

SOUTHERN REGIONAL SCHOOL DISTRICT

Manahawkin, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
SOUTHERN REGIONAL SCHOOL DISTRICT
MANAHAWKIN, NEW JERSEY**

YEAR ENDED JUNE 30, 2021

**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY**

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INTRODUCTORY SECTION

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SOUTHERN REGIONAL HIGH SCHOOL DISTRICT OF OCEAN COUNTY

February 22, 2022

Mr. Keith Weidenhof, President
Members of the Board of Education
Southern Regional High School District
Manahawkin, New Jersey 08050

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Southern Regional School District for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Southern Regional School District. 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, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 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 as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Southern Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School 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 children with special needs. The School District’s enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020/2021	2,836	-0.01%
2019/2020	2,855	-0.07%
2018/2019	2,857	0.67%
2017/2018	2,838	-1.18%
2016/2017	2,872	-0.17%
2015/2016	2,877	-2.51%
2014/2015	2,951	-1.53%
2013/2014	2,997	0.64%
2012/2013	2,978	-1.06%
2011/2012	3,010	-0.10%

ECONOMIC CONDITION AND OUTLOOK

Residential development in Stafford Township is in its last stages; new housing starts are on the decline each year. Residential development in the Island communities has stabilized in recent years with most of the development being larger seasonal residences replacing older existing seasonal residences. It is anticipated that this development in the Island communities will continue for the short term as the housing stock is updated. The area was impacted by Super Storm Sandy and the resulting coastal flooding. The ratable base has fully recovered from this impact as realized by the ratable assessments in each town exceeding the pre-storm totals.

The district has experienced a minor financial impact from the COVID-19 pandemic. The district believes that it is well positioned financially for the duration of the impact from the pandemic.

MAJOR INITIATIVES

The Southern Regional School District has long been recognized as an incredibly comprehensive, innovative and challenging school system, which prides itself in its multitude of programs, progressive

initiatives and boundless energy. Driven by an extremely qualified and competent faculty, Southern Regional is determined to be a leadership force in education.

Southern Regional offers over 200 courses from which students can select. The courses are designed to appeal to a wide variety of student interests. Advanced placement courses are offered in English, History, Mathematics, Science, Art, Music and World Languages. Dual enrollment courses are offered in conjunction with Stockton University and Ocean County Community College to allow students to earn college credit while still enrolled in high school. Technology-related courses, from the traditional to the highly technical, focus on problem solving, experimental design, and creativity. The Health and Physical Education program are electives, based with a strong emphasis on lifelong wellness and making intelligent lifestyle choices. Project Adventure, an outdoor education program, is also offered. The special needs of our students are addressed as well. We offer self-contained, autistic, resource, adaptive success and in-class support programs. ESL (English as a Second Language) programs are offered for eligible students. In addition to the academic programs, Southern Regional offers students over 70 co-curricular and interscholastic programs. Through the Guidance and Student Assistance Programs, Southern Regional provides opportunities and support systems, which counsel and assist students in making choices that will direct them to a more productive and successful experience. Southern Regional High School is a school “Committed to Excellence” in our faculty, staff, students and community. To this end, the District hopes to construct a learning environment in which its students are encouraged to serve, challenged to grow and empowered to succeed.

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

As a recipient of federal and state financial assistance, the district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluations by the district management.

As part of the School District’s single audit described earlier, tests are made to determine the adequacy of the internal control structure, 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 School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., Certified Public Accounts, 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.

AWARDS

The Southern Regional School District continues to be judged as the lighthouse district in the area by leading the way on many fronts. Southern's SAT scores are amongst the top in Ocean County. For eleven of the past twelve years a Southern graduate has received a prestigious military academy appointment. In several of these eleven years, multiple military appointments have been awarded to Southern graduates. Southern graduates continue to populate the most prestigious colleges and universities in the country. Southern teachers are distinguished professionals who have received awards too numerous to mention. Southern's music program is considered one of the finest in the area. The Autism program draws students from throughout the region. The Marching Band has accomplished State championship status multiple times during the last several years. The middle school's Literacy and Lunch program has become a model for middle schools throughout the area. The State of NJ has identified the Southern Regional School District to be a High Performing School District for every year that the NJ QSAC state monitoring program has been in existence.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully Submitted,

