

DELSEA REGIONAL HIGH SCHOOL DISTRICT

Franklinville, New Jersey
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

DELSEA REGIONAL HIGH SCHOOL DISTRICT

FRANKLINVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

**Delsea Regional High School District
Finance Department**

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OUTLINE OF CAFR - GASB #34

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INTRODUCTORY SECTION

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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. Anthony Fitzpatrick, Assistant Superintendent • Joseph Collins, Business Administrator
Jackie Scerbo, Supervisor of Special Services/CST • Fran Ciociola, HS Principal • Jill Bryfogle, MS Principal

March 10, 2022

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 annual comprehensive financial report (ACFR) of the Delsea Regional High School District for the fiscal year ended June 30, 2021, 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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- Information related to this single audit, including the auditors' reports on 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 2020-21 fiscal year with an average daily enrollment of 1,553 students, which is 51 students less than the previous year's enrollment.

The teaching staff consists of approximately 143 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. The accounting firm of Holt McNally & Associates, Inc., Certified Public Accounts & Advisors, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting 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, 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.

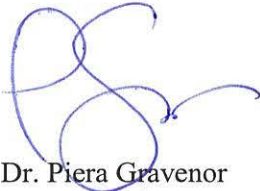
Delsea participated in the Highly Effective Educator pilot during the 2015-2016 school year, helping to shape the current Highly Effective Educator protocol for teacher evaluations.

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,

A handwritten signature in blue ink, appearing to read 'P. Gravenor', with a large, stylized initial 'P'.

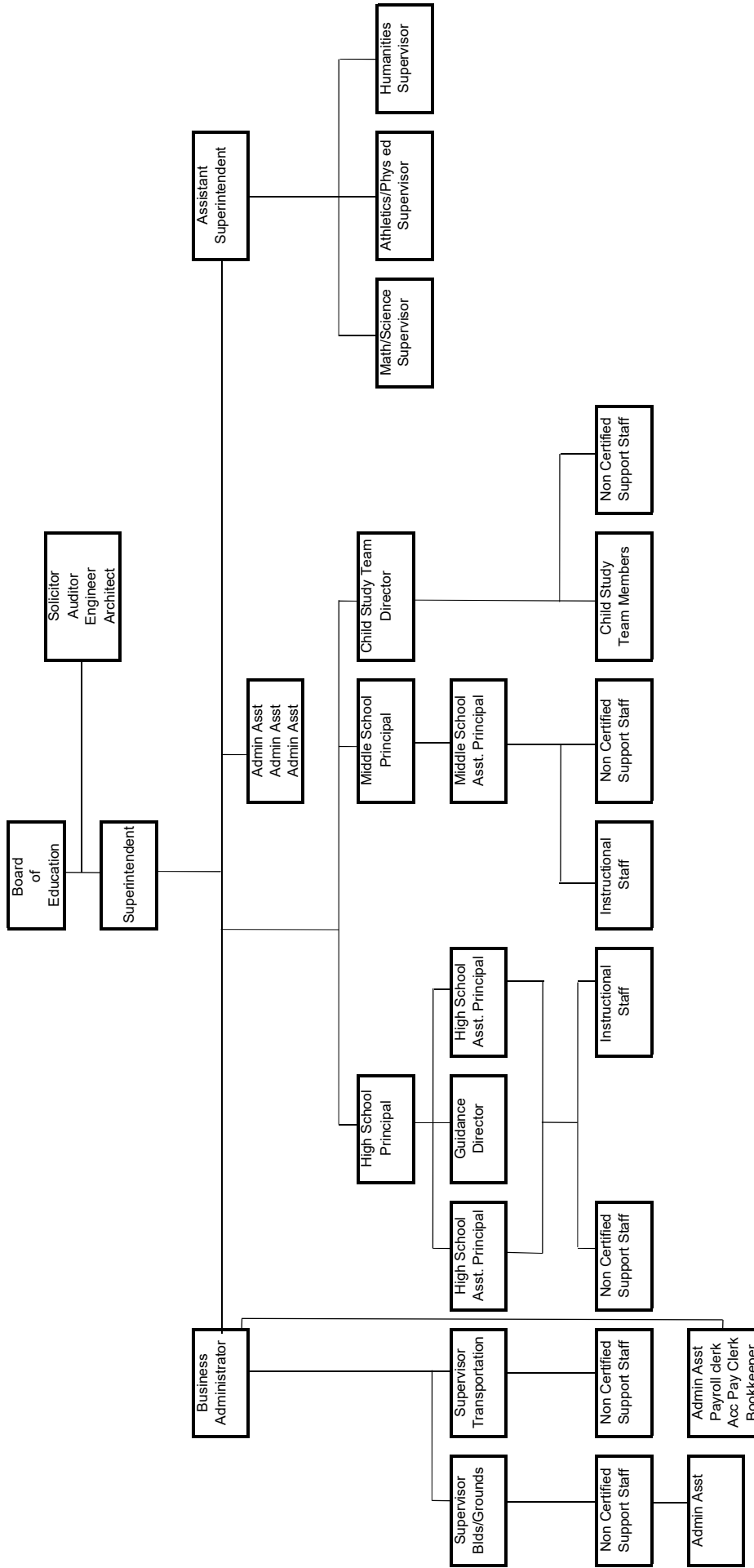
Dr. Piera Gravenor
Superintendent

A handwritten signature in black ink, reading 'Joseph M. Collins' in a cursive script.

Joseph M. Collins
Business Administrator/Board Secretary

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**DELSEA REGIONAL SCHOOL DISTRICT
ORGANIZATIONAL CHART**



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DELSEA REGIONAL HIGH SCHOOL DISTRICT
242 Fries Mill Rd,
Franklinville, New Jersey 08322

ROSTER OF OFFICIALS

June 30, 2021

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Kathy Catucci, President	2023
Tina DeSilvio, Vice President	2021
Frank Borelli	2023
Joseph Darminio, Sr.	2023
William DiMatteo	2022
David J.Piccirillo	2022
Desiree Miller	2022
Diane Trace	2021
Garry Lightfoot	2021

OTHER OFFICIALS

Dr. Piera Gravenor, Superintendent

Joseph Collins, CPA, School Business Administrator

Angela M. Gregory, Treasurer

Frank P. Cavallo, Jr., Esquire, Solicitor

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

CONSULTANTS AND ADVISORS

AUDIT FIRM

Michael Holt, CPA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

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

OFFICIAL DEPOSITORY

Newfield National Bank
18-24 West Boulevard,
Newfield, NJ 08344-9558

ARCHITECT

Garrison Architects
14000 F. Commerce Parkway
Mount Laurel, NJ 08054

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FINANCIAL SECTION

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Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Delsea Regional High School District
County of Gloucester
Franklinville, New Jersey

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 Delsea Regional High School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School 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; the standards applicable to financial audits contained in *Governmental 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 and requirements 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.

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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 School District, County of Gloucester, State of New Jersey, as of June 30, 2021, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Due to a correction for GASB Statement No. 68, net position as of June 30, 2020, on the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed 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 School District's basic financial statements. The introductory section, combining and individual fund statements, long-term debt schedules and statistical section, are presented for

purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 fund statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
March 10, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

As management of the Delsea Regional High School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Internal Service Fund. Business-type activities reflect the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds and proprietary funds*.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains two types of proprietary funds – one Enterprise Fund and one Internal Service Fund. The fund financial statements of the enterprise fund and internal service fund provide the same information as the government-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs. The District does not currently maintain any fiduciary funds

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

Table 1
Summary of Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 10,061,231	\$ 7,535,366	\$ 2,525,865	33.5%
Capital Assets, Net	34,485,028	36,613,234	(2,128,206)	-5.8%
Total Assets	<u>44,546,259</u>	<u>44,148,600</u>	397,659	0.9%
Deferred Outflow of Resources	<u>1,506,864</u>	2,050,873	(544,009)	-26.5%
Current and other Liabilities	2,260,293	1,990,352	269,941	13.6%
Noncurrent Liabilities	<u>18,512,900</u>	<u>20,283,124</u>	(1,770,224)	-8.7%
Total Liabilities	<u>20,773,193</u>	<u>22,273,476</u>	(1,500,283)	-6.7%
Deferred Inflow of Resources	<u>4,703,880</u>	4,923,334	(219,454)	-4.5%
Net Position:				
Net Investment in Capital Assets	25,224,629	26,685,685	(1,461,056)	-5.5%
Restricted	5,921,622	6,373,569	(451,947)	-7.1%
Unrestricted (Deficit)	<u>(10,570,201)</u>	<u>(14,056,591)</u>	3,486,390	-24.8%
Total Net Position	<u>\$ 20,576,050</u>	<u>\$ 19,002,663</u>	<u>\$ 1,573,387</u>	8.3%

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

Table 2
Summary of Changes in Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 793,216	\$ 1,063,237	\$ (270,021)	-25.4%
Operating Grants & Contributions	12,558,232	1,346,766	11,211,466	832.5%
General Revenues:				
Property Taxes	16,529,480	16,347,289	182,191	1.1%
Federal & State Aid	14,647,923	19,883,772	(5,235,849)	-26.3%
Other General Revenues	<u>3,199,332</u>	<u>3,369,432</u>	(170,100)	-5.0%
Total Revenues	<u>47,728,183</u>	<u>42,010,496</u>	<u>5,717,687</u>	13.6%

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

Table 2
Summary of Changes in Net Position (continued)

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Function/Program Expenditures:				
Regular Instruction	8,526,073	9,032,728	(506,655)	-5.6%
Special Education Instruction	2,108,260	2,242,305	(134,045)	-6.0%
Other Instruction	1,241,556	1,638,336	(396,780)	-24.2%
Tuition	3,758,939	3,293,948	464,991	14.1%
Student & Instruction Related Services	3,962,126	2,701,317	1,260,809	46.7%
School Administrative Services	683,226	617,385	65,841	10.7%
Other Administrative Services	1,777,599	1,004,806	772,793	76.9%
Plant Operations & Maintenance	2,710,769	2,844,750	(133,981)	-4.7%
Pupil Transportation	2,440,658	4,790,202	(2,349,544)	-49.0%
Unallocated Benefits	10,332,697	10,091,241	241,456	2.4%
On Behalf TPAF Pension and Social				
Security Contributions	4,876,026	-	4,876,026	N/A
Transfer to Charter Schools	208,859	-	208,859	N/A
Internal Services	710,578	-	710,578	N/A
Capital Outlay	-	472,386	(472,386)	-100.0%
Interest & Other Charges	271,392	278,039	(6,647)	-2.4%
Unallocated Depreciation	2,166,481	2,252,260	(85,779)	-3.8%
Food Service	379,557	536,641	(157,084)	-29.3%
Total Expenditures	<u>46,154,796</u>	<u>41,796,344</u>	<u>4,358,452</u>	<u>10.4%</u>
Change In Net Position	1,573,387	214,152	1,359,235	634.7%
Net Position - Beginning	19,002,663	18,788,511	214,152	1.1%
Net Position - Ending	<u>\$ 20,576,050</u>	<u>\$ 19,002,663</u>	<u>\$ 1,573,387</u>	<u>8.3%</u>

Governmental Activities

During the fiscal year 2021, the net position of governmental activities increased by \$1,532,416 or 8.2%. The primary reason for the increase was due to the increase in operating grants and contributions during the year, coupled with decreased operational expenses from disruptions during the COVID-19 pandemic.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$20,310,445, with an unrestricted deficit balance of \$(10,805,752). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Governmental Activities (continued)

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(10,805,752)
Add back: PERS Pension Liability		8,327,868
Less: Deferred Outflows related to pensions		(1,506,864)
Add back: Deferred Inflows related to pensions		4,703,880
		4,703,880
Unrestricted Net Position (Without GASB 68)	\$	719,132

Business-type Activities

During the fiscal year 2021, the net position of business-type activities increased by \$40,971 or 18.2%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$265,605.

General Fund Budgeting Highlights

Final budgeted revenues were \$33,982,655, which were less than the original budgeted revenues. Excluding nonbudgeted revenues, the School District's budgeted revenues exceeded actual revenues by \$183,672.

Final budgeted appropriations were \$36,256,078, which was an increase of \$917,303 from the original budget. The increase is due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget and transfers in from Maintenance Reserve. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$4,560,389.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$8,804,799 at June 30, 2021, an increase of \$2,103,294 from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$8,290,669, an increase of \$2,260,388 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$2,102,376 to \$7,513,384 at June 30, 2021, compared to an increase of \$345,447 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund were as follows:

- Normal increases in the tax levy received during 20/21
- Savings in expenditures during the year due to disruptions caused by COVID-19 pandemic

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Governmental Funds (continued)

Special revenue fund – The ending balance in the Special Revenue fund was \$757,084, which consisted of Student Activities balance of \$409,685 and Scholarships balance of \$347,399.

Capital projects fund – The ending balance in the Capital Projects fund was \$20,001, which represents no change from the prior year..

Debt service fund – During the current fiscal year, the fund balance of the School District's debt service fund increased by \$2 to \$200 at June 30, 2021, compared to no change in fund balance in the prior fiscal year.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$40,971 to \$265,605 at June 30, 2021, compared to an increase of \$16,869 in net position in the prior fiscal year.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$34,485,028 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$2,128,206. This decrease is primarily due to current year depreciation exceeding current year capital asset additions. Table 4 shows fiscal 2021 balances compared to 2020.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 71,500	\$ 71,500	\$ -	0.0%
Land Improvements	1,108,189	1,247,503	(139,314)	-11.2%
Building and Improvements	29,961,537	31,467,818	(1,506,281)	-4.8%
Equipment	3,343,802	3,826,413	(482,611)	-12.6%
	<u>\$ 34,485,028</u>	<u>\$ 36,613,234</u>	<u>\$ (2,128,206)</u>	<u>-5.8%</u>

Net depreciation expense for the year was \$2,172,438. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$8,651,000, capital lease obligations outstanding of \$609,399 and compensated absences payable of \$924,633..

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Factors Bearing on the District's Future

The Delsea Regional High School District has continued to maintain the highest standards of service to our students, parents, and community. The District is committed to preparing its students for the future. A major concern, however, is the continued increase in the costs of operating the District along with the District's limited ability to increase revenue.

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

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

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

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

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

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

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

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A. District-Wide Financial Statements

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DELSEA REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 1,312,378	\$ 211,254	\$ 1,523,632
Receivables, Net (Note 4)	4,756,819	19,656	4,776,475
Internal Balances	3,635	(3,635)	-
Inventory	-	30,163	30,163
Restricted Cash & Cash Equivalents	3,730,961	-	3,730,961
Capital Assets, Net (Note 5)			
Non-Depreciable	71,500	-	71,500
Depreciable	34,383,474	30,054	34,413,528
	<hr/>		
Total Assets	44,258,767	287,492	44,546,259
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DEFERED OUTFLOW OF RESOURCES			
Related to Pensions (Note 8)	1,506,864	-	1,506,864
	<hr/>		
Total Deferred Outflow of Resources	1,506,864	-	1,506,864
	<hr/>		
Total Assets and Deferred Outflow of Resources	45,765,631	287,492	46,053,123
	<hr/>		
LIABILITIES			
Accounts Payable	1,441,087	-	1,441,087
Accrued Interest Payable	115,089	-	115,089
Payroll Deductions and Withholdings	4,117	-	4,117
Due to Other Governments	624,735	-	624,735
Unearned Revenue	53,378	21,887	75,265
Noncurrent Liabilities (Note 7):			
Due Within One Year	771,019	-	771,019
Due Beyond One Year	17,741,881	-	17,741,881
	<hr/>		
Total Liabilities	20,751,306	21,887	20,773,193
	<hr/>		
DEFERED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	4,703,880	-	4,703,880
	<hr/>		
Total Deferred Inflow of Resources	4,703,880	-	4,703,880
	<hr/>		
Total Liabilities and Deferred Inflow of Resources	25,455,186	21,887	25,477,073
	<hr/>		
NET POSITION			
Net Investment in Capital Assets	25,194,575	30,054	25,224,629
Restricted For:			
Capital Projects	3,120,679	-	3,120,679
Debt Service	200	-	200
Excess Surplus	1,433,577	-	1,433,577
Maintenance Reserve	400,000	-	400,000
Other Purposes	967,166	-	967,166
Unrestricted	(10,805,752)	235,551	(10,570,201)
	<hr/>		
Total Net Position	\$ 20,310,445	\$ 265,605	\$ 20,576,050
	<hr/>		

