

**Delsea Regional High School Board of Education
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020**

**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, 2020**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2020

Prepared by:

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

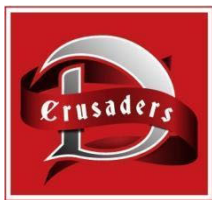
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INTRODUCTORY SECTION



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*
Dr. Anner Thompson, *Director of Special Services/CST* • Paul Berardelli, *HS Principal* • Jill Bryfogle, *MS Principal*

January 25, 2021

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, 2020, is hereby submitted. Responsibility for both the accuracy of the data and the 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 designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections:

- The Introductory Section contains a table of contents, letter of transmittal, list of principal officials, and an organizational chart of the District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the basic financial statements, and notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;
- The Single Audit Section - The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, 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 2019-20 fiscal year with an average daily enrollment of 1,604 students, which is 1 student less than the previous year's enrollment.

The teaching staff consists of approximately 141 teachers, plus 32 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 maintains 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 & ELA, and MathXL 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 9th 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. Last year the District was awarded a \$2.4 million Federal grant focused on the MS climate and culture grant over the next three 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, and music tech lab, and online course offerings. 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. The District has moved from static to dynamic learning through the infusion of technology into learning.

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 middle school 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. The District will be adding two more AP courses to the curriculum offerings in the 2021-2022 school year.

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 federal MS Culture and Climate grant has increased access to national programs such as culturally responsive PBIS, trauma-informed practices, and restorative justice; all will be added into the school over the next

four years. The District is also looking at discipline disproportionately to ensure that disciplinary actions are fair and equitable.

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 Work-Based Learning Experiences coordinator and course 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, effective implementation of technology including G-Suite for Education PD and the transition from static to dynamic learning, and 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. Due to the pandemic, the District was unable to offer the summer program, and instead is providing extended school year opportunities through during and after school tutoring in math and ELA.

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 will 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 for by the voters of the municipalities, 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, 2017-2018, and 2019-2020.

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 the 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,

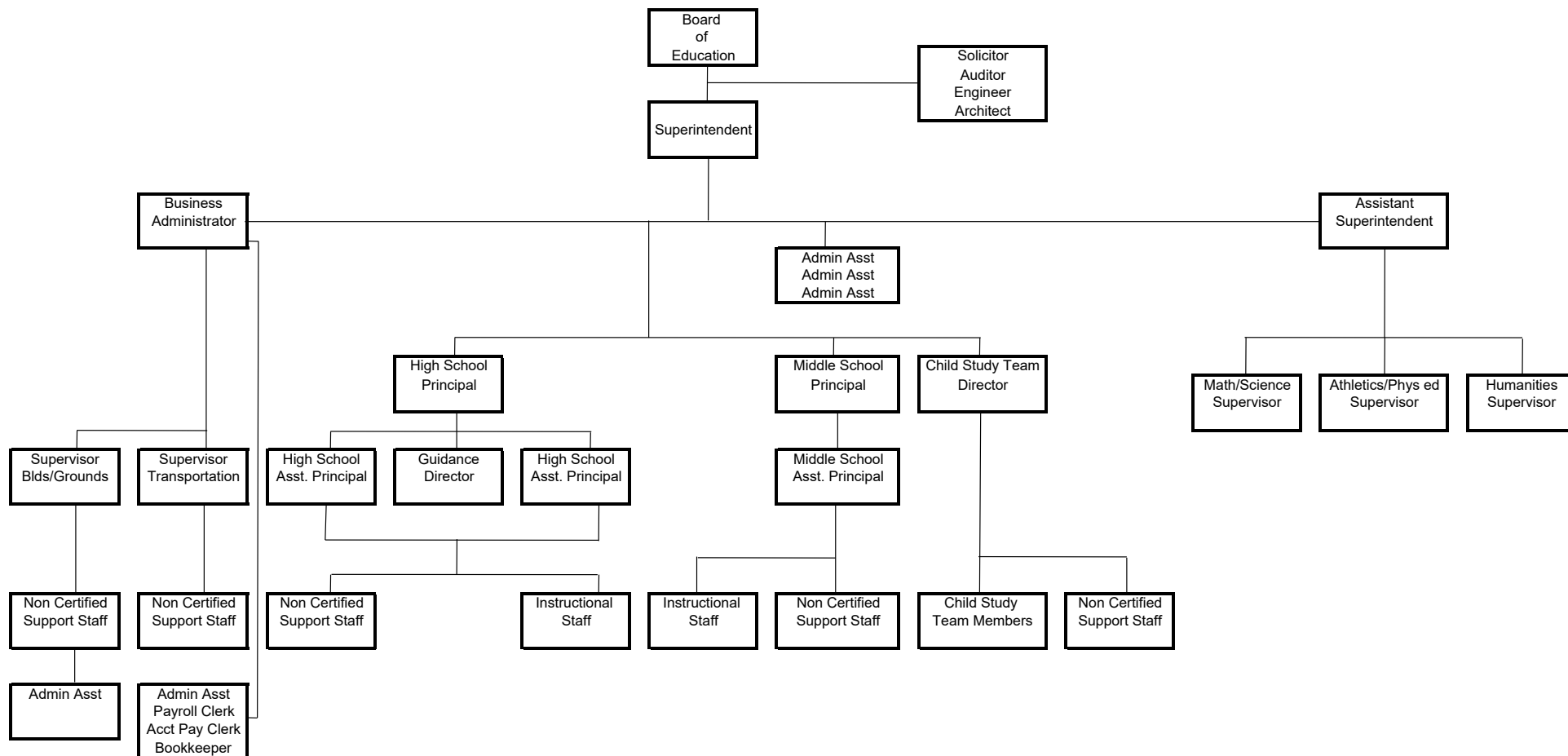
Dr. Piera Gravenor

Dr. Piera Gravenor
Superintendent

Joseph M. Collins

Joseph M. Collins
Business Administrator/Board Secretary

**DELSEA REGIONAL SCHOOL DISTRICT
ORGANIZATIONAL CHART**



DELSEA REGIONAL HIGH SCHOOL DISTRICT

FRANKLINVILLE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2020

Members of the Board of Education	Term Expires
Kathie P. Catucci, President	2023
Tina DeSilvio, Vice President	2021
Frank Borelli	2023
Vacant	2023
William DiMatteo	2022
David J. Piccirillo	2022
Desiree Miller	2022
Diane Trace	2021
Garry Lightfoot	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
14000 F. Commerce Parkway
Mount Laurel, NJ 08054

ATTORNEY

Frank P. Cavallo, Jr. Esq.
Three Greentree Centre
7001 Lincoln Drive West
Marlton, NJ 08053-0974

AUDIT FIRM

Petroni & Associates LLC
P.O. Box 279
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
P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

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

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, 2020, 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, 2020, 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 January 25, 2021, 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

January 25, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
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, 2020. 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 2020 are as follows:

- In total, governmental activities net position increased \$197,283 from \$17,020,411, resulting in an .01 percent increase from fiscal year 2019.
- General revenues (see exhibit A-2) accounted for \$39,600,324 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 \$1,856,662 or 4 percent of total revenues of \$41,456,986.
- The District had (see exhibit A-2) \$41,796,344 in expenses; only \$2,410,003 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$39,600,324 were adequate to provide for these programs.
- Among Governmental Funds, (see exhibit B-2) the General Fund had \$37,765,359 in revenues and \$37,937,439 in expenditures. The fund balance for the General Fund increased \$345,447 from fiscal year 2019.

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, 2020
Unaudited

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.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
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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 2020 and 2019.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

The District as a Whole (Continued)

Table I - Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current & other assets	\$ 6,530,534	\$ 5,422,695	\$ 209,893	\$ 176,158	\$ 6,740,427	\$ 5,598,853
Capital assets	36,577,223	37,528,989	36,011	39,053	36,613,234	37,568,042
Total assets	<u>43,107,757</u>	<u>42,951,684</u>	<u>245,904</u>	<u>215,211</u>	<u>43,353,661</u>	<u>43,166,895</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension	505,675	578,334			505,675	578,334
	<u>505,675</u>	<u>578,334</u>			<u>505,675</u>	<u>578,334</u>
LIABILITIES						
Long-term liabilities	19,470,317	22,750,017			19,470,317	22,750,017
Other liabilities	2,223,230	652,604	21,270	7,446	2,244,500	660,050
Total liabilities	<u>21,693,547</u>	<u>23,402,621</u>	<u>21,270</u>	<u>7,446</u>	<u>21,714,817</u>	<u>23,410,067</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pension	4,702,191	3,106,986			4,702,191	3,106,986
	<u>4,702,191</u>	<u>3,106,986</u>			<u>4,702,191</u>	<u>3,106,986</u>
NET POSITION						
Invested in capital assets, net of debt	26,649,674	27,192,201	36,011	39,053	26,685,685	27,231,254
Restricted	5,578,630	5,272,827			5,578,630	5,272,827
Unrestricted	(15,010,610)	(15,444,617)	188,623	168,712	(14,821,987)	(15,275,905)
Total net position	<u>\$ 17,217,694</u>	<u>\$ 17,020,411</u>	<u>\$ 224,634</u>	<u>\$ 207,765</u>	<u>\$ 17,442,328</u>	<u>\$ 17,228,176</u>

The District's combined net position was \$17,442,328 on June 30, 2020. This was an increase of 1 percent from the prior year.

Total assets increased \$186,766. There was an increase in current and other assets of \$1,141,574 and a decrease in capital assets of \$954,808. The decreases are due primarily to receivables and depreciation.

Total liabilities decreased \$1,695,250 due primarily to OPEB liability.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

The District as a Whole (Continued)

Table 2 shows changes in net position for fiscal year 2020 compared to fiscal year 2019.

Table 2- Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 776,760	\$ 765,907	\$ 284,962	\$ 446,193	\$ 1,061,722	\$ 1,212,100
Operating grants & contributions	1,079,902	977,731	268,379	269,162	1,348,281	1,246,893
General revenues:						
Property taxes	16,347,289	16,034,235			16,347,289	16,034,235
Federal & state aid	19,883,772	21,335,915			19,883,772	21,335,915
Other	3,369,263	3,906,188	169	132	3,369,432	3,906,320
Total revenues	41,456,986	43,019,976	553,510	715,487	42,010,496	43,735,463
Expenses:						
Instruction	12,913,369	12,846,535			12,913,369	12,846,535
Support services	25,343,649	28,709,772			25,343,649	28,709,772
Interest on debt	278,039	288,501			278,039	288,501
Unallocated depreciation	2,252,260	2,006,217			2,252,260	2,006,217
Capital outlay	472,386	1,144,845			472,386	1,144,845
Food service			536,641	672,907	536,641	672,907
Total Expenses	41,259,703	44,995,870	536,641	672,907	41,796,344	45,668,777
Change in net position	\$ 197,283	\$ (1,975,894)	\$ 16,869	\$ 42,580	\$ 214,152	\$ (1,933,314)

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 \$313,054. The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District budget and related tax levy.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

Governmental Activities

The District's total revenues for Governmental Activities were \$41,456,986 for the year ended June 30, 2020. 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 \$41,259,703. 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.

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 \$41,259,703 total cost of services for fiscal year, \$39,403,041 is for activities which are not self-supporting and are supported by tax revenue and unrestricted State aid.

Table 3 - Governmental Activities

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:	\$ 12,913,369	\$ 12,109,816	\$ 12,846,535	\$ 12,108,072
Support services:				
Tuition	3,293,948	3,293,948	3,498,676	3,498,676
Student & instructional related services	2,701,317	2,430,965	3,120,480	2,887,859
School administrative services	617,385	493,194	520,241	406,516
General & business administrative services	1,004,806	980,175	1,141,374	1,026,484
Plant operations & maintenance	2,844,750	2,835,490	2,899,941	2,897,296
Pupil transportation	4,790,202	4,328,626	5,370,618	4,986,142
Employee benefits	10,091,241	9,934,139	12,158,442	12,008,271
Interest on long-term debt	278,039	278,039	288,501	288,501
Capital outlay	472,386	466,389	1,144,845	1,138,198
Depreciation	2,252,260	2,252,260	2,006,217	2,006,217
Total expenses	<u>\$ 41,259,703</u>	<u>\$ 39,403,041</u>	<u>\$ 44,995,870</u>	<u>\$ 43,252,232</u>

Business-type Activities

Business-type Activities include the food service operation. This program had program revenues of \$553,341 and expenses of \$536,641 for fiscal year 2020. 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 \$16,869 for fiscal year 2020 was mainly caused by an increase in sales.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

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 39,477,873 and expenditures were \$39,649,755. The net increase in fund balance for the year was most significant in the general fund, an increase of \$345,447.

General Fund Budgeting Highlights

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

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

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

For the General Fund, total revenues on the budget basis were \$37,752,937, which includes \$4,348,798 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 \$361,687 over the final budget amount. This was mainly due to additional tuition and miscellaneous revenue. Total expenditures, on the budget basis, were \$37,937,439. Expenditures were \$1,852,030 less than the final budget amount of \$35,440,671 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 2020, the District had \$36,613,234 invested in land, buildings, and furniture and equipment. Table 4 shows fiscal year 2020 balances compared to 2019.

Overall capital assets decreased \$951,766 from fiscal year 2019 to fiscal year 2020. The decrease in capital assets is due primarily to depreciation. Total capital asset additions for fiscal year 2020 were \$1,300,494.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

Capital Assets (Continued)

Table 4 - Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 71,500	\$ 71,500			\$ 71,500	\$ 71,500
Site improvements	1,247,501	658,522			1,247,501	658,522
Buildings & improvements	31,467,817	33,118,908			31,467,817	33,118,908
Machinery & equipment	3,790,405	3,680,059	\$ 36,011	\$ 39,053	3,826,416	3,719,112
Total	<u>\$ 36,577,223</u>	<u>\$ 37,528,989</u>	<u>\$ 36,011</u>	<u>\$ 39,053</u>	<u>\$ 36,613,234</u>	<u>\$ 37,568,042</u>

Debt Administration

At June 30, 2020, the District had \$10,915,955 of outstanding debt. Of this amount, \$9,021,000 is for serial bonds for school construction/renovation, \$906,549 for capital leases, and \$988,406 is for compensated absences. The District continues to pay down its debt, decreasing bonds and loans \$350,000 in fiscal year 2020.

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.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

Factors Bearing on the District's Future (Continued)

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.