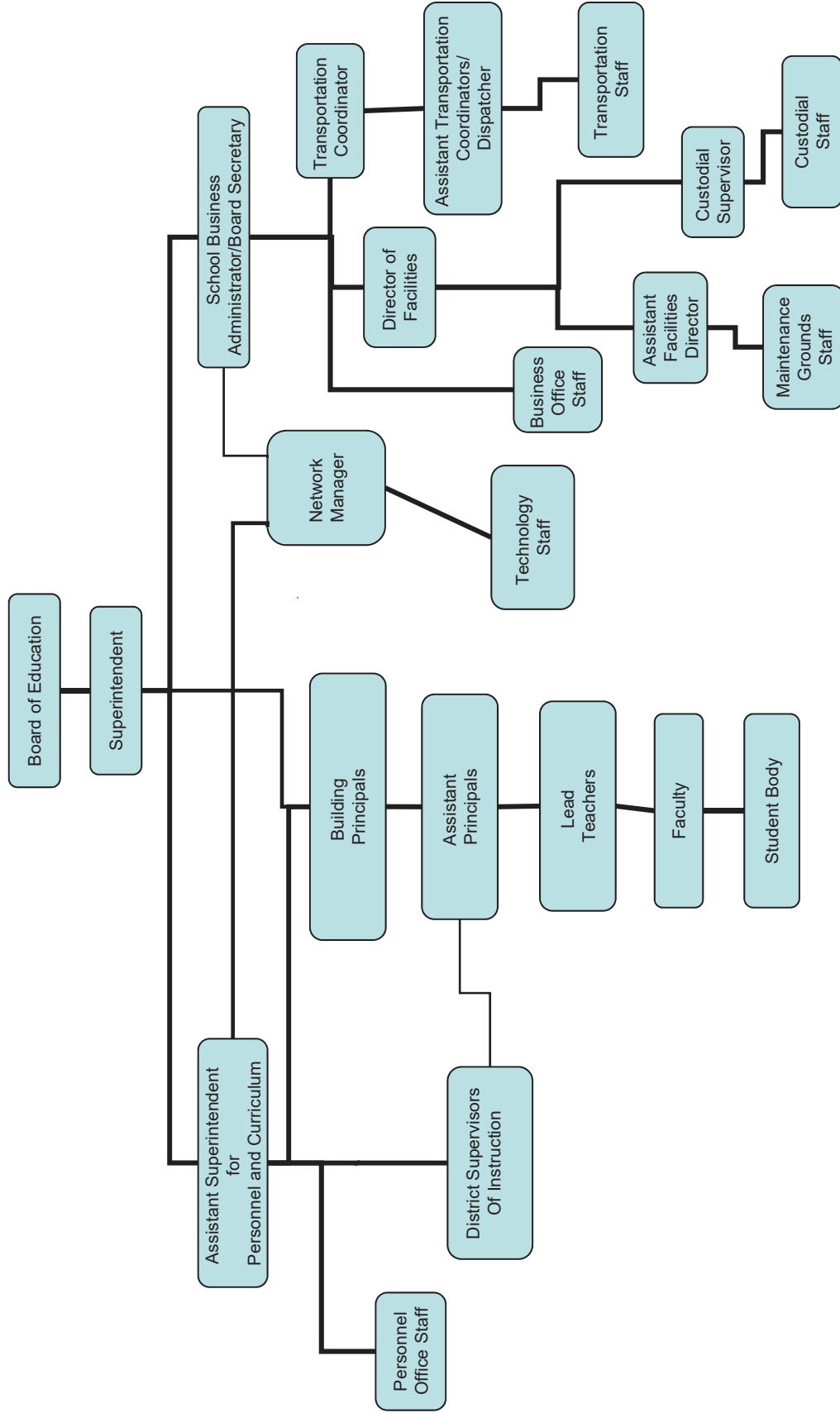
Craig Henry

Mr. Craig Henry
Superintendent

Steven Terhune

Mr. Steven Terhune
School Business Administrator/
Board Secretary

Southern Regional School District Organization Chart



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**SOUTHERN REGIONAL SCHOOL DISTRICT
Manahawkin, New Jersey 08050**

ROSTER OF OFFICIALS

JUNE 30, 2021

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Kevin Lyons, President	2022
R. Scott Zoladz, Vice President	2022
Steve Berkheiser	2021
James Donahower	2022
Thomas Serpico	2023
Stuart Snyder	2023
Heather Tatur	2023
Scott Waters	2021
Keith Weidenhof	2021
Kelly Zuzic	2021

OTHER OFFICIALS

Craig Henry, Superintendent

Megan Vile, Assistant Superintendent

Steven Terhune, Business Administrator/Board Secretary

Kevin O'Shea, Treasurer of School Monies

Laura Benson, Esquire, Solicitor

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**SOUTHERN REGIONAL SCHOOL DISTRICT
Manahawkin, New Jersey 08050**

CONSULTANTS AND ADVISORS

ARCHITECTS

Garrison Architects
406 Lippincott Drive
Marlton, New Jersey 08053

ATTORNEYS

Berry, Sahradnik, Kotzas & Benson
212 Hooper Ave
Toms River, NJ 08754

Wilentz, Goldman & Spitzer, PA
90 Woodbridge Center Drive, Suite 900
Woodbridge, NJ 07095

Plosia Cohen LLC
Chester Woods Complex
385 Route 24, Suite 3G
Chester, NJ 07930

AUDIT FIRM

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

OFFICIAL DEPOSITORIES

Ocean First Bank
975 Hooper Avenue
Toms River, New Jersey 08753

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FINANCIAL SECTION

Second Section

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Southern Regional School District
County of Ocean
Manahawkin, 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 Southern Regional School District, County of Ocean, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the, Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Southern Regional School District, County of Ocean, 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 Governmental Accounting Standards Board (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 19 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 School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and 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 presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and 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 February 22, 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

February 22, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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

As management of the Southern Regional 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, and Debt Service Fund. Business-type activities reflect the Food Service Fund and Community Education 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*.

SOUTHERN REGIONAL 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 fund – the Enterprise Fund and Internal Service. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

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.

Other Information

As described in Note 19 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 84, Fiduciary Activities, for the year ended June 30, 2021. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2020 in the amount of \$1,096,622.83, as indicated in Note 19 to the financial statements. The adoption of this principle resulted in a restatement of the District's opening General Fund fund balance and Special Revenue Fund fund balance as of July 1, 2020 in the amount of \$157,791.42 and \$938,831.41 respectively, as indicated in Note 19 to the financial statements.

