,000	100.00%	\$ 6,175,000
Elk Township	2,194,050	100.00%	2,194,050
Township of Franklin School District	1,522,000	100.00%	1,522,000
Township of Elk School District	675,000	100.00%	675,000
Gloucester County	239,123,500	6.36%	15,194,139
Subtotal, overlapping debt			25,760,189
<b>Delsea Regional High School District direct debt</b>			<u>9,371,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 35,131,189</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
2018	\$ 387,089,777	\$ 1,318,330,867	\$ 1,705,420,644
2017	376,799,855	1,304,438,386	1,681,238,241
2016	369,269,957	1,296,178,895	1,665,448,852
	<u>\$ 1,133,159,589</u>	<u>\$ 3,918,948,148</u>	<u>\$ 5,052,107,737</u>
Average equalized valuation of taxable property	\$ 377,719,863	\$ 1,306,316,049	\$ 1,684,035,912
Debt limit (3% of average equalized valuation)			<b>a</b> 50,521,077
Net bonded school debt			9,371,000
Legal debt margin			<u>\$ 41,150,077</u>

Fiscal Year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 55,795,662	\$ 56,108,585	\$ 54,824,874	\$ 52,769,636	\$ 50,734,582	\$ 49,677,554	\$ 49,433,011	\$ 49,675,551	\$ 39,189,481	\$ 50,521,077
Total net debt applicable to limit	<u>5,825,539</u>	<u>4,619,583</u>	<u>3,328,355</u>	<u>2,036,831</u>	<u>745,000</u>	<u>10,581,000</u>	<u>10,341,000</u>	<u>10,031,000</u>	<u>9,706,000</u>	<u>9,371,000</u>
Legal debt margin	<u>\$ 49,970,123</u>	<u>\$ 51,489,002</u>	<u>\$ 51,496,519</u>	<u>\$ 50,732,805</u>	<u>\$ 49,989,582</u>	<u>\$ 39,096,554</u>	<u>\$ 39,092,011</u>	<u>\$ 39,644,551</u>	<u>\$ 29,483,481</u>	<u>\$ 41,150,077</u>
Total net debt applicable to the limit as a percentage of debt limit	10.44%	8.23%	6.07%	3.86%	1.47%	21.30%	20.92%	20.19%	24.77%	18.55%

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 <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2010	16,779	709,550,352	42,288	12.4%
2011	16,720	731,800,960	43,768	12.7%
2012	16,658	747,860,910	44,895	9.5%
2013	16,603	760,849,078	45,826	9.5%
2014	16,589	784,742,645	47,305	9.0%
2015	16,571	822,518,156	49,636	7.8%
2016	16,473	833,352,597	50,589	6.7%
2017	16,427	862,516,062	52,506	6.1%
2018	16,390	N/A	N/A	5.4%
2019	N/A	N/A	N/A	N/A

**ELK TOWNSHIP**

Fiscal Year Ended June 30,	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2010	4,162	176,002,656	42,288	9.5%
2011	4,151	181,680,968	43,768	9.3%
2012	4,130	185,416,350	44,895	9.5%
2013	4,114	188,528,164	45,826	9.5%
2014	4,105	194,187,025	47,305	14.9%
2015	4,090	203,011,240	49,636	6.6%
2016	4,094	207,111,366	50,589	4.6%
2017	4,151	217,952,406	52,506	4.7%
2018	4,173	N/A	N/A	4.3%
2019	N/A	N/A	N/A	N/A

Source:

- (a)** Population information provided by the NJ Department 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 Census published by the US Bureau of Economic Analysis.
- (d)** Unemployment data provided by the NJ Department of Labor and Workforce Development.