COVID-19 Pandemic

In March 2020, the World Health Organization characterized a novel strain of coronavirus, known as COVID-19, as a pandemic. Concerns related to the spread of COVID-19 and the related containment measures intended to mitigate its impact have created substantial disruption to the global economy. As part of our response to the COVID-19 pandemic, we are following business continuity processes led by our Administrative team. Our main priority is the health and safety of our students and staff. Our actions have been driven by government mandates and guidelines. In March 2020, schools were closed due to the coronavirus pandemic. Eventually, all New Jersey schools were closed for the balance of the school year and students completed their studies via remote online instruction. In preparation for the 2020-21 school year amidst the continuing pandemic, the NJ Department of Education provided school districts with guidance to prepare a restart and recovery plan. One of the requirements of this plan, per state guidance, is the provision of some degree of in-person instruction. A family opt-out provision allowing for full time remote instruction was later added to the guidance. In response, the District has developed its return to school plan for 2020-21. The plan requires the District to adequately provide reasonable accommodations for students and staff identified as being at a higher risk for severe illness from COVID-19. These accommodations will come mainly in the form of a full-virtual model for both teachers and students. The District will also rely heavily upon social distancing, mask wearing for students and staff, along with sanitation and cleaning procedures. The District expects the COVID-19 matter to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Delsea Regional High School District
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 142,956	\$ 161,461	\$ 304,417
Receivables, net	3,917,577	14,461	3,932,038
Inventory		32,748	32,748
Interfund accounts receivable		1,223	1,223
Restricted assets:			
Restricted cash and cash equivalents:	20,001		20,001
Capital reserve account	2,450,000		2,450,000
Capital assets:			
Non-depreciable assets	71,500		71,500
Assets net of depreciation	36,505,723	36,011	36,541,734
Total assets	<u>43,107,757</u>	<u>245,904</u>	<u>43,353,661</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	<u>505,675</u>		<u>505,675</u>
	<u>505,675</u>		<u>505,675</u>
LIABILITIES			
Accounts payable	1,250,964		1,250,964
Deposits payable		10,840	10,840
Payable to state government	5,425		5,425
Deferred revenue	37,326	10,430	47,756
Accrued interest payable	115,485		115,485
Interfund accounts payable	1,223		1,223
Noncurrent liabilities:			
Due within one year	812,807		812,807
Due beyond one year	10,103,148		10,103,148
Net pension liability	9,367,169		9,367,169
Total liabilities	<u>21,693,547</u>	<u>21,270</u>	<u>21,714,817</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	<u>4,702,191</u>		<u>4,702,191</u>
	<u>4,702,191</u>		<u>4,702,191</u>
NET POSITION			
Invested in capital assets, net of related debt	26,649,674	36,011	26,685,685
Restricted for:			
Capital projects	20,001		20,001
Debt service	198		198
Other purposes	5,558,431		5,558,431
Unrestricted	(15,010,610)	188,623	(14,821,987)
Total net position	<u>\$ 17,217,694</u>	<u>\$ 224,634</u>	<u>\$ 17,442,328</u>

See accompanying notes to the basic financial statements.

Delsea Regional High School District
Statement of Activities
For the Year Ended June 30, 2020

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	\$ 9,032,728				\$ (9,032,728)		\$ (9,032,728)
Special education	2,242,305			\$ 803,553	(1,438,752)		(1,438,752)
Other special instruction	532,739				(532,739)		(532,739)
Other instruction	1,105,597				(1,105,597)		(1,105,597)
Support services:							
Tuition	3,293,948				(3,293,948)		(3,293,948)
Student & instruction related services	2,701,317			270,352	(2,430,965)		(2,430,965)
School administrative services	617,385	\$ 124,191			(493,194)		(493,194)
Other administrative services	1,004,806	24,631			(980,175)		(980,175)
Plant operations and maintenance	2,844,750	9,260			(2,835,490)		(2,835,490)
Pupil transportation	4,790,202	461,576			(4,328,626)		(4,328,626)
Employee benefits	10,091,241	157,102			(9,934,139)		(9,934,139)
Interest on long-term debt	278,039				(278,039)		(278,039)
Capital outlay	472,386			5,997	(466,389)		(466,389)
Unallocated depreciation	2,252,260				(2,252,260)		(2,252,260)
Total governmental activities	<u>41,259,703</u>	<u>776,760</u>		<u>1,079,902</u>	<u>(39,403,041)</u>		<u>(39,403,041)</u>
Business-type activities:							
Food service	536,641	286,477		266,864		\$ 16,700	16,700
Total primary government	<u>\$ 41,796,344</u>	<u>\$ 1,063,237</u>		<u>\$ 1,346,766</u>	<u>\$ (39,403,041)</u>	<u>\$ 16,700</u>	<u>\$ (39,386,341)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 15,714,677		\$ 15,714,677
Taxes levied for debt service					632,612		632,612
Federal and state aid not restricted					19,883,772		19,883,772
Tuition					2,027,224		2,027,224
Transportation fees					1,194,008		1,194,008
Investment earnings					1,836	\$ 169	2,005
Miscellaneous income					146,195		146,195
Subtotal, general revenues					<u>39,600,324</u>	<u>169</u>	<u>39,600,493</u>
Changes in net position					197,283	16,869	214,152
Net position - beginning					17,020,411	207,765	17,228,176
Net position - ending					<u>\$ 17,217,694</u>	<u>\$ 224,634</u>	<u>\$ 17,442,328</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

Delsea Regional High School District
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 141,815	\$ 943	\$ 20,001	\$ 198	\$ 162,957
Due from other funds	117,036				117,036
Receivables from other governments	3,362,537	304,594			3,667,131
Other receivables	129,816				129,816
Restricted cash and cash equivalents	2,450,000				2,450,000
Total Assets	\$ 6,201,204	\$ 305,537	\$ 20,001	198	6,526,940
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 984,838	\$ 262,786			1,247,624
Due to other funds	1,223				1,223
Deferred revenue		37,326			37,326
Payable to state government		5,425			5,425
Total Liabilities	986,061	305,537			1,291,598
Fund balances:					
Restricted for					
Excess surplus - current year	302,959				302,959
Excess surplus - prior year - designated for subsequent year's expenditures	1,137,680				1,137,680
Capital reserve account	2,200,000				2,200,000
Maintenance reserve account	250,000				250,000
Capital projects fund			\$ 20,001		20,001
Debt service fund				198	198
Assigned to:					
Designated by the BOE for subsequent year's expenditures	218,440				218,440
Other purposes	1,449,352				1,449,352
Unassigned					
General fund	(343,288)				(343,288)
Total fund balances	5,215,143		20,001	198	5,235,342
Total liabilities and fund balance	\$ 6,201,204	\$ 305,537	\$ 20,001		

See accompanying notes to the basic financial statements.

Delsea Regional High School District
Balance Sheet
Governmental Funds
June 30, 2020

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 \$66,548,197 and the accumulated depreciation is \$29,970,974 (See Note 7).	\$ 36,577,223
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).	(10,915,955)
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(115,485)
Net pension liability adjustment	(13,563,685)
Net position of Governmental Activities	<u>\$ 17,217,694</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, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 15,714,677			\$ 632,612	\$ 16,347,289
Tuition	2,027,224				2,027,224
Transportation fees	1,194,008				1,194,008
Interest earned on capital reserve funds	1,836				1,836
Miscellaneous	146,195				146,195
Total - local sources	19,083,940			632,612	19,716,552
State sources	18,626,771	\$ 53,637			18,680,408
Federal sources	54,648	1,026,265			1,080,913
Total revenues	37,765,359	1,079,902		632,612	39,477,873
EXPENDITURES:					
Current:					
Regular instruction	9,056,517				9,056,517
Special education instruction	1,438,752	803,553			2,242,305
Other special instruction	530,743				530,743
Other instruction	1,105,597				1,105,597
Support services and undistributed costs:					
Tuition	3,293,948				3,293,948
Student & instruction related services	2,987,564	270,352			3,257,916
School administrative services	472,190				472,190
Other administrative services	1,482,231				1,482,231
Plant operations and maintenance	2,823,569				2,823,569
Pupil transportation	4,394,421				4,394,421
Employee benefits	9,141,623				9,141,623
Debt service:					
Principal				350,000	350,000
Interest and other charges				282,414	282,414
Capital outlay	1,210,284	5,997			1,216,281
Total expenditures	37,937,439	1,079,902		632,414	39,649,755
Excess (deficiency) of revenues over expenditures	(172,080)			198	(171,882)
OTHER FINANCING SOURCES (USES):					
Transfer from internal service fund	74,920				74,920
Capital leases (non-budgeted)	442,607				442,607
Total other financing sources (uses)	517,527				517,527
Net change in fund balances	345,447			198	345,645
Fund balance - July 1	4,869,696		\$ 20,001		4,889,697
Fund balance - June 30	\$ 5,215,143		\$ 20,001	\$ 198	\$ 5,235,342

See accompanying notes to the basic financial statements.

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, 2020

Total net change in fund balances - Governmental Funds (from B-2)	\$	345,645
<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		1,300,494
Depreciation		(2,252,260)
<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		350,000
Capital lease repayment		523,320
<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		(442,607)
<p>Internal Service Funds are used by Management to charge the costs of certain activities to individual funds. Net revenue (expense) of Internal Service Funds is reported with Governmental Activities.</p>		
		74,920
<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>		
		4,375
<p>Internal Service Funds are used by Management to charge the costs of certain activities, such as shared business services and transportation. The operating net position of \$74,921 was transferred to the General Fund. These funds are already included in the Governmental Activities and Statement of Net Position</p>		
		(74,920)
<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>		
		(44,698)
<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>		
		413,014
Change in net position of Governmental Activities	\$	<u>197,283</u>

Delsea Regional High School District
Statement of Net Position
Proprietary Funds
June 30, 2020

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
	<u>Food Service</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 161,461	
Accounts receivable:		
State	437	
Federal	11,606	
Other	2,418	
Intergovernmental		\$ 120,630
Interfund accounts receivable	1,223	
Inventories	32,748	
Total current assets	<u>209,893</u>	<u>120,630</u>
Noncurrent assets:		
Furniture, machinery & equipment	471,342	
Less: accumulated depreciation	(435,331)	
Total noncurrent assets	<u>36,011</u>	
Total assets	<u>245,904</u>	<u>120,630</u>
LIABILITIES		
Current liabilities:		
Accounts payable		3,340
Deposits payable	10,840	
Interfund payables		117,036
Deferred revenue	10,430	
Total current liabilities	<u>21,270</u>	<u>120,376</u>
NET POSITION		
Invested in capital assets net of related debt	36,011	
Unrestricted	188,623	254
Total net position	<u>\$ 224,634</u>	<u>\$ 254</u>

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, 2020

	Business-type Activities <u>Enterprise Funds</u> Food Service	<u>Governmental Activities</u> Internal Service Fund
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 137,006	
Daily sales - non-reimbursable programs	135,017	
Special functions	14,454	
Services provided to other LEA's		\$ 776,760
Total operating revenues	<u>286,477</u>	<u>776,760</u>
Operating expenses:		
Cost of sales - reimbursable	172,258	
Cost of sales - non-reimbursable	52,832	
Salaries	183,604	401,552
Employee benefits	45,882	157,103
Other professional/technical services		25,999
Cleaning, repair, and maintenance		1,748
Other purchased services	56,459	
Miscellaneous transportation services		14,196
Contracted services (aid in lieu payments)		13,340
General supplies	20,158	79,732
Communications/telephone		4,282
Energy		947
Electricity		949
Travel		1,400
Miscellaneous	2,406	592
Depreciation	3,042	
Total operating expenses	<u>536,641</u>	<u>701,840</u>
Operating income (loss)	<u>(250,164)</u>	74,920
Non-operating revenues (expenses):		
State sources:		
State school lunch program	5,080	
Federal sources:		
National school lunch program	192,945	
National school breakfast program	27,527	
Food distribution program	41,312	
Interest and investment revenue	169	
Total non-operating revenues (expenses)	<u>267,033</u>	
Income (loss) before contributions & transfers	<u>16,869</u>	74,920
Transfers in (out)		<u>(74,920)</u>
Change in net position	<u>16,869</u>	
Total net position - beginning	<u>207,765</u>	<u>254</u>
Total net position - ending	<u>\$ 224,634</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, 2020

	Business-type Activities Enterprise Funds Food Service	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 299,397	\$ 776,760
Payments to employees	(183,604)	(401,552)
Payments for employee benefits	(45,882)	(157,103)
Payments to suppliers	(283,248)	(201,346)
	(213,337)	16,759
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:		
State sources	6,053	
Federal sources	251,934	
Operating subsidies and transfers to other funds		(16,759)
	257,987	(16,759)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends	169	
	44,819	
Balances - beginning of year	116,642	
Balances - end of year	\$ 161,461	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (250,164)	
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	3,042	
Food distribution program	41,312	
(Increase) decrease in accounts receivable, net		149,670
(Increase) decrease in inventories	(20,447)	
(Increase) decrease in other receivables	(904)	
Increase (decrease) in accounts payable		2,080
Increase (decrease) in deferred revenue	7,935	
Increase (decrease) in deposits payable	5,889	
Increase (decrease) in interfund payable		(151,750)
Total adjustments	36,827	
Net cash provided by (used for) operating activities	\$ (213,337)	

Delsea Regional High School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Private Purpose Trust Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 194,792	\$ 326,761	\$ 308,456
Accounts receivable	1,073		1,300
	<u>195,865</u>	<u>326,761</u>	<u>\$ 309,756</u>
Total assets	<u>\$ 195,865</u>	<u>326,761</u>	<u>\$ 309,756</u>
LIABILITIES			
Payroll deductions & withholdings			10,943
Accounts payable		26,500	
Due to student groups			<u>298,813</u>
Total liabilities		<u>\$ 26,500</u>	<u>\$ 309,756</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>\$ 195,865</u>		
Permanent endowment - nonexpendable		50,000	
Expendable scholarship funds		<u>250,261</u>	
Total reserved for scholarships		<u>300,261</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, 2020

	Private Purpose Trust Funds	
	Unemployment Compensation Trust	Scholarship Funds
OPERATING REVENUES:		
Gifts and contributions		\$ 56,944
Deductions from employees' salaries	\$ 43,817	
Interest on investments	712	370
Total additions	<u>44,529</u>	<u>57,314</u>
OPERATING EXPENSES:		
Scholarship payments		78,250
Unemployment insurance claims	33,355	
Total deductions	<u>33,355</u>	<u>78,250</u>
Change in net position	11,174	(20,936)
Net position - beginning of the year	<u>184,691</u>	<u>321,197</u>
Net position - end of the year	<u>\$ 195,865</u>	<u>\$ 300,261</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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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 policies 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, 2020**

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 Adopted

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement, originally effective for period's beginning after June 15, 2018, is postponed until June 15, 2019.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Recent Accounting Pronouncements Adopted (Continued)

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This Statement, originally effective for periods beginning after June 15, 2018, is postponed until June 15, 2019.