Financial Analysis of the School District as a Whole

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

SOUTHERN REGIONAL 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 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	\$ 30,931,816.45	\$ 25,744,714.77	\$ 5,187,101.68	20.1%
Capital Assets, Net	<u>36,261,841.63</u>	<u>35,759,506.22</u>	502,335.41	1.4%
Total Assets	<u>67,193,658.08</u>	<u>61,504,220.99</u>	5,689,437.09	9.3%
Deferred Outflow of Resources	<u>2,363,502.00</u>	3,053,314.00	(689,812.00)	-22.6%
Current and other Liabilities	1,891,185.37	1,115,893.30	775,292.07	69.5%
Noncurrent Liabilities	<u>19,779,653.44</u>	<u>21,017,970.82</u>	(1,238,317.38)	-5.9%
Total Liabilities	<u>21,670,838.81</u>	<u>22,133,864.12</u>	(463,025.31)	-2.1%
Deferred Inflow of Resources	<u>6,877,061.00</u>	6,891,986.00	(14,925.00)	-0.2%
Net Position:				
Net Investment in Capital Assets	36,261,841.63	35,759,506.22	502,335.41	1.4%
Restricted	24,939,238.79	22,329,622.21	2,609,616.58	11.7%
Unrestricted (Deficit)	<u>(20,191,820.15)</u>	<u>(22,557,443.56)</u>	2,365,623.41	-10.5%
Total Net Position	<u>\$ 41,009,260.27</u>	<u>\$ 35,531,684.87</u>	\$ 5,477,575.40	15.4%

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

SOUTHERN REGIONAL 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)

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 81,016.58	\$ 442,856.13	\$ (361,839.55)	-81.7%
Operating Grants & Contributions	21,242,505.75	13,899,837.69	7,342,668.06	52.8%
General Revenues:				
Property Taxes	47,650,013.00	46,781,910.00	868,103.00	1.9%
Federal & State Aid	3,555,030.79	3,342,730.12	212,300.67	6.4%
Tuition	7,334,694.64	7,677,931.84	(343,237.20)	-4.5%
Other General Revenues	1,390,265.83	1,110,438.07	279,827.76	25.2%
Special Items:				
(Loss) on Fixed Asset Appraisal	(91,550.00)	(35,044.00)	(56,506.00)	-100.0%
Total Revenues	<u>81,161,976.59</u>	<u>73,220,659.85</u>	<u>7,941,316.74</u>	10.8%
Function/Program Expenditures:				
Instruction	47,689,512.43	43,738,115.38	3,951,397.05	9.0%
Tuition	632,574.41	256,440.60	376,133.81	146.7%
Student & Instruction Related Services	9,339,718.98	6,652,765.51	2,686,953.47	40.4%
General Administrative Services	1,119,361.61	1,170,864.70	(51,503.09)	-4.4%
School Administrative Services	2,530,696.52	2,172,031.47	358,665.04	16.5%
Central Services	1,000,456.08	899,559.99	100,896.09	11.2%
Other Administrative Services	559,191.16	535,534.79	23,656.37	4.4%
Plant Operations & Maintenance	7,862,250.71	7,051,845.26	810,405.45	11.5%
Pupil Transportation	5,552,273.82	5,137,277.58	414,996.24	8.1%
Interest & Other Charges	38,250.00	38,194.88	55.12	0.1%
Food Service/Community Education	456,738.30	731,030.37	(274,292.07)	-37.5%
Total Expenditures	<u>76,781,024.02</u>	<u>68,437,660.53</u>	<u>8,397,363.49</u>	12.3%
Change In Net Position	4,380,952.57	4,782,999.32	(456,046.75)	-9.5%
Net Position - Beginning*	<u>36,628,307.70</u>	<u>30,748,685.55</u>	<u>5,879,622.15</u>	19.1%
Net Position - Ending	<u>\$ 41,009,260.27</u>	<u>\$ 35,531,684.87</u>	<u>\$ 5,423,575.40</u>	15.3%

*Beginning Balance restated due to GASB 84

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

Governmental Activities

During the fiscal year 2021, the net position of governmental activities increased by \$4,321,613.04 or 11.82%. The primary reason for the increase was cost reductions in labor costs due to retirements and staff reductions and operational efficiencies.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$40,833,518.14, with an unrestricted deficit balance of \$20,257,802.94. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% 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:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (20,257,802.94)
Plus: PERS Pension Liability	15,194,011.00
Less: Deferred Outflows Related to Pensions	(2,363,502.00)
Plus: Deferred Inflows Related to Pensions	<u>6,877,061.00</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ (550,232.94)</u>

Business-Type Activities

During the fiscal year 2021, the net position of business-type activities increased by \$59,339.53 or 89.36%. The primary reason was a board contribution to district’s cafeteria fund.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$125,742.13.

General Fund Budgeting Highlights

Final budgeted revenues was \$58,358,714, which was a decrease of \$203,985 from the original budget. The decrease is due to a decrease in State Aid. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$994,874.64.

Final budgeted appropriations was \$67,147,197, which was an increase of \$5,715,313.00 from the original budget. The increase is due to the board approval of a transfer to the Capital Projects fund. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$7,781,698.31.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$21,649,545.08 at June 30, 2021.

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

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$30,048,810.21, an increase of \$3,303,806.04 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$19,337.76 to \$21,410,226.08 at June 30, 2021, compared to an increase of \$4,124,063.25 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- The District sent over \$5,767,313.00 to the Capital Projects fund to fund future capital projects.

Special revenue fund – The special revenue fund balance decreased by \$316,647.71 to \$622,183.70

Capital projects fund - During the current fiscal year, the fund balance of the School District's capital projects fund increased by \$3,6369,791.51 to \$8,016,374.40 at June 30, 2021, compared to a decrease of \$279,484.05 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the capital projects fund is as follows:

- The District continues to implement its capital improvement plans which result in Fund changes depending on the phasing of planned projects.

Debt service fund - There was no change in fund balance for the debt service fund.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$58,235.53 to \$119,549.69 at June 30, 2021, compared to a decrease of 54,288.01 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- The General fund contributed \$52,000 to the food service fund this year.