N/A - Information not available

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

Employer	2019		2010	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Amazon	4,500	3.06%		
Rowan University	3,500	2.38%	1,300	0.88%
Inspira Health	2,051	1.39%		
Underwood Memorial Hospital			1,825	1.24%
Jefferson Health	2,015	1.37%		
Kennedy Health Alliance			1,200	0.82%
Washington Township School District	1,550	1.05%	1,504	1.02%
Shop Rite	1,300	0.88%		
County of Gloucester	1,200	0.82%	1,500	1.02%
U.S. Foodservices	1,014	0.69%	800	0.54%
Monroe Township School District	811	0.55%	714	0.49%
Walmart-Turnersville	800	0.54%		
Missa Bay, LLC			950	0.65%
Valero			640	0.43%
Goodwin Pumps			640	0.43%
	<u>18,741</u>		<u>11,073</u>	

Source: Gloucester County Department of Economic Development

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	107	107	108	109	108	105	106	108	102	105
Special education	40	41	40	42	43	46	45	42	36	29
Other special instruction	5	4	3	1	1	1	1	1	1	1
Support services:										
Student & instruction related services	34	34	33	37	38	33	30	31	37	38
General administrative services	3	3	3	3	3	4	5	5	3	3
School administrative services	12	13	9	8	10	10	8	9	7	7
Central services	5	5	5	5	5	5	5	5	5	5
Administrative information technology	3	3	2	3	4	4	5	5	4	3
Plant operations and maintenance	31	32	27	27	25	22	24	25	29	28
Pupil transportation	67	67	65	78	80	86	87	88	76	76
Total	<u>307</u>	<u>309</u>	<u>295</u>	<u>313</u>	<u>317</u>	<u>316</u>	<u>316</u>	<u>319</u>	<u>300</u>	<u>295</u>

Source: District personnel records

Delsea Regional High School District  
Operating Statistics  
Last Ten Fiscal Years

**Pupil/Teacher Ratio**

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Middle School	High School	Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
2010	1,765.5	29,131,113	16,500	8.96%	136	10:6:1	11.9:1	1,753	1,651	-2.07%	94.2%
2011	1,743.0	27,460,677	15,755	-4.52%	139	10:8:1	13.6:1	1,748	1,648	-0.27%	94.3%
2012	1,712.5	28,418,443	16,595	5.33%	142	10:6:1	12.9:1	1,713	1,620	-2.02%	94.6%
2013	1,752.6	30,776,363	17,560	5.82%	142	10:7:1	13.4:1	1,753	1,655	2.34%	94.4%
2014	1,752.6	32,155,588	18,347	4.48%	139	12:0:1	12.9:1	1,754	1,654	0.06%	94.3%
2015	1,698.0	32,562,373	19,177	4.52%	139	11.2:1	12.7:1	1,695	1,596	-3.36%	94.2%
2016	1,600.0	34,031,875	21,270	10.91%	143	10.1:1	11.5:1	1,608	1,514	-5.13%	94.2%
2017	1,615.0	35,558,640	22,018	3.52%	151	10.1:1	10.8:1	1,600	1,506	-0.50%	94.1%
2018	1,614.0	36,944,403	22,890	3.96%	145	11.5:1	10.9:1	1,612	1,515	0.75%	94.0%
2019	1,603.0	38,516,298	24,028	4.97%	143	12.9:1	10.8:1	1,605	1,512	-0.43%	94.2%

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

District Building	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Middle School</b>										
Delsea Regional Middle School (1989)										
Square Feet	97,000	97,000	97,000	97,000	97,000	97,000	101,650	101,650	101,650	101,650
Capacity (students)	724	724	724	724	724	724	759	759	759	759
Enrollment	570	547	539	600	613	538	478	485	534	563
<b>High School</b>										
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	1,182	1,196	1,173	1,153	1,141	1,158	1,122	1,130	1,080	1,040
<b>Other</b>										
Bus Garage (1996) <sup>a</sup>										
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, 2019										
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

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES 11-000-261-XXX												
School facilities:	Project numbers:											
Delsea High School	N/A	\$ 194,986	\$ 95,152	\$ 137,006	\$ 128,057	\$ 90,504	\$ 251,646	\$ 161,178	\$ 160,195	\$ 219,784	\$ 155,034	\$ 1,593,542
Delsea Middle School	N/A	57,868	33,108	59,060	80,715	82,390	112,694	41,544	113,978	121,908	92,089	795,354
Total school facilities		252,854	128,260	196,066	208,772	172,894	364,340	202,722	274,173	341,692	247,123	2,388,896
Other facilities:												
Wastewater treatment plant	N/A	38,464	26,391	58,105	160,240	63,446	75,337	59,982	65,641	69,808	76,615	694,029
Grand total		\$ 291,318	\$ 154,651	\$ 254,171	\$ 369,012	\$ 236,340	\$ 439,677	\$ 262,704	\$ 339,814	\$ 411,500	\$ 323,738	\$ 3,082,925