X. Recent Effective Accounting Pronouncements Postponed by Statement 95

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result of GASB 95, the effective dates of the following statements are postponed by one year:

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement originally effective for periods beginning after December 31, 2018, is postponed until 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, originally effective for periods beginning after December 15, 2018, is postponed until December 15, 2019, and will not have any effect on financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020." This Statement, originally effective for periods beginning after December 15, 2020 is postponed until December 15, 2021. Management has not yet determined the impact of this Statement on the financial Statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rate." This Statement, except for paragraph 11b originally effective for periods beginning after June 15, 2020, is postponed until June 15, 2021. The requirement in paragraph 11b originally effective for periods beginning after December 31, 2021, is postponed until December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

Y. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until June 15, 2021, due to the issuance of Statement No. 95. Management expects this Statement will have an impact on the financial statements.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Y. Recent Accounting Pronouncements Not Yet Effective (Continued)

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." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until December 15, 2020, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures. This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." This Statement provides guidance on the accounting and financial reporting related to the reporting of fiduciary component units. This Statement is effective for periods beginning after June 15, 2021. Management does not expect this Statement will have a significant impact on the financial statements.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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, 2020 and 2019, was \$3,589,428 and \$2,053,446. As of June 30, 2020 and 2019, \$0 of the District's bank balance of \$3,679,734 and \$4,420,001, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2020 and 2019, 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.

NOTE 4: RECEIVABLES

Receivables at June 30, 2020, 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	\$ 431,683	\$ 437
Other	3,185,408	2,418
Federal aid	300,486	11,606
	<u>\$ 3,917,577</u>	<u>\$ 14,461</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at June 30, 2020:

	Interfund Receivable	Interfund Payable
General Fund	\$ 117,036	\$ 1,223
Food Service Fund	1,223	
Internal Service Fund		117,036
	\$ 118,259	\$ 118,259

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, 2020, consisted of the following:

Food	\$ 17,661
Commodities	10,430
Supplies	4,657
	\$ 32,748

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, 2020**

NOTE 7: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions	Balance June 30, 2020
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	3,502,045	\$ 743,895	4,245,940
Building & building improvements	51,107,603		51,107,603
Machinery & equipment	10,566,555	556,599	11,123,154
Totals at historical cost	<u>65,176,203</u>	<u>1,300,494</u>	<u>66,476,697</u>
Less: accumulated depreciation			
Site improvements	2,843,523	154,916	2,998,439
Building & building improvements	17,988,695	1,651,091	19,639,786
Machinery & equipment	6,886,496	446,253	7,332,749
Total accumulated depreciation	<u>27,718,714</u>	<u>2,252,260</u>	<u>29,970,974</u>
Governmental activities capital assets, net	<u>\$ 37,528,989</u>	<u>\$ (951,766)</u>	<u>\$ 36,577,223</u>
Business-type activities:			
Machinery & equipment	\$ 471,342		\$ 471,342
Less: accumulated depreciation	432,289	\$ 3,042	435,331
Business-type capital assets, net	<u>\$ 39,053</u>	<u>\$ (3,042)</u>	<u>\$ 36,011</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, 2020, consisted of the following:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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, 2020, was \$9,021,000.

B. Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2020, are as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Bonds payable	\$ 9,371,000		\$ 350,000	\$ 9,021,000	\$ 370,000
Capital leases	987,262	\$ 442,607	523,320	906,549	442,807
Compensated absences	943,708	114,074	69,376	988,406	
	<u>\$ 11,301,970</u>	<u>\$ 556,681</u>	<u>\$ 942,696</u>	<u>\$ 10,915,955</u>	<u>\$ 812,807</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
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	420,000	224,514	644,514
2026-2030	2,305,000	921,644	3,226,644
2031-2035	2,375,000	566,006	2,941,006
2036-2040	2,376,000	192,818	2,568,818
	<u>\$ 9,021,000</u>	<u>\$ 2,922,663</u>	<u>\$ 11,943,663</u>

D. Bonds Authorized but not Issued

As of June 30, 2020, 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, 2020**

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, 2020, 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 3.16% to 7.22%. 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, 2020.

Year Ended June 30,	Principal	Interest	Total
2021	\$ 442,807	\$ 46,556	\$ 489,363
2022	321,581	21,806	343,387
2023	92,844	7,578	100,422
2024	49,318	2,838	52,156
	<u>\$ 906,550</u>	<u>\$ 78,778</u>	<u>\$ 985,328</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, 2020, amounted to \$22,330. Future minimum lease payments are as follows:

Year Ended June 30,	Amount
2021	\$ 19,281
2022	19,281
	<u>\$ 38,562</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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, 2020, 2019, and 2018, were \$505,675, \$578,334, and \$522,559, 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, 2020, 2019, and 2018, which were \$3,461,955, \$3,329,850, and \$2,802,537, 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, 2020**

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, 2020, 2019, and 2018; \$886,843, \$871,214, and \$864,119, 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, 2020, 2019, and 2018, were \$18,216,465, \$18,105,609, and \$18,142,609, respectively. Covered payroll was \$3,796,870, \$3,638,651, and \$3,730,002 for the PERS and \$12,291,724, \$12,108,298, and \$12,082,874 for the TPAF for the same years.

For the year ended June 30, 2020, the District recognized pension expense of \$92,661. At June 30, 2020, 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		\$ 108,888
Changes of assumptions		2,988,372
Net difference between projected and actual earnings on pension plan investments		250,924
Changes in proportion and differences between District contributions and proportionate share of contributions		1,354,008
Employer contributions subsequent to the measurement date	\$ 505,675	
	\$ 505,675	\$ 4,702,192

\$505,675 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, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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, 2020**

NOTE 10: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

Year Ended June 30,	Amount
2021	\$ (993,539)
2022	(1,700,332)
2023	(1,257,398)
2024	(661,115)
2025	(89,808)
	<u>\$ (4,702,192)</u>

Additional information – Collective balances at June 30, 2019 and 2018, are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	<u>18,018,482,972</u>	<u>19,689,501,539</u>
District's proportion	0.0519864474%	0.0581429000%

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, 2020, 2019, and 2018, were \$13,722, \$13,643, and \$8,935.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: POSTEMPLOYMENT BENEFITS

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In fiscal year 2019, the State paid PRM benefits for 153,893 State and local retirees.

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 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with fiscal year 2018 amounts. The State has appropriated \$1.612 billion in fiscal year 2020 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. The fiscal year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in fiscal year 2018.

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.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: POSTEMPLOYMENT BENEFITS (CONTINUED)

Total Non-Employer OPEB Liability (Continued)

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020, was \$59,366,193. 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/gasb-notice.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2019, 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.

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	3.50%

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

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

The actuarial assumptions used in the June 30, 2018, valuation was based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: POSTEMPLOYMENT BENEFITS (CONTINUED)

	Total OPEB Liability	
	June 30, 2018	June 30, 2019
Balance at beginning of measurement period	\$ 53,639,841,858	\$ 46,110,832,982
Changes for the year:		
Service cost	1,984,642,729	1,734,404,850
Interest	1,970,236,232	1,827,787,206
Changes of benefit terms	-	-
Differences between expected and actual experience	(5,002,065,740)	(7,323,140,818)
Changes in assumptions or other inputs	(5,291,448,855)	622,184,027
Contributions - Member	42,614,005	37,971,171
Benefit payments	(1,232,987,247)	(1,280,958,373)
Net changes	<u>(7,529,008,876)</u>	<u>(4,381,751,937)</u>
Balance at end of measurement period	<u>\$ 46,110,832,982</u>	<u>\$ 41,729,081,045</u>

There were no changes in benefit terms from 2017 to 2018 and 2019.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018 to 3.50% in 2019.

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, 2019, associated with the School District using a discount rate of 3.50%, 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	Current Rate	1% Increase
	2.50%	3.50%	4.50%
Total OPEB Liability (School Retirees)	\$ 48,915,097	\$ 59,366,193	\$ 73,201,298

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, 2019, 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.

	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability (School Retirees)	\$ 48,915,097	\$ 59,366,193	\$ 73,201,298

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: POSTEMPLOYMENT BENEFITS (CONTINUED)

Additional information – Collective balances at June 30, 2019 and 2018, are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	\$ 1,921,145,183	\$ 1,377,313,892
Collective deferred inflows of resources	20,887,639,826	16,189,378,926
Collective OPEB Expense	1,015,664,874	2,129,660,368
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, 2020, the Board of Education recognized \$1,202,353 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, 2019, measurement date.

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, 2020, 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		\$ (10,484,965,300)
Changes of assumptions or other inputs		(8,481,529,343)
Total	None	\$ (18,966,494,643)

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
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	(6,233,858,733)
	<u>\$ (18,966,494,643)</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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.	Siracusa Benefits Program
Metropolitan Life Insurance	

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, 2020, is \$988,406.

NOTE 14: LABOR CONTRACTS

As of June 30, 2020, 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.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15: RISK MANAGEMENT (CONTINUED)

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:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 712	\$ 43,817	\$ 33,355	\$ 195,865
2018-2019	850	42,000	26,177	184,691
2017-2018	870	42,024	14,559	168,018

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, 2019 to June 30, 2020, fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 1,400,000
Deposit	798,164
Interest earnings	1,836
Ending balance, June 30, 2020	<u><u>\$ 2,200,000</u></u>

The June 30, 2020, LRFP balance of local support costs of uncompleted capital projects is \$1,966,378.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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.

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, \$1,440,639 is restricted as excess surplus (\$1,137,680 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2021).

ASSIGNED

General Fund - The District has appropriated and included as an anticipated revenue for the year ending June 30, 2021, \$218,440 of General Fund balance as of June 30, 2020. As of June 30, 2020, the District had \$1,449,352 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 fund balance in the amount of \$198 as of June 30, 2020.

UNASSIGNED

General Fund - As of June 30, 2020, a deficit of \$343,288 of fund balance was unassigned.

Special Revenue Fund - As of June 30, 2020, 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, 2020, is \$1,440,639.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 19: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$343,288 in the General Fund as of June 30, 2020, 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 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 \$334,288 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 2019-2020 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.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 22: TAX ABATEMENTS (CONTINUED)

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.

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, 2019.

NOTE 23: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 25, 2021, the date that the financial statements were 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. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as interest and food service revenues. Other financial impact could occur though such potential impact is unknown at this time.

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, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local sources:					
Local tax levy	\$ 15,714,677		\$ 15,714,677	\$ 15,714,677	
Tuition	1,920,000		1,920,000	2,027,224	\$ 107,224
Transportation fees from other LEA's	1,268,000		1,268,000	1,194,008	(73,992)
Interest earned on capital reserve	200		200	1,836	1,636
Unrestricted miscellaneous	50,000		50,000	146,195	96,195
Total - local sources	18,952,877		18,952,877	19,083,940	131,063
State sources:					
Extraordinary aid	100,000		100,000	375,588	275,588
Categorical special education aid	956,261		956,261	956,261	
Categorical security aid	231,243		231,243	231,243	
School choice aid	439,475		439,475	439,475	
Equalization aid	12,014,766		12,014,766	12,014,766	
Categorical transportation aid	300,718		300,718	239,518	(61,200)
Nonpublic transportation costs				8,700	8,700
TPAF post-retirement medical (on-behalf - non-budgeted)				936,453	936,453
TPAF pension contrib. (on-behalf - non-budgeted)				2,524,255	2,524,255
TPAF long-term disability insurance (on-behalf - non-budgeted)				1,247	1,247
Reimbursed TPAF social security contrib. (non-budgeted)				886,843	886,843
Total - state sources	14,042,463		14,042,463	18,614,349	4,571,886
Federal sources:					
Medical assistance program	47,112		47,112	54,648	7,536
Total - federal sources	47,112		47,112	54,648	7,536
Total revenues	\$ 33,042,452		\$ 33,042,452	\$ 37,752,937	\$ 4,710,485

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	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	\$ 2,265,974	\$ (24,000)	\$ 2,241,974	\$ 2,211,452	\$ 30,522
Grades 9-12	5,483,674	(101,000)	5,382,674	5,309,604	73,070
Regular programs - home instruction:					
Salaries of teachers	35,000	(5,283)	29,717	3,379	26,338
Purchased professional - educational services	10,000	11,409	21,409	21,409	
Other purchased services (400-500 series)	2,000	(1,179)	821	155	666
Regular programs - undistributed instruction:					
Other salaries for instruction	94,786	2,344	97,130	96,108	1,022
Purchased professional - educational services	518,421	(1,775)	516,646	516,646	
Other purchased services (400-500 series)	719,199	(33,580)	685,619	636,625	48,994
General supplies	311,803	106,485	418,288	258,238	160,050
Textbooks	20,000	(8,317)	11,683	857	10,826
Other objects	6,236	(181)	6,055	2,044	4,011
Total regular programs	9,467,093	(55,077)	9,412,016	9,056,517	355,499
Special education - instruction:					
Learning and/or language disabilities					
Salaries of teachers	248,074		248,074	248,074	
Other salaries for instruction	26,396		26,396	26,396	
Other purchased services (400-500 series)	45,665		45,665	16,078	29,587
General supplies	3,565		3,565		3,565
Total learning and/or language disabilities	323,700		323,700	290,548	33,152

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Behavioral disabilities:					
Salaries of teachers	73,539		73,539	73,539	
Other salaries for instruction	14,989		14,989	14,989	
Other purchased services (400-500 series)	6,500		6,500	637	5,863
General supplies	600		600		600
Total behavioral disabilities	95,628		95,628	89,165	6,463
Multiple disabilities:					
Salaries of teachers	96,202		96,202	95,197	1,005
Other salaries for instruction	3,132		3,132	3,132	
Purchased professional - educational services	3,643	(450)	3,193		3,193
Other purchased services (400-500 series)	11,000		11,000	1,465	9,535
General supplies	4,633	(39)	4,594		4,594
Other objects	250		250		250
Total multiple disabilities	118,860	(489)	118,371	99,794	18,577
Resource room/resource center:					
Salaries of teachers	801,742	1,213	802,955	800,802	2,153
Other salaries for instruction	123,343		123,343	121,623	1,720
Purchased professional - educational services	30,367	(588)	29,779	27,863	1,916
Other purchased services (400-500 series)	7,500	(1,399)	6,101		6,101
General supplies	2,600	708	3,308	3,226	82
Other objects	200	555	755	755	
Total resource room/resource center	965,752	489	966,241	954,269	11,972
Home instruction:					
Salaries of teachers	10,000		10,000	1,302	8,698
Purchased professional - educational services	5,000		5,000	3,674	1,326
Total home instruction	15,000		15,000	4,976	10,024
Total special education - instruction	1,518,940		1,518,940	1,438,752	80,188