Community education fund - During the current fiscal year, the net position of the School District's community education fund increased by \$1,104 to \$6,192.44 at June 30, 2021.

Workers compensation fund - During the current fiscal year, the net position of the School District's workers compensation fund increased by \$32.21 to \$428.08 at June 30, 2021, compared to an increase of \$47.08 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in net position is as follows:

- Interest earned on cash balances.

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

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$36,261,841.63 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles and machinery and equipment. There was a net increase in the School District’s investment in capital assets for the current fiscal year in the amount of \$502,335.41. This increase is primarily due to ongoing construction projects. Table 4 shows fiscal 2021 balances compared to 2020.

Table 4
Summary of Capital Assets

<u>Capital Asset</u>	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 2,525,711.00	\$ 2,525,711.00	\$ -	0.0%
Construction in Progress	7,831,306.29	11,603,805.88	(3,772,499.59)	-32.5%
Building and Improvements	47,093,211.00	41,988,763.00	5,104,448.00	12.2%
Vehicles	6,916,766.00	7,149,266.00	(232,500.00)	-3.3%
Machinery and Equipment	11,488,856.34	11,226,651.34	262,205.00	2.3%
Capital Assets, Gross	75,855,850.63	74,494,197.22	1,361,653.41	1.8%
Accumulated Depreciation	(39,594,009.00)	(38,734,691.00)	(859,318.00)	2.2%
Capital Assets, Net	<u>\$ 36,261,841.63</u>	<u>\$ 35,759,506.22</u>	<u>\$ 502,335.41</u>	1.4%

Depreciation expense for the year was \$1,626,400.00. 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 no bonded debt outstanding.

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.

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

Factors on the School District's Future

Overall, the School District has a strong financial position to address normal course of business fluctuations in its day-to-day financial operations. The School District has also continued its Capital Projects planning and funding process to properly maintain the facilities and grounds entrusted to it by the taxpayers. During the 2017-2018 school year the School District retired the remaining long-term bonds and do not anticipate a need to issuing any new bonded debt for the foreseeable future.

The School District faces an uncertain impact on two areas outside of its control. The first area is the short-term and long-term obligations under the Pension Funds managed by the State of NJ. Any changes in the plans or statutes could have a positive or negative impact on the financial operations of the school district. The second area is State Aid provided to the district by the State of NJ. It is anticipated that the State of NJ will alter the funding levels received by the school district in the near term. Based on the impact realized by the school district in the 2020-2021 school year the district anticipates that these changes will likely have a positive impact on the financial position of the school district.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Steven Terhune, School Business Administrator/Board Secretary at Southern Regional School District, 105 Cedar Bridge Road, Manahawkin, NJ 08050. Please also visit our website at www.srsd.net.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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SOUTHERN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 12,683,588.87	\$ 32,852.42	\$ 12,716,441.29
Receivables, Net (Note 4)	4,103,683.82	64,377.88	4,168,061.70
Inventory	-	13,478.80	13,478.80
Restricted Cash & Cash Equivalents	14,033,834.66	-	14,033,834.66
Internal Balance	40,000.00	(40,000.00)	-
Capital Assets, Net (Note 5)			
Non-Depreciable	10,357,017.29	-	10,357,017.29
Depreciable	25,845,065.00	59,759.34	25,904,824.34
Total Assets	67,063,189.64	130,468.44	67,193,658.08
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	2,363,502.00	-	2,363,502.00
Total Deferred Outflow of Resources	2,363,502.00	-	2,363,502.00
LIABILITIES:			
Accounts Payable	35,942.89	-	35,942.89
Due to Other Governments	1,092,578.00	-	1,092,578.00
Unearned Revenue	53,129.14	4,726.31	57,855.45
Payroll Deductions and Withholdings	534,937.66	-	534,937.66
Other Liabilities	95,867.92	-	95,867.92
Unemployment Liability	74,003.45	-	74,003.45
Noncurrent Liabilities (Note 7):			
Due in More Than One Year	19,779,653.44	-	19,779,653.44
Total Liabilities	21,666,112.50	4,726.31	21,670,838.81
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	6,877,061.00	-	6,877,061.00
Total Deferred Inflow of Resources	6,877,061.00	-	6,877,061.00
NET POSITION:			
Net Investment in Capital Assets	36,202,082.29	59,759.34	36,261,841.63
Restricted for:			
Capital Projects	15,405,177.58	-	15,405,177.58
Debt Service	26.03	-	26.03
Tuition Reserve	1,600,000.00	-	1,600,000.00
Maintenance Reserve	4,886,920.00	-	4,886,920.00
Unemployment Reserve	158,111.48	-	158,111.48
Scholarships	101,227.05	-	101,227.05
Student Activities	520,956.65	-	520,956.65
Excess Surplus (Note 16)	2,266,820.00	-	2,266,820.00
Unrestricted (Deficit)	(20,257,802.94)	65,982.79	(20,191,820.15)
Total Net Position	\$ 40,883,518.14	\$ 125,742.13	\$ 41,009,260.27