Source: District records

Delsea Regional High School District  
Insurance Schedule

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - Republic Franklin Insurance Company		
Property - blanket building & contents	\$ 104,414,060	\$ 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	3,000,000	7,500 plus 5%
Employee Benefits		
Employee Benefits	1,000,000	1,000
Aggregate for each year	3,000,000	
Inland Marine		
Data processing hardware	3,763,298	100
Software	600,000	
Extra expense	200,000	
Cybersurance-Privacy and Security Breach Coverage	1,000,000	10,000
Commercial Umbrella - Utica Mutual Insurance Company	10,000,000	
Storage Tank System - ACE Tank Safe	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		250
Collision		5,000
Workers' Compensation - New Jersey School Boards Association Insurance Group	3,000,000	
School Board Legal Liability - Utica National Insurance Group	1,000,000	2,500
Student Accident Insurance		
Basic - Arch Insurance Group	500,000	
Voluntary - Berkley Life and Health Insurance Company	500,000	
Catastrophic - United States Fire Insurance Company	2,500,000	25,000
Public Employees' Faithful Performance		
Bond - Ohio Casualty Insurance Co.		
Treasurer	250,000	
Board Secretary	35,000	

Source - District records

## **SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
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Deanna L. Roller, CPA, RMA

EXHIBIT K-1

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

### Independent 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 in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Delsea Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Delsea Regional High School District's basic financial statements, and have issued our report thereon dated December 10, 2019.

#### ***Internal Control Over Financial Reporting***

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

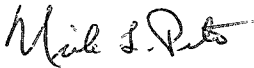
### ***Compliance and Other Matters***

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 is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### ***Purpose of this Report***

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

December 10, 2019

# PETRONI & ASSOCIATES LLC

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EXHIBIT K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE REQUIRED BY *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST  
PRINCIPLES, AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE),  
AND NEW JERSEY OMB'S CIRCULAR 15-08***

## **Independent Auditor's Report**

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

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

We have audited the Delsea Regional High School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Delsea Regional High School District's major federal and state programs for the year ended June 30, 2019. 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

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Delsea Regional High School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 - Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance), and the *New Jersey State Aid/Grant*

*Compliance Supplement, Audits of States, Local Governments, and Non-Profit Organizations* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's 15-08, 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 and state program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of Delsea Regional High School District's compliance.

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

In our opinion, Delsea Regional High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

### ***Report on Internal Control Over Compliance***

Management of Delsea Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Delsea Regional High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08, 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 Delsea Regional High School 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 and 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 and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did

not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

***Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by Uniform Guidance and New Jersey OMB's Circular 15-08***

We have audited the financial statements of Delsea Regional High School District as of and for the year ended June 30, 2019, and have issued our report thereon dated December 10, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