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Basic skills/remedial - instruction:					
Salaries of teachers	537,555		537,555	530,628	6,927
Purchased professional - educational services	20,361		20,361		20,361
Other purchased services (400-500 series)	11,000		11,000		11,000
General supplies	1,407		1,407	115	1,292
Total basic skills/remedial - instruction	<u>570,323</u>		<u>570,323</u>	<u>530,743</u>	<u>39,580</u>
Bilingual education - instruction:					
Salaries of teachers	1,000		1,000		1,000
General supplies	250		250		250
Total bilingual education - instruction	<u>1,250</u>		<u>1,250</u>		<u>1,250</u>
School sponsored co-curricular activities - instruction:					
Salaries	140,320	694	141,014	117,813	23,201
Other purchased services (400-500 series)	4,000	(875)	3,125		3,125
Miscellaneous purchased services	18,000	471	18,471	6,331	12,140
Supplies and materials	12,440	4,429	16,869	12,710	4,159
Other objects	12,800	(2,526)	10,274		10,274
Total school sponsored co-curricular activities - instruction	<u>187,560</u>	<u>2,193</u>	<u>189,753</u>	<u>136,854</u>	<u>52,899</u>
School sponsored athletic - instruction:					
Salaries	493,686	1,056	494,742	474,817	19,925
Purchased services (300-500 series)	82,800	(7,199)	75,601	63,629	11,972
Supplies and materials	124,675	(820)	123,855	112,411	11,444
Other objects	30,000	8,963	38,963	38,803	160
Total school sponsored athletic - instruction	<u>731,161</u>	<u>2,000</u>	<u>733,161</u>	<u>689,660</u>	<u>43,501</u>
Before/after school programs - instructional:					
Other salaries of instruction	32,500		32,500	5,750	26,750
Total before/after school programs - instructional	<u>32,500</u>		<u>32,500</u>	<u>5,750</u>	<u>26,750</u>
Summer school - instruction:					
Salaries of teachers	75,000		75,000	68,316	6,684
Other salaries for instruction	18,000		18,000	7,838	10,162
General supplies	6,000	(1,880)	4,120	1,585	2,535
Miscellaneous expenditures	2,000		2,000		2,000
Total summer school - instruction	<u>101,000</u>	<u>(1,880)</u>	<u>99,120</u>	<u>77,739</u>	<u>21,381</u>

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Alternative education program - instructional:					
Salaries of teachers	33,120	11,220	44,340	44,340	
Other salaries for instruction	7,200	(880)	6,320	6,025	295
Purchased professional - educational services	6,250	3,450	9,700	9,700	
total alternative education program - instructional	46,570	13,790	60,360	60,065	295
Alternative education program - support services					
Salaries	77,400	(15,166)	62,234	22,075	40,159
total alternative education program - support services	77,400	(15,166)	62,234	22,075	40,159
total alternative education program	123,970	(1,376)	122,594	82,140	40,454
Other supplemental at-risk programs - instructional:					
Salaries of teachers	36,000	6,336	42,336	42,336	
Other salaries for instruction	14,400	464	14,864	12,995	1,869
total supplemental at-risk programs - instructional	50,400	6,800	57,200	55,331	1,869
Other supplemental at-risk programs - support services:					
Salaries	36,000	(3,544)	32,456	13,013	19,443
total supplemental at-risk programs - support services	36,000	(3,544)	32,456	13,013	19,443
total supplemental at-risk programs	86,400	3,256	89,656	68,344	21,312
Community services programs - operations:					
Other salaries	54,450		54,450	44,732	9,718
Purchased services (300-500 series)	3,000	(378)	2,622		2,622
Supplies and materials		378	378	378	
total community services programs - operations	57,450		57,450	45,110	12,340
total instruction	12,877,647	(50,884)	12,826,763	12,131,609	695,154

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	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	18,000	56,349	74,349	74,052	297
Tuition to county vocational - regular	220,634	(26,251)	194,383	191,278	3,105
Tuition to CSSD & regional day schools	1,496,758	(153,017)	1,343,741	1,333,225	10,516
Tuition to private sch. for the disabled - within state	1,076,272	735,359	1,811,631	1,480,998	330,633
Tuition - state facilities	176,836	1,420	178,256	178,256	
Tuition - other	50,000	(13,861)	36,139	36,139	
Total undistributed expenditures - instruction	3,038,500	599,999	3,638,499	3,293,948	344,551
Undistributed exp. - attendance and social work:					
Salaries	62,235	(1,332)	60,903	53,884	7,019
Other salaries	26,709	9,668	36,377	32,011	4,366
Purchased professional and technical services	6,000	(3,336)	2,664	2,549	115
Other purchased services (400-500 series)	700		700	700	
Supplies and materials	150		150	52	98
Total undistributed exp. - attendance and social work	95,794	5,000	100,794	89,196	11,598
Undistributed expenditures - health services:					
Salaries	217,900		217,900	214,365	3,535
Purchased professional - educational services	17,500		17,500	17,210	290
Other purchased services (400-500 series)	1,857	(7)	1,850	1,587	263
Supplies and materials	4,860	2,007	6,867	3,016	3,851
Total undistributed expenditures - health services	242,117	2,000	244,117	236,178	7,939
Undistributed expenditures - speech, OT, PT, and related services:					
Purchased professional - educational services	80,000	23,668	103,668	102,467	1,201
Supplies and materials	2,000		2,000	235	1,765
Total undistributed expenditures - speech, OT, PT, and related services	82,000	23,668	105,668	102,702	2,966

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed expenditures - special education - extraordinary services:					
Salaries	159,188		159,188	146,752	12,436
Purchased professional - educational services	100,000	(23,669)	76,331	33,012	43,319
Supplies and materials	10,000		10,000	1,233	8,767
Total undistributed expenditures - special education - extraordinary services	269,188	(23,669)	245,519	180,997	64,522
Undistributed expenditures - guidance:					
Salaries of other professional staff	578,833	22,150	600,983	600,808	175
Salaries of secretarial and clerical assistants	48,866	11,844	60,710	60,710	
Other purchased prof. and tech services	45,501	(2,082)	43,419	42,175	1,244
Other purchased services (400-500 series)	45,746	(13,262)	32,484	31,795	689
Supplies and materials	11,967	(2,917)	9,050	6,726	2,324
Other objects	3,883	12,658	16,541	15,920	621
Total undistributed expenditures - guidance	734,796	28,391	763,187	758,134	5,053
Undistributed expenditures - child study teams:					
Salaries of other professional staff	470,457	8,770	479,227	478,002	1,225
Salaries of secretarial and clerical assistants	79,764	(970)	78,794	74,764	4,030
Purchased professional - educational services	25,000	(11,380)	13,620	7,461	6,159
Other purchased prof. and tech services	5,000		5,000	2,336	2,664
Misc. purch. serv. (400-500 series other than resid. costs)	16,187	2,520	18,707	17,902	805
Supplies and materials	5,263	(70)	5,193	5,135	58
Other objects	1,900	1,130	3,030	3,030	
Total undistributed expenditures - child study teams	603,571		603,571	588,630	14,941
Undistributed exp. - improvement of instr. services:					
Salaries of supervisors of instruction	632,418		632,418	631,478	940
Salaries of other professionals	89,034	175	89,209	89,209	
Salaries of secretarial and clerical assistants	29,687		29,687	29,687	
Other salaries	25,200	(175)	25,025	13,770	11,255
Other purchased services (400-500 series)	63,069		63,069	54,302	8,767
Supplies and materials	3,000		3,000		3,000
Other objects	1,000		1,000		1,000
Total undistributed exp. - improvement of instr. services	843,408		843,408	818,446	24,962

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	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	112,393		112,393	108,723	3,670
Other purchased services (400-500 series)	84,341	(37,103)	47,238	29,148	18,090
Supplies and materials	29,285	2,806	32,091	29,778	2,313
Other objects	492		492	476	16
Total undistributed exp. - educational media serv.	226,511	(34,297)	192,214	168,125	24,089
Undistributed expenditures - instructional staff:					
Training services:					
Salaries of supervisors of instruction	29,526		29,526	29,034	492
Salaries of other professional staff	4,000		4,000	2,870	1,130
Salaries of secretarial and clerical assistants	12,723		12,723	12,723	
Purchased professional - educational service	22,500		22,500		22,500
Other purchased services (400-500 series)	8,500		8,500	529	7,971
Supplies and materials	1,000		1,000		1,000
Total undistributed expenditures - instructional staff	78,249		78,249	45,156	33,093
Undistributed exp. - support services - general admin.:					
Salaries	156,693	850	157,543	156,524	1,019
Salaries of secretarial and clerical assistants	90,243		90,243	90,243	
Other Salaries	3,915		3,915	3,905	10
Legal services	36,000	(10,821)	25,179	22,670	2,509
Audit fees	18,500		18,500	17,725	775
Architectural/engineering services	10,000	(7,862)	2,138		2,138
Other purchased professional services	7,500	(3,050)	4,450		4,450
Purchased technical services	3,000		3,000	2,952	48
Other purchased services (400-500 series)	52,486	6,361	58,847	52,543	6,304
Communications/telephone	78,000	25,523	103,523	100,539	2,984
Supplies and materials	9,049	(1,722)	7,327	3,883	3,444
BOE in-house training/meeting supplies	1,000	(64)	936	48	888
Miscellaneous expenditures	9,600	450	10,050	8,450	1,600
BOE membership dues and fees	16,500		16,500	12,708	3,792
Total undistributed exp. - support serv. - gen. admin.	492,486	9,665	502,151	472,190	29,961

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed exp. - support serv. - school admin.:					
Salaries of principals/assistant principals	366,011	14,276	380,287	378,287	2,000
Salaries of other professional staff	150,228		150,228	146,472	3,756
Salaries of secretarial and clerical assistants	134,379	(14,276)	120,103	105,081	15,022
Purchased professional services	4,000		4,000	1,086	2,914
Other purchased prof. and tech services	13,620	750	14,370	9,627	4,743
Other purchased services (400-500 series)	29,155	(2,501)	26,654	15,157	11,497
Supplies and materials	14,331	2,111	16,442	10,424	6,018
Other objects	12,250	(360)	11,890	11,277	613
Total undistributed exp. - support serv. - school admin.	723,974		723,974	677,411	46,563
Undistributed exp. - central services:					
Salaries	138,479	4,198	142,677	142,677	
Salaries of secretarial and clerical assistants	204,773	(6,239)	198,534	198,067	467
Purchased technical services	10,428	9,352	19,780	19,112	668
Other purchased services (400-500 series)	16,384	(8,988)	7,396	4,997	2,399
Supplies and materials	8,625	(1,114)	7,511	7,407	104
Interest for lease purchase agreements	46,764	(12,895)	33,869	33,869	
Miscellaneous expenditures	2,000		2,000	1,550	450
Total undistributed exp. - central services	427,453	(15,686)	411,767	407,679	4,088
Undistributed exp. - admin. information technology:					
Salaries	119,652	26,766	146,418	145,335	1,083
Purchased technical services	52,700	32,300	85,000	85,000	
Other purchased services (400-500 series)	190,119	(55,456)	134,663	133,414	1,249
Supplies and materials	35,637	6,867	42,504	32,582	9,922
Other objects	1,400		1,400	810	590
Total undistributed exp. - admin. info. technology	399,508	10,477	409,985	397,141	12,844
Undistributed expenditures - required maintenance for school facilities:					
Cleaning, repair, and maintenance services	372,945	(24,778)	348,167	316,842	31,325
General supplies	47,000	24,778	71,778	62,345	9,433
Total undistributed expenditures - required maintenance for school facilities	419,945		419,945	379,187	40,758

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed expenditures - custodial services:					
Salaries	1,044,892	1,500	1,046,392	1,024,574	21,818
Other employee benefits	26,525	6,218	32,743	30,099	2,644
Purchased professional and technical services	7,000	15,478	22,478	17,298	5,180
Cleaning, repair, and maintenance services	64,321	23,149	87,470	87,470	
Other purchased property services	59,254	(28,103)	31,151	13,211	17,940
Insurance	189,302	(5,661)	183,641	181,878	1,763
Miscellaneous purchased services	3,000	35,886	38,886	37,962	924
General supplies	105,461	40,524	145,985	120,666	25,319
Energy - natural gas	224,000	(53,000)	171,000	134,347	36,653
Energy - electricity	546,000	(152,451)	393,549	370,728	22,821
Energy - oil	10,000		10,000	5,401	4,599
Energy - gasoline	2,600	(674)	1,926		1,926
Other objects	5,000	7,898	12,898	12,898	
Total undistributed expenditures - custodial services	2,287,355	(109,236)	2,178,119	2,036,532	141,587
Undistributed expenditures - care and upkeep of grounds:					
Salaries	123,942	2,063	126,005	123,310	2,695
Cleaning, repair, and maintenance services	88,416	(1,155)	87,261	74,524	12,737
General supplies	35,405	19,667	55,072	53,411	1,661
Total undistributed exp. - care and upkeep of grounds	247,763	20,575	268,338	251,245	17,093
Undistributed expenditures - security:					
Salaries	71,611	2,027	73,638	73,638	
Purchased professional and technical services	80,000		80,000	80,000	
Other purchased services	3,000	(27)	2,973	2,967	6
General supplies	2,000	(2,000)			
Total undistributed expenditures - security	156,611		156,611	156,605	6
Total operation and maintenance of plant	3,111,674	(88,661)	3,023,013	2,823,569	199,444