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

SOUTHERN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 32,956,948.55	\$ -	\$ 12,147,318.05	\$ -	\$ (20,809,630.49)	\$ -	\$ (20,809,630.49)
Special Education Instruction	11,825,369.85	-	3,998,322.58	-	(7,827,047.27)	-	(7,827,047.27)
Other Instruction	2,907,194.03	-	982,962.87	-	(1,924,231.16)	-	(1,924,231.16)
Support Services:							
Tuition	632,574.41	-	69,938	-	(562,636.71)	-	(562,636.71)
Student & Instruction Related Services	9,339,718.98	-	1,601,839.76	-	(7,737,879.22)	-	(7,737,879.22)
General Administrative	1,119,361.61	-	123,757	-	(995,604.50)	-	(995,604.50)
School Administrative Services	2,530,696.52	-	279,795	-	(2,250,901.60)	-	(2,250,901.60)
Central Services	1,000,456.08	-	110,611	-	(889,845.22)	-	(889,845.22)
Administrative Info. Technology	559,191.16	-	61,824	-	(497,366.74)	-	(497,366.74)
Plant Operations & Maintenance	7,862,250.71	-	869,214	-	(6,993,036.31)	-	(6,993,036.31)
Pupil Transportation	5,552,273.82	-	613,862	-	(4,938,411.99)	-	(4,938,411.99)
Interest & Other Charges	38,250.00	-	-	-	(38,250.00)	-	(38,250.00)
Total Governmental Activities	76,324,285.72	-	20,859,444.50	-	(55,464,841.22)	-	(55,464,841.22)
Business-Type Activities:							
Food Service/Community Education	456,738.30	81,016.58	383,061.25	-	-	7,339.53	7,339.53
Total Business-Type Activities	456,738.30	81,016.58	383,061.25	-	-	7,339.53	7,339.53
Total Primary Government	\$ 76,781,024.02	\$ 81,016.58	\$ 21,242,505.75	\$ -	(55,464,841.22)	7,339.53	(55,457,501.69)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					47,650,013.00	-	47,650,013.00
Federal & State Aid Not Restricted					3,555,030.79	-	3,555,030.79
Tuition Charges					7,334,694.64	-	7,334,694.64
Transportation Charges					705,800.00	-	705,800.00
Miscellaneous					684,465.83	-	684,465.83
Total General Revenues					59,930,004.26	-	59,930,004.26
Special Items:							
Transfers					(52,000.00)	52,000.00	-
Loss on Disposal of Fixed Asset					(91,550.00)	-	(91,550.00)
Change In Net Position					4,321,613.04	59,339.53	4,380,952.57
Net Position - Beginning (As Restated, Note 19)					36,561,905.10	66,402.60	36,628,307.70
Net Position - Ending					\$ 40,883,518.14	\$ 125,742.13	\$ 41,009,260.27

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

B. Fund Financial Statements

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Governmental Funds

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**SOUTHERN REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
ASSETS					
Cash & Cash Equivalents	\$ 5,972,266.90	\$ 573,872.46	\$ 5,230,697.48	\$ 26.03	\$ 11,776,862.87
Cash Held with Fiscal Agent	887,850.00	-	-	-	887,850.00
Receivables, Net:					
Tax Levy Receivable	682,235.25	-	-	-	682,235.25
Interfund Receivable	40,000.00	-	484,253.91	-	524,253.91
Due from Other Governments:					
Federal	-	151,967.77	-	-	151,967.77
State	933,306.97	-	2,301,423.01	-	3,234,729.98
Other	34,750.82	-	-	-	34,750.82
Restricted Cash & Cash Equivalents	14,033,834.66	-	-	-	14,033,834.66
Total Assets	\$ 22,584,244.60	\$ 725,840.23	\$ 8,016,374.40	\$ 26.03	\$ 31,326,485.26
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 2,503.50	\$ 33,439.39	\$ -	\$ -	\$ 35,942.89
Intergovernmental Payable:					
State	-	17,988.00	-	-	17,988.00
Interfund Payable	484,253.91	-	-	-	484,253.91
Unearned Revenue	900.00	52,229.14	-	-	53,129.14
Payroll Deductions and Withholdings	534,937.66	-	-	-	534,937.66
Unemployment Liability	74,003.45	-	-	-	74,003.45
Other Liabilities	77,420.00	-	-	-	77,420.00
Total Liabilities	1,174,018.52	103,656.53	-	-	1,277,675.05
Fund Balances:					
Restricted for:					
Capital Reserve	7,388,803.18	-	-	-	7,388,803.18
Maintenance Reserve	4,886,920.00	-	-	-	4,886,920.00
Tuition Reserve Account	1,600,000.00	-	-	-	1,600,000.00
Unemployment Compensation	158,111.48	-	-	-	158,111.48
Excess Surplus Designated for Subsequent Year	2,266,820.00	-	-	-	2,266,820.00
Capital Projects	-	-	8,016,374.40	-	8,016,374.40
Debt Service	-	-	-	26.03	26.03
Scholarships	-	101,227.05	-	-	101,227.05
Student Activities	-	520,956.65	-	-	520,956.65
Assigned to:					
Designated for					
Subsequent Year	699,569.00	-	-	-	699,569.00
Other Purposes	1,311,262.12	-	-	-	1,311,262.12
Unassigned	3,098,740.30	-	-	-	3,098,740.30
Total Fund Balances	21,410,226.08	622,183.70	8,016,374.40	26.03	30,048,810.21
Total Liabilities & Fund Balances	\$ 22,584,244.60	\$ 725,840.23	\$ 8,016,374.40	\$ 26.03	

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 \$75,375,965.29 and the accumulated depreciation is \$39,173,883.00. 36,202,082.29

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 2,363,502.00

Deferred Inflows Related to Pensions (6,877,061.00)

Internal service funds are used by the School District to charge the costs of the School District's self-insured worker's compensation to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities. 428.08

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. (1,074,590.00)

Long-term liabilities, including net pension liability on bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (19,779,653.44)