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular	\$ 8,526,073	\$ -	\$ -	\$ (8,526,073)	\$ -	\$ (8,526,073)
Special Education	2,108,260	-	191,889	(1,916,371)	-	(1,916,371)
Other Instruction	1,241,556	-	-	(1,241,556)	-	(1,241,556)
Support Services:						
Tuition	3,758,939	-	536,936	(3,222,003)	-	(3,222,003)
Student & Instruction Related Services	3,962,126	-	1,571,933	(2,390,193)	-	(2,390,193)
Health Services	237,323	-	-	(237,323)	-	(237,323)
Educational Media Services/School Library	195,862	-	-	(195,862)	-	(195,862)
School Administrative Services	683,226	-	-	(683,226)	-	(683,226)
General Administration	485,765	-	-	(485,765)	-	(485,765)
Central Services	430,811	-	-	(430,811)	-	(430,811)
Administrative Information Technology	427,838	-	-	(427,838)	-	(427,838)
Plant Operations & Maintenance	2,710,769	-	-	(2,710,769)	-	(2,710,769)
Pupil Transportation	2,440,658	-	-	(2,440,658)	-	(2,440,658)
Unallocated Benefits	10,332,697	-	4,973,453	(5,359,244)	-	(5,359,244)
On-Behalf TPAF Pension and Social Security Contributions	4,876,026	-	4,876,026	-	-	-
Transfers to Charter Schools	208,859	-	-	(208,859)	-	(208,859)
Internal Services	710,578	780,802	-	70,224	-	70,224
Interest and Charges on Long-Term Debt	271,392	-	-	(271,392)	-	(271,392)
Unallocated Depreciation	2,166,481	-	-	(2,166,481)	-	(2,166,481)
Total Governmental Activities	45,775,239	780,802	12,150,237	(32,844,200)	-	(32,844,200)

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Business-Type Activities:					
Food Service	379,557	12,414	407,995	-	40,852
Total Business-Type Activities	379,557	12,414	407,995	-	40,852
Total Primary Government	\$ 46,154,796	\$ 793,216	\$ 12,558,232	(32,844,200)	40,852
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes				15,887,865	15,887,865
Property Taxes, Levied for Debt Service				641,615	641,615
Federal & State Aid Not Restricted				14,647,923	14,647,923
Tuition Charges				2,037,949	2,037,949
Transportation Charges				666,914	666,914
Interest Earnings				678	797
Miscellaneous Income				493,672	493,672
Total General Revenues, Special Items, Extraordinary Items & Transfers				34,376,616	34,376,735
Change In Net Position				1,532,416	40,971
Net Position - Beginning (Restated - Note 20)				18,778,029	224,634
Net Position - Ending				\$ 20,310,445	\$ 265,605
					\$ 20,576,050

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

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B. Fund Financial Statements

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Governmental Funds

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DELSEA REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	\$ 556,443	\$ 755,935	\$ -	\$ -	\$ 1,312,378
Receivables from Other Governments	3,702,644	658,498	-	-	4,361,142
Other Accounts Receivable	115,113	1,150	-	-	116,263
Interfund Accounts Receivable	570,353	-	-	-	570,353
Restricted Cash & Cash Equivalents	3,710,760	-	20,001	200	3,730,961
Total Assets	<u>\$ 8,655,313</u>	<u>\$ 1,415,583</u>	<u>\$ 20,001</u>	<u>\$ 200</u>	<u>\$ 10,091,097</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,137,812	\$ 290,275	\$ -	\$ -	\$ 1,428,087
Intergovernmental Payable:					
State	-	7,128	-	-	7,128
Interfund Accounts Payable	-	307,718	-	-	307,718
Unearned Revenue	-	53,378	-	-	53,378
Payroll Deductions & Withholdings	4,117	-	-	-	4,117
Total Liabilities	<u>1,141,929</u>	<u>658,499</u>	<u>-</u>	<u>-</u>	<u>1,800,428</u>
Fund Balances:					
Restricted for:					
Maintenance Reserve	400,000	-	-	-	400,000
Capital Reserve Account	3,100,678	-	-	-	3,100,678
Unemployment Compensation	210,082	-	-	-	210,082
Excess Surplus - Designated for Subsequent Year's Expenditures	302,959	-	-	-	302,959
Excess Surplus	1,130,618	-	-	-	1,130,618
Capital Projects Fund	-	-	20,001	-	20,001
Debt Service Fund	-	-	-	200	200
Student Activities	-	409,685	-	-	409,685
Scholarships	-	347,399	-	-	347,399
Assigned to:					
Other Purposes	1,770,119	-	-	-	1,770,119
Designated for Subsequent Year	242,975	-	-	-	242,975
Unassigned:					
General Fund	355,953	-	-	-	355,953
Total Fund Balances	<u>7,513,384</u>	<u>757,084</u>	<u>20,001</u>	<u>200</u>	<u>8,290,669</u>
Total Liabilities & Fund Balances	<u>\$ 8,655,313</u>	<u>\$ 1,415,583</u>	<u>\$ 20,001</u>	<u>\$ 200</u>	

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 \$66,592,429 and the accumulated depreciation is \$32,137,455.	34,454,974
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(115,089)
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	1,506,864
Deferred Inflows related to pensions	(4,703,880)
Internal Services Funds are used by management to charge the costs of certain activities, such as custodial and administrative services to other governments. Assets and liabilities of the Internal Service Fund of \$7,414 are included in the Statement of Net Position.	7,414
Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(617,607)
Long-term liabilities, including net pension liability, compensated absences and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(18,512,900)</u>
Net position of Governmental Activities	<u>\$ 20,310,445</u>

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 15,887,865	\$ -	\$ -	\$ 641,615	\$ 16,529,480
Tuition	2,037,949	-	-	-	2,037,949
Transportation	666,914	-	-	-	666,914
Interest Earned on Capital Reserve Funds	678	-	-	-	678
Miscellaneous	493,672	597,332	-	-	1,091,004
Total Local Sources	19,087,078	597,332	-	641,615	20,326,025
State Sources	19,822,798	127,663	-	-	19,950,461
Federal Sources	50,057	1,575,763	-	-	1,625,820
Total Revenues	38,959,933	2,300,758	-	641,615	41,902,306
Expenditures:					
Current Expense:					
Regular Instruction	8,823,223	-	-	-	8,823,223
Special Education Instruction	1,921,074	187,186	-	-	2,108,260
Other Instruction	1,241,556	-	-	-	1,241,556
Support Services:					
Tuition	3,222,003	536,936	-	-	3,758,939
Student & Instruction Related Services	2,548,203	1,413,923	-	-	3,962,126
Health Services	237,323	-	-	-	237,323
Educational Media Services/					
School Library	195,862	-	-	-	195,862
Instructional Staff Training	43,250	-	-	-	43,250
General Administrative	442,515	-	-	-	442,515
School Administrative Services	683,226	-	-	-	683,226
Central Services	430,811	-	-	-	430,811
Administrative Information Technology	427,838	-	-	-	427,838
Plant Operations & Maintenance	2,710,769	-	-	-	2,710,769
Pupil Transportation	2,440,658	-	-	-	2,440,658
Employee Benefits	6,078,815	-	-	-	6,078,815
On Behalf TPAF Pension and Social					
Security Contributions	5,224,932	-	-	-	5,224,932
Debt Service:					
Principal	-	-	-	370,000	370,000
Interest & Other Charges	175	-	-	271,613	271,788
Capital Outlay	262,314	4,703	-	-	267,017
Total Expenditures	36,934,547	2,142,748	-	641,613	39,718,908
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	2,025,386	158,010	-	2	2,183,398
Other Financing Sources/(Uses):					
Transfers In	63,064	-	-	-	63,064
Transfers to Charter Schools	(208,859)	-	-	-	(208,859)
Capital Leases - Nonbudgeted	222,785	-	-	-	222,785
Total Other Financing Sources & Uses	76,990	-	-	-	76,990
Net Change in Fund Balances	2,102,376	158,010	-	2	2,260,388
Fund Balances, July 1	5,215,143	-	20,001	198	5,235,342
Prior Period Adjustment	195,865	599,074	-	-	794,939
Fund Balances, July 1 (Restated)	5,411,008	599,074	20,001	198	6,030,281
Fund Balances June 30,	\$ 7,513,384	\$ 757,084	\$ 20,001	\$ 200	\$ 8,290,669

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	2,260,388
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
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.		
Depreciation Expense	\$ (2,166,481)	
Capital Outlays	<u>44,232</u>	(2,122,249)
Repayment of long-term debt principal and obligation of lease purchase agreements are 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.		889,935
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		396
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.		(222,785)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		655,798
The Internal Service Fund is used by the District to charge the cost of Transportation to other Districts. The activity of this fund is included in the Statement of Activities.		7,160
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>63,773</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>1,532,416</u>

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

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Proprietary Funds

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUNDS FOOD SERVICE FUND	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND	
Current Assets:			
Cash & Cash Equivalents	\$ 211,254	\$ -	\$ 211,254
Receivables from Other Governments	19,656	279,414	299,070
Inventories	30,163	-	30,163
Total Current Assets	261,073	279,414	540,487
Fixed Assets:			
Equipment	471,342	-	471,342
Accumulated Depreciation	(441,288)	-	(441,288)
Total Fixed Assets	30,054	-	30,054
Total Assets	291,127	279,414	570,541
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	13,000	13,000
Unearned Revenue	21,887	-	21,887
Interfund Payable	3,635	259,000	262,635
Total Current Liabilities	25,522	272,000	297,522
NET POSITION			
Investment in Capital Assets Unrestricted	30,054 235,551	- 7,414	30,054 242,965
Total Net Position	\$ 265,605	\$ 7,414	\$ 273,019

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES-	
	FOOD SERVICE FUND	INTERNAL SERVICE FUND	
Operating Revenue:			
Daily Sales - Nonreimbursable Programs	\$ 12,414	\$ -	\$ 12,414
Transportation Fees	-	780,802	780,802
Total Operating Revenues	12,414	780,802	793,216
Operating Expenses:			
Salaries	107,811	445,257	553,068
Social Security	-	34,062	34,062
Employee Benefits	32,520	139,118	171,638
Supplies and Materials	18,064	31,931	49,995
Other Purchased Services	46,725	39,731	86,456
Depreciation	5,957	-	5,957
Miscellaneous Other Expenses	23,136	10,419	33,555
Cost of Sales - Reimbursable Programs	141,012	-	141,012
Cost of Sales - Non-Reimbursable Programs	4,332	-	4,332
Cleaning, Repair & Maintenance Services	-	1,656	1,656
Communications/Telephone	-	5,309	5,309
Oil	-	746	746
Electricity	-	949	949
Travel	-	1,400	1,400
Total Operating Expenses	379,557	710,578	1,090,135
Operating Income/(Loss)	(367,143)	70,224	(296,919)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	12,263	-	12,263
Federal Sources:			
National School Lunch Program	225,626	-	225,626
Healthy Hunger-Free Kids Act	4,500	-	4,500
Food Distribution Program	48,671	-	48,671
National Breakfast Program	116,935	-	116,935
Interest Revenue	119	-	119
Transfers Out	-	(63,064)	(63,064)
Total Nonoperating Revenues	408,114	(63,064)	345,050
Change in Net Position	40,971	7,160	48,131
Net Position - Beginning of Year	224,634	254	224,888
Total Net Position - End of Year	\$ 265,605	\$ 7,414	\$ 273,019

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES		TOTAL
	<u>ENTERPRISE FUND</u>	<u>GOVERNMENTAL</u>	
	FOOD SERVICE FUND	ACTIVITIES- INTERNAL SERVICE FUND	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 16,672	\$ 622,018	\$ 638,690
Payments to Employees	(107,811)	(445,257)	(553,068)
Payments for Employee Benefits	(32,520)	(173,180)	(205,700)
Payments to Suppliers	(178,378)	59,483	(118,895)
Net Cash Provided/(Used) by Operating Activities	<u>(302,037)</u>	<u>63,064</u>	<u>(238,973)</u>
Cash Flows From Noncapital Financing Activities:			
Operating Subsidies and Transfers to General Fund	-	(63,064)	(63,064)
Cash Received From State & Federal Reimbursements	351,711	-	351,711
Net Cash Provided by Noncapital Financing Activities	<u>351,711</u>	<u>(63,064)</u>	<u>288,647</u>
Cash Flows From Investing Activities:			
Interest & Dividends	119	-	119
Net Cash Provided by Investing Activities	<u>119</u>	<u>-</u>	<u>119</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	49,793	-	49,793
Cash & Cash Equivalents, July 1	161,461	-	161,461
Cash & Cash Equivalents, June 30	<u>\$ 211,254</u>	<u>\$ -</u>	<u>\$ 211,254</u>

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (367,143)	\$ 70,224	\$ (296,919)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	5,957	-	5,957
Food Distribution Program	48,671	-	48,671
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	2,418	(158,784)	(156,366)
(Increase)/Decrease in Interfunds Receivable	1,223	-	1,223
(Increase)/Decrease in Inventory	2,585	-	2,585
Increase/(Decrease) in Unearned Revenue	617	-	617
Increase/(Decrease) in Accounts Payable	-	9,660	9,660
Increase/(Decrease) in Interfund Payable	3,635	141,964	145,599
Total Adjustments	<u>65,106</u>	<u>(7,160)</u>	<u>57,946</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (302,037)</u>	<u>\$ 63,064</u>	<u>\$ (238,973)</u>

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

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DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Delsea Regional High School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Delsea Regional High School District is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades seven through twelfth. The School District has an approximate enrollment at June 30, 2021 of 1,565 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2021.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued)

compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School District and 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 noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education the School District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued)

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially 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 financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

Internal Service Fund – This 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 government entities. Services are provided on a cost-reimbursement basis.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Property Tax Calendar

The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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 payment 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

Cash, Cash Equivalents and Investments

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 and agency obligations and certificates of deposit with maturities of one year or less when purchased are considered cash equivalents and stated at cost.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. 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 at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

- **Non-spendable** – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – This component of net position is 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.
- Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the District's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District's bank balance of \$5,706,275 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	5,210,193
Uninsured and Uncollateralized		496,082
		496,082
	\$	5,706,275

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 2. Deposits and Investments (continued)

Investments

The School District had no investments at June 30, 2021.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by inclusion of \$1 on October 4, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	2,200,000
Increased by:		
Interest Earnings		678
Deposits approved by Board		900,000
Ending Balance, June 30, 2021	\$	3,100,678

Maintenance Reserve

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts (continued)

Beginning Balance, July 1, 2020	\$	250,000
Increased by:		
Deposits approved by Board		254,738
		504,738
Decreased by:		
Budget Withdrawals		(104,738)
Ending Balance, June 30, 2021	\$	400,000

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2021, consisted of the following:

<u>Description</u>	Governmental Funds			Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Internal Service Fund</u>	
Federal Awards	\$ -	\$ 658,148	\$ -	\$ 658,148
State Awards	674,182	350	-	674,532
Other	3,143,575	1,150	279,414	3,424,139
Total	\$ 3,817,757	\$ 659,648	\$ 279,414	\$ 4,756,819

<u>Description</u>	Proprietary Funds	Total Business-Type Activities
	<u>Food Service Fund</u>	
Federal Awards	\$ 17,527	\$ 17,527
State Awards	2,129	2,129
Total	\$ 19,656	\$ 19,656

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2021</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 71,500	\$ -	\$ -	\$ 71,500
Total Capital Assets not being depreciated	<u>71,500</u>	<u>-</u>	<u>-</u>	<u>71,500</u>
Capital Assets being depreciated:				
Land Improvements	4,245,941	5,900	-	4,251,841
Buildings and Improvements	51,107,603	21,300	-	51,128,903
Equipment	11,123,153	17,032	-	11,140,185
Total Capital Assets being depreciated	<u>66,476,697</u>	<u>44,232</u>	<u>-</u>	<u>66,520,929</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(2,998,438)	(145,214)	-	(3,143,652)
Land Improvements	(19,639,785)	(1,527,581)	-	(21,167,366)
Equipment	(7,332,751)	(493,686)	-	(7,826,437)
Total Accumulated Depreciation	<u>(29,970,974)</u>	<u>(2,166,481)</u>	<u>-</u>	<u>(32,137,455)</u>
Total Capital Assets being depreciated, net	<u>36,505,723</u>	<u>(2,122,249)</u>	<u>-</u>	<u>34,383,474</u>
Total Governmental Activities Capital Assets, net	<u>\$ 36,577,223</u>	<u>\$ (2,122,249)</u>	<u>\$ -</u>	<u>\$ 34,454,974</u>
	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2021</u>
Business-Type Activities:				
Equipment	\$ 471,342	\$ -	\$ -	\$ 471,342
	<u>471,342</u>	<u>-</u>	<u>-</u>	<u>471,342</u>
Less: Accumulated Depreciation:				
Equipment	(435,331)	(5,957)	-	(441,288)
	<u>(435,331)</u>	<u>(5,957)</u>	<u>-</u>	<u>(441,288)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 36,011</u>	<u>\$ (5,957)</u>	<u>\$ -</u>	<u>\$ 30,054</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivable/payable balances as of June 30, 2021 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 570,353	\$ -
Special Revenue Fund	-	307,718
Food Service Fund	-	3,635
Internal Service Fund	-	259,000
	<u>\$ 570,353</u>	<u>\$ 570,353</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 63,064	\$ -
Internal Service Fund	-	63,064
	<u>\$ 63,064</u>	<u>\$ 63,064</u>

The purpose of the transfers out of the internal service fund into the general fund was to close out excess revenues from the internal service fund for the current year.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2021</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 9,021,000	\$ -	\$ 370,000	\$ 8,651,000	\$ 380,000
Capital Lease Obligations	906,549	222,785	519,935	609,399	391,019
Compensated Absences	988,406	-	63,773	924,633	-
Net Pension Liability	9,367,169	-	1,039,301	8,327,868	-
	<u>\$ 20,283,124</u>	<u>\$ 222,785</u>	<u>\$ 1,993,009</u>	<u>\$ 18,512,900</u>	<u>\$ 771,019</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases and net pension liability are liquidated by the general fund.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Long-Term Obligations (continued)

Bonds Payable

The current bond issuance outstanding consists of General Obligation Bonds dated February 15, 2015 with an original amount of \$10,581,000, 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, 2021, was \$8,651,000.