December 10, 2019



DELSEA REGIONAL HIGH SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2018	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2019			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	1905NJ5MAP	N/A	\$ 45,345	7/1/18	6/30/19			\$ 44,595	\$ (45,345)					\$ (750)	\$ 45,345
SEMI Mac	93.778	1905NJ5MAP	N/A	7,118	7/1/18	6/30/19			7,118	(7,118)						7,118
Subtotal									51,713	(52,463)						52,463
Education Jobs Fund	84.410	N/A	N/A	15,445	9/1/11	9/30/13	\$ (1,173)				\$ 1,173					15,445
Total General Fund							(1,173)		51,713	(52,463)	1,173					67,908
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
Title I, Part A	84.010	S010A180030	ESEA280019	166,691	7/1/18	6/30/19			73,008	(166,691)					(93,683)	166,691
Title I, Part A	84.010	S010A170030	ESEA280018	159,113	7/1/17	6/30/18	(79,656)		79,656							159,113
Subtotal							(79,656)		152,664	(166,691)				(93,683)		325,804
Special Education Cluster																
IDEA Part B, Basic Regular	84.027	H027A180100	IDEA280019	662,961	7/1/18	6/30/19			139,754	(638,981)				(499,227)		638,981
IDEA Part B, Basic Regular	84.027	H027A170100	IDEA280018	627,753	7/1/17	6/30/18	(364,290)		364,290							582,092
Total Special Education Cluster							(364,290)		504,044	(638,981)				(499,227)		1,221,073
Title II Part A	84.367	S367A180029	ESEA280019	34,689	7/1/18	6/30/19				(34,689)				(34,689)		34,689
Title II Part A	84.367	S367A170029	ESEA280018	37,482	7/1/17	6/30/18	(5,709)		5,709							35,347
Title II Part A	84.367	S367A150029	ESEA280014	43,867	7/1/13	6/30/14	(67)				67					22,195
Subtotal							(5,776)		5,709	(34,689)	67			(34,689)		92,231
Title III	84.365	S365A180030	ESEA280019	175	9/1/18	6/30/19				(175)				(175)		175
Title III	84.365	S365A150030	ESEA280014	516	9/1/13	6/30/14	(331)				331					506
							(331)			(175)	331			(175)		681
Title IV Part A	84.424	S424A180031	ESEA280019	9,025	7/1/18	6/30/19				(9,025)				(9,025)		9,025
Title IV Part A	84.424	S424A170031	ESEA280018	12,700	7/1/17	6/30/18	(12,484)		12,484							12,484
							(12,484)		12,484	(9,025)				(9,025)		21,509
Perkins	84.048	V048A180030	N/A	68,705	7/1/18	6/30/19			56,275	(68,705)				(12,430)		68,705
Perkins	84.048	V048A170030	N/A	95,970	7/1/17	6/30/18	(43,139)		43,139							95,970
Perkins	84.048	V048A160030	N/A	58,079	7/1/16	6/30/17	(3,171)				3,171					58,079
Subtotal							(46,310)		99,414	(68,705)	3,171			(12,430)		222,754
Race to the Top	84.413A	B413A120008	N/A	14,370	9/1/12	11/30/15	(152)				152					14,283
Total Special Revenue Fund							(508,999)		774,315	(918,266)	3,721			(649,229)		1,898,335
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Food Distribution Program	10.555	N/A	N/A	42,370	7/1/18	6/30/19			42,370	(39,875)				\$ 2,495		39,875
Food Distribution Program	10.555	N/A	N/A	40,227	7/1/17	6/30/18	5,114			(5,114)						40,227
School Breakfast Program	10.553	191NJ304N1099	N/A	36,616	7/1/18	6/30/19			27,748	(36,616)				(8,868)		36,616
School Breakfast Program	10.553	181NJ304N1099	N/A	38,181	7/1/17	6/30/18	(8,011)		8,011							38,181
National School Lunch Program	10.555	191NJ304N1099	N/A	184,078	7/1/18	6/30/19			148,365	(184,078)				(35,713)		184,078
National School Lunch Program	10.555	181NJ304N1099	N/A	191,193	7/1/17	6/30/18	(33,183)		33,183							182,060
Total Enterprise Fund							(36,080)		259,677	(265,683)				(44,581)	2,495	521,037
Total Federal Financial Awards							\$ (546,252)		\$ 1,085,705	\$ (1,236,412)				\$ (693,810)	\$ 2,495	\$ 2,487,280