Net Position of Governmental Activities \$ 40,883,518.14

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

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 47,650,013.00	\$ -	\$ -	\$ -	\$ 47,650,013.00
Tuition Charges	7,334,694.64	-	-	-	7,334,694.64
Transportation Charges	705,800.00	-	-	-	705,800.00
Miscellaneous	100,622.21	583,811.41	-	-	684,433.62
Total Local Sources	55,791,129.85	583,811.41	-	-	56,374,941.26
State Sources	13,341,398.35	22,023.25	-	-	13,363,421.60
Federal Sources	32,713.79	1,551,326.90	-	-	1,584,040.69
Total Revenues	69,165,241.99	2,157,161.56	-	-	71,322,403.55
Expenditures:					
Instruction:					
Regular Instruction	19,013,918.21	1,004,113.81	-	-	20,018,032.02
Special Education Instruction	7,182,723.00	-	-	-	7,182,723.00
Other Instruction	1,765,828.02	-	-	-	1,765,828.02
Support Services:					
Tuition	516,320.33	-	-	-	516,320.33
Attendance & Social Work Services	173,208.35	-	-	-	173,208.35
Health Services	361,802.60	-	-	-	361,802.60
Student & Instruction Related Services	5,618,565.55	1,469,695.46	-	-	7,088,261.01
General Administrative	913,646.12	-	-	-	913,646.12
School Administrative Services	2,065,606.88	-	-	-	2,065,606.88
Central Services	816,592.96	-	-	-	816,592.96
Administrative Information Technology	456,423.40	-	-	-	456,423.40
Plant Operations & Maintenance	6,417,040.31	-	-	-	6,417,040.31
Pupil Transportation	4,531,880.82	-	-	-	4,531,880.82
Unallocated Benefits	3,581,257.84	-	-	-	3,581,257.84
On Behalf TPAF Pension and Social Security Contributions	9,819,081.35	-	-	-	9,819,081.35
Capital Outlay	951,180.10	-	1,269,462.40	-	2,220,642.50
Debt Service:					
Interest & Other Charges	38,250.00	-	-	-	38,250.00
Total Expenditures	64,223,325.84	2,473,809.27	1,269,462.40	-	67,966,597.51
Excess/(Deficiency) of Revenues Over Expenditures	4,941,916.15	(316,647.71)	(1,269,462.40)	-	3,355,806.04
Other Financing Sources (Uses):					
Transfers In	806,059.09	-	5,715,313.00	-	6,521,372.09
Transfers Out	(5,767,313.00)	-	(806,059.09)	-	(6,573,372.09)
Total Other Financing Sources (Uses)	(4,961,253.91)	-	4,909,253.91	-	(52,000.00)
Net Changes in Fund Balances	(19,337.76)	(316,647.71)	3,639,791.51	-	3,303,806.04
Fund Balance, July 1 (As Restated, Note 19)	21,429,563.84	938,831.41	4,376,582.89	26.03	26,745,004.17
Fund Balance, June 30	\$ 21,410,226.08	\$ 622,183.70	\$ 8,016,374.40	\$ 26.03	\$ 30,048,810.21

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

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

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ 3,303,806.04
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 depreciation exceeded capital outlays in the period.		
Depreciation Expense	\$ (1,619,063.00)	
Retirement of Capital Asset	(91,550.00)	
Capital Outlays	<u>2,220,285.41</u>	
		509,672.41
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.		
		879,606.00
Internal service funds are used by the District to charge the cost of the self-insured workers compensation program to the individual funds. The assets & liabilities of the internal service funds are included with governmental activities		
		32.21
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>(371,503.62)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 4,321,613.04</u></u>

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Proprietary Funds

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**SOUTHERN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 32,852.42	\$ 18,876.00
Accounts Receivable:		
Federal	61,462.28	-
State	2,915.60	-
Inventories	13,478.80	-
Total Current Assets	<u>110,709.10</u>	<u>18,876.00</u>
Noncurrent Assets:		
Capital Assets	479,885.34	-
Less: Accumulated Depreciation	<u>(420,126.00)</u>	<u>-</u>
Total Capital Assets, Net	<u>59,759.34</u>	<u>-</u>
Total Noncurrent Assets	<u>59,759.34</u>	<u>-</u>
Total Assets	<u>170,468.44</u>	<u>18,876.00</u>
LIABILITIES		
Current Liabilities:		
Unearned Revenue	4,726.31	-
Other Current Liabilities	-	18,447.92
Interfund Payable	<u>40,000.00</u>	<u>-</u>
Total Current Liabilities	<u>44,726.31</u>	<u>18,447.92</u>
NET POSITION		
Net Investment in Capital Assets	59,759.34	-
Unrestricted	<u>65,982.79</u>	<u>428.08</u>
Total Net Position	<u>\$ 125,742.13</u>	<u>\$ 428.08</u>

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

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

	<u>ACTIVITIES</u> <u>ENTERPRISE</u> <u>FUNDS</u>	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u> <u>INTERNAL</u> <u>SERVICE FUND</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Non-Reimbursable Programs	\$ 46,043.00	\$ -
Miscellaneous	34,973.58	-
Total Operating Revenues	<u>81,016.58</u>	<u>-</u>
Operating Expenses:		
Cost of Sales - Reimbursable Programs	136,874.57	-
Cost of Sales - Non-Reimbursable Programs	24,250.53	-
Salaries	2,940.00	-
Other Professional Technical Services	267,385.03	-
Supplies and Materials	17,951.17	-
Depreciation	7,337.00	-
Total Operating Expenses	<u>456,738.30</u>	<u>-</u>
Operating Income/(Loss)	<u>(375,721.72)</u>	<u>-</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	15,488.45	-
Federal Sources:		
National School Lunch Program	268,661.10	-
Emergency Operating Cost Program	36,104.64	-
National School Breakfast Program	42,478.96	-
Food Distribution Program	20,328.10	-
Interest Revenue	-	32.21
Board Contribution	52,000.00	-
Total Nonoperating Revenues/(Expenses)	<u>435,061.25</u>	<u>32.21</u>
Change in Net Position	59,339.53	32.21
Total Net Position - Beginning	<u>66,402.60</u>	<u>395.87</u>
Total Net Position - Ending	<u>\$ 125,742.13</u>	<u>\$ 428.08</u>