Principal and interest due on the outstanding bonds are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	430,000	211,764	641,764
2027-2031	2,350,000	851,819	3,201,819
2032-2036	2,375,000	493,272	2,868,272
2037-2040	1,901,000	123,612	2,024,612
	<u>\$ 8,651,000</u>	<u>\$ 2,651,048</u>	<u>\$ 11,302,048</u>

Capital Lease Payable

The District has entered into several 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 7.50%. 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, 2021.

The future minimum lease payments for these leases is as follows:

Fiscal Year Ending <u>June 30,</u>	
2022	\$ 422,363
2023	176,760
2024	48,150
2025	8,042
Total Minimum Lease Payments	655,315
Less: Amount Representing Interest	(45,916)
Present Value of Minimum Lease Payments	<u>\$ 609,399</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Long-Term Obligations (continued)

Amortization of the leased equipment and land improvement under capital assets is included with depreciation expense.

Bonds Authorized but not Issued

As of June 30, 2021, the School District had no bonds authorized but not issued.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the School District reported a liability of \$8,327,868 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.05107%, which was a decrease of 0.00092% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$(94,731) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 151,637	\$ -
Changes of Assumptions	270,165	29,451
Net Difference between Projected and Actual Earnings on Pension Plan Investments	284,653	3,486,957
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	182,802	1,187,472
School District Contributions Subsequent to Measurement Date	617,607	-
	\$ 1,506,864	\$ 4,703,880

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

\$617,607 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2021	\$ (1,155,059)
2022	(1,100,349)
2023	(612,099)
2024	(99,434)
2025	<u>387,532</u>
	<u>\$ (2,579,409)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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-2020.

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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 10,565,831	\$ 8,327,868	\$ 6,549,946

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.05107%	0.05199%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$74,447,717. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.11306%, which was a decrease of 0.00099% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$4,629,476 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
	<hr style="width: 100%; border: 0.5px solid black;"/>	
	100.00%	
	<hr style="width: 100%; border: 0.5px solid black;"/>	

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>87,447,551</u>	<u>74,447,717</u>	<u>63,653,527</u>
	<u>\$ 87,447,551</u>	<u>\$ 74,447,717</u>	<u>\$ 63,653,527</u>

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)		
Collective Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.11306%	0.11405%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per
- week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$92,952, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$50,701.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

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.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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.

Total Nonemployer OPEB Liability: \$ 67,809,962,608

Inflation Rate: 2.5%

	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

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-2020. 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-2020.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

The actuarial assumptions used in the June 30, 2019 valuation were 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, PERS and PFRS, respectively.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$96,388,784. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.14215%, which was a decrease of 0.00012% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$4,317,655 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 116,201,654	\$ 96,388,784	\$ 80,897,028
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 77,808,277	\$ 96,388,784	\$ 118,514,038
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	11,534,251,250	(7,737,500,827)
	TBD	-
	\$ 21,829,570,000	\$ (16,908,204,442)

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Fiscal Year Ending June 30,		
2021	\$	43,440,417
2022		43,440,417
2023		43,440,417
2024		43,440,417
2025		43,440,417
Thereafter		4,704,163,473
	\$	4,921,365,558

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
	366,108

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	(1,180,515,618)
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	41,729,081,045
Total OPEB Liability (Ending)	\$ 67,809,962,608
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for normal costs, post-retirement medical costs, long-term disability and reimbursed TPAF social security contributions were \$3,291,180, \$1,031,404, \$1,300 and \$901,048, respectively.

Note 11. Risk Management

The School 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.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 41,864	\$ 290	\$ 27,937	\$ 210,082
2019-2020	43,817	712	33,355	195,865
2018-2019	42,000	850	26,177	184,691

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, student accident 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 deductible associated with policies and events which may exceed coverage limits. There have been no significant reductions in insurance coverage amounts.

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 12. Contingencies (continued)

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning
Syracusa Benefits Program
Metropolitan Life Insurance

Note 14. Compensated Absences

The School 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.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$924,633 and \$-0-, respectively.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 15. Tax Abatements (continued)

district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 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 N.J.S.A. 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.

Note 16. Commitments

The School District has contractual commitments at June 30, 2021 to various vendors, which are recorded in the general fund as assigned to year end encumbrances in the amount of \$1,770,119.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. 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, 2021 was \$1,130,618.

Note 18. Fund Balances

General Fund – Of the \$7,513,384 General Fund fund balance at June 30, 2021, \$3,100,678 has been restricted for the Capital Reserve Account; \$400,000 has been restricted for the Maintenance Reserve Account; \$302,959 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$1,130,618 has been restricted for current year excess surplus; \$210,082 has been restricted to the future use of Unemployment Compensation; \$1,770,119 has been assigned to year-end encumbrances; \$242,975 has been assigned and included as anticipated revenue for the year ending June 30, 2022; and \$355,953 has been unassigned.

Special Revenue Fund – Of the \$757,084 Special Revenue Fund fund balance at June 30, 2021, \$409,685 is restricted for Student Activities and \$347,399 is restricted for Scholarships.

Capital Projects Fund – Of the \$20,001 Capital Projects Fund fund balance at June 30, 2021, \$20,001 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$200 Debt Service Fund fund balance at June 30, 2021, \$200 is restricted for future debt service payments.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District's governmental activities had a deficit in unrestricted net position in the amount of \$10,805,752. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees' Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 20. Prior Period Adjustment/Restatement of Net Position and Fund Balance

During the year ended June 30, 2021 the District adopted GASB Statement No. 84, *Fiduciary Activities* (See Note 1). The District adjusted its beginning balances to reflect all newly adopted standards for its Restricted Net Position and Restricted Fund Balance for New Jersey Unemployment Trust Fund, Student Activities and Scholarships. In addition, the prior year Deferred Inflows and Outflows related to Pension for GASB 68 required restatement.

The beginning balances as of July 1, 2020 were adjusted as follows:

Prior Period Adjustment to Net Position

Balance, July 1, 2020 prior to Adjustment	\$ 17,217,694
Add:	
GASB 68 - Deferred Inflows/Outflows	
Related to Pensions	765,396
New Jersey Unemployment Trust	195,865
Student Activities	298,813
Scholarships	300,261
Balance, July 1, 2020 Restated	\$ 18,778,029

Prior Period Adjustment to Fund Balance (General Fund)

Balance, July 1, 2020 prior to Adjustment	\$ 5,215,143
Add:	
New Jersey Unemployment Trust	195,865
Balance, July 1, 2020 Restated	\$ 5,411,008

Prior Period Adjustment to Fund Balance (Special Revenue Fund)

Balance, July 1, 2020 prior to Adjustment	\$ -
Add:	
Student Activities	298,813
Scholarships	300,261
Balance, July 1, 2020 Restated	\$ 599,074

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 10, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Tax Levy	10-1210	\$ 15,887,865	\$ -	\$ 15,887,865	\$ 15,887,865	\$ -
Tuition from Other LEA's Within the State	10-1320	1,950,000	-	1,950,000	2,037,949	87,949
Transportation	10-1420	1,300,000	-	1,300,000	666,914	(633,086)
Interest on Capital Reserve Funds	10-1511	200	-	200	678	478
Miscellaneous Revenues	10-1990	476,761	-	476,761	493,672	16,911
Total Local Sources		19,614,826	-	19,614,826	19,087,078	(527,748)
State Sources:						
School Choice Aid	10-3116	478,667	-	478,667	478,667	-
Categorical Transportation Aid	10-3121	239,518	-	239,518	239,518	-
Categorical Special Education Aid	10-3132	1,109,788	(104,738)	1,005,050	1,005,050	-
Equalization Aid	10-3176	12,014,766	-	12,014,766	12,014,766	-
Categorical Security Aid	10-3177	231,243	-	231,243	231,243	-
Extraordinary Aid	10-3131	250,000	-	250,000	607,210	357,210
Non-Public Transportation Aid	10-3190	-	-	-	22,330	22,330
Securing Our Children's Future Bond Act	10-3256	-	99,252	99,252	-	(99,252)
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	3,291,180	3,291,180
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,031,404	1,031,404
On-Behalf TPAF Long Term Disability Insurance Contributions		-	-	-	1,300	1,300
Reimbursed TPAF Social Security Contribution		-	-	-	901,048	901,048
Total State Sources		14,323,982	(5,486)	14,318,496	19,823,716	5,505,220
Federal Sources:						
Medicaid Reimbursement		49,333	-	49,333	50,057	724
Total Federal Sources		49,333	-	49,333	50,057	724
Total Revenues		33,988,141	(5,486)	33,982,655	38,960,851	4,978,196
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Grades 6 - 8	11-130-100-101	2,313,410	-	2,313,410	2,236,738	76,672
Grades 9 - 12	11-140-100-101	5,219,578	-	5,219,578	5,101,198	118,380
Home Instruction:						
Salaries of Teachers	11-150-100-101	25,000	(13,813)	11,187	1,132	10,055
Purchased Professional/Education Services	11-150-100-320	15,000	13,813	28,813	28,813	-
Other Purchase Services (400-500 series)	11-150-100-500	2,000	-	2,000	-	2,000
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	106,479	(11,505)	94,974	94,120	854
Purchased Professional - Educational Services	11-190-100-320	647,826	40,190	688,016	647,294	40,722
Other Purchased Services	11-190-100-500	607,675	(8,212)	599,463	567,799	31,664
General Supplies	11-190-100-610	206,472	238,487	444,959	144,088	300,871
Textbooks	11-190-100-640	10,000	(10,000)	-	-	-
Other Objects	11-190-100-800	19,225	(3,139)	16,086	2,041	14,045
Total Regular Programs		9,172,665	245,821	9,418,486	8,823,223	595,263
Special Education:						
Cognitive-Mild:						
Salaries of Teachers	11-201-100-101	15,939	-	15,939	15,939	-
Total Cognitive-Mild		15,939	-	15,939	15,939	-
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	829,459	(25,000)	804,459	794,899	9,560
Other Salaires for Instruction	11-204-100-106	27,067	-	27,067	27,066	1
Other Purchased Services (400-500 series)	11-204-100-500	28,800	(153)	28,647	720	27,927
General Supplies	11-204-100-610	482	783	1,265	765	500
Total Learning and/or Language Disabilities		885,808	(24,370)	861,438	823,450	37,988

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Auditory Impairments						
Salaries of Teachers	11-207-100-101	7,830	-	7,830	7,830	-
Total Auditory Impairments		7,830	-	7,830	7,830	-
Behavior Disabilities:						
Other Salaries for Instruction	11-209-100-106	15,438	-	15,438	15,438	-
Other Purchased Services (400-500 series)	11-209-100-500	5,000	-	5,000	-	5,000
General Supplies	11-209-100-610	600	-	600	-	600
Total Behavioral Disabilities		21,038	-	21,038	15,438	5,600
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	165,175	-	165,175	162,351	2,824
Other Salaries for Instruction	11-212-100-106	3,226	-	3,226	3,226	-
Purchased Professional/Education Services	11-212-100-320	3,000	-	3,000	3,000	-
Other Purchased Services (400-500 Series)	11-212-100-500	8,500	(6,313)	2,187	-	2,187
General Supplies	11-212-100-610	2,810	-	2,810	461	2,349
Other Objects	11-212-100-800	200	-	200	45	155
Total Multiple Disabilities		182,911	(6,313)	176,598	169,083	7,515
Resource Room:						
Salaries of Teachers	11-213-100-101	789,269	(77,856)	711,413	701,543	9,870
Other Salaries for Instruction	11-213-100-106	121,318	-	121,318	112,338	8,980
Purchased Professional/Education Services	11-213-100-320	15,000	(2,806)	12,194	12,194	-
Other Purchased Services (400-500 series)	11-213-100-500	5,000	(3,239)	1,761	-	1,761
General Supplies	11-213-100-610	2,638	101	2,739	2,499	240
Other Objects	11-213-100-800	200	370	570	570	-
Total Resource Room		933,425	(83,430)	849,995	829,144	20,851
Autism:						
Salaries of Teachers	11-214-100-101	53,323	4,690	58,013	52,269	5,744
Total Autism		53,323	4,690	58,013	52,269	5,744
Home Instruction:						
Salaries of Teachers	11-219-100-101	-	7,921	7,921	7,921	-
Total Home Instruction		-	7,921	7,921	7,921	-
Total Special Education		2,100,274	(101,502)	1,998,772	1,921,074	77,698
Basic Skills/Remedial- Instruction						
Salaries of Teachers	11-230-100-101	249,796	-	249,796	249,796	-
Purchased Professional-Education Services	11-230-100-320	5,000	(806)	4,194	4,194	-
Other Purchase Services (400-500 series)	11-230-100-500	5,500	(5,000)	500	-	500
General Supplies	11-230-100-610	2,013	82	2,095	82	2,013
Total Basic Skills/Remedial- Instruction		262,309	(5,724)	256,585	254,072	2,513
Bilingual Education - Instruction						
Salaries of Teachers	11-240-100-101	1,000	-	1,000	-	1,000
General Supplies	11-240-100-610	250	-	250	-	250
Total Bilingual Education - Instruction		1,250	-	1,250	-	1,250
School Sponsored Co-Curricular Activities:						
Salaries	11-401-100-100	143,107	(7,500)	135,607	112,652	22,955
Purchased Services	11-401-100-500	31,009	-	31,009	12,491	18,518
Supplies and Materials	11-401-100-600	15,758	(945)	14,813	6,353	8,460
Other Objects	11-401-100-800	14,334	(10,290)	4,044	444	3,600
Total School Sponsored Co-Curricular Activities		204,208	(18,735)	185,473	131,940	53,533

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	494,355	(32)	494,323	477,711	16,612
Other Purchased Services	11-402-100-500	90,300	(15,174)	75,126	58,843	16,283
Supplies and Materials	11-402-100-600	87,182	35,173	122,355	81,365	40,990
Other Objects	11-402-100-800	28,000	(2,154)	25,846	16,349	9,497
Total School Sponsored Athletics Instruction		699,837	17,813	717,650	634,268	83,382
Total Other Instructional Programs		904,045	(922)	903,123	766,208	136,915
Before/After School Programs - Instruction:						
Salaries of Teacher Tutors	11-421-100-178	32,500	-	32,500	9,606	22,894
Total Before/After School Programs - Instruction		32,500	-	32,500	9,606	22,894
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	77,000	(18,064)	58,936	34,000	24,936
Other Salaries of Instruction	11-422-100-106	18,000	-	18,000	-	18,000
General Supplies	11-422-100-610	5,500	-	5,500	2,055	3,445
Other Objects	11-422-100-800	1,000	-	1,000	-	1,000
Total Summer School - Instruction		101,500	(18,064)	83,436	36,055	47,381
Alternative Education Program - Instruction:						
Salaries of Teachers	11-423-100-101	33,120	8,213	41,333	41,333	-
Other Salaries of Instruction	11-423-100-106	8,200	889	9,089	7,724	1,365
Purchased Professional and Technical Services	11-423-100-300	6,250	6,077	12,327	12,200	127
Total Alternative Education Program - Instruction		47,570	15,179	62,749	61,257	1,492
Alternative Education Program - Support Services:						
Salaries	11-423-200-100	77,400	(16,125)	61,275	19,348	41,927
Total Alternative Education Program - Support Services		77,400	(16,125)	61,275	19,348	41,927
Total Alternative Education Program		124,970	(946)	124,024	80,605	43,419
Other Supplemental/At-Risk Programs - Instruction:						
Salaries of Teachers	11-424-100-101	36,000	-	36,000	35,364	636
Other Salaries of Instruction	11-424-100-106	15,900	947	16,847	8,632	8,215
Total Other Supplemental/At-Risk Program - Instruction		51,900	947	52,847	43,996	8,851
Other Supplemental/At-Risk Programs - Support Services:						
Salaries	11-424-200-100	36,000	-	36,000	12,575	23,425
Total Other Supplemental/At-Risk Program - Support Services		36,000	-	36,000	12,575	23,425
Total Other Supplemental/At-Risk Programs		87,900	947	88,847	56,571	32,276
Community Services Programs - Operations						
Salaries	11-800-330-100	59,500	-	59,500	37,734	21,766
Purchased Services (300-500 series)	11-800-330-500	3,000	(705)	2,295	-	2,295
Supplies and Materials	11-800-330-600	-	705	705	705	-
Total Community Services Programs - Operations		62,500	-	62,500	38,439	24,061
Total Instruction		12,849,913	119,610	12,969,523	11,985,853	983,670
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	38,000	(11,041)	26,959	12,234	14,725
Tuition to County Vocational District/Regular Day School	11-000-100-563	205,208	11,040	216,248	193,666	22,582
Tuition to County Special Services District/Regional Day Schools	11-000-100-565	1,480,672	36,203	1,516,875	1,432,764	84,111
Tuition to Private School for the Handicapped - State	11-000-100-566	1,757,867	167,917	1,925,784	1,583,339	342,445