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed exp. - student transportation services:					
Salaries of non-instructional aides	413,408	(70,000)	343,408	265,895	77,513
Salaries for pupil trans (bet. home & school) - reg.	1,050,898	(72,040)	978,858	897,807	81,051
Salaries for pupil trans (bet. home & school) - spec. ed.	618,555	(156,174)	462,381	431,272	31,109
Salaries for pupil trans (other than bet. home & school)	99,000	85,633	184,633	156,732	27,901
Sal. for pupil trans (bet home & school) - nonpublic school	81,358	15,863	97,221	93,101	4,120
Social security contributions	173,136		173,136	127,396	45,740
Health benefits	1,429,062	(100,000)	1,329,062	1,316,847	12,215
Other employee benefits	20,500		20,500	17,859	2,641
Other purchased prof. and technical service	265,242	(71,149)	194,093	146,908	47,185
Cleaning, repair, and maintenance services	150,000	(102,264)	47,736	25,256	22,480
Rental payments - school buses	5,000		5,000		5,000
Contr. serv. - (bet. home and school) - vendors	6,000	(5,995)	5		5
Contr. serv. - (other than bet. home and school) - vendors	22,500	4,709	27,209	23,218	3,991
Contr. serv. - (bet. home and school) - joint agrmnts.	5,000	(2,000)	3,000		3,000
Contr. serv. - (special education) - vendors	170,000	306,317	476,317	422,390	53,927
Contr. serv. - (special ed. students) - joint agrmnts.	15,000	(8,100)	6,900		6,900
Contr. serv. - aid in lieu of payments - nonpublic	55,000	756	55,756	36,775	18,981
Contr. serv. - aid in lieu of payments - choice	4,500	2,500	7,000	4,669	2,331
Misc. purchased services - transportation	112,241	106,047	218,288	103,638	114,650
Transportation supplies	500,000	(119,562)	380,438	320,327	60,111
Miscellaneous expenditures	5,400	500	5,900	4,331	1,569
Total undistributed exp. - student transportation serv.	5,201,800	(184,959)	5,016,841	4,394,421	622,420
Unallocated benefits - employee benefits:					
Social security contributions	296,247		296,247	278,097	18,150
Other retirement contribution - PERS	566,330	(50,000)	516,330	511,267	5,063
Unemployment compensation	20,000	220,000	240,000	240,000	
Workmen's compensation	281,793	(53,543)	228,250	222,348	5,902
Health benefits	4,017,081	(590,450)	3,426,631	3,381,290	45,341
Tuition reimbursement	24,000	(1,818)	22,182	10,333	11,849
Other employee benefits	100,000	62,267	162,267	149,490	12,777
Total unallocated benefits	5,305,451	(413,544)	4,891,907	4,792,825	99,082

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
TPAF post-retirement medical (on-behalf - non-budgeted)				936,453	(936,453)
TPAF pension contribution (on-behalf - non-budgeted)				2,524,255	(2,524,255)
TPAF long-term disability insurance (on-behalf - non-budgeted)				1,247	(1,247)
Reimb. TPAF social security contrib. (non-budgeted)				886,843	(886,843)
Total on-behalf contributions				<u>4,348,798</u>	<u>(4,348,798)</u>
Total undistributed expenditures	<u>21,876,480</u>	<u>(81,616)</u>	<u>21,794,864</u>	<u>24,595,546</u>	<u>(2,800,682)</u>
Total current expense	<u>34,754,127</u>	<u>(132,500)</u>	<u>34,621,627</u>	<u>36,727,155</u>	<u>(2,105,528)</u>
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Undistributed	14,301	6,540	20,841	14,457	6,384
Undistributed - athletics	17,456	-	17,456	17,456	
Undistributed - custodial services	178,310	(21,300)	157,010	153,530	3,480
School buses - regular	196,000		196,000	196,000	
School buses - special	196,000	(6,540)	189,460	175,157	14303.00
Total equipment	<u>602,067</u>	<u>(21,300)</u>	<u>580,767</u>	<u>556,600</u>	<u>24,167</u>
Facilities acquisition and construction services:					
Construction services	216,802	18,170	234,972	207,772	27,200
Other objects	175		175	175	
Assessment for debt service on SDA funding		3,130	3,130	3,130	
Total facilities acquisition and constructions services	<u>216,977</u>	<u>21,300</u>	<u>238,277</u>	<u>211,077</u>	<u>27,200</u>
Total capital outlay	<u>819,044</u>		<u>819,044</u>	<u>767,677</u>	<u>51,367</u>
Assets acquired under capital lease:					
Assets acquired under capital lease (non-budgeted):					
Undistributed expenditures:					
Support services - student regular				442,607	(442,607)
Total assets acquired under capital lease				<u>442,607</u>	<u>(442,607)</u>
Total expenditures	<u>35,573,171</u>	<u>(132,500)</u>	<u>35,440,671</u>	<u>37,937,439</u>	<u>(2,496,768)</u>

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Excess (deficiency) of revenues over (under) expenditures	<u>(2,530,719)</u>	<u>132,500</u>	<u>(2,398,219)</u>	<u>(184,502)</u>	<u>7,207,253</u>
Other financing sources (uses):					
Operating transfer in/(out):					
Capital leases (non-budgeted)				442,607	(442,607)
Transfer to food service fund		(132,500)	(132,500)		(132,500)
Transfer from internal service fund				74,920	(74,920)
		<u>(132,500)</u>	<u>(132,500)</u>	<u>517,527</u>	<u>(650,027)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,530,719)		(2,530,719)	333,025	6,557,226
Fund balances, July 1	<u>6,172,615</u>		<u>6,172,615</u>	<u>6,172,615</u>	
Fund balances, June 30	<u>\$ 3,641,896</u>		<u>\$ 3,641,896</u>	<u>\$ 6,505,640</u>	<u>\$ 6,557,226</u>
Recapitulation:					
Restricted fund balance:					
Capital reserve account				\$ 2,200,000	
Maintenance reserve account				250,000	
Excess surplus - designated for subsequent year's expenditures				1,137,680	
Excess surplus - current year				302,959	
Assigned fund balance:					
Year-end encumbrances				1,449,352	
Designated for subsequent year's expenditures				218,440	
Unassigned fund balance				947,209	
				<u>6,505,640</u>	
Reconciliation to governmental funds statements (GAAP):					
June state aid payments are not recognized on GAAP basis				<u>(1,290,497)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 5,215,143</u>	

Delsea Regional High School District
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 76,578	\$ 26,245	\$ 102,823	\$ 76,548	\$ 26,275
Federal sources	900,880	558,252	1,459,132	1,033,871	425,261
Total revenues	\$ 977,458	\$ 584,497	\$ 1,561,955	\$ 1,110,419	\$ 451,536
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 100,000		\$ 100,000	\$ 100,000	
Purchased professional - educational services	84,009	\$ 22,763	106,772	89,269	\$ 17,503
Tuition	558,646		558,646	558,646	
General supplies	45,415	5,698	51,113	51,113	
Textbooks	8,750		8,750	8,750	
Total instruction	796,820	28,461	825,281	807,778	17,503
Salaries	36,764	200,500	237,264	102,433	134,831
Personal services - employee benefits	37,813	59,269	97,082	41,624	55,458
Purchased professional - educational services	29,167	37,012	66,179	21,939	44,240
Other purchased services (400-500 series)	66,284	157,859	224,143	119,049	105,094
Supplies & materials	2,882	64,054	66,936	9,517	57,419
Other objects		39,073	39,073	2,082	36,991
Total support services	172,910	557,767	730,677	296,644	434,033
Facilities acquisition and construction services:					
Instructional equipment	7,728	(1,731)	5,997	5,997	
	<u>7,728</u>	<u>(1,731)</u>	<u>5,997</u>	<u>5,997</u>	
Total expenditures	\$ 977,458	\$ 584,497	\$ 1,561,955	\$ 1,110,419	\$ 451,536

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, 2020

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.	\$ 37,752,937	\$ 1,110,419
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in the encumbrances are recognized as expenditures and the related revenue is recognized.		(30,517)
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).	1,302,919	
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).	(1,290,497)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	\$ 37,765,359	\$ 1,079,902
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$ 37,937,439	\$ 1,110,419
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(30,517)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	\$ 37,937,439	\$ 1,079,902

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 Six Fiscal Years

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.0576717999%	0.0616951702%	0.0578113752%	0.0564079054%	0.0581429000%	0.0519864474%
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	\$ 9,367,169
District's covered-employee payroll	4,815,991	3,941,737	3,945,064	3,730,002	3,638,651	3,796,870
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%	246.71%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.13%	48.10%	53.59%	56.27%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Contractually required contribution	\$ 475,438	\$ 530,413	\$ 513,588	\$ 522,559	\$ 578,334	\$ 505,675
Contributions in relation to the contractually required contribution	475,438	530,413	513,588	522,559	578,334	505,675
Contribution deficiency (excess)	None	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	\$ 3,796,870
Contributions as a percentage of covered-employee payroll	9.87%	13.46%	13.02%	14.01%	15.89%	13.32%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.1082656023%	0.1134466292%	0.1156327362%	0.1129375964%	0.1128312640%	0.1140453672%
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	\$ 69,990,718
District's covered-employee payroll	12,181,522	11,739,889	11,739,889	12,019,686	12,082,874	12,291,724
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%	569.41%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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		
	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 2,280,930	\$ 2,620,451	\$ 3,150,773
Interest	2,583,733	2,816,602	2,424,839
Changes of benefit terms			
Differences between expected and actual experience	(9,973,262)	(7,783,464)	
Changes of assumptions or other inputs	885,155	(7,500,156)	(9,751,384)
Member contributions	54,020	60,402	65,580
Benefit payments	<u>(1,822,365)</u>	<u>(1,747,649)</u>	<u>(1,780,977)</u>
Net change in total OPEB liability	(5,991,789)	(11,533,814)	(5,891,169)
Total OPEB liability - beginning	65,357,982	76,891,796	82,782,965
Total OPEB liability - ending	<u>\$ 59,366,193</u>	<u>\$ 65,357,982</u>	<u>\$ 76,891,796</u>
Covered employee payroll	\$ 17,695,944	\$ 17,695,944	\$ 17,826,080
Total OPEB liability as a percentage of covered employee payroll	335.48%	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	3.50%	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, 2020**

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, 2019, measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applies to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

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-notices.shtml>.

**DELSEA REGIONAL HIGH SCHOOL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

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, 2019, was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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 – 3.05% based on years of service
Thereafter	1.55 – 3.05% based on years of service
Salary increases (PERS):	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age

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

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for 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, 2020

	Total Brought Forward (Ex. E-1a)	Title I	Safe & Drug Free Schools	Title II Part A	Title III	Totals FY 2020
REVENUES:						
State sources	\$ 76,548					\$ 76,548
Federal sources	702,130	\$ 154,780	\$ 143,987	\$ 31,383	\$ 1,591	1,033,871
Total revenues	\$ 778,678	\$ 154,780	\$ 143,987	\$ 31,383	\$ 1,591	\$ 1,110,419
EXPENDITURES:						
Instruction:						
Salaries of teachers		\$ 100,000				\$ 100,000
Purchased professional - educational services	\$ 89,269					89,269
Tuition	558,646					558,646
General supplies	49,716				\$ 1,397	51,113
Textbooks	8,750					8,750
Total instruction	706,381	100,000			1,397	807,778
Support services:						
Salaries	1,350	18,374	\$ 65,765	\$ 16,750	194	102,433
Personal services - employee benefits	46	36,406	3,746	1,426		41,624
Purchased professional - educational services	21,939					21,939
Other purchased services (400-500 series)	39,731		69,684	9,634		119,049
Supplies & materials	3,234		2,710	3,573		9,517
Other Objects			2,082			2,082
Total support services	66,300	54,780	143,987	31,383	194	296,644
Facilities acquisition and construction services:						
Instructional equipment	5,997					5,997
Total facilities acquisition and construction services	5,997					5,997
Total expenditures	\$ 778,678	\$ 154,780	\$ 143,987	\$ 31,383	\$ 1,591	\$ 1,110,419

Delsea Regional High School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	Total Brought Forward (Ex. E-1b)	CARES Grant	Perkins Grant	IDEA Basic	Title IV Part A	Total Carried Forward
REVENUES:						
State sources	\$ 76,548					\$ 76,548
Federal sources		\$ 7,583	\$ 63,812	\$ 627,290	\$ 3,445	702,130
Total revenues	\$ 76,548	\$ 7,583	\$ 63,812	\$ 627,290	\$ 3,445	\$ 778,678
EXPENDITURES:						
Instruction:						
Purchased professional - educational services	\$ 19,500		\$ 1,125	\$ 68,644		\$ 89,269
Tuition				558,646		558,646
Textbooks	8,750					8,750
General supplies			49,716			49,716
Total instruction	28,250		50,841	627,290		706,381
Support services:						
Salaries	750		600			1,350
Personal services - employee benefits			46			46
Purchased professional - educational services	16,102		3,437		\$ 2,400	21,939
Other purchased services (400-500 series)	31,446	\$ 5,394	2,891			39,731
General supplies		2,189			1,045	3,234
Total support services	48,298	7,583	6,974		3,445	66,300
Facilities acquisition and construction services:						
Instructional equipment			5,997			5,997
Total facilities acquisition and construction services			5,997			5,997
Total expenditures	\$ 76,548	\$ 7,583	\$ 63,812	\$ 627,290	\$ 3,445	\$ 778,678

Delsea Regional High School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	Total Brought Forward (Ex. E-1c)	Non-Public Technology Aid	Non-Public Nursing Aid	Non-Public Corrective Speech	Non-Public Security	Total Carried Forward
REVENUES:						
State sources	\$ 28,841	\$ 5,976	\$ 16,102	\$ 729	\$ 24,900	\$ 76,548
Total revenues	<u>\$ 28,841</u>	<u>\$ 5,976</u>	<u>\$ 16,102</u>	<u>\$ 729</u>	<u>\$ 24,900</u>	<u>\$ 76,548</u>
EXPENDITURES:						
Instruction:						
Purchased professional - educational services	\$ 18,771			\$ 729		\$ 19,500
Textbooks	8,750					8,750
Total instruction	<u>27,521</u>			<u>729</u>		<u>28,250</u>
Support services:						
Salaries	750					750
Purchased professional - educational services			\$ 16,102			16,102
Other purchased services (400-500 series)	570	\$ 5,976			\$ 24,900	31,446
Total support services	<u>1,320</u>	<u>5,976</u>	<u>16,102</u>		<u>24,900</u>	<u>48,298</u>
Total expenditures	<u>\$ 28,841</u>	<u>\$ 5,976</u>	<u>\$ 16,102</u>	<u>\$ 729</u>	<u>\$ 24,900</u>	<u>\$ 76,548</u>