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2021**

	ACTIVITIES ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 41,585.05	\$ -
Payments to Employees	(2,940.00)	-
Payments for Employee Benefits	(267,385.03)	-
Payments to Suppliers	(151,150.27)	15,804.08
Net Cash Provided by/(Used for) Operating Activities	<u>(379,890.25)</u>	<u>15,804.08</u>
Cash Flows From Noncapital Financing Activities:		
State Sources	15,488.45	-
Federal Sources	347,244.70	-
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>414,733.15</u>	<u>-</u>
Cash Flows From Investing Activities:		
Interest:	-	32.21
Net Cash Provided by/(Used for) Interest Activities	<u>-</u>	<u>32.21</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	34,842.90	15,836.29
Balances - Beginning of Year	<u>(1,990.48)</u>	<u>3,039.71</u>
Balances - End of Year	<u>\$ 32,852.42</u>	<u>\$ 18,876.00</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Operating Income/(Loss)	\$ (375,721.72)	\$ -
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Depreciation	7,337.00	-
Food Distribution Program	20,328.10	-
(Increase)/Decrease in Accounts Receivable, Net	(39,402.77)	-
(Increase)/Decrease in Inventories	7,597.90	-
Increase/(Decrease) in Other Current Liabilities	-	15,804.08
Increase/(Decrease) in Unearned Revenue	(28.76)	-
Total Adjustments	<u>(4,168.53)</u>	<u>15,804.08</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (379,890.25)</u>	<u>\$ 15,804.08</u>

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

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Fiduciary Fund
Not Applicable

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SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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**SOUTHERN REGIONAL 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 Southern Regional 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 Southern Regional School District is a Type II School District located in the County of Ocean, 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 ten 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 twelve at its two schools. The School District has an approximate enrollment at June 30, 2021 of 2,795 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* , and 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 - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84* . The School District had no component units as of for the year ended June 30, 2021.

**SOUTHERN REGIONAL 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities would be combined with the governmental activities in the Government-Wide financial statements.

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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Community Education Fund – The community education fund accounts for the financial transactions related to the community education operations of the School District.

Worker’s Compensation Fund – The worker’s compensation fund accounts for the financial transactions related to the worker’s compensation program of the School District.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District’s fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District reports no fiduciary funds.

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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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 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.

SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Building 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.

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 measureable and the School District is eligible to realize the revenue.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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 a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 22, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. See Note 20 for additional information.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

For the year ended June 30, 2021 the District implemented GASB Statement No. 84, *Fiduciary Activities*. This 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. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Districts's financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Districts's financial statements.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Districts’s financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

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 \$27,516,625.03 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 24,932,924.72
Uninsured and Uncollateralized	2,583,700.31
	2,583,700.31
 Total	 \$ 27,516,625.03

Investments

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 3. Reserve Accounts (Continued)

Capital Reserve

A capital reserve account was established by the School District 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	\$	8,567,084.15
Increased by:		
Deposits from Capital Projects		806,059.09
Deposits Approved by Board		3,730,972.94
		13,104,116.18
Decreased by:		
Budget Withdrawals		(5,715,313.00)
Ending Balance, June 30, 2021	\$	7,388,803.18

Tuition Reserve Account

A tuition reserve account was established on June 5, 2012 for the accumulation of funds for use as tuition expenditures in subsequent fiscal years. The tuition reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There is a balance of \$1,600,000 at June 30, 2020. Of this balance, \$800,000 is the 2020-2021 reserve amount and \$800,000 is the 2021-2022 reserve amount.

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

Beginning Balance, July 1, 2020	\$	1,600,000.00
Increased by:		
Deposits Approved by Board		800,000.00
		2,400,000.00
Decreased by:		
Budget Withdrawals		(800,000.00)
Ending Balance, June 30, 2021	\$	1,600,000.00

Maintenance Reserve

The School District established a maintenance reserve account on June 5, 2012 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account 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 balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 3. Reserve Accounts (Continued)

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

Beginning Balance, July 1, 2020	\$	4,886,920.00
Increased by:		
Deposits Approved by Board		-
Ending Balance, June 30, 2021	\$	4,886,920.00

Unemployment Claim Reserve

Unemployment Claim Reserve funds are restricted pursuant to N.J.S.A. 43:21-7.3(g), which requires that employer and employee contributions be held in a trust fund maintained by the governmental entity or instrumentality for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

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

Beginning Balance, July 1, 2020	\$	157,791.42
Increased by:		
Interest Earnings		320.06
Ending Balance, June 30, 2021	\$	158,111.48

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
	General Fund	Special Revenue Fund	Capital Projects Fund	
Federal Awards	\$ -	\$ 151,967.77	\$ -	\$ 151,967.77
State Awards	933,306.97	-	2,301,423.01	3,234,729.98
Tax Levy	682,235.25	-	-	682,235.25
Other	34,750.82	-	-	34,750.82
Total	\$ 1,650,293.04	\$ 151,967.77	\$ 2,301,423.01	\$ 4,103,683.82
<u>Description</u>	Proprietary Funds		Total Business-Type Activities	
	Food Service Fund			
Federal Awards	\$ 61,462.28	\$ 61,462.28		
State Awards	2,915.60	2,915.60		
Total	\$ 64,377.88	\$ 64,377.88		