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Total Undistributed Expenditures - Instruction		3,481,747	204,119	3,685,866	3,222,003	463,863
Attendance & Social Work Services:						
Salaries	11-000-211-100	82,359	3,965	86,324	81,466	4,858
Purchased Professional and Technical Services	11-000-211-300	2,300	(2,300)	-	-	-
Other Purchased Services (400-500 series)	11-000-211-500	700	(700)	-	-	-
Supplies and Materials	11-000-211-600	150	(129)	21	-	21
Total Attendance & Social Work Services		85,509	836	86,345	81,466	4,879
Health Services:						
Salaries	11-000-213-100	221,385	1	221,386	211,782	9,604
Purchased Professional & Technical Services	11-000-213-300	17,850	-	17,850	17,554	296
Other Purchased Services (400-500 series)	11-000-213-500	1,857	(1,400)	457	105	352
Supplies and Materials	11-000-213-600	6,821	2,853	9,674	7,882	1,792
Total Health Services		247,913	1,454	249,367	237,323	12,044
Speech, OT, PT and Related Services:						
Purchased Professional - Education Services	11-000-216-320	112,000	32,555	144,555	144,555	-
Supplies and Materials	11-000-216-600	2,000	(550)	1,450	300	1,150
Total Speech, OT, PT and Related Services		114,000	32,005	146,005	144,855	1,150
Other Support Services - Students - Extra Services:						
Salaries of Teachers	11-000-217-100	161,066	(11,061)	150,005	150,005	-
Purchased Professional - Education Services	11-000-217-320	60,000	(1,547)	58,453	58,453	-
Supplies and Materials	11-000-217-600	13,000	(11,499)	1,501	1,501	-
Total Other Support Services - Students - Extra Services		234,066	(24,107)	209,959	209,959	-
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	627,666	-	627,666	625,799	1,867
Salaries of Secretarial & Clerical Assistants	11-000-218-105	64,971	-	64,971	64,971	-
Other Purchased Prof. and Tech. Services	11-000-218-390	32,298	(2,376)	29,922	29,390	532
Other Purchased Services (400-500 series)	11-000-218-500	45,809	(7,980)	37,829	13,541	24,288
Supplies and Materials	11-000-218-600	10,813	1,081	11,894	4,171	7,723
Other Objects	11-000-218-800	3,643	6,899	10,542	10,314	228
Total Guidance		785,200	(2,376)	782,824	748,186	34,638
Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	419,375	7,000	426,375	426,375	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	81,665	(526)	81,139	76,461	4,678
Purchased Professional - Education Services	11-000-219-320	20,000	(1,271)	18,729	18,729	-
Other Purchased Prof. and Tech. Services	11-000-218-390	5,000	(4,504)	496	-	496
Other Purchased Services	11-000-219-500	9,887	642	10,529	7,674	2,855
Supplies and Materials	11-000-219-600	6,669	(642)	6,027	3,003	3,024
Other Objects	11-000-219-800	2,500	(700)	1,800	270	1,530
Total Child Study Teams		545,096	(1)	545,095	532,512	12,583
Improvement of Instruction Services						
Salaries of Supervisors of Instruction	11-000-221-102	654,095	-	654,095	622,549	31,546
Salaries of Other Professional Staff	11-000-221-104	89,834	4,160	93,994	93,994	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	30,577	-	30,577	30,577	-
Other Salaries	11-000-221-110	25,200	(4,160)	21,040	8,123	12,917
Other Purchased Services	11-000-221-500	75,060	3,814	78,874	75,924	2,950
Supplies and Materials	11-000-221-600	2,000	-	2,000	58	1,942
Other Objects	11-000-221-800	750	-	750	-	750
Total Improvement of Instruction Services		877,516	3,814	881,330	831,225	50,105

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Educational Media Services/School Library:						
Salaries	11-000-222-100	119,839	-	119,839	119,018	821
Other Purchased Services	11-000-222-500	82,681	(278)	82,403	60,075	22,328
Supplies and Materials	11-000-222-600	21,236	2,272	23,508	16,027	7,481
Other Objects	11-000-222-800	598	192	790	742	48
Total Educational Media Services/School Library		224,354	2,186	226,540	195,862	30,678
Support Services Instructional Staff Training Services:						
Salaries of Supervisors of Instruction	11-000-223-102	30,191	-	30,191	29,746	445
Salaries of Other Professional	11-000-223-104	3,500	-	3,500	-	3,500
Salaries of Secretarial & Clerical Assistants	11-000-223-105	13,105	-	13,105	13,104	1
Purchased Professional/Education Services	11-000-223-320	45,150	(40,000)	5,150	-	5,150
Other Purchased Services	11-000-223-500	7,500	(3,814)	3,686	400	3,286
Supplies and Materials	11-000-223-600	1,000	-	1,000	-	1,000
Total Support Services Instructional Staff Training Services		100,446	(43,814)	56,632	43,250	13,382
Support Services General Administration:						
Salaries	11-000-230-100	258,042	-	258,042	254,294	3,748
Legal Services	11-000-230-331	30,000	(127)	29,873	15,732	14,141
Audit Fees	11-000-230-332	19,000	-	19,000	18,125	875
Architectural/Engineering Services	11-000-230-334	5,000	-	5,000	-	5,000
Other Purchased Professional Services	11-000-230-339	7,500	(1,735)	5,765	-	5,765
Purchased Technical Services	11-000-230-340	3,000	1,735	4,735	4,735	-
Communications/Telephone	11-000-230-530	78,816	-	78,816	75,302	3,514
BOE Other Purchased Services	11-000-230-585	2,200	(146)	2,054	950	1,104
Misc. Purchased Services (400-500)	11-000-230-590	55,258	1,873	57,131	52,158	4,973
General Supplies	11-000-230-610	9,500	(1,601)	7,899	899	7,000
BOE In-House Training/Meeting Supplies	11-000-230-630	1,000	-	1,000	39	961
Miscellaneous Expenditures	11-000-230-890	11,100	-	11,100	7,573	3,527
BOE Membership Dues & Fees	11-000-230-895	15,000	-	15,000	12,708	2,292
Total Support Services General Administration		495,416	(1)	495,415	442,515	52,900
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	385,901	-	385,901	383,865	2,036
Salaries of Other Professional Staff	11-000-240-104	154,172	-	154,172	150,317	3,855
Salaries of Secretarial & Clerical Assistants	11-000-240-105	116,991	(3,183)	113,808	89,863	23,945
Purchased Professional and Technical Services	11-000-240-300	15,500	(2,621)	12,879	11,454	1,425
Other Purchased Services (400-500 Series)	11-000-240-500	25,395	2,550	27,945	20,339	7,606
Supplies and Materials	11-000-240-600	17,295	3,703	20,998	16,018	4,980
Other Objects	11-000-240-800	12,250	-	12,250	11,370	880
Total Support Services School Administration		727,504	449	727,953	683,226	44,727
Central Services:						
Salaries	11-000-251-100	358,805	-	358,805	350,487	8,318
Purchased Technical Services	11-000-251-340	17,928	(2,112)	15,816	15,417	399
Misc. Purchased Services (400-500)	11-000-251-592	10,600	2,112	12,712	10,085	2,627
Supplies and Materials	11-000-251-600	8,800	140	8,940	4,820	4,120
Interest on Lease Purchase Agreements	11-000-251-832	52,056	(140)	51,916	48,949	2,967
Miscellaneous Expenditures	11-000-251-890	2,000	-	2,000	1,053	947
Total Central Services		450,189	-	450,189	430,811	19,378
Administrative Information Technology:						
Salaries	11-000-252-100	142,576	-	142,576	135,391	7,185
Purchased Technical Services	11-000-252-340	54,870	33,498	88,368	88,367	1
Other Purchased Services (400-500 series)	11-000-252-500	206,557	(16,565)	189,992	186,306	3,686
Supplies & Materials	11-000-252-600	17,900	8,237	26,137	16,783	9,354
Other Objects	11-000-252-800	1,400	-	1,400	991	409
Total Administrative Information Technology		423,303	25,170	448,473	427,838	20,635

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Allowance Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	345,314	(31,699)	313,615	288,613	25,002
General Supplies	11-000-261-610	43,000	58,085	101,085	100,024	1,061
Total Allowance Maintenance for School Facilities		388,314	26,386	414,700	388,637	26,063
Custodial Services:						
Salaries	11-000-262-100	1,069,252	(53,458)	1,015,794	974,784	41,010
Purchased Professional and Technical Services	11-000-262-300	7,000	-	7,000	-	7,000
Cleaning, Repair & Maintenance Services	11-000-262-420	56,500	18,968	75,468	60,820	14,648
Other Purchased Property Services	11-000-262-490	61,398	(21,244)	40,154	36,607	3,547
Insurance	11-000-262-520	211,453	(38,975)	172,478	167,016	5,462
Miscellaneous Purchased Services	11-000-262-590	42,000	-	42,000	40,311	1,689
General Supplies	11-000-262-610	110,000	92,894	202,894	186,343	16,551
Energy (Natural Gas)	11-000-262-621	196,500	-	196,500	144,005	52,495
Energy (Electricity)	11-000-262-622	428,894	(55,548)	373,346	335,241	38,105
Energy (Oil)	11-000-262-624	10,000	(95)	9,905	5,428	4,477
Energy (Gasoline)	11-000-262-626	2,600	(1,899)	701	-	701
Other Objects	11-000-262-800	5,000	1,367	6,367	6,272	95
Total Custodial Services		2,200,597	(57,990)	2,142,607	1,956,827	185,780
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	256,610	(109,716)	146,894	112,627	34,267
Cleaning, Repair & Maintenance Services	11-000-263-420	57,800	(2,097)	55,703	42,549	13,154
General Supplies	11-000-263-610	33,000	13,458	46,458	43,930	2,528
Total Care & Upkeep of Grounds		347,410	(98,355)	249,055	199,106	49,949
Security:						
Salaries	11-000-266-100	78,881	-	78,881	75,899	2,982
Purchased Professional and Technical Services	11-000-266-300	103,000	(7,433)	95,567	90,300	5,267
General Supplies	11-000-266-610	5,750	(450)	5,300	-	5,300
Total Security		187,631	(7,883)	179,748	166,199	13,549
Total Operation & Maintenance of Plant Services		3,123,952	(137,842)	2,986,110	2,710,769	275,341
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	396,774	(155,000)	241,774	202,907	38,867
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,116,698	(148,795)	967,903	846,005	121,898
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	616,110	(156,083)	460,027	423,447	36,580
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	150,000	(95,000)	55,000	29,780	25,220
Salaries of Pupil Transportation (Between Home & School) - Non-Public Schools	11-000-270-163	83,841	(27,274)	56,567	40,279	16,288
Purchased Professional and Technical Services	11-000-270-390	310,857	(156,640)	154,217	133,586	20,631
Cleaning, Repair & Maintenance Services	11-000-270-420	70,000	(33,000)	37,000	16,017	20,983
Rental Payments - School Buses	11-000-270-442	5,000	-	5,000	-	5,000
Aid in Lieu of Payments - Nonpublic	11-000-270-503	158,000	(53,480)	104,520	83,500	21,020
Aid in Lieu of Payments - Choice Schools	11-000-270-505	7,500	2,331	9,831	1,000	8,831
Contracted Services Between Home & School - Vendors	11-000-270-511	4,000	-	4,000	-	4,000
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	50,000	17,884	67,884	65,074	2,810
Contracted Services (Other Than Between Home & School) - Joint Agreements	11-000-270-513	5,000	-	5,000	-	5,000
Contracted Services (Special Education Students) - Vendors	11-000-270-514	90,913	160,172	251,085	164,159	86,926
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-515	6,000	-	6,000	310	5,690
Miscellaneous Purchased Services - Transportation	11-000-270-593	130,105	60,423	190,528	142,711	47,817
Transportation Supplies	11-000-270-615	480,500	(22,227)	458,273	286,632	171,641
Other Objects	11-000-270-800	5,200	1,105	6,305	5,251	1,054

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Total Student Transportation Services	3,686,498	(605,584)	3,080,914	2,440,658	640,256	
Allocated Benefits:						
Custodial Services:						
Other Employee Benefits	11-000-262-290	27,025	-	27,025	20,117	6,908
Total Custodial Services		27,025	-	27,025	20,117	6,908
Student Transportation Services:						
Social Security Contributions	11-000-270-220	159,793	(30,000)	129,793	101,107	28,686
Health Benefits	11-000-270-270	1,234,728	133,158	1,367,886	1,338,246	29,640
Other Employee Benefits	11-000-270-290	17,500	-	17,500	14,365	3,135
Total Student Transportation Services		1,412,021	103,158	1,515,179	1,453,718	61,461
Total Allocated Benefits		1,439,046	103,158	1,542,204	1,473,835	68,369
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	289,845	-	289,845	270,716	19,129
Other Retirement Benefits - PERS	11-000-291-241	550,000	8,660	558,660	558,660	-
Unemployment Compensation	11-000-291-250	20,000	(7,600)	12,400	-	12,400
Worker's Compensation	11-000-291-260	207,890	(2,566)	205,324	196,146	9,178
Health Benefits	11-000-291-270	3,772,206	(110,801)	3,661,405	3,369,012	292,393
Tuition Reimbursement	11-000-291-280	24,000	5,306	29,306	19,773	9,533
Other Employee Benefits	11-000-291-290	88,000	106,995	194,995	190,673	4,322
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	-	-	-	-	-
Total Unallocated Benefits - Employee Benefits		4,951,941	(6)	4,951,935	4,604,980	346,955
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	3,291,180	(3,291,180)
On-Behalf TPAF Post-Retirement Medical Contribution		-	-	-	1,031,404	(1,031,404)
On-Behalf TPAF Long Term Disability Insurance Contribution		-	-	-	1,300	(1,300)
Reimbursed TPAF Social Security Contribution		-	-	-	901,048	(901,048)
Total Nonbudgeted		-	-	-	5,224,932	(5,224,932)
Total Undistributed Expenditures		21,993,696	(440,540)	21,553,156	24,686,205	(3,133,049)
Increase in Maintenance Reserve	10-606	173,188	-	173,188	-	173,188
Total Expenditures - Current Expense		35,016,797	(320,930)	34,695,867	36,672,058	(1,976,191)
Capital Outlay:						
Equipment:						
Regular Programs - Instruction:						
School Sponsored & Other Instructional Programs	12-402-100-730	-	98,068	98,068	-	98,068
Undistributed Expenditures:						
School Administration	12-000-240-730	-	3,036	3,036	-	3,036
Custodial Services	12-000-262-730	29,500	49,958	79,458	5,945	73,513
Non-Instructional Services	12-000-300-730	-	48,924	48,924	-	48,924
Special Schools (All Programs)	12-XXX-X00-730	-	6,384	6,384	6,384	-
Student Transportation:						
School Buses - Regular	12-000-270-733	102,000	178,117	280,117	-	280,117
School Buses - Special	12-000-270-734	102,000	(3,462)	98,538	-	98,538
Total Equipment		233,500	381,025	614,525	12,329	602,196
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on						
Construction Services	12-000-400-450	-	603,952	603,952	27,200	576,752
SDA Funding	12-000-400-896	175	-	175	175	-
Total Facilities Acquisition & Construction Services		175	603,952	604,127	27,375	576,752

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Assets Acquired Under Capital Leases (Nonbudgeted):						
Instruction		-	-	-	222,785	(222,785)
Total Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	222,785	(222,785)
Increase in Capital Reserve	10-604	200	-	200	-	200
Total Capital Outlay		233,875	984,977	1,218,852	262,489	956,363
Total Expenditures		35,250,672	664,047	35,914,719	36,934,547	(1,019,828)
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures		(1,262,531)	(669,533)	(1,932,064)	2,026,304	3,958,368
Other Financing Sources/(Uses):						
Transfer of Fund to Charter Schools	10-000-100-56X	(93,589)	(115,270)	(208,859)	(208,859)	-
Transfers to Other Funds		-	(132,500)	(132,500)	-	132,500
Transfers From Internal Service Fund		-	-	-	63,064	63,064
Capital Leases (Nonbudgeted)		-	-	-	222,785	222,785
Total Other Financing Sources/(Uses)		(93,589)	(247,770)	(341,359)	76,990	418,349
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		(1,356,120)	(917,303)	(2,273,423)	2,103,294	4,376,717
Fund Balances, July 1		6,505,640	-	6,505,640	6,505,640	-
Prior Period Adjustment		195,865	-	195,865	195,865	-
Fund Balances, July 1 (Restated)		6,701,505	-	6,701,505	6,701,505	-
Fund Balances, June 30		<u>\$ 5,345,385</u>	<u>\$ (917,303)</u>	<u>\$ 4,428,082</u>	<u>\$ 8,804,799</u>	<u>\$ 4,376,717</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 1,449,352
Transfer from Maintenance Reserve	104,738
Cancellation of Prior Year Encumbrances	(537,535)
Securing our Children's Future Bond Act	(99,252)
Total	<u>\$ 917,303</u>