Delsea Regional High School District
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	Municipal Alliance	Auxiliary Services Transportation	Handicapped Services		Nonpublic Textbook Aid	Total Carried Forward
			Examination & Classification	Supplemental Instruction		
REVENUES:						
State sources	\$ 750	\$ 570	\$ 10,595	\$ 8,176	\$ 8,750	\$ 28,841
Total revenues	<u>\$ 750</u>	<u>\$ 570</u>	<u>\$ 10,595</u>	<u>\$ 8,176</u>	<u>\$ 8,750</u>	<u>\$ 28,841</u>
EXPENDITURES:						
Instruction:						
Purchased professional - educational services			\$ 10,595	\$ 8,176		\$ 18,771
Textbooks					\$ 8,750	8,750
Total instruction			<u>10,595</u>	<u>8,176</u>	<u>8,750</u>	<u>27,521</u>
Support services:						
Salaries	\$ 750					\$ 750
Other purchased services (400-500 series)		\$ 570				570
Total support services	<u>750</u>	<u>570</u>				<u>1,320</u>
Total expenditures	<u>\$ 750</u>	<u>\$ 570</u>	<u>\$ 10,595</u>	<u>\$ 8,176</u>	<u>\$ 8,750</u>	<u>\$ 28,841</u>

CAPITAL PROJECTS FUND

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2020

Project Title/Issue	Approval Date	Revised Budgetary Appropriation	GAAP		Unexpended Appropriations June 30, 2020
			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, 2020

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, 2020

	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, 2020

	Prior Periods	Current Year	Transfer of Unexpended Bond Proceeds	Totals	Revised Authorized Cost
Revenues and other financing sources					
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
Total revenues	7,554,626		(283)	7,554,343	7,554,343
Expenditures and other financing uses					
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
Total expenditures	7,542,178			7,542,178	7,554,343
Excess (deficiency) of revenues over (under) expenditures	\$ 12,448		\$ (283)	\$ 12,165	
Additional project information:					
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, 2020

	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
Total revenues	<u>11,618,123</u>		<u>283</u>	<u>11,618,406</u>	<u>11,618,406</u>
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
Total expenditures	<u>11,618,406</u>			<u>11,618,406</u>	<u>11,618,406</u>
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, 2020

	Enterprise Fund <hr/> Food Service <hr/>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 161,461
Accounts receivable	
State	437
Federal	11,606
Other	2,418
Interfund accounts receivable	1,223
Inventories	32,748
Total current assets	<hr/> 209,893 <hr/>
Noncurrent assets:	
Furniture, machinery & equipment	471,342
Less: accumulated depreciation	<hr/> (435,331) <hr/>
Total noncurrent assets	<hr/> 36,011 <hr/>
Total assets	<hr/> 245,904 <hr/>
LIABILITIES	
Current liabilities:	
Deposits payable	10,840
Deferred revenue	10,430
Total current liabilities	<hr/> 21,270 <hr/>
NET POSITION	
Invested in capital assets net of related debt	36,011
Unrestricted	188,623
Total net position	<hr/> <u>\$ 224,634</u> <hr/>

Delsea Regional High School District
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Fund
For the Year Ended June 30, 2020

	Enterprise Fund <u>Food Service</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 137,006
Daily sales - non-reimbursable programs	135,017
Special functions	14,454
	<u>286,477</u>
Total operating revenues	
Operating expenses:	
Salaries	183,604
Employee benefits	45,882
Other purchased services	56,459
General supplies	20,158
Cost of sales-reimbursable	172,258
Cost of sales-non-reimbursable	52,832
Miscellaneous	2,406
Depreciation	3,042
	<u>536,641</u>
Total operating expenses	
Operating income (loss)	<u>(250,164)</u>
Non-operating revenues (expenses):	
State sources:	
State school lunch program	5,080
Federal sources:	
National school lunch program	192,945
National school breakfast program	27,527
Food distribution program	41,312
Interest and investment revenue	169
	<u>267,033</u>
Total non-operating revenues (expenses)	
Income (loss) before operating transfers	<u>16,869</u>
Net Income (loss)	16,869
Total net position - beginning	207,765
Total net position - ending	<u><u>\$ 224,634</u></u>

Delsea Regional High School District
Combining Schedule of Cash Flows
Enterprise Fund
For the Year Ended June 30, 2020

	Enterprise Funds <u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 299,397
Payments to employees	(183,604)
Payments for employee benefits	(45,882)
Payments to suppliers	(283,248)
Net cash provided by (used for) operating activities	<u>(213,337)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State reimbursements	6,053
Federal reimbursements	251,934
Net cash provided by (used for) non-capital financing activities	<u>257,987</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	169
Net increase (decrease) in cash and cash equivalents	<u>44,819</u>
Balances - beginning of year	116,642
Balances - end of year	<u><u>\$ 161,461</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (250,164)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	3,042
Food distribution program	41,312
(Increase) decrease in inventories	(20,447)
(Increase) decrease in other receivables	(904)
Increase (decrease) in deposits payable	5,889
Increase (decrease) in deferred revenue	7,935
Total adjustments	<u>36,827</u>
Net cash provided by (used for) operating activities	<u><u>\$ (213,337)</u></u>

Delsea Regional High School District
 Combining Schedule of Net Position
 Internal Service Fund
 June 30, 2020

	Internal Service Fund
Internal Service Fund	
ASSETS	
Current assets:	
Accounts receivable:	
Intergovernmental	\$ 120,630
Total assets	120,630
LIABILITIES	
Current liabilities:	
Accounts payable	3,340
Interfund payable	117,036
Total current liabilities	120,376
NET POSITION	
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, 2020

	Internal Service Fund
Operating revenues:	
Charges for services	
Service provided to other LEA's	\$ 776,760
Operating expenses:	
Salaries	401,552
Employee benefits	157,103
Other professional/technical services	25,999
Cleaning, repair, and maintenance	1,748
Miscellaneous transportation services	14,196
Contracted services (aid in lieu payments)	13,340
General supplies	79,732
Communications/telephone	4,282
Oil	947
Electricity	949
Travel	1,400
Miscellaneous	592
Total operating expenses	701,840
Operating income (loss)	74,920
Transfers in (out)	(74,920)
Change in net position	
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, 2020

	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 776,760
Payments to employees	(401,552)
Payments for employee benefits	(157,103)
Payments to suppliers	(143,185)
	<u> </u>
Net cash provided by (used for) operating activities	<u>\$ 74,920</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating subsidies and transfers to general fund	(74,920)
	<u> </u>
Net cash provided by (used for) non-capital financing activities	(74,920)
	<u> </u>
Net increase (decrease) in cash and cash equivalents	<u>None</u>
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	\$ 149,670
Increase (decrease) in accounts payable	2,080
Increase (decrease) in interfund payable	(151,750)
	<u> </u>
Net cash provided by (used for) operating activities	<u>None</u>

FIDUCIARY FUNDS

Delsea Regional High School District
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2020

	Private Purpose Trust		Agency		Totals
	Unemployment Compensation	Scholarship	Student Activity	Payroll	
ASSETS					
Cash and cash equivalents	\$ 194,792	\$ 326,761	\$ 297,513	\$ 10,943	\$ 830,009
Accounts receivable	1,073		1,300		2,373
Total assets	<u>\$ 195,865</u>	<u>\$ 326,761</u>	<u>\$ 298,813</u>	<u>\$ 10,943</u>	<u>\$ 832,382</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable		\$ 26,500			\$ 26,500
Payroll deductions & withholdings				\$ 10,943	10,943
Due to student groups			\$ 298,813		298,813
Total liabilities		<u>\$ 26,500</u>	<u>\$ 298,813</u>	<u>\$ 10,943</u>	<u>\$ 336,256</u>
Net Position:					
Held in trust for unemployment claims and other purposes	<u>\$ 195,865</u>				<u>\$ 195,865</u>
Permanent endowment - nonexpendable		\$ 50,000			50,000
Expendable scholarship funds		250,261			250,261
Total reserved for scholarships		<u>\$ 300,261</u>			<u>300,261</u>
Total net position					<u>496,126</u>
Total liabilities and net position					<u>\$ 832,382</u>

Delsea Regional High School District
Combining Statement of Changes in
Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	Scholarship	New Jersey Unemployment Compensation	Total
OPERATING REVENUES:			
Gifts and contributions	\$ 56,944		\$ 56,944
Deductions from employees' salaries		\$ 43,817	43,817
Interest on investments	370	712	1,082
Total additions	57,314	44,529	101,843
OPERATING EXPENSES:			
Scholarship payments	78,250		78,250
Unemployment compensation insurance claims		33,355	33,355
Total deductions	78,250	33,355	111,605
Changes in net position	(20,936)	11,174	(9,762)
Net position, July 1	321,197	184,691	505,888
Net position, June 30	\$ 300,261	\$ 195,865	\$ 496,126

Delsea Regional High School District
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	Balance June 30, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
SCHOOLS:				
Delsea High School	\$ 181,453	\$ 847,205	\$ 775,371	\$ 253,287
Delsea Middle School	45,428	19,118	19,020	45,526
Total all schools	\$ 226,881	\$ 866,323	\$ 794,391	\$ 298,813

Delsea Regional High School District
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
ASSETS				
Cash and cash equivalents	\$ 5,829	\$ 18,216,465	\$ 18,211,351	\$ 10,943
LIABILITIES				
Net payroll		\$ 10,957,864	\$ 10,957,864	
Payroll deductions and withholdings	\$ 5,829	7,258,601	7,253,487	\$ 10,943
Total liabilities	\$ 5,829	\$ 18,216,465	\$ 18,211,351	\$ 10,943

LONG-TERM DEBT

Delsea Regional High School District
 Schedule of Serial Bonds
 Year Ended June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2019	Retired	Balance June 30, 2020					
			Date	Amount									
Improvements and renovations to the middle school and high school	2/15/2015	\$ 10,581,000	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%								
											\$ 9,371,000	\$ 350,000	\$ 9,021,000
											<u>\$ 9,371,000</u>	<u>\$ 350,000</u>	<u>\$ 9,021,000</u>

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2020

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2019	Issued	Retired	Balance June 30, 2020
			Principle	Interest					
Computer equipment	06/04/15	5 Years	\$ 43,332	\$ 3,293	3.80%	\$ 8,985		\$ 8,985	
Computer equipment	06/06/16	5 Years	290,259	20,637	3.56%	118,025		57,981	\$ 60,044
Fortinet switches	08/01/17	5 Years	149,990	19,649	6.56%	89,752		28,037	61,715
Dell chromebooks	08/01/17	3 Years	237,193	13,639	5.86%	78,978		78,978	
Computer equipment	08/01/17	5 Years	222,693	21,378	4.81%	133,420		42,403	91,017
51 promethean boards	09/26/17	5 Years	151,700	26,493	6.04%	96,294		30,236	66,058
Fortinet lease (TSM04872)	09/01/18	4 years	140,000	21,533	6.94%	108,525		33,717	74,808
IP phones	09/01/18	5 years	34,358	5,563	5.22%	28,167		6,514	21,653
43 promethan boards	09/01/18	5 years	167,400	20,766	4.03%	136,511		32,133	104,378
Wireless access points	09/01/18	5 years	23,231	4,175	5.78%	19,091		4,379	14,712
Chromebooks	09/01/18	3 years	233,514	11,150	4.85%	151,959		74,179	77,780
3 Servers	09/01/18	5 years	22,763	3,278	7.22%	17,555		3,941	13,614
Chromebook cases	7/19/2019	3 years	16,770.00	916.27	3.258%		\$ 16,770	5,412	11,358
Chromebooks	8/1/2019	3 years	229,274.50	10,947.85	3.16%		229,275	80,074	149,201
Towers-monitors	8/1/2019	5 years	64,962.30	6,976.96	4.19%		64,962	14,388	50,574
40 promethean boards	7/1/2019	5 years	131,600.00	25,076.75	5.90%		131,600	21,963	109,637
						<u>\$ 987,262</u>	<u>\$ 442,607</u>	<u>\$ 523,320</u>	<u>\$ 906,549</u>

Delsea Regional High School District
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 632,612		\$ 632,612	\$ 632,612	
Total local sources	632,612		632,612	632,612	
Total revenues	632,612		632,612	632,612	
EXPENDITURES:					
Regular debt service:					
Interest	282,414		282,414	282,414	
Redemption of principal	350,000		350,000	350,000	
Total expenditures	632,414		632,414	632,414	
Excess (deficiency) of revenues over (under) expenditures	198		198	198	
Fund balance, June 30	\$ 198		\$ 198	\$ 198	

STATISTICAL SECTION
(Unaudited)

**Delsea Regional High School District
Statistical Section**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	127-132
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	133-136
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	137-140
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	141-142
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 26,649,674
Restricted	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	5,578,630
Unrestricted	(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)	(15,010,610)
Total governmental activities net position	<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>	<u>\$ 17,217,694</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 13,098	\$ 11,304	\$ 13,051	\$ 10,835	\$ 8,824	\$ 6,894	\$ 45,710	\$ 42,128	\$ 39,053	\$ 36,011
Restricted	11,751									
Unrestricted	83,695	80,572	111,181	126,751	141,157	146,688	135,904	123,057	168,712	188,623
Total business-type activities net position	<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>	<u>\$ 224,634</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 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	\$ 26,685,685
Restricted	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	5,578,630
Unrestricted	(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)	(14,821,987)
Total District net position	<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>	<u>\$ 17,442,328</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 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	\$ 9,032,728
Special education	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	2,242,305
Other special instruction	262,113	255,045	308,085	256,675	303,388	369,628	567,685	486,454	563,506	532,739
Other instruction	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	1,105,597
Nonpublic school programs	1,293	1,293								
Support services:										
Tuition	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	3,293,948
Student & instruction related services	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	2,701,317
School administrative services	1,131,314	828,329	901,045	513,054	532,837	491,292	512,785	578,927	520,241	617,385
General and business administrative services	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	1,004,806
Plant operations and maintenance	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	2,844,750
Pupil transportation	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	4,790,202
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	10,091,241
Interest on long-term debt	196,906	139,821	92,786	49,490	124,859	307,312	304,731	298,255	288,501	278,039
Capital outlay	3,122	26,167	309,595	1,376,070	270,332	726,934		785,379	1,144,845	472,386
Unallocated depreciation	738,107	717,965	682,353	672,751	660,031	658,822	635,710	871,339	2,006,217	2,252,260
Total governmental activities expenses	29,149,297	30,077,562	32,778,979	33,821,294	34,484,120	36,977,407	38,930,009	44,321,763	44,995,870	41,259,703
Business-type activities:										
Food service	772,112	802,569	738,577	711,371	690,145	664,646	681,849	706,647	672,907	536,641
Total District expenses	\$ 29,921,409	\$ 30,880,131	\$ 33,517,556	\$ 34,532,665	\$ 35,174,265	\$ 37,642,053	\$ 39,611,858	\$ 45,028,410	\$ 45,668,777	\$ 41,796,344
PROGRAM REVENUES:										
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	\$ 124,191
General and business administration	160,748	100,538	100,000	114,800	114,800	106,980	161,761	143,009	114,890	24,631
Plant operation and maintenance	31,727	37,846	40,238	35,731	25,086	41,892	10,781	25,505	2,645	9,260
Pupil transportation	323,729	427,919	540,490	584,067	456,046	299,164	440,642	375,546	384,476	461,576
Employee benefits						178,165		172,022	150,171	157,102
Operating grants and contributions	958,299	828,905	748,687	760,227	1,036,408	954,183	1,007,324	954,743	977,731	1,079,902
Total governmental activities program revenues	1,474,503	1513255	1,572,606	1,640,599	1,756,531	1,699,847	1,744,699	1,795,016	1,743,638	1,856,662