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, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2018			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2019			MEMO	
					Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount				Accounts Receivable	Deferred Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total
State Department of Education															
General Fund:															
Extraordinary Aid	19-100-034-5120-473	\$ 310,917	7/1/18	6/30/19				\$ (310,917)			\$ (310,917)			\$	310,917
Extraordinary Aid	18-100-034-5120-473	198,972	7/1/17	6/30/18	\$ (198,972)		\$ 198,972								198,972
State Aid Public:															
Special Education Aid	19-495-034-5120-089	956,261	7/1/18	6/30/19			956,261	(956,261)						\$	156,138
Equalization Aid	19-495-034-5120-078	12,086,304	7/1/18	6/30/19			12,086,304	(12,086,304)							987,769
Security Aid	19-495-034-5120-084	231,243	7/1/18	6/30/19			231,243	(231,243)							37,757
School Choice Aid	19-495-034-5120-068	503,100	7/1/18	6/30/19			503,100	(503,100)							82,146
Transportation Aid	19-495-034-5120-014	239,518	7/1/18	6/30/19			239,518	(239,518)							39,108
Reimbursement of Nonpublic Transportation	N/A	19,205	7/1/18	6/30/19				(19,205)			(19,205)				19,205
Reimbursement of Nonpublic Transportation	N/A	21,460	7/1/17	6/30/18	(21,460)		21,460								21,460
On-behalf TPAF Pension Contribution	19-495-034-5094-006	2,289,948	7/1/18	6/30/19			2,289,948	(2,289,948)							2,289,948
On-behalf TPAF Post-retirement Medical	19-495-034-5094-001	1,038,717	7/1/18	6/30/19			1,038,717	(1,038,717)							1,038,717
On-behalf TPAF Long Term Disability Insurance	19-495-034-5094-004	1,185	7/1/18	6/30/19			1,185	(1,185)							1,185
Reimbursed TPAF Social Security	19-495-034-5094-003	871,214	7/1/18	6/30/19			828,914	(871,214)			(42,300)				871,214
Reimbursed TPAF Social Security	18-495-034-5094-003	864,119	7/1/17	6/30/18	(42,027)		42,027								864,119
<b>Total General Fund</b>					<b>(262,459)</b>		<b>18,437,649</b>	<b>(18,547,612)</b>			<b>(372,422)</b>			<b>1,302,918</b>	<b>19,632,163</b>
Special Revenue Fund:															
NJ Non-Public Aid															
Textbook Aid	19-100-034-5120-064	8,165	7/1/18	6/30/19			7,423	(7,423)							7,423
Textbook Aid	18-100-034-5120-064	5,971	7/1/17	6/30/18		\$ 228			\$	228					5,743
Security Aid	19-100-034-5120-509	20,850	7/1/18	6/30/19			20,850	(20,850)							20,850
Security Aid	18-100-034-5120-509	8,250	7/1/17	6/30/18		2,000				2,000					6,250
Auxiliary Services:															
Transportation	19-100-034-5120-067	896	7/1/18	6/30/19			896	(514)				\$	382		514
Transportation	18-100-034-5120-067	1,897	7/1/17	6/30/18		191				191					1,706
Home Instruction	19-100-034-5120-067	4,020	7/1/18	6/30/19				(4,020)			(4,020)				4,020
Home Instruction	19-100-034-5120-067	629	7/1/18	6/30/19				(629)			(629)				629
Home Instruction	18-100-034-5120-067	6,998	7/1/17	6/30/18		1,152				1,152					9,495
Home Instruction	14-100-034-5120-067	919	7/1/13	6/30/14	(919)					919					919
Handicapped Services:															
Corrective Speech	19-100-034-5120-066	1,786	7/1/18	6/30/19			1,786	(714)					1,072		714
Corrective Speech	18-100-034-5120-066	3,392	7/1/17	6/30/18		89				89					3,303
Examination and Classification	19-100-034-5120-066	12,559	7/1/18	6/30/19			12,559	(12,559)							12,559
Examination and Classification	18-100-034-5120-066	12,974	7/1/17	6/30/18		11,279				11,279					13,476
Supplementary Instruction	19-100-034-5120-066	9,516	7/1/18	6/30/19			9,516	(7,375)					2,141		7,375
Supplementary Instruction	18-100-034-5120-066	14,273	7/1/17	6/30/18		2,697				2,697					11,576
Nursing Services Aid	19-100-034-5120-070	13,483	7/1/18	6/30/19			13,483	(13,483)							13,483
Technology Aid	19-100-034-5120-373	5,004	7/1/18	6/30/19			5,004	(4,964)					40		4,964
Technology Aid	19-100-034-5120-373	4,965	7/1/18	6/30/19				(4,964)			(4,964)				4,964
Technology Aid	18-100-034-5120-373	4,033	7/1/16	6/30/17		42				42					2,626
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	5,999	7/1/14	6/30/15	(1,040)					1,040					5,999
Achievement Coach	N/A	50,000	7/1/16	6/30/17	59							\$	59		49,941
Department of Community Affairs															
Passed-through County of Gloucester															
Special Revenue Fund:															
Municipal Alliance	N/A	2,500	7/1/18	6/30/19			7,656	(2,820)					4,836		2,820
Municipal Alliance	N/A	2,500	7/1/17	6/30/18	(200)		200								2,000
<b>Total Special Revenue Fund</b>					<b>(2,600)</b>	<b>17,678</b>	<b>79,373</b>	<b>(80,315)</b>	<b>20,137</b>	<b>(9,613)</b>	<b>4,895</b>	<b>3,635</b>			<b>194,349</b>