RECAPITULATION OF FUND BALANCE:

Restricted for:		
Capital Reserve		\$ 3,100,678
Maintenance Reserve		400,000
Unemployment Compensation		210,082
Excess Surplus		1,130,618
Excess Surplus Designated for Subsequent Year's Expenditures		302,959
Assigned to:		
Year-End Encumbrances		1,770,119
Designated for Subsequent Year's Expenditures		242,975
Unassigned Fund Balance		<u>1,647,368</u>
Subtotal		8,804,799
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis		<u>(1,291,415)</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 7,513,384</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	POSITIVE/ FINAL TO ACTUAL
Revenues:					
Federal Sources	\$ 1,344,356	\$ 1,457,275	\$ 2,801,631	\$ 1,604,774	\$ (1,196,857)
State Sources	33,142	87,322	120,464	98,321	(22,143)
Local Sources	641,615	(43,615)	598,000	597,332	(668)
Total Revenues	2,019,113	1,500,982	3,520,095	2,300,427	(1,219,668)
Expenditures:					
Instruction:					
Salaries of Teachers	100,000	68,056	168,056	100,000	68,056
Purchased Professional Technical Services	21,903	11,815	33,718	25,065	8,653
Tuition	698,289	(161,353)	536,936	536,936	-
General Supplies	155,188	(93,253)	61,935	51,922	10,013
Textbooks	4,397	6,721	11,118	11,118	-
Other Objects	-	64	64	64	-
Total Instruction	979,777	(167,950)	811,827	725,105	86,722
Support Services:					
Salaries	155,000	128,420	283,420	156,442	126,978
Salaries of Other Professional Staff	134,388	123,387	257,775	145,827	111,948
Employee Benefits	31,563	129,272	160,835	68,962	91,873
Purchased Professional Services	18,362	320,140	338,502	164,581	173,921
Other Purchased Services	58,408	427,619	486,027	218,634	267,393
Supplies and Materials	-	245,418	245,418	184,494	60,924
Other Objects	-	111,237	111,237	34,347	76,890
Student Activities	-	572,000	572,000	413,876	158,124
Scholarship	-	26,000	26,000	25,446	554
Total Support Services	397,721	2,083,493	2,481,214	1,412,609	1,068,605
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	227,054	227,054	4,703	222,351
Total Facilities Acquisition & Construction Services	-	227,054	227,054	4,703	222,351
Total Expenditures	1,377,498	2,142,597	3,520,095	2,142,417	1,377,678
Total Outflows	1,377,498	2,142,597	3,520,095	2,142,417	1,377,678
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures & Other Financing Sources/(Uses)	641,615	(641,615)	-	158,010	158,010
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	599,074	599,074
Fund Balance, July 1 (Restated)	-	-	-	599,074	599,074
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 757,084	\$ 757,084

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Student Activities	\$ 409,685
Scholarship	347,399
	<u>\$ 757,084</u>

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2021**

**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 (C-Series)	\$ 38,960,851	\$ 2,300,427
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	30,517
Current Year	-	(30,186)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,290,497	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,291,415)	-
	\$ 38,959,933	\$ 2,300,758
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 36,934,547	\$ 2,142,417
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	30,517
Current Year	-	(30,186)
	\$ 36,934,547	\$ 2,142,748
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.05107%	0.05199%	0.05814%	0.05641%	0.05781%	0.06170%	0.05767%	0.05469%
School District's proportionate share of the net pension liability	\$ 8,327,868	\$ 9,367,169	\$ 11,448,047	\$ 13,130,859	\$ 17,122,071	\$ 13,849,329	\$ 10,797,738	\$ 10,452,245
District's covered-employee payroll	\$ 3,600,344	\$ 3,796,870	\$ 3,638,651	\$ 3,730,002	\$ 3,945,064	\$ 3,941,737	\$ 4,815,991	Unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	231.31%	246.71%	314.62%	352.03%	434.01%	351.35%	224.21%	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 558,659	\$ 505,675	\$ 578,334	\$ 552,559	\$ 513,588	\$ 530,413	\$ 475,438	412,074
Contributions in relation to the contractually required contribution	(558,659)	(505,675)	(578,334)	(552,559)	(513,588)	(530,413)	(475,438)	(412,074)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 3,600,344	\$ 3,796,870	\$ 3,638,651	\$ 3,730,002	\$ 3,945,064	\$ 3,941,737	\$ 4,815,991	Unavailable
Contributions as a percentage of covered-employee payroll	15.52%	13.32%	15.89%	14.81%	13.02%	13.46%	9.87%	Unavailable

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST EIGHT FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	74,447,717	69,990,718	71,780,827	76,146,600	90,964,073	71,703,114	57,864,441	57,829,325
	<u>\$ 74,447,717</u>	<u>\$ 69,990,718</u>	<u>\$ 71,780,827</u>	<u>\$ 76,146,600</u>	<u>\$ 90,964,073</u>	<u>\$ 71,703,114</u>	<u>\$ 57,864,441</u>	<u>\$ 57,829,325</u>
District's covered-employee payroll	\$ 12,319,248	\$ 12,291,724	\$ 12,082,874	\$ 12,019,686	\$ 11,739,889	\$ 11,739,889	\$ 12,181,522	Unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

M. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS***

	2021	2020	2019	2018
Total OPEB Liability Associated with the District				
Service Cost	\$ 2,182,891	\$ 2,280,930	\$ 2,620,451	\$ 3,150,773
Interest Cost	2,125,987	2,583,733	2,816,602	2,424,839
Differences between Expected and Actual Changes of Assumptions	16,733,981	(9,973,262)	(7,783,464)	-
Contributions: Member	17,606,919	885,155	(7,500,156)	(9,751,384)
Gross Benefit Payments	(1,678,049)	(1,822,365)	(1,747,649)	(1,780,977)
Net Change in Total OPEB Liability Associated with District	37,022,591	(5,991,789)	(11,533,814)	(5,891,169)
Total OPEB Liability Associated with District (Beginning)	59,366,193	65,357,982	76,891,796	82,782,965
Total OPEB Liability Associated with District (Ending)	<u>\$ 96,388,784</u>	<u>\$ 59,366,193</u>	<u>\$ 65,357,982</u>	<u>\$ 76,891,796</u>
District's Covered Employee Payroll	\$ 15,919,592	\$ 15,721,525	\$ 15,684,953	\$ 16,997,513
Net OPEB Liability Associated with District as a Percentage of Payroll	605.47%	377.61%	416.69%	452.37%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	AUXILIARY SERVICES	AUXILIARY SERVICES NONPUBLIC TRANSPORTATION	AUXILIARY SERVICES NONPUBLIC HOME INSTRUCTION	AUXILIARY SERVICES NONPUBLIC SUPPLEMENTAL INSTRUCTION	AUXILIARY SERVICES NONPUBLIC EXAM & CLASSIFICATION	AUXILIARY SERVICES NONPUBLIC TEXTBOOKS	AUXILIARY SERVICES NONPUBLIC SECURITY	AUXILIARY SERVICES NONPUBLIC CORRECTIVE SPEECH	SUBTOTAL
Revenues:									
State Sources	\$ 18,564	\$ 690	\$ 1,525	\$ 10,200	\$ 13,012	\$ 11,118	\$ 41,571	\$ 1,641	\$ 98,321
Total Revenues	\$ 18,564	\$ 690	\$ 1,525	\$ 10,200	\$ 13,012	\$ 11,118	\$ 41,571	\$ 1,641	\$ 98,321
Expenditures:									
Instruction:									
Purchased Professional / Technical Services	\$ -	\$ -	\$ -	\$ 10,200	\$ 13,012	\$ -	\$ -	\$ 1,641	\$ 24,853
Textbooks	-	-	-	-	-	11,118	-	-	11,118
Total Instruction	-	-	-	10,200	13,012	11,118	-	1,641	35,971
Support Services:									
Other Purchased Services	18,564	690	1,525	-	-	-	41,571	-	62,350
Total Support Services	18,564	690	1,525	-	-	-	41,571	-	62,350
Total Expenditures	\$ 18,564	\$ 690	\$ 1,525	\$ 10,200	\$ 13,012	\$ 11,118	\$ 41,571	\$ 1,641	\$ 98,321

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	TITLE I PART A	TITLE II - PART A	TITLE III	TITLE IV	SAFE & DRUG- FREE SCHOOLS	PERKINS	I.D.E.A. - PART B	SUBTOTAL
Revenues:								
Federal Sources	\$ 157,950	\$ 26,121	\$ 1,609	\$ 8,013	\$ 191,413	\$ 65,327	\$ 645,359	\$ 1,095,792
Total Revenues	\$ 157,950	\$ 26,121	\$ 1,609	\$ 8,013	\$ 191,413	\$ 65,327	\$ 645,359	\$ 1,095,792
Expenditures:								
Instruction:								
Salaries of Teachers	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Purchased Professional Services	-	-	-	-	-	212	-	212
Tuition	-	-	-	-	-	-	536,936	536,936
General Supplies	41	-	1,397	-	-	50,484	-	51,922
Other Objects	-	-	-	-	-	64	-	64
Total Instruction	100,041	-	1,397	-	-	50,760	536,936	689,134
Support Services:								
Salaries	12,719	17,575	212	1,870	89,537	1,900	-	123,813
Employee Benefits	43,651	1,873	-	143	11,533	145	-	57,345
Purchased Professional Services	-	2,550	-	6,000	-	2,875	103,398	114,823
Other Purchased Services	-	524	-	-	54,994	4,944	5,025	65,487
Supplies & Materials	1,539	3,599	-	-	3,057	-	-	8,195
Other Objects	-	-	-	-	32,292	-	-	32,292
Total Support Services	57,909	26,121	212	8,013	191,413	9,864	108,423	401,955
Facilities Acquisition & Construction Services:								
Instructional Equipment	-	-	-	-	-	4,703	-	4,703
Total Facilities Acquisition & Construction Services	-	-	-	-	-	4,703	-	4,703
Total Expenditures	\$ 157,950	\$ 26,121	\$ 1,609	\$ 8,013	\$ 191,413	\$ 65,327	\$ 645,359	\$ 1,095,792

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	CLIMATE GRANT	CARES ACT EDUCATION STABILIZATION	COVID RELIEF FUND	NONPUBLIC DIGITAL DIVIDE	ESSER II	CSSRA ACCELERATION	STUDENT ACTIVITIES	SCHOLARSHIP	TOTALS
Revenues:									
Federal Sources	\$ 270,586	\$ 125,067	\$ 88,572	\$ 7,917	\$ 12,018	\$ 4,822	\$ -	\$ -	\$ 1,604,774
State Sources	-	-	-	-	-	-	-	-	98,321
Local Sources	-	-	-	-	-	-	524,748	72,584	597,332
Total Revenues	270,586	125,067	88,572	7,917	12,018	4,822	524,748	72,584	2,300,427
Expenditures:									
Instruction:									
Salaries of Teachers	-	-	-	-	-	-	-	-	100,000
Purchased Professional/ Technical Services	-	-	-	-	-	-	-	-	25,065
Tuition	-	-	-	-	-	-	-	-	536,936
General Supplies	-	-	-	-	-	-	-	-	51,922
Textbooks	-	-	-	-	-	-	-	-	11,118
Other Objects	-	-	-	-	-	-	-	-	64
Total Instruction	-	-	-	-	-	-	-	-	725,105
Support Services:									
Salaries	-	28,150	-	-	-	4,479	-	-	156,442
Salaries - Other Professional Staff	145,827	-	-	-	-	-	-	-	145,827
Employee Benefits	9,121	2,153	-	-	-	343	-	-	68,962
Purchased Professional Services	-	37,740	-	-	12,018	-	-	-	164,581
Other Purchased Services	88,860	1,937	-	-	-	-	-	-	218,634
Supplies & Materials	24,723	55,087	88,572	7,917	-	-	-	-	184,494
Other Objects	2,055	-	-	-	-	-	-	-	34,347
Student Activities	-	-	-	-	-	-	413,876	-	413,876
Scholarship	-	-	-	-	-	-	-	25,446	25,446
Total Support Services	270,586	125,067	88,572	7,917	12,018	4,822	413,876	25,446	1,412,609
Facilities Acquisition & Construction Services:									
Instructional Equipment	-	-	-	-	-	-	-	-	4,703
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	-	-	4,703
Total Expenditures	270,586	125,067	88,572	7,917	12,018	4,822	413,876	25,446	2,142,417
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	-	-	-	-	-	-	110,872	47,138	158,010
Fund Balance, July 1	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	298,813	300,261	599,074
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	298,813	300,261	599,074
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 409,685	\$ 347,399	\$ 757,084

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F. Capital Projects Fund

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

PROJECT TITLE	ORIGINAL DATE	REVISED BUDGETARY APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE JUNE 30, 2021
			PRIOR YEAR	CURRENT YEAR	
Middle School Special Education Classrooms (SCSE) Wing Addition	11/5/2014	\$ 1,713,213	\$ 1,705,377	\$ -	7,836
Middle School Roof Replacement, HVAC System and Electrical System Upgrades	11/5/2014	7,554,343	7,542,178	-	12,165
Total		\$ 9,267,556	\$ 9,247,555	\$ -	20,001

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

Fund Balance - Beginning	<u>\$ 20,001</u>
Fund Balance - Ending	<u><u>\$ 20,001</u></u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MIDDLE SCHOOL SPECIAL EDUCATION CLASSROOM (SCSE) WING ADDITION
YEAR ENDED JUNE 30, 2021**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$ 1,368,949	\$ -	\$ 1,368,949	\$ 1,368,949
State Sources: SDA Grant	344,264		344,264	344,264
Total Revenues	1,713,213	-	1,713,213	1,713,213
Expenditures & Other Financing Uses:				
Legal Services	289	-	289	16,000
Audit Services	-	-	-	16,000
Engineer/Architect	151,845	-	151,845	160,000
Other Professional/Technical Service	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	1,705,377	-	1,705,377	1,713,213
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 7,836	\$ -	\$ 7,836	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	4940-060-14-1004
Grant Date	11/5/2014
Bond Authorization Date	11/5/2014
Bonds Authorized	\$ 1,399,486
Bonds Issued	\$ 1,399,465
Original Authorized Cost	\$ 1,743,750
Additional Authorized Cost	\$ -
Transfer of Bond Funds	\$ (30,537)
Revised Authorized Cost	\$ 1,713,213
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	99.54%
Original Target Completion Date	August 2016
Revised Target Completion Date	August 2017

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MIDDLE SCHOOL ROOF REPLACEMENT, HVAC SYSTEM AND ELECTRICAL SYSTEM UPGRADES
YEAR ENDED JUNE 30, 2021**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$ 3,637,399	\$ -	\$ 3,637,399	\$ 3,637,399
State Sources: SDA Grant	3,916,944		3,916,944	3,916,944
Total Revenues	7,554,343	-	7,554,343	7,554,343
Expenditures & 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	\$ 12,165	\$ -	\$ 12,165	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	4940-060-13-1003
Grant Date	11/5/2014
Bond Authorization Date	11/5/2014
Bonds Authorized	\$ 3,962,459
Bonds Issued	\$ 3,962,459
Original Authorized Cost	\$ 8,216,250
Additional Authorized Cost	\$ -
Transfer of Bond Funds	\$ (661,907)
Revised Authorized Cost	\$ 7,554,343
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	99.84%
Original Target Completion Date	August 2015
Revised Target Completion Date	August 2017

G. Proprietary Funds

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Enterprise Funds

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES	
	FOOD SERVICE FUND	TOTAL
Current Assets:		
Cash & Cash Equivalents	\$ 211,254	\$ 211,254
Accounts Receivable:		
State	2,129	2,129
Federal	17,527	17,527
Inventory	30,163	30,163
Total Current Assets	261,073	261,073
Noncurrent Assets:		
Furniture, Machinery & Equipment	471,342	471,342
Less: Accumulated Depreciation	(441,288)	(441,288)
Total Noncurrent Assets	30,054	30,054
Total Assets	291,127	291,127
LIABILITIES		
Current Liabilities:		
Unearned Revenue	21,887	21,887
Interfund Payable	3,635	3,635
Total Current Liabilities	25,522	25,522
NET POSITION		
Investment in Capital Assets	30,054	30,054
Unrestricted	235,551	235,551
Total Net Position	\$ 265,605	\$ 265,605