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services										
Food service	534,661	473,176	450,963	415,734	414,229	396,911	406,274	414,213	446,193	284,962
Operating grants and contributions	289,672	312,601	319,842	308,891	288,234	271,204	258,712	275,883	269,162	268,379
Total business type activities program revenues	824,333	785,777	770,805	724,625	702,463	668,115	664,986	690,096	715,355	553,341
Total district program revenues	\$ 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	\$ 2,410,003
NET (EXPENSE)/REVENUE:										
Governmental activities	\$ (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)	\$ (39,403,041)
Business-type activities	52,221	(16,792)	32,228	13,254	12,318	3,469	(16,863)	(16,551)	42,448	16,700
Total district-wide net expense	\$ (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)	\$ (39,386,341)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 15,714,677
Taxes levied for debt service	736,294	757,823	733,390	708,761	400,641	531,800	617,314	625,964	627,689	632,612
Federal and state aid not restricted	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	19,883,772
Federal and state aid restricted					10,200,875					
Tuition	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	2,027,224
Transportation fees from other LEA's within the state	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	1,194,008
Investment earnings	8,431	10,458	13,806	17,342	3,400	3,732	6,343	6,384	6,055	1,836
Miscellaneous income	71,226	116,967	59,508	60,764	86,774	158,351	126,018	(106,397)	216,329	146,195
Extraordinary items			(86,893)	(3,208)	(28,390)					
Total governmental activities	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	39,600,324
Business-type activities:										
Investment earnings	174	124	128	100	77	132	139	122	132	169
Capital asset contributions							44,756			
Total business-type activities	174	124	128	100	77	132	44,895	122	132	169
Total district-wide	\$ 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	\$ 39,600,493
CHANGES IN NET POSITION:										
Governmental activities	\$ 1,627,961	\$ 2,378,595	\$ 719,353	\$ 1,631,705	\$ 11,759,322	\$ (408,113)	\$ (811,657)	\$ (4,951,311)	\$ (1,975,894)	\$ 197,283
Business-type activities	52,395	(16,668)	32,356	13,354	12,395	3,601	28,032	(16,429)	42,580	16,869
Total district	\$ 1,680,356	\$ 2,361,927	\$ 751,709	\$ 1,645,059	\$ 11,771,717	\$ (404,512)	\$ (783,625)	\$ (4,967,740)	\$ (1,933,314)	\$ 214,152

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	\$ 3,890,639
Assigned	543,935	751,301	926,400	881,383	1,440,002	2,407,087	1,543,529	1,022,950	767,678	1,667,792
Unrestricted	(590,124)	(552,322)	(648,380)	(683,408)	(663,106)	(614,664)	(530,266)	(461,654)	(383,130)	(343,288)
Total general fund	<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>	<u>\$ 5,215,143</u>
All other governmental funds										
Assigned										
Capital projects					\$ 15,857,379	\$ 4,909,365	\$ 448,514	\$ 20,001	\$ 20,001	\$ 20,001
Debt service fund	\$ 197	\$ 198	\$ 198	\$ 1	(196)	(196)	(196)			198
Total all other governmental funds	<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>	<u>\$ 20,199</u>

Source: District records

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES:										
Tax levy	\$ 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	\$ 16,347,289
Tuition charges	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	2,027,224
Transportation fees	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	1,194,008
Interest earnings	8,431	10,458	13,806	3,095	3,400	3,732	6,343	6,384	6,055	1,836
Miscellaneous	84,831	125,015	59,508	93,018	103,374	158,745	126,018	230,450	216,329	146,195
State sources	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	18,680,408
Federal sources	920,923	1,245,621	743,070	725,330	984,090	930,022	939,660	936,219	949,879	1,080,913
Total revenue	30,261,054	31,771,807	32,761,306	34,575,835	45,512,892	35,826,203	37,380,977	38,867,026	39,518,533	39,477,873
EXPENDITURES:										
Instruction:										
Regular Instruction	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	9,056,517
Special education instruction	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	2,242,305
Other special instruction	261,873	243,915	308,646	256,675	303,388	369,628	567,075	486,116	562,414	530,743
Other instruction	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	1,105,597
Support services:										
Tuition	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	3,293,948
Student & instruction related services	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	3,257,916
General administrative services	446,590	455,183	428,394	472,086	431,458	423,852	432,914	452,864	448,744	472,190
School administrative services	900,355	785,768	782,903	688,985	704,002	697,019	688,163	714,288	695,659	677,411
Central services	358,348	310,176	328,169	333,270	325,116	378,066	394,808	409,330	391,169	407,679
Admin. information technology	136,869	137,650	170,445	238,996	325,904	378,855	319,151	385,009	432,114	397,141
Plant operations and maintenance	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	2,823,569
Pupil transportation	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	4,394,421
Employee benefits	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	9,141,623
Special schools										
Capital outlay	499,390	53,359	725,868	1,890,873	5,817,016	12,915,596	6,762,919	2,035,865	1,767,095	1,216,281
Debt service:										
Principal	1,205,956	1,291,229	1,291,524	1,291,832	745,000	240,000	310,000	325,000	335,000	350,000
Interest and other charges	202,850	158,127	111,108	64,073	21,617	291,800	307,314	300,964	292,689	282,414
Total expenditures	29,368,873	29,921,158	32,904,863	34,271,720	39,146,006	47,479,271	42,938,873	39,606,232	40,911,082	39,649,755
Excess (deficiency) of revenues over (under) expenditures	892,181	1,850,649	(143,557)	304,115	6,366,886	(11,653,068)	(5,557,896)	(739,206)	(1,392,549)	(171,882)
OTHER FINANCING SOURCES (USES):										
Capital leases (non-budgeted)		28,340	331,622	858,417	384,076	727,223		761,576	621,266	442,607
State sources-cancellation of state aid receivable								(336,847)		
Transfers in	23,092	25,136	55,709	100,544	73,695	83,243	86,128			74,920
Bond proceeds					10,581,000					
Transfers out			(40,708)							
Total other financing sources (uses)	23,092	53,476	346,623	958,961	11,038,771	810,466	86,128	424,729	621,266	517,527
Net change in fund balances	\$ 915,273	\$ 1,904,125	\$ 203,066	\$ 1,263,076	\$ 17,405,657	\$ (10,842,602)	\$ (5,471,768)	\$ (314,477)	\$ (771,283)	\$ 345,645
Debt service as a percentage of noncapital expenditures	4.9%	4.9%	4.4%	4.2%	2.3%	1.5%	1.7%	1.7%	1.6%	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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Interest on investments			\$ 10,444	\$ 14,247	\$ 36,678	\$ 46,994	\$ 17,134	\$ 5,123	\$ 10,975	\$ 13,184
Athletic events	\$ 13,451	\$ 11,707	20,672	22,264	19,996	17,772	18,999		16,579	14,496
Sale of assets	9,782	730								500
Rentals	4,506	7,239	7,036	8,711	13,928	2,189	4,744		7,016	13,329
Refunds	19,977	45,056	14,774	29,125	9,331	9,516	34,043	5,416	21,784	38,057
Prior year purchase order adjustment	1,601		2,807							
Fines	1,125	861	266	571	900	58	310		150	
Community school										
Dividend									24,998	
Educational fee	9,000									
Insurance dividend	11,680	37,874								53,781
Miscellaneous	104	13,500	13,953	93	5,941	31,588	50,788	219,911	134,827	12,848
	<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>	<u>\$ 146,195</u>

Source: District records

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

FRANKLIN TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
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
2020	31,787,800	1,045,890,200	50,955,200	5,625,000	92,253,500		1,927,000	1,228,438,700	2,159,754	1,230,598,454	1,232,299,954	1.019

ELK TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
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
2020	16,957,500	298,289,900	23,295,800	3,658,500	29,711,400	1,189,200		373,102,300	1,148,777	374,251,077	375,182,477	1.060

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 ^a	General Obligation Debt Service ^b	Total Direct	Franklin Township Municipality	Franklin Township School District	Gloucester County	
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
2020	0.980	0.039	1.019	0.688	0.918	0.755	3.380

ELK TOWNSHIP

Fiscal Year Ended June 30,	Delsea Regional High School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Elk Township Municipality	Elk Township School District	Gloucester County	
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
2020	1.019	0.041	1.060	0.905	0.934	0.782	3.681

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	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
RT Enterprises, LLC	7,090,800	0.58%	4,483,900	0.56%
R. Leo & Sons, LLC	3,586,300	0.29%	2,277,700	0.28%
Wawa, Inc.	2,770,800	0.23%	1,498,800	0.19%
PDM, LLC (CVS)	2,500,000	0.20%	1,086,500	0.13%
Verizon New Jersey	2,159,754	0.18%		
New Greenways, LLC	2,158,300	0.18%		
Graiff Brothers Properties LLC	2,041,500	0.17%		
Rosemar Properties, V.L.L.C.	1,600,000	0.13%		
AJ Seerat LLC	1,550,000	0.13%		
In Demand Rentals	1,542,900	0.13%		
Sharon Reed Community Dev. Corp			1,438,200	0.18%
Individual Taxpayer 1			1,260,300	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			1,076,000	0.13%
Visconti Brothers Properties LLC			1,117,900	0.14%
Total	27,000,354	2.19%	16,578,500	2.06%

ELK TOWNSHIP

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Individual Taxpayer 1	6,041,900	1.61%	1,181,300	0.30%
Laux Lakeview Park Inc.	4,139,900	1.11%	4,294,700	1.09%
Aura Investors LLC	3,192,500	0.85%		
SCP 2007-C27, LLC (CVS Caremark)	2,449,900	0.65%	2,000,000	0.51%
Clayton Associates	1,189,200	0.32%	1,223,200	0.31%
Verizon New Jersey	1,148,777	0.31%	1,406,464	0.36%
Copart of Connecticut Inc.	1,102,000	0.29%		
Aura Development Group LLC	1,082,700	0.29%		
Robinson Property Holdings	1,052,200	0.28%		
Christy Enterprises	1,029,600	0.28%	1,037,800	0.26%
Paparone at Silver Lake Estates LLC			2,587,200	0.66%
Valley Del Sol			1,844,900	0.47%
Western Oilfields Supply Co			1,140,600	0.29%
Silvergate Associates			1,932,500	0.49%
Total	22,428,677	5.99%	18,648,664	4.68%

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	
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%	
2020	16,347,289	16,347,289	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 ^a	Per Capita ^a
	General Obligation Bonds	EDA Loans	Capital Leases			
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	0.94%	516
2019	9,371,000		987,262	10,358,262	N/A	506
2020	9,021,000		906,549	9,927,549	N/A	N/A

Source: District records

N/A - Information not available

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
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%	458
2020	9,021,000		9,021,000	0.56%	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, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Franklin Township	\$ 9,444,483	100.00%	\$ 9,444,483
Elk Township	1,745,850	100.00%	1,745,850
Township of Franklin School District	1,522,000	100.00%	1,522,000
Township of Elk School District	545,000	100.00%	545,000
Gloucester County	227,739,500	6.07%	13,809,711
Subtotal, overlapping debt			27,067,044
Delsea Regional High School District direct debt			<u>9,021,000</u>
Total direct and overlapping debt			<u><u>\$ 36,088,044</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
2019	\$ 390,989,792	\$ 1,330,259,708	\$ 1,721,249,500
2018	387,089,777	1,318,330,867	1,705,420,644
2017	376,799,855	1,304,438,385	1,681,238,240
	<u>\$ 1,154,879,424</u>	<u>\$ 3,953,028,960</u>	<u>\$ 5,107,908,384</u>
Average equalized valuation of taxable property	\$ 384,959,808	\$ 1,317,676,320	\$ 1,702,636,128
Debt limit (3% of average equalized valuation)			a 51,079,084
Net bonded school debt			9,021,000
Legal debt margin			<u>\$ 42,058,084</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	\$ 51,079,084
Total net debt applicable to limit	<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>	<u>9,021,000</u>
Legal debt margin	<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>	<u>\$ 42,058,084</u>
Total net debt applicable to the limit as a percentage of debt limit	8.23%	6.07%	3.86%	1.47%	21.30%	20.92%	20.19%	24.77%	18.55%	17.66%

Source: Abstract of Ratables and District records

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

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

FRANKLIN TOWNSHIP

Fiscal Year Ended June 30,	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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	897,270,550	54,745	5.4%
2019	16,300	N/A	N/A	4.7%
2020	N/A	N/A	N/A	N/A

ELK TOWNSHIP

Fiscal Year Ended June 30,	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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	228,450,885	54,745	4.3%
2019	4,173	N/A	N/A	3.6%
2020	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	2020		2011	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Amazon	4,500	3.01%		
Rowan University	3,500	2.34%	1,300	0.82%
Inspira Health	2,051	1.37%		
Underwood Memorial Hospital			1,825	1.16%
Jefferson Health	2,015	1.35%		
Kennedy Health Alliance			1,200	0.76%
Washington Township School District	1,550	1.04%	1,504	0.95%
Shop Rite	1,300	0.87%		
County of Gloucester	1,200	0.80%	1,500	0.95%
Missa Bay, LLC			950	0.60%
Monroe Township School District	805	0.54%	714	0.45%
U.S. Foodservices	1,014	0.68%	800	0.51%
Walmart-Turnersville	800	0.53%		
Valero			640	0.41%
Goodwin Pumps			640	0.41%
	18,735		11,073	