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, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2018			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2019			MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount				Accounts Receivable	Deferred Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Agriculture																
Enterprise Fund:																
Child Nutrition Cluster																
National School Lunch Program (State Share)	19-100-010-3350-023	6,098	7/1/18	6/30/19				4,688	(6,098)		(1,410)				6,098	
National School Lunch Program (State Share)	18-100-010-3350-023	6,282	7/1/17	6/30/18	(1,055)			1,055							6,282	
Total Enterprise Fund/Child Nutrition Cluster					(1,055)			5,743	(6,098)		(1,410)				12,380	
Total State Financial Assistance					<u>\$ (266,114)</u>	<u>\$ 17,678</u>		<u>\$ 18,522,765</u>	<u>\$ (18,634,025)</u>	<u>\$ 20,137</u>	<u>\$ (383,445)</u>	<u>\$ 4,895</u>	<u>\$ 3,635</u>	<u>\$ 1,302,918</u>	<u>\$ 19,838,892</u>	
Less: On-Behalf TPAF Pension System Contributions															<u>\$ (3,329,850)</u>	
Total for State Financial Assistance - Major Program Determination																<u>\$ (15,304,175)</u>

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, 2019

**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 basis 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 *2 CFR 200 – Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 15-08. 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 GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44-2. For GAAP purposes, that, payment is not recognized until the subsequent budget year due to the state deferral and recording of one or more June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the June state aid payments in the current budget year, consistent with NJSA 18A:22-4-2.

DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2019

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$60,896) for the General Fund and (\$20,850) for the Special Revenue Fund. See Note A (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 GAAP basis as presented (See Exhibit B-2 and B-5):

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 51,713	\$ 18,486,716	\$ 18,538,429
Special Revenue Fund	897,416	80,315	977,731
Food Service Fund	265,683	6,098	271,781
	<u>\$ 1,214,812</u>	<u>\$ 18,573,129</u>	<u>\$ 19,787,941</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, 2019, Delsea Regional High School District has food commodities totaling \$2,495 in inventory.

**NOTE 6: OTHER**

The amount reported as the TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2019. The TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for the TPAF members for the year ended June 30, 2019.

**NOTE 7: INDIRECT COST RATE**

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2019

**NOTE 8: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT  
MAJOR PROGRAM DETERMINATION**

On-behalf State Programs for the TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State Financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

**NOTE 9: ADJUSTMENTS TO THE SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE**

The amount reported as adjustments on Schedules A and B are the result of cancelation of prior year payables.

DELSEA REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**Section I – Summary of Auditor’s Results**

**Financial Statements:**

Type of auditor’s report issued:

Unmodified

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 reported

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:

Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with 2 CFR 200  
Section .516(a)?

       Yes                      X   No

Identification of major programs:

<u>CFDA Number</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A180100	IDEA

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?                      X   Yes                           No

DELSEA REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

**State Awards:**

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB’s Circular 15-08?   Yes  X  No

Identification of major programs:

State Grant/Project Numbers

- 495-034-5120-078
- 495-034-5120-089
- 495-034-5095-084
- 495-034-5120-068

Name of State Program

- State Aid Public Cluster:
- Equalization Aid
  - Special Education Categorical Aid
  - Security Aid
  - School Choice Aid



DELSEA REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

***Section II – Financial Statement Findings***

No matters were reported.

***Section III - Federal Awards and State Financial Assistance  
Findings and Questions Costs***

FEDERAL AWARDS

No matters were reported.

STATE FINANCIAL ASSISTANCE

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, 2019

**Status of Prior Year Finding**

N/A

**Findings:**

N/A

**Condition:**

N/A

**Current Status:**

N/A