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2021**

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	FOOD SERVICE FUND	TOTAL
Local Sources:		
Daily Sales Nonreimbursable Programs	\$ 12,414	\$ 12,414
	<hr/>	<hr/>
Total Operating Revenue	12,414	12,414
	<hr/>	<hr/>
Operating Expenses:		
Salaries	107,811	107,811
Employee Benefits	32,520	32,520
Supplies and Materials	18,064	18,064
Management Fee	46,725	46,725
Depreciation	5,957	5,957
Miscellaneous	23,136	23,136
Cost of Sales - Reimbursable Programs	141,012	141,012
Cost of Sales - Non-Reimbursable Programs	4,332	4,332
	<hr/>	<hr/>
Total Operating Expenses	379,557	379,557
	<hr/>	<hr/>
Operating/(Loss)/Gain	(367,143)	(367,143)
	<hr/>	<hr/>
Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program	12,263	12,263
Federal Sources:		
National School Lunch Program	225,626	225,626
Healthy Hunger-Free Kids Act	4,500	4,500
Food Distribution Program	48,671	48,671
National School Breakfast Program	116,935	116,935
Interest & Investment Revenue	119	119
	<hr/>	<hr/>
Total Nonoperating Revenues/ (Expenses)	408,114	408,114
	<hr/>	<hr/>
Net Income/(Loss)	40,971	40,971
Net Position - Beginning,	224,634	224,634
	<hr/>	<hr/>
Total Net Position - Ending	\$ 265,605	\$ 265,605
	<hr/>	<hr/>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2021**

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	FOOD SERVICE FUND	TOTAL
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 16,672	\$ 16,672
Payments to Suppliers	(178,378)	(178,378)
Payments to Employees	(107,811)	(107,811)
Payments for Employee Benefits	(32,520)	(32,520)
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(302,037)	(302,037)
	<hr/>	<hr/>
Cash Flows From Non-Capital Financing Activities:		
Cash Received from State & Federal Reimbursements	351,711	351,711
	<hr/>	<hr/>
Net Cash Provided by Non-Capital Financing Activities	351,711	351,711
	<hr/>	<hr/>
Cash Flows From Investing Activities:		
Interest Income	119	119
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	119	119
	<hr/>	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	49,793	49,793
Cash & Cash Equivalents, July 1	161,461	161,461
	<hr/>	<hr/>
Cash & Cash Equivalents, June 30	\$ 211,254	\$ 211,254
	<hr/> <hr/>	<hr/> <hr/>
 RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:		
Operating Income/(Loss)	\$ (367,143)	\$ (367,143)
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:		
Depreciation Expense	5,957	5,957
Food Distribution Program	48,671	48,671
Change in Assets & Liabilities:		
(Increase)/Decrease in Accounts Receivable	2,418	2,418
(Increase)/Decrease in Interfunds Receivable	1,223	1,223
(Increase)/Decrease in Inventory	2,585	2,585
Increase/(Decrease) in Unearned Revenue	617	617
Increase/(Decrease) in Interfunds Payable	3,635	3,635
	<hr/>	<hr/>
Total Adjustments	65,106	65,106
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (302,037)	\$ (302,037)
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Internal Service Fund

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

ASSETS	<u>GOVERNMENTAL ACTIVITIES</u> INTERNAL SERVICE FUND	TOTAL
Current Assets:		
Receivables from Other Governments	\$ 279,414	\$ 279,414
Total Assets	<u>279,414</u>	<u>279,414</u>
LIABILITIES		
Interfunds Payable	259,000	259,000
Accounts Payable	<u>13,000</u>	<u>13,000</u>
Total Liabilities	<u>272,000</u>	<u>272,000</u>
NET POSITION		
Unrestricted	<u>7,414</u>	<u>7,414</u>
Total Net Position	<u>\$ 7,414</u>	<u>\$ 7,414</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2021**

	GOVERNMENTAL ACTIVITIES		INTERNAL SERVICE FUND		TOTAL
OPERATING REVENUES:					
Charges for Services:					
Services provided to other LEA's	\$	780,802	\$	780,802	
		780,802		780,802	
OPERATING EXPENSES:					
Salaries		445,257		445,257	
Social Security		34,062		34,062	
Employee Benefits		139,118		139,118	
Other Professional/Technical Services		15,231		15,231	
Cleaning, Repair & Maintenance Services		1,656		1,656	
Contracted Services (Aid in Lieu)		24,500		24,500	
General Supplies		31,931		31,931	
Communications/Telephone		5,309		5,309	
Oil		746		746	
Electricity		949		949	
Travel		1,400		1,400	
Miscellaneous		10,419		10,419	
		710,578		710,578	
Total Operating Expenses		710,578		710,578	
Total Operating Income/(Loss)		70,224		70,224	
Nonoperating Revenues/(Expenses):					
Transfers Out		(63,064)		(63,064)	
		(63,064)		(63,064)	
Total Nonoperating Revenues/ (Expenses)		(63,064)		(63,064)	
Net Income/(Loss)		7,160		7,160	
Total Net Position - July 1		254		254	
		7,414		7,414	
Total Net Position - June 30	\$	7,414	\$	7,414	

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2021**

	<u>GOVERNMENTAL ACTIVITIES</u>		
	INTERNAL		
	SERVICE FUND	TOTAL	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 622,018	\$ 622,018	
Payments to Suppliers	59,483	59,483	
Payments to Employees	(445,257)	(445,257)	
Payments for Employee Benefits	(173,180)	(173,180)	
	<hr/>	<hr/>	
Net Cash Provided/(Used) by Operating Activities	63,064	63,064	
	<hr/>	<hr/>	
Cash Flows from Noncapital Financing Activities:			
Operating Subsidies and Transfers to General Fund	(63,064)	(63,064)	
	<hr/>	<hr/>	
Net Cash Provided/(Used) for Noncapital Financing Activities	(63,064)	(63,064)	
	<hr/>	<hr/>	
Net Increase/(Decrease) in Cash & Cash Equivalents	-	-	
Cash & Cash Equivalents, July 1	-	-	
	<hr/>	<hr/>	
Cash & Cash Equivalents, June 30	\$ -	\$ -	
	<hr/> <hr/>	<hr/> <hr/>	

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES

Reconciliation of Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ 70,224	\$ 70,224	
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:			
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	(158,784)	(158,784)	
Increase/(Decrease) in Accounts Payable	9,660	9,660	
Increase/(Decrease) in Interfunds Payable	141,964	141,964	
	<hr/>	<hr/>	
Total Adjustments	(7,160)	(7,160)	
	<hr/>	<hr/>	
Net Cash Provided/(Used) by Operating Activities	\$ 63,064	\$ 63,064	
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I. Long-Term Debt

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY DATE	AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2020	RETIRED	BALANCE JUNE 30, 2021
Improvements and renovations to the middle school and high school	2/15/2015	\$ 10,581,000	08/01/21	\$ 380,000	3.000%	\$ 9,021,000	\$ 370,000	\$ 8,651,000
			08/01/22	390,000	3.000%			
			08/01/23	405,000	3.000%			
			08/01/24	420,000	3.000%			
			08/01/25	430,000	3.000%			
			08/01/26	450,000	3.000%			
			08/01/27-32	475,000	3.000%			
			08/01/33-35	475,000	3.125%			
			08/01/36-38	475,000	3.250%			
			08/01/39	476,000	3.250%			
Total						<u>\$ 9,021,000</u>	<u>\$ 370,000</u>	<u>\$ 8,651,000</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2021**

PURPOSE	DATE OF LEASE	TERM OF LEASE	ORIGINAL LEASE		INTEREST RATE	BALANCE JUNE 30, 2020	ISSUED	RETIRED	BALANCE JUNE 30, 2021
			PRINCIPAL	INTEREST					
Computer Equipment	6/6/2016	5 Years	\$ 290,259	\$ 26,638	3.56%	\$ 60,044	\$ -	\$ 60,044	\$ -
Fortinet Switches	8/1/2017	5 Years	14,990	19,649	6.56%	61,715	-	29,877	31,838
Computer Equipment	8/1/2017	5 Years	222,693	21,379	4.81%	91,017	-	44,441	46,576
51 Promethean Boards	9/26/2017	5 Years	151,700	26,493	6.04%	66,058	-	32,061	33,997
Fortinet Lease (TSM08872)	9/1/2018	4 Years	140,000	21,533	6.94%	74,808	-	36,117	38,691
IP Phones	9/1/2018	5 Years	33,962	5,563	5.22%	21,653	-	7,249	14,404
43 Promethean Boards	9/1/2018	5 Years	167,400	20,766	4.03%	104,378	-	33,428	70,950
Wireless Access Points	9/1/2018	5 Years	23,231	4,175	5.78%	14,712	-	4,631	10,081
Chromebooks	9/1/2018	3 Years	233,514	11,150	4.85%	77,780	-	77,780	-
3 Servers	9/1/2018	5 Years	22,763	3,278	7.22%	13,614	-	4,226	9,388
Chromebook Cases	7/19/2019	3 Years	16,770	916	3.26%	11,358	-	5,588	5,770
Chromebooks	8/1/2019	3 Years	229,275	10,948	3.16%	149,201	-	72,833	76,368
Towers - Monitors	8/1/2019	5 Years	64,962	6,977	4.19%	50,574	-	11,668	38,906
40 Promethean Boards	7/1/2019	5 Years	131,600	25,077	5.90%	109,637	-	23,258	86,379
Chromebook Cases	9/1/2020	4 Years	14,531	1,609	7.50%	-	14,531	4,035	10,496
Chromebooks	10/1/2020	3 Years	208,254	9,844	4.80%	-	208,254	72,699	135,555
Total						\$ 906,549	\$ 222,785	\$ 519,935	\$ 609,399

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				POSITIVE/ NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 641,615	\$ -	\$ 641,615	\$ 641,615	\$ -
Total Revenues	641,615	-	641,615	641,615	-
Expenditures:					
Regular Debt Service:					
Interest	271,615	-	271,615	271,613	2
Principal	370,000	-	370,000	370,000	-
Total Expenditures	641,615	-	641,615	641,613	2
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	2	2
Fund Balance, July 1	198	-	198	198	-
Fund Balance, June 30	\$ 198	\$ -	\$ 198	\$ 200	\$ 2

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STATISTICAL SECTION (Unaudited)

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DELSEA REGIONAL HIGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in,										
Capital Assets	\$ 25,194,575	\$26,649,674	\$27,192,201	\$ 28,304,260	\$28,386,542	\$ 20,087,435	\$10,029,998	\$16,258,259	\$15,539,924	\$14,946,760
Restricted	5,921,622	5,578,630	5,272,827	6,122,634	6,505,723	12,061,889	22,952,933	5,567,578	4,269,276	3,970,350
Unrestricted	(10,805,752)	(15,010,610)	(15,444,617)	(101,322,900)	(14,053,996)	(10,499,398)	(10,924,892)	(1,486,949)	(1,521,471)	(1,348,536)
Total Governmental Activities	\$ 20,310,445	\$17,217,694	\$17,020,411	\$(66,896,006)	\$20,838,269	\$ 21,649,926	\$22,058,039	\$20,338,888	\$18,287,729	\$17,568,574
Business-Type Activities:										
Net Investment in,										
Capital Assets	\$ 30,054	\$ 36,011	\$ 39,053	\$ 42,128	\$ 45,710	\$ 6,894	\$ 8,824	\$ 10,835	\$ 13,051	\$ 11,304
Unrestricted	235,551	188,623	168,712	123,057	135,904	146,688	141,157	126,751	111,181	80,572
Total Business-Type Activities	\$ 265,605	\$ 224,634	\$ 207,765	\$ 165,185	\$ 181,614	\$ 153,582	\$ 149,981	\$ 137,586	\$ 124,232	\$ 91,876
District-Wide:										
Net Investment in,										
Capital Assets	\$ 25,224,629	\$26,685,685	\$27,231,254	\$ 28,346,388	\$28,432,252	\$ 20,094,329	\$10,038,822	\$16,269,094	\$15,552,975	\$14,958,064
Restricted	5,921,622	5,578,630	5,272,827	6,122,634	6,505,723	12,061,889	22,952,933	5,567,578	4,269,276	3,970,350
Unrestricted	(10,570,201)	(14,821,987)	(15,275,905)	(101,199,843)	(13,918,092)	(10,352,710)	(10,783,735)	(1,360,198)	(1,410,290)	(1,267,964)
Total District Net Position	\$ 20,576,050	\$17,442,328	\$17,228,176	\$(66,730,821)	\$21,019,883	\$ 21,803,508	\$22,208,020	\$20,476,474	\$18,411,961	\$17,660,450

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 8,526,073	\$ 9,032,728	\$ 8,852,199	\$ 8,889,722	\$ 8,623,669	\$ 8,363,282	\$ 8,080,763	\$ 7,896,965	\$ 7,896,578	\$ 7,141,834
Special Education	2,108,260	2,242,305	2,345,504	2,526,822	2,579,859	2,696,918	2,750,548	2,528,466	2,404,974	1,959,016
Other Special Instruction	-	532,739	563,506	486,454	567,685	369,628	303,388	256,675	308,085	255,045
Other Instruction	1,241,556	1,105,597	1,085,326	1,212,512	1,109,757	1,165,302	1,068,763	1,098,780	1,085,718	1,003,595
Support Services:										
Tuition	3,758,939	3,293,948	3,498,676	2,916,971	2,296,333	2,027,675	1,582,393	1,261,409	1,327,893	2,033,131
Student & Instruction Related Services	3,962,126	2,701,317	3,120,480	3,043,773	3,090,711	3,109,952	3,141,564	2,951,779	3,034,202	2,644,388
Health Services	237,323	-	-	-	-	-	-	-	-	-
Educational Media Services/School Library	195,862	-	-	-	-	-	-	-	-	-
School Administrative Services	683,226	617,385	520,241	578,927	512,785	491,292	532,837	513,054	901,045	828,329
General Administrative	485,765	1,004,806	1,141,374	1,097,037	1,033,505	1,140,117	1,151,980	1,077,853	947,147	1,004,520
Central Services	430,811	-	-	-	-	-	-	-	-	-
Administrative Information Technology	427,838	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	2,710,769	2,844,750	2,899,941	2,959,811	2,820,985	2,477,707	2,739,056	2,480,972	2,468,621	2,363,505
Pupil Transportation	2,440,658	4,790,202	5,370,618	5,419,578	5,240,580	5,030,983	4,904,905	5,096,037	3,839,673	3,156,366
Employee Benefits	10,332,697	10,091,241	12,158,442	13,235,183	10,113,699	8,411,483	7,172,701	6,560,993	7,480,309	6,803,880
On Behalf TPAF Pension and Social Security Contributions	4,876,026	-	-	-	-	-	-	-	-	-
Transfer to Charter Schools	208,859	-	-	-	-	-	-	-	-	-
Internal Service	710,578	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	271,392	278,039	288,501	298,255	304,731	307,312	124,859	49,490	92,786	139,821
Capital Outlay	-	472,386	1,144,845	785,379	-	726,934	270,332	1,376,070	309,595	26,167
Unallocated Depreciation	2,166,481	2,252,260	2,006,217	871,339	635,710	658,822	660,031	672,751	682,353	717,965
Total Governmental Activities Expenses	45,775,239	41,259,703	44,995,870	44,321,763	38,930,009	36,977,407	34,484,120	33,821,294	32,778,979	30,077,562
Business-Type Activities:										
Food Service	379,557	536,641	672,907	706,647	681,849	664,646	690,145	711,371	738,577	802,569
Total Business-Type Activities Expense	379,557	536,641	672,907	706,647	681,849	664,646	690,145	711,371	738,577	802,569
Total District Expenses	\$ 46,154,796	\$ 41,796,344	\$ 45,668,777	\$ 45,028,410	\$ 39,611,858	\$ 37,642,053	\$ 35,174,265	\$ 34,532,665	\$ 33,517,556	\$ 30,880,131

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 780,802	\$ 776,760	\$ 765,907	\$ 840,273	\$ 737,375	\$ 745,664	\$ 720,123	\$ 880,372	\$ 823,919	\$ 684,350
Operating Grants & Contributions	12,150,237	1,079,902	977,731	954,743	1,007,324	954,183	1,036,408	760,227	748,687	828,905
Total Governmental Activities Program Revenues	12,931,039	1,856,662	1,743,638	1,795,016	1,744,699	1,699,847	1,756,531	1,640,599	1,572,606	1,513,255
Business-Type Activities:										
Charges for Services:										
Food Service	12,414	284,962	446,193	414,213	406,274	396,911	414,229	415,734	450,963	473,176
Operating Grants & Contributions	407,995	268,379	269,162	275,883	258,712	271,204	288,234	308,891	319,842	312,601
Total Business Type Activities Program Revenues	420,409	553,341	715,355	690,096	664,986	668,115	702,463	724,625	770,805	785,777
Total District Program Revenues	\$ 13,351,448	\$ 2,410,003	\$ 2,458,993	\$ 2,485,112	\$ 2,409,685	\$ 2,367,962	\$ 2,458,994	\$ 2,365,224	\$ 2,343,411	\$ 2,299,032
Net/(Expense)/Revenue:										
Governmental Activities	\$ (32,844,200)	\$ (39,403,041)	\$ (43,252,232)	\$ (42,526,747)	\$ (37,185,310)	\$ (35,277,560)	\$ (32,727,589)	\$ (32,180,695)	\$ (31,206,373)	\$ (28,564,307)
Business-Type Activities	40,852	16,700	42,448	(16,551)	(16,863)	3,469	12,318	13,254	32,228	(16,792)
Total District-Wide Net Expense	\$ (32,803,348)	\$ (39,386,341)	\$ (43,209,784)	\$ (42,543,298)	\$ (37,202,173)	\$ (35,274,091)	\$ (32,715,271)	\$ (32,167,441)	\$ (31,174,145)	\$ (28,581,099)