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction:										
Regular	107	108	109	108	105	106	108	102	105	104
Special education	41	40	42	43	46	45	42	36	29	36
Other special instruction	4	3	1	1	1	1	1	1	1	1
Support services:										
Student & instruction related services	34	33	37	38	33	30	31	37	38	36
General administrative services	3	3	3	3	4	5	5	3	3	3
School administrative services	13	9	8	10	10	8	9	7	7	7
Central services	5	5	5	5	5	5	5	5	5	5
Administrative information technology	3	2	3	4	4	5	5	4	3	2
Plant operations and maintenance	32	27	27	25	22	24	25	29	28	28
Pupil transportation	67	65	78	80	86	87	88	76	76	70
Total	<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>	<u>292</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
2011	1,743.0	\$ 27,460,677	\$ 15,755	-4.52%	139	10:8:1	13.6:1	1,748	1,648	-2.33%	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%
2020	1,614.0	37,801,060	23,421	-2.53%	142	12.2:1	10.9:1	1,604	1,544	-0.06%	96.3%

Source: District records

Note: Enrollment based on annual October District count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

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

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

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

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Middle School										
Delsea Regional Middle School (1989)										
Square Feet	97,000	97,000	97,000	97,000	97,000	101,650	101,650	101,650	101,650	101,650
Capacity (students)	724	724	724	724	724	759	759	759	759	759
Enrollment	547	539	600	613	538	478	485	534	563	581
High School										
Delsea Regional High School (1960)										
Square Feet	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800
Capacity (students)	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376
Enrollment	1,196	1,173	1,153	1,141	1,158	1,122	1,130	1,080	1,040	1,033
Other										
Bus Garage (1996) ^a										
Square Feet	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739
Maintenance/Transportation Trailer (1991)										
Square Feet	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180
Waste Water Treatment Plant (1989)										
Square Feet	700	700	700	700	700	700	700	700	700	700
Stadium Wrestling Building (1973)										
Square Feet	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118
Stadium Maintenance Office (1973)										
Square Feet	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352
Stadium Storage Building (1973)										
Square Feet	760	760	760	760	760	760	760	760	760	760
Stadium Press Box (2001)										
Square Feet	256	256	256	256	256	256	256	256	256	256
Concession Stand #1 (1973)										
Square Feet	320	320	320	320	320	320	320	320	320	320
Concession Stand #2 (1973)										
Square Feet	320	320	320	320	320	320	320	320	320	320
Stadium Equipment Storage Building (1989)										
Square Feet	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520
Greenhouse										
Square Feet	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012
Number of Schools at June 30, 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

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Totals
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES 11-000-261-XXX												
School facilities:	Project numbers:											
Delsea High School	N/A	\$ 95,152	\$ 137,006	\$ 128,057	\$ 90,504	\$ 251,646	\$ 161,178	\$ 160,195	\$ 219,784	\$ 155,034	\$ 265,084	\$ 1,663,640
Delsea Middle School	N/A	33,108	59,060	80,715	82,390	112,694	41,544	113,978	121,908	92,089	75,650	813,136
Total school facilities		128,260	196,066	208,772	172,894	364,340	202,722	274,173	341,692	247,123	340,734	2,476,776
Other facilities:												
Wastewater treatment plant	N/A	26,391	58,105	160,240	63,446	75,337	59,982	65,641	69,808	76,615	64,838	720,403
Grand total		\$ 154,651	\$ 254,171	\$ 369,012	\$ 236,340	\$ 439,677	\$ 262,704	\$ 339,814	\$ 411,500	\$ 323,738	\$ 405,572	\$ 3,197,179

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	\$ 108,207,329	\$ 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	1,250,000	100,000
Catastrophe Access - Fireman's Fund Insurance Co.	3,000,000	
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
P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Denise R. Nevico, CPA
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, 2020, 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 January 25, 2021.

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.

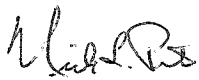
Compliance and Other Matters

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

January 25, 2021

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

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, 2020. 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, 2020.

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, 2020, and have issued our report thereon dated January 25, 2021, 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

January 25, 2021

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2020

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, 2019	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			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	2005NJ5MAP	N/A	\$ 45,701	7/1/19	6/30/20			\$ 44,483	\$ (45,701)					\$ (1,218)	\$ 45,701
Medical Assistance Program (SEMI)	93.778	1905NJ5MAP	N/A	45,345	7/1/18	6/30/19	\$ (750)		750							45,345
SEMI Mac	93.778	2005NJ5MAP	N/A	8,947	7/1/19	6/30/20			8,947	(8,947)						8,947
Total General Fund							(750)		54,180	(54,648)				(1,218)		99,993
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
Title I, Part A	84.010	S010A190030	ESEA280020	154,780	7/1/19	6/30/20			113,374	(154,780)					(41,406)	154,780
Title I, Part A	84.010	S010A180030	ESEA280019	166,691	7/1/18	6/30/19	(93,683)		93,683							166,691
Subtotal							(93,683)		207,057	(154,780)				(41,406)		321,471
Special Education Cluster																
IDEA Part B, Basic Regular	84.027	H027A1980100	IDEA280020	663,710	7/1/19	6/30/20			518,690	(627,290)					(108,600)	627,290
IDEA Part B, Basic Regular	84.027	H027A180100	IDEA280019	662,961	7/1/18	6/30/19	(499,227)		499,227							638,981
Total Special Education Cluster							(499,227)		1,017,917	(627,290)				(108,600)		1,266,271
Title II Part A																
Title II Part A	84.367	S367A190029	ESEA280020	36,188	7/1/19	6/30/20			28,333	(31,383)					(3,050)	31,383
Title II Part A	84.367	S367A180029	ESEA280019	34,689	7/1/18	6/30/19	(34,689)		34,689							34,689
Subtotal							(34,689)		63,022	(31,383)				(3,050)		66,072
Title III																
Title III	84.365	S365A190030	ESEA280020	1,761	7/1/19	6/30/20			1,591	(1,591)						1,761
Title III	84.365	S365A180030	ESEA280019	175	9/1/18	6/30/19	(175)		175							175
Subtotal							(175)		1,766	(1,591)						1,936
Title IV Part A																
Title IV Part A	84.424	S424A190031	ESEA280020	11,215	7/1/19	6/30/20			1,045	(3,445)					(2,400)	3,445
Title IV Part A	84.424	S424A180031	ESEA280019	9,025	7/1/18	6/30/19	(9,025)		9,025							9,025
Subtotal							(9,025)		10,070	(3,445)				(2,400)		12,470
CARES Emergency Relief																
CARES Emergency Relief	84.425	S425D200027		123,236	7/1/19	6/30/20				(7,583)					(7,583)	7,583
Safe and Drug-Free Schools and Communities																
Safe and Drug-Free Schools and Communities	84.184	S184G190252		429,793	10/1/19	9/30/20				(143,987)					(143,987)	143,987
Perkins																
Perkins	84.048	V048A190030	N/A	63,813	7/1/19	6/30/20			45,340	(63,812)					(18,472)	63,812
Perkins	84.048	V048A180030	N/A	68,705	7/1/18	6/30/19	(12,430)		12,430							68,705
Subtotal							(12,430)		57,770	(63,812)				(18,472)		132,517
Total Special Revenue Fund							(649,229)		1,357,602	(1,033,871)				(325,498)		1,952,307
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Food Distribution Program	10.555	N/A	N/A	59,284	7/1/19	6/30/20			59,284	(48,854)					\$ 10,430	48,854
Food Distribution Program	10.555	N/A	N/A	42,370	7/1/18	6/30/19	2,495			(2,495)						42,370
School Breakfast Program	10.553	201NJ304N1099	N/A	27,527	7/1/19	6/30/20			27,527	(27,527)						27,527
School Breakfast Program	10.553	191NJ304N1099	N/A	36,616	7/1/18	6/30/19	(8,868)		8,868							36,616
National School Lunch Program	10.555	201NJ304N1099	N/A	192,945	7/1/19	6/30/20			181,339	(192,945)					(11,606)	192,945
National School Lunch Program	10.555	191NJ304N1099	N/A	184,078	7/1/18	6/30/19	(35,713)		35,713							184,078
Total Enterprise Fund							(42,086)		312,731	(271,821)				(11,606)	10,430	532,390
Total Federal Financial Awards							\$ (692,065)		\$ 1,724,513	\$ (1,360,340)				\$ (338,322)	\$ 10,430	\$ 2,584,690

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, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019				Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2020			MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount	Cash Received		Budgetary Expenditures	Accounts Receivable	Deferred Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Extraordinary Aid	20-100-034-5120-473	\$ 375,588	7/1/19	6/30/20					\$ (375,588)				\$ (375,588)		\$ 375,588
Extraordinary Aid	19-100-034-5120-473	310,917	7/1/18	6/30/19	\$ (310,917)			\$ 310,917							310,917
State Aid Public:															
Special Education Aid	20-495-034-5120-089	956,261	7/1/19	6/30/20				956,261	(956,261)					\$ 88,900	956,261
Equalization Aid	20-495-034-5120-078	12,014,766	7/1/19	6/30/20				12,014,766	(12,014,766)					1,116,975	12,014,766
Security Aid	20-495-034-5120-084	231,243	7/1/19	6/30/20				231,243	(231,243)					21,498	231,243
School Choice Aid	20-495-034-5120-068	439,475	7/1/19	6/30/20				439,475	(439,475)					40,857	503,100
Transportation Aid	20-495-034-5120-014	239,518	7/1/19	6/30/20				239,518	(239,518)					22,267	239,518
Reimbursement of Nonpublic Transportation	N/A	8,700	7/1/19	6/30/20					(8,700)				(8,700)		8,700
Reimbursement of Nonpublic Transportation	N/A	19,205	7/1/18	6/30/19	(19,205)			19,205							19,205
On-behalf TPAF Pension Contribution	20-495-034-5094-006	2,524,255	7/1/19	6/30/20				2,524,255	(2,524,255)						2,524,255
On-behalf TPAF Post-retirement Medical	20-495-034-5094-001	936,453	7/1/19	6/30/20				936,453	(936,453)						936,453
On-behalf TPAF Long Term Disability Insurance	20-495-034-5094-004	1,247	7/1/19	6/30/20				1,247	(1,247)						1,247
Reimbursed TPAF Social Security	20-495-034-5094-003	886,843	7/1/19	6/30/20				843,468	(886,843)				(43,375)		886,843
Reimbursed TPAF Social Security	19-495-034-5094-003	871,214	7/1/18	6/30/19				42,300							871,214
Total General Fund					(372,422)			18,559,108	(18,614,349)				(427,663)	1,290,497	19,879,310
Special Revenue Fund:															
NJ Non-Public Aid															
Textbook Aid	20-100-034-5120-064	8,750	7/1/19	6/30/20				8,750	(8,750)						8,750
Security Aid	20-100-034-5120-509	24,900	7/1/19	6/30/20				24,900	(24,900)						24,900
Auxiliary Services:															
Transportation	20-100-034-5120-067	932	7/1/19	6/30/20				932	(570)					\$ 362	570
Transportation	19-100-034-5120-067	896	7/1/18	6/30/19			\$ 382			\$ 382					514
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
Handicapped Services:															
Corrective Speech	20-100-034-5120-066	911	7/1/19	6/30/20				911	(729)					182	729
Corrective Speech	19-100-034-5120-066	1,786	7/1/18	6/30/19			1,072			1,072					714
Examination and Classification	20-100-034-5120-066	13,939	7/1/19	6/30/20				13,939	(10,595)					3,344	10,595
Supplementary Instruction	20-100-034-5120-066	9,713	7/1/19	6/30/20				9,713	(8,176)					1,537	8,176
Supplementary Instruction	19-100-034-5120-066	9,516	7/1/18	6/30/19			2,141			2,141					7,375
Nursing Services Aid	20-100-034-5120-070	16,102	7/1/19	6/30/20				16,102	(16,102)						16,102
Technology Aid	20-100-034-5120-373	5,976	7/1/19	6/30/20				5,976	(5,976)						5,976
Technology Aid	19-100-034-5120-373	5,004	7/1/18	6/30/19			40			40					4,964
Technology Aid	19-100-034-5120-373	4,965	7/1/18	6/30/19	(4,964)								(4,964)		4,964
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	750	7/1/19	6/30/20				750	(750)						750
Municipal Alliance	N/A	7,656	7/1/18	6/30/19	4,836								4,836		2,820
Total Special Revenue Fund					(4,718)	3,635		81,973	(76,548)	3,635	(9,613)	4,895	5,425		152,489

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, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2020			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)	209-100-010-3350-023	5,080	7/1/19	6/30/20			4,643	(5,080)			(437)					5,080
National School Lunch Program (State Share)	19-100-010-3350-023	6,098	7/1/18	6/30/19	(1,410)		1,410									6,098
Total Enterprise Fund/Child Nutrition Cluster					(1,410)		6,053	(5,080)			(437)					11,178
Total State Financial Assistance					<u>\$ (378,550)</u>	<u>\$ 3,635</u>	<u>\$ 18,647,134</u>	<u>\$ (18,695,977)</u>			<u>\$ (437,713)</u>	<u>\$ 4,895</u>	<u>\$ 5,425</u>	<u>\$ 1,290,497</u>		<u>\$20,042,977</u>
Less: On-Behalf TPAF Pension System Contributions																<u>\$ (3,461,955)</u>
Total for State Financial Assistance - Major Program Determination																<u>\$ (15,234,022)</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, 2020

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, 2020

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$12,422 for the General Fund and (\$30,517) 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	\$ 54,648	\$ 18,626,771	\$ 18,681,419
Special Revenue Fund	1,026,265	53,637	1,079,902
Food Service Fund	263,299	5,080	268,379
	<u>\$ 1,344,212</u>	<u>\$ 18,685,488</u>	<u>\$ 20,029,700</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, 2020, Delsea Regional High School District has food commodities totaling \$10,430 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, 2020. 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, 2020.

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, 2020

**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.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to basic financial statements noted? Yes No

Federal Awards:

Internal control over major programs:

- 1. Material weakness(es) identified? Yes No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? Yes 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 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? Yes No

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020

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, 2020

Status of Prior Year Finding

N/A

Findings:

N/A

Condition:

N/A

Current Status:

N/A