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30.									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 15,887,865	\$ 15,714,677	\$ 15,406,546	\$ 15,104,457	\$ 14,808,291	\$ 14,517,932	\$ 13,874,384	\$ 13,274,157	\$ 12,591,764	\$ 11,801,436
Taxes Levied for Debt Service	641,615	632,612	627,689	625,964	617,314	531,800	400,641	708,761	733,390	757,823
Unrestricted Grants & Contributions	14,647,923	19,883,772	21,335,915	17,978,575	17,430,709	17,035,334	16,872,901	16,711,108	16,316,250	16,271,448
Restricted Grants & Contributions	-	-	-	-	-	-	10,200,875	-	-	-
Tuition Received	2,037,949	2,027,224	2,104,622	2,523,723	2,167,049	1,779,475	1,858,599	1,698,159	1,121,220	983,497
Transportation Fees	666,914	1,194,008	1,579,182	1,442,730	1,217,929	842,823	1,217,727	1,345,317	1,176,681	1,001,273
Investment Earnings	678	1,836	6,055	6,384	6,343	3,732	3,400	17,342	13,806	10,458
Miscellaneous Income	493,672	146,195	216,329	(106,397)	126,018	158,351	86,774	60,764	59,508	116,967
Other - Special Items	-	-	-	-	-	-	(28,390)	(3,208)	(86,893)	-
Total Governmental Activities	34,376,616	39,600,324	41,276,338	37,575,436	36,373,653	34,869,447	44,486,911	33,812,400	31,925,726	30,942,902
Business-Type Activities:										
Investment Earnings	119	169	132	122	139	132	77	100	128	124
Capital Contributions	-	-	-	-	44,756	-	-	-	-	-
Total Business-Type Activities	119	169	132	122	44,895	132	77	100	128	124
Total District-Wide	\$ 34,376,735	\$ 39,600,493	\$ 41,276,470	\$ 37,575,558	\$ 36,418,548	\$ 34,869,579	\$ 44,486,988	\$ 33,812,500	\$ 31,925,854	\$ 30,943,026
Change in Net Position:										
Governmental Activities	\$ 1,532,416	\$ 197,283	\$ (1,975,894)	\$ (4,951,311)	\$ (811,657)	\$ (408,113)	\$ 11,759,322	\$ 1,631,705	\$ 719,353	\$ 2,378,595
Business-Type Activities	40,971	16,869	42,580	(16,429)	28,032	3,601	12,395	13,354	32,356	(16,668)
Total District	\$ 1,573,387	\$ 214,152	\$ (1,933,314)	\$ (4,967,740)	\$ (783,625)	\$ (404,512)	\$ 11,771,717	\$ 1,645,059	\$ 751,709	\$ 2,361,927

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 5,144,337	\$ 3,890,639	\$ 4,485,148	\$ 5,079,683	\$ 4,513,876	\$ 4,745,633	\$ 5,655,748	\$ 4,686,194	\$ 3,342,876	\$ 3,218,851
Assigned	2,013,094	1,667,792	767,678	1,022,950	1,543,529	2,407,087	1,440,002	881,383	926,400	751,301
Unrestricted	355,953	(343,288)	(383,130)	(461,654)	(530,266)	(614,664)	(663,106)	(683,408)	(648,380)	(552,322)
Total General Fund	\$ 7,513,384	\$ 5,215,143	\$ 4,869,696	\$ 5,640,979	\$ 5,527,139	\$ 6,538,056	\$ 6,432,644	\$ 4,884,169	\$ 3,620,896	\$ 3,417,830
All Other Governmental Funds:										
Restricted, Reported in:										
Special Revenue Fund	757,084	-	-	-	-	-	-	-	-	-
Capital Projects Fund	20,001	20,001	20,001	20,001	448,514	4,909,365	15,857,379	-	-	-
Debt Service Fund	200	198	-	-	(196)	(196)	(196)	1	198	198
Total All Other Governmental Funds	\$ 777,285	\$ 20,199	\$ 20,001	\$ 20,001	\$ 448,318	\$ 4,909,169	\$ 15,857,183	\$ 1	\$ 198	\$ 198

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Taxes Local	\$ 16,529,480	\$ 16,347,289	\$ 16,034,235	\$ 15,730,421	\$ 15,425,605	\$ 15,049,732	\$ 14,275,025	\$ 13,982,918	\$ 13,325,154	\$ 12,559,259
Tuition Changes	2,037,949	2,027,224	2,104,622	2,523,723	2,167,049	1,779,475	1,858,599	1,698,159	1,121,220	983,497
Transportation	666,914	1,194,008	1,579,182	1,442,730	1,217,929	842,823	1,217,727	1,345,317	1,176,681	1,001,273
Interest Earnings	678	1,836	6,055	6,384	3,732	3,720	3,400	3,095	13,806	10,458
Miscellaneous	1,091,004	146,195	216,329	230,450	126,018	158,745	103,374	93,018	59,508	125,015
State Sources	19,950,461	18,680,408	18,628,231	17,997,099	17,498,373	17,061,674	27,070,677	16,727,998	16,321,867	15,846,684
Federal Sources	1,625,820	1,080,913	949,879	936,219	939,660	930,022	984,090	725,330	743,070	1,245,621
Total Revenue	41,902,306	39,477,873	39,518,533	38,867,026	37,380,977	35,826,203	45,512,892	34,575,835	32,761,306	31,771,807
Expenditures:										
Instruction:										
Regular Instruction	8,823,223	9,056,517	8,794,135	8,725,643	8,443,624	8,257,144	8,016,291	7,882,966	7,874,369	7,156,285
Special Education Instruction	2,108,260	2,242,305	2,379,712	2,521,715	2,587,899	2,712,384	2,736,786	2,513,419	2,400,459	1,969,339
Other Special Instruction	-	530,743	562,414	486,116	567,075	369,628	303,388	256,675	308,646	243,915
Other Instruction	1,241,556	1,105,597	1,099,678	1,211,367	1,109,411	1,120,825	1,050,974	1,082,151	1,071,493	1,000,990
Undistributed:										
Tuition	3,758,939	3,293,948	3,498,676	2,916,971	2,296,333	2,027,675	1,582,393	1,261,409	1,327,893	2,033,131
Student & Instruction Related Services	3,962,126	3,257,916	3,140,309	3,039,351	3,101,866	3,105,819	3,103,613	2,974,270	3,026,133	2,614,197
Health Services	237,323	-	-	-	-	-	-	-	-	-
Educational Media Services/School Library	195,862	-	-	-	-	-	-	-	-	-
Instructional Staff Training	43,250	-	-	-	-	-	-	-	-	-
General Administrative	442,515	472,190	448,744	452,864	432,914	423,852	431,458	472,086	428,394	455,183
School Administrative Services	683,226	677,411	695,659	714,288	688,163	697,019	704,002	688,985	782,903	785,768
Central Services	430,811	407,679	391,169	409,330	394,808	378,066	325,116	333,270	328,169	310,176
Administrative Information Technology	427,838	397,141	432,114	385,009	319,151	378,855	325,904	328,996	170,445	137,650
Plant Operations & Maintenance	2,710,769	2,823,569	2,881,762	2,891,880	2,736,786	2,386,014	2,690,712	2,432,008	2,406,575	2,311,087
Pupil Transportation	2,440,658	4,394,421	5,014,405	4,685,587	4,518,234	4,479,983	4,231,443	4,323,808	3,174,276	2,591,332
Employee Benefits	6,078,815	9,141,623	9,177,521	8,504,282	8,362,376	7,694,611	7,060,293	6,564,899	7,476,608	6,809,390
On Behalf TPAP Pension and Social Security Contributions	5,224,932	-	-	-	-	-	-	-	-	-
Debt Service Expenditures:										
Principal	370,000	350,000	335,000	325,000	310,000	240,000	745,000	1,291,832	1,291,524	1,291,229
Interest	271,788	282,414	292,689	300,964	307,314	291,800	21,617	64,073	111,108	158,127
Capital Outlay	267,017	1,216,281	1,767,095	2,035,865	6,762,919	12,915,596	5,817,016	1,890,873	725,868	53,359
Total Expenditures	39,718,908	39,649,755	40,911,082	39,606,232	42,938,873	47,479,271	39,146,006	34,271,720	32,904,863	29,921,158
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,183,398	(171,882)	(1,392,549)	(739,206)	(5,557,896)	(11,653,068)	6,366,886	304,115	(143,557)	1,850,649
Other Financing Sources/(Uses):										
Bond Proceeds	-	-	-	-	-	-	10,581,000	-	-	-
Capital Leases (Non-Budgeted)	222,785	442,607	621,266	761,576	-	727,223	384,076	858,417	331,622	28,340
Accounts Receivable Cancelled	-	-	-	(336,847)	-	-	-	-	-	-
Transfer to Charter School	(208,859)	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	(40,708)	-
Transfers In	63,064	74,920	-	-	86,128	83,243	73,695	100,544	55,709	25,136
Total Other Financing Sources/(Uses)	76,990	517,527	621,266	424,729	86,128	810,466	11,038,771	958,961	346,623	53,476
Net Change in Fund Balances	\$ 2,260,388	\$ 345,645	\$ (771,283)	\$ (314,477)	\$ (5,471,768)	\$ (10,842,602)	\$ 17,405,657	\$ 1,263,076	\$ 203,066	\$ 1,904,125
Debt Service as a Percentage of Noncapital Expenditures	1.63%	1.65%	1.60%	1.67%	1.71%	1.54%	2.30%	4.19%	4.36%	4.85%

Source: District Records

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Interest on Investments	\$ 5,266	\$ 13,184	\$ 10,975	\$ 5,123	\$ 17,134	\$ 46,994	\$ 36,678	\$ 14,247	\$ 10,444	\$ -
Athletic Events	672	14,496	16,579	-	18,999	17,772	19,996	22,264	20,672	11,707
Sale of Assets	-	500	-	-	-	-	-	-	-	730
Rentals	-	13,329	7,016	-	4,744	2,189	13,928	8,711	7,036	7,239
Refunds	23,171	38,057	21,784	5,416	34,043	9,516	9,331	29,125	14,774	45,056
Prior Year PO Adjustment	-	-	-	-	-	-	-	-	2,807	-
Fines	226	-	150	-	310	58	900	571	266	861
Community School Dividend	-	-	24,998	-	-	-	-	-	-	-
Educational Fee	-	-	-	-	-	-	-	-	-	-
Insurance Dividend	389,187	53,781	-	-	-	-	-	-	-	37,874
Miscellaneous	75,150	12,848	134,827	219,911	50,788	31,588	5,941	93	13,953	13,500
Total	\$ 493,672	\$ 146,195	\$ 216,329	\$ 230,450	\$ 126,018	\$ 108,117	\$ 86,774	\$ 75,011	\$ 69,952	\$ 116,967

Source: District records

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
Franklin												
2021	\$31,119,600	\$1,050,078,300	\$ 50,207,200	\$5,445,500	\$ 93,136,200	\$ -	\$ 1,927,000	\$1,231,913,800	\$ 3,352,485	\$ 1,235,266,285	1.026	\$1,368,835,101
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	1.019	1,232,299,954
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	1.019	1,322,706,396
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	1.005	1,304,220,449
2020	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	0.979	1,306,330,003
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	0.971	1,596,691,472
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	0.940	1,294,883,839
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	0.907	1,275,979,921
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	0.869	1,316,263,732
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	1.277	1,383,180,084
Elk												
2021	\$16,679,800	\$ 300,723,500	\$ 23,894,800	\$3,491,900	\$ 31,239,900	\$ 1,189,200	\$ -	\$ 377,219,100	\$ 2,188,373	\$ 379,407,473	1.064	\$ 411,819,926
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	1.060	375,182,477
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	0.979	390,369,066
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	0.945	383,914,044
2020	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	0.949	382,130,867
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	0.922	368,583,465
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	0.875	360,723,805
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	0.838	359,865,466
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	0.801	374,101,341
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	0.616	382,547,020

b. Tax rates are per \$100

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE				OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICES	TOTAL DIRECT SCHOOL TAX RATE	TOWNSHIP	TOWNSHIP SCHOOL DISTRICT		GLOUCESTER COUNTY		
					TOWNSHIP	SCHOOL DISTRICT			
Franklin									
2021	0.988	0.038	1.026	0.716	0.915	0.761	0.761	3.418	
2020	0.980	0.039	1.019	0.688	0.918	0.755	0.755	3.380	
2019	0.979	0.040	1.019	0.669	0.911	0.735	0.735	3.334	
2018	0.965	0.040	1.005	0.671	0.891	0.722	0.722	3.289	
2020	0.940	0.039	0.979	0.671	0.870	0.706	0.706	3.226	
2016	0.937	0.034	0.971	0.671	0.863	0.706	0.706	3.211	
2015	0.914	0.026	0.940	0.622	0.831	0.688	0.688	3.081	
2014	0.861	0.046	0.907	0.621	0.799	0.635	0.635	2.962	
2013	0.821	0.048	0.869	0.617	0.763	0.638	0.638	2.887	
2012	1.205	0.072	1.277	0.903	1.114	0.944	0.944	4.238	
Eik									
2021	1.024	0.040	1.064	0.917	0.940	0.796	0.796	3.717	
2020	1.019	0.041	1.060	0.905	0.934	0.782	0.782	3.681	
2019	0.941	0.038	0.979	0.903	0.921	0.764	0.764	3.567	
2018	0.907	0.038	0.945	0.876	0.925	0.755	0.755	3.501	
2020	0.911	0.038	0.949	0.876	0.826	0.753	0.753	3.404	
2016	0.889	0.033	0.922	0.876	0.822	0.750	0.750	3.370	
2015	0.850	0.025	0.875	0.861	0.816	0.721	0.721	3.273	
2014	0.796	0.042	0.838	0.794	0.810	0.681	0.681	3.123	
2013	0.757	0.044	0.801	0.764	0.714	0.687	0.687	2.966	
2012	0.586	0.030	0.616	0.658	0.642	0.565	0.565	2.481	

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

FRANKLIN TOWNSHIP

TAXPAYER	2021		2012	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION
RT Enterprises, LLC	\$ 7,090,600	0.57%	\$ 4,483,900	0.56%
R. Leo & Sons, LLC	3,586,300	0.29%	2,277,700	0.28%
Wawa, Inc.	2,770,800	0.22%	1,498,800	0.19%
PDM, LLC (CVS)	2,500,000	0.20%	1,086,500	0.13%
Verizon New Jersey	2,192,485	0.18%	-	N/A
New Greenways, LLC	2,158,300	0.17%	-	N/A
Graiff Brothers Properties, V. LLC	2,031,400	0.16%	-	N/A
Rosemar Properties, V. LLC	1,600,000	0.13%	-	N/A
AJ Seerat LLC	1,550,000	0.13%	-	N/A
In Demand Rentals	1,542,900	0.12%	-	N/A
Sharon Reed Community Dev. Corp.	-	N/A	1,438,200	0.18%
Taxpayer #1	-	N/A	1,260,300	0.16%
State of NJ, DEP C/O White Oaks CC	-	N/A	1,195,900	0.15%
Blackwood Town Industries, Inc.	-	N/A	1,143,300	0.14%
Taxpayer #2	-	N/A	1,076,000	0.13%
Visconti Brothers Properties, LLC	-	N/A	1,117,900	0.14%
Total	\$ 27,022,785	2.19%	\$ 16,578,500	2.06%

ELK TOWNSHIP

TAXPAYER	2021		2012	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION
Taxpayer #1	\$ 6,356,300	1.68%	\$ 1,181,300	0.29%
Laux Lakeview Park Inc.	4,139,600	1.09%	4,294,700	1.07%
Aura Investors LLC	3,154,100	0.83%	-	N/A
SCP 2007-C27, LLC (CVS Caremark)	2,449,900	0.65%	2,000,000	0.50%
Ewan 77 LLC	1,690,000	0.45%	-	N/A
Clayton Associates	1,189,200	0.31%	1,223,200	0.30%
Verizon New Jersey	1,148,777	0.30%	1,406,464	0.35%
Copart of Connecticut Inc.	1,102,000	0.29%	-	N/A
Aura Development Group LLC	1,082,700	0.29%	-	N/A
Robinson Property Holdings	1,052,200	0.28%	-	N/A
Christy Enterprises	-	N/A	1,037,800	0.26%
Paparone at Silver Lake Estates LLC	-	N/A	2,587,200	0.65%
Valley Del Sol	-	N/A	1,844,900	0.46%
Western Oilfields Supply Co.	-	N/A	1,140,300	0.28%
Silvergata Associates	-	N/A	1,932,500	0.48%
Total	\$ 23,364,777	6.16%	\$ 18,648,364	4.65%

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

YEAR ENDED DECEMBER 31	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITH THE FISCAL YEAR		COLLECTIONS IN SUBSEQUENT YEAR
		AMOUNT	PERCENT OF LEVY	
2021	\$ 16,529,480	\$ 16,529,480	100.00%	-
2020	16,347,289	16,347,289	100.00%	-
2019	16,034,235	16,034,235	100.00%	-
2018	15,730,421	15,730,421	100.00%	-
2020	15,425,605	15,425,605	100.00%	-
2016	14,275,025	14,275,025	100.00%	-
2015	13,982,918	13,982,918	100.00%	-
2014	13,325,154	13,325,154	100.00%	-
2013	12,559,259	12,559,259	100.00%	-
2012	12,639,762	12,639,762	100.00%	-

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES			BUSINESS- TYPE ACTIVITIES	TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME
	GENERAL OBLIGATION BONDS	EDA LOANS	CAPITAL LEASES	CAPITAL LEASES		
2021	\$ 8,651,000	\$ -	\$ 609,399	\$ -	\$ 9,260,399	Unavailable
2020	9,021,000	-	906,549	-	9,927,549	Unavailable
2019	9,371,000	-	987,262	-	10,358,262	0.89%
2018	9,706,000	-	902,696	-	10,608,696	0.95%
2020	10,031,000	-	689,583	-	10,720,583	0.99%
2016	10,341,000	-	1,192,905	-	11,533,905	1.10%
2015	10,581,000	-	884,488	-	11,465,488	1.12%
2014	745,000	-	809,582	-	1,554,582	0.16%
2013	1,510,000	526,831	242,898	-	2,279,729	0.24%
2012	2,275,000	1,053,355	22,117	-	3,350,472	0.36%

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 8,651,000	\$ -	\$ 8,651,000	0.54%	Unavailable
2020	9,021,000	-	9,021,000	0.56%	440
2019	9,371,000	-	9,371,000	0.58%	457
2018	9,706,000	-	9,706,000	0.61%	471
2020	10,031,000	-	10,031,000	0.63%	487
2016	10,341,000	-	10,341,000	0.65%	502
2015	10,581,000	-	10,581,000	0.67%	511
2014	745,000	-	745,000	0.05%	36
2013	1,510,000	-	1,510,000	0.09%	73
2012	2,275,000	-	2,275,000	0.19%	109

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	OVERLAPPING DEBT
Franklin			
Debt Repaid With Property Taxes:			
Franklin Township	\$ 8,358,940	100.00%	\$ 8,358,940
Gloucester County General Obligation Debt	246,071,179	4.90%	12,055,172
Regional School Debt	8,651,000	77.21%	<u>6,679,171</u>
Total Direct & Overlapping Debt			<u><u>\$ 27,093,283</u></u>
Elk			
Debt Repaid With Property Taxes:			
Elk Township	\$ 1,506,400	100.00%	\$ 1,506,400
Gloucester County General Obligation Debt	246,071,179	1.45%	3,558,935
Regional School Debt	8,651,000	22.79%	<u>1,971,829</u>
Total Direct & Overlapping Debt			<u><u>\$ 7,037,164</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Gloucester County Board of Taxation.

Debt outstanding data provided by each governmental unit.

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 the above 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 government 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
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
Franklin				
2020	16,340	Unavailable	Unavailable	10.7%
2019	16,329	922,572,171	56,499	4.7%
2018	16,420	892,328,480	54,344	5.4%
2017	16,451	863,611,696	52,496	6.1%
2016	16,492	837,859,568	50,804	6.7%
2015	16,593	823,294,881	49,617	7.8%
2014	16,612	786,827,380	47,365	9.0%
2013	16,626	762,767,628	45,878	9.5%
2012	16,681	749,177,072	44,912	9.5%
2011	16,744	732,717,440	43,760	12.7%
Elk				
2020	4,172	Unavailable	Unavailable	8.1%
2019	4,176	235,939,824	56,499	3.6%
2018	4,180	227,157,920	54,344	4.3%
2017	4,157	218,225,872	52,496	4.7%
2016	4,099	208,245,596	50,804	4.6%
2015	4,095	203,181,615	49,617	6.6%
2014	4,110	194,670,150	47,365	14.9%
2013	4,119	188,971,482	45,878	9.5%
2012	4,135	185,711,120	44,912	9.5%
2011	4,156	181,866,560	43,760	9.3%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EMPLOYER	2021		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Amazon	4,500	1	N/A
Rowan University	3,500	2	N/A
Inspira Health	2,051	3	N/A
Jefferson Health	2,015	4	N/A
Washington Township School District	1,515	5	N/A
Shop Rite	1,300	6	N/A
County of Gloucester	1,200	7	N/A
U.S. Food Services	1,014	8	N/A
Monroe Township School District	841	9	N/A
Walmart - Turnersville	800	10	N/A
	18,736		

EMPLOYER	2012		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Rowan University	1,300	1	N/A
Underwood Memorial Hospital	1,825	2	N/A
Washington Township School District	1,648	3	N/A
County of Gloucester	1,500	4	N/A
Kennedy Health Alliance	1,200	5	N/A
Missa Bay, LLC	950	6	N/A
Monroe Township School District	725	7	N/A
U.S Foodservices	741	8	N/A
DGI Services	600	9	N/A
Delaware Valley Wholesale Florist	500	10	N/A
	10,989		

Source: Information provided by the Gloucester County Office of Economic Development and Employer Directly.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	100.0	104.0	105.0	102.0	108.0	106.0	105.0	108.0	109.0	108.0
Special Education	33.0	36.0	29.0	36.0	42.0	45.0	46.0	43.0	42.0	40.0
Other Instruction	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	3.0
Support Services:										
Student & Instruction Related	37.0	36.0	38.0	37.0	31.0	30.0	33.0	38.0	37.0	33.0
General Administration	3.0	3.0	3.0	3.0	5.0	5.0	4.0	3.0	3.0	3.0
School Administration	7.0	7.0	7.0	7.0	9.0	8.0	10.0	10.0	8.0	9.0
Central Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information										
Technology	2.0	2.0	3.0	4.0	5.0	5.0	4.0	4.0	3.0	2.0
Plants Operations & Maintenance	28.0	28.0	28.0	29.0	25.0	24.0	22.0	25.0	27.0	27.0
Pupil Transportation	70.0	70.0	76.0	76.0	88.0	87.0	86.0	80.0	78.0	65.0
Total	286.0	292.0	295.0	300.0	319.0	316.0	316.0	317.0	313.0	295.0

Source: District Personnel Records

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
					TEACHING STAFF	MIDDLE RATIO	HIGH SCHOOL RATIO				
2021	1,565	\$ 36,880,917	23,566	0.62%	143	11.5:1	10.7:1	1,553	1,455	-3.18%	93.69%
2020	1,614	37,801,060	23,421	-2.53%	142	12.2:1	12.9:1	1,604	1,544	-0.06%	96.26%
2019	1,603	38,516,298	24,028	4.97%	143	12.9:1	13.4:1	1,605	1,512	-0.43%	94.21%
2018	1,614	36,944,403	22,890	3.96%	145	11.5:1	12.9:1	1,612	1,515	0.75%	93.98%
2020	1,615	35,558,640	22,018	3.52%	151	10.1:1	12.7:1	1,600	1,506	-0.50%	94.13%
2016	1,600	34,031,875	21,270	10.78%	143	10.1:1	11.5:1	1,608	1,514	-5.13%	94.15%
2015	1,696	32,562,373	19,200	4.73%	139	11.2:1	10.8:1	1,695	1,596	-3.36%	94.16%
2014	1,754	32,155,588	18,333	4.42%	139	12.0:1	10.9:1	1,754	1,654	0.06%	94.30%
2013	1,753	30,776,363	17,556	5.76%	142	10.7:1	10.8:1	1,753	1,655	2.34%	94.41%
2012	1,712	28,418,443	16,600	5.33%	142	10.6:1	10.9:1	1,713	1,620	-0.06%	96.30%

Sources: 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 BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Middle School:										
Middle School (1989):										
Square Feet	101,650	101,650	101,650	101,650	101,650	101,650	97,000	97,000	97,000	97,000
Capacity (Students)	759	759	759	759	759	759	724	724	724	724
Enrollment	541	581	563	534	485	478	538	613	600	539
High School:										
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	1,024	1,033	1,040	1,080	1,130	1,122	1,158	1,141	1,153	1,173
Other:										
Bus Garage (1996)										
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, 2021:
 Middle School = 1
 High School = 1
 Other = 11

Source: District records, ASSA

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021**

	<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 Benefit	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 - United States Fire 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 - Catlin 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

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

**INDEPENDENT AUDITOR'S 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**

Honorable President and Members
of the Board of Education
Delsea Regional High School District
County of Gloucester
Franklinville, New Jersey

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 (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
March 10, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Delsea Regional High School District
County of Gloucester
Franklinville, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Delsea Regional High School District's (the "School District") 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 School District's major federal and state programs for the fiscal year ended June 30, 2021. The 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 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 or state program occurred. An audit includes examining, on a test basis, evidence about the 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 the School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the 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 for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the 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 School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 or state program and to test and report on internal control over compliance in accordance with the 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 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
March 10, 2022

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE JUNE 30, 2021	
											(ACCOUNTS RECEIVABLE)	(UNEARNED REVENUE)
U.S. Department of Health and Human Services												
Passed Through New Jersey Department of Human Services:												
Medical Assistance Program (SEMI)	93.778	2105NJ5MAP	100-034-7540-211	\$ 50,057	7/1/20-6/30/21	\$ -	\$ 50,057	\$ (50,057)	\$ -	\$ -	\$ -	\$ -
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	100-034-7540-211	45,701	7/1/19-6/30/20	(1,218)	1,218	-	-	-	-	-
Total U.S. Department of Health and Human Services						(1,218)	51,275	(50,057)	-	-	-	-
U.S. Department of Agriculture												
Passed Through New Jersey Department of Agriculture:												
Child Nutrition Cluster:												
COVID-19 School Breakfast Program	10.553	21NJ304N1099	100-010-3350-028	116,935	7/1/20-6/30/21	-	111,154	(116,935)	-	-	(5,781)	-
COVID-19 National School Lunch Program	10.555	21NJ304N1099	100-010-3350-026	225,626	7/1/20-6/30/21	-	214,110	(225,626)	-	-	(11,516)	-
COVID-19 National School Lunch Program	10.555	20NJ304N1099	100-010-3350-026	192,945	3/13/20-6/30/20	(11,372)	11,372	-	-	-	(230)	-
COVID-19 Healthy Hunger-Free Kids Act	10.555	21NJ304N1099	100-010-3350-026	4,500	7/1/20-6/30/21	(234)	234	(4,500)	-	-	-	-
COVID-19 Healthy Hunger-Free Kids Act	10.555	20NJ304N1099	100-010-3350-026	234	3/13/20-6/30/20	(234)	234	-	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	21NJ304N1099	Unavailable	48,722	7/1/20-6/30/21	10,430	48,722	(38,241)	-	-	10,481	-
Food Distribution Program (Noncash Assistance)	10.555	20NJ304N1099	Unavailable	59,284	7/1/19-6/30/20	(1,176)	278,708	(278,797)	-	-	(11,746)	10,481
Total Child Nutrition Cluster						(1,176)	389,862	(395,732)	-	-	(17,527)	10,481
Total U.S. Department of Agriculture						(1,176)	389,862	(395,732)	-	-	(17,527)	10,481
U.S. Department of Education												
Passed Through New Jersey Department of Education:												
I.D.E.A., Part B (Special Education Cluster)												
Basic	84.027A	H027A200100	100-034-5065-016	664,341	7/1/20-9/30/21	-	230,214	(645,359)	-	-	(415,145)	-
Basic	84.027A	H027A190100	100-034-5065-016	663,710	7/1/19-9/30/20	(108,600)	108,600	-	-	-	-	-
Total Special Education Cluster						(108,600)	338,814	(645,359)	-	-	(415,145)	-
Title I - Part A	84.010A	S010A200030	100-034-5064-194	157,950	7/1/20-9/30/21	-	81,406	(157,950)	-	-	(76,544)	-
Title I - Part A	84.010A	S010A190030	100-034-5064-194	154,780	7/1/19-9/30/20	(41,406)	41,406	-	-	-	-	-
Total Title I - Part A						(41,406)	122,812	(157,950)	-	-	(76,544)	-
Title II - Part A, Supporting Effective Instruction	84.367A	S367A200029	100-034-5063-290	36,957	7/1/20-9/30/21	(3,050)	2,919	(26,121)	-	-	(26,121)	-
Title II - Part A, Supporting Effective Instruction	84.367A	S367A190029	100-034-5063-290	36,188	7/1/19-9/30/20	(3,050)	2,919	(26,121)	-	-	(131)	-
Total Title II - Part A						(6,100)	5,838	(52,242)	-	-	(26,252)	-
Title III, Immigrant	84.365A	S365A200030	100-034-5064-187	1,609	7/1/20-9/30/21	-	-	(1,609)	-	-	(1,609)	-
Title III, Immigrant	84.365A	S365A190030	100-034-5064-187	1,609	7/1/19-9/30/20	-	-	(1,609)	-	-	(1,609)	-
Total Title III, Immigrant						-	-	(3,218)	-	-	(3,218)	-
Title IV - Part A	84.424A	S424A200031	100-034-5063-348	19,290	7/1/20-9/30/21	-	-	(8,013)	-	-	(8,013)	-
Title IV - Part A	84.424A	S424A190031	100-034-5063-348	11,215	7/1/19-9/30/20	(2,400)	2,400	-	-	-	-	-
Total Title IV - Part A						(2,400)	2,400	(8,013)	-	-	(8,013)	-
Career and Technical Education (Perkins)	84.048A	V048A200030	100-034-5032-084	65,341	7/1/20-9/30/21	-	34,415	(65,327)	-	2,160	(28,752)	-
Career and Technical Education (Perkins)	84.048A	V048A190030	100-034-5032-084	63,813	7/1/19-9/30/20	(18,472)	18,472	-	-	-	-	-
Total Career and Technical Education (Perkins)						(18,472)	52,887	(65,327)	-	2,160	(28,752)	-
COVID-19 CARES Emergency Relief Grant	84.425D	S425D200027	100-034-5120-513	142,737	3/13/20-9/30/22	(7,583)	132,650	(125,067)	-	-	-	-
COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act:												
Elementary and Secondary School Emergency Relief - ESSER II	84.425D	S425D210027	100-034-5120-513	32,957	3/13/20-9/30/23	-	-	(12,018)	-	-	(12,018)	-
Elementary and Secondary School Emergency Relief - ESSER II	84.425D	S425D210027	100-034-5120-513	45,000	3/13/20-9/30/23	-	-	(4,822)	-	-	(4,822)	-
Learning Acceleration	84.425D	S425D210027	100-034-5120-513	45,000	3/13/20-9/30/23	-	-	(4,822)	-	-	(4,822)	-
Total COVID-19 CARES Emergency Relief Grant						(7,583)	132,650	(125,067)	-	-	-	-
Safe and Drug-Free Schools Communities	84.184G	S184G200252	Unavailable	658,647	10/1/20-9/30/22	-	153,167	(270,586)	-	3,415	(114,004)	-
Safe and Drug-Free Schools Communities	84.184G	S184G190252	Unavailable	429,793	10/1/19-9/30/21	(143,987)	335,400	(191,413)	-	-	-	-
Total Safe and Drug-Free Schools Communities						(143,987)	488,567	(461,999)	-	3,415	(114,004)	-
Total U.S. Department of Education						(325,498)	1,141,049	(1,508,285)	-	5,575	(687,159)	-
U.S. Department of Treasury												
COVID-19 Coronavirus Relief Fund	21.019	SLT0007	100-034-5120-517	88,572	3/13/20-9/30/22	-	88,572	(88,572)	-	-	-	-
COVID-19 Coronavirus Relief Fund - Nonpublic Digital Divide	21.019	SLT0007	100-034-5120-517	7,917	3/13/20-9/30/22	-	7,917	(7,917)	-	-	-	-
Total U.S. Department of Treasury						-	96,489	(96,489)	-	-	-	-
Total Expenditures of Federal Awards						\$ (327,892)	\$ 1,678,675	\$ (2,050,563)	\$ -	\$ 5,575	\$ (704,686)	\$ 10,481

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Delsea Regional High School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

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.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 3. Relationship to Basic Financial Statements (continued)

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 *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the 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 one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$918) for the general fund and \$331 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 50,057	\$ 19,822,798	\$ 19,872,855
Special Revenue Fund	1,575,763	127,663	1,703,426
Food Service Fund	<u>395,732</u>	<u>12,263</u>	<u>407,995</u>
Total Awards & Financial Assistance	<u>\$ 2,021,552</u>	<u>\$ 19,962,724</u>	<u>\$ 21,984,276</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. Federal and State Loans Outstanding

The Delsea Regional High School District had no loan balances outstanding at June 30, 2021.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A 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

 2) Significant deficiency(ies) identified? yes X no

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 New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078	State Aid - Public: Equalization Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-089	Categorical Special Education Aid
495-034-5120-068	School Choice
100-034-5094-003	Reimbursed TPAF Social Security

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.