**SOUTHERN REGIONAL 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:

	Governmental Activities			Balance June 30, 2021
	Balance July 1, 2020	Additions	Retirements and Transfers	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,525,711.00	\$ -	\$ -	\$ 2,525,711.00
Construction in Progress	11,603,805.88	1,269,462.41	(5,041,962.00)	7,831,306.29
Total Capital Assets not being depreciated	14,129,516.88	1,269,462.41	(5,041,962.00)	10,357,017.29
Capital Assets being depreciated:				
Buildings & Improvements	41,988,763.00	62,486.00	5,041,962.00	47,093,211.00
Vehicles	7,149,266.00	501,315.00	(733,815.00)	6,916,766.00
Equipment	10,746,766.00	387,022.00	(124,817.00)	11,008,971.00
Total Capital Assets being depreciated	59,884,795.00	950,823.00	4,183,330.00	65,018,948.00
Less: Accumulated Depreciation:	(38,321,902.00)	(1,619,063.00)	767,082.00	(39,173,883.00)
Total Accumulated Depreciation	(38,321,902.00)	(1,619,063.00)	767,082.00	(39,173,883.00)
Total Capital Assets being depreciated, net	21,562,893.00	(668,240.00)	4,950,412.00	25,845,065.00
Total Governmental Activities Capital Assets, net	\$ 35,692,409.88	\$ 601,222.41	\$ (91,550.00)	\$ 36,202,082.29
Business-Type Activities				
	Business-Type Activities			Balance June 30, 2021
	Balance July 1, 2020	Additions	Retirements and Transfers	
Business-Type Activities:				
Capital Assets being depreciated:				
Equipment	\$ 479,885.34	\$ -	\$ -	\$ 479,885.34
Total Capital Assets being depreciated	479,885.34	-	-	479,885.34
Less: Accumulated Depreciation:				
Equipment	(412,789.00)	(7,337.00)	-	(420,126.00)
Total Capital Assets being depreciated, net	(412,789.00)	(7,337.00)	-	(420,126.00)
Total Business-Type Activities Capital Assets, net	\$ 67,096.34	\$ (7,337.00)	\$ -	\$ 59,759.34

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the School District as follows:

<u>Governmental Activities</u>	
Instruction:	
Regular Instruction	\$ 619,615.51
Special Education Instruction	222,325.88
Other Instruction	54,657.44
Support Services:	
Tuition	15,981.60
Student & Instruction Related Services	235,962.13
General Administrative	28,279.97
School Administrative Services	63,936.46
Central Services	25,275.89
Administrative Info. Technology	14,127.61
Plant Operations & Maintenance	198,625.80
Pupil Transportation	140,274.71
	1,619,063.00
Total Depreciation Expense - Governmental Activities	\$ 1,619,063.00

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 40,000.00	\$ 484,253.91
Capital Projects Fund	484,253.91	-
Enterprise Fund	-	40,000.00
	\$ 524,253.91	\$ 524,253.91

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 as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfers Out</u>
General Fund	\$ 806,059.09	\$ 5,767,313.00
Capital Projects Fund	5,715,313.00	806,059.09
Enterprise Fund	52,000.00	-
	\$ 6,573,372.09	\$ 6,573,372.09

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

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 June 30, 2020	Additions	Reductions	Balance June 30, 2021	Balance Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 4,214,138.82	\$ 424,297.93	\$ 52,794.31	\$ 4,585,642.44	\$ -
Net Pension Liability	16,803,832.00	8,320,553.00	9,930,374.00	15,194,011.00	-
	<u>\$ 21,017,970.82</u>	<u>\$ 8,744,850.93</u>	<u>\$ 9,983,168.31</u>	<u>\$ 19,779,653.44</u>	<u>\$ -</u>

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

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 (the State), 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 Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

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 tier 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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 their respective tier.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A 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.

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 \$15,194,011.00 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 0.0931725771%, which was a decrease of 0.0000862828% 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 \$1,019,261.00 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	\$ 276,658.00	\$ 53,733.00
Changes of Assumptions	492,911.00	6,361,876.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	519,343.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	461,452.00
School District contributions subsequent to measurement date	1,074,590.00	-
	\$ 2,363,502.00	\$ 6,877,061.00

\$1,074,590.00 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2020-2021 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.11%. The payable is due on 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:

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

Year Ending June 30,		
2022	\$	(1,779,913.00)
2023		(1,940,913.00)
2024		(1,206,553.00)
2025		(573,294.00)
2026		(87,476.00)
	<u>\$</u>	<u>(5,588,149.00)</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:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of 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 District Contributions		
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

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

Inflation Rate	
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 of Return:	
PERS	Pub-2010 General Below-Median Income Employee mortality table 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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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:

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Eq	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<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 projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 19,277,126.00	\$ 15,194,011.00	\$ 11,950,232.00

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

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

	<u>6/30/2021</u>	<u>6/30/2020</u>
Collective Deferred Outflows of Resources	\$ 2,347,583,337.00	\$ 3,149,522,616.00
Collective Deferred Inflows of Resources	\$ 7,849,949,467.00	\$ 7,645,087,574.00
Collective Net Pension Liability	\$16,435,616,426.00	\$18,143,832,135.00
School District's portion	0.09317%	0.09326%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which 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 Division. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/financial-reports.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:

<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

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

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. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. 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.

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, 2021 was \$137,370,006.00. 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 0.2086143000%, which was a decrease of 0.0040728826% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized a pension expense in the amount of \$8,542,252.00 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2020 measurement date.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

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 Rate	
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 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 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:

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

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 the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. 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:

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(4.40%)</u>	At Current Discount Rate <u>(5.40%)</u>	At 1% Increase <u>(6.40%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 161,357,160.00	\$ 137,370,006.00	\$ 117,452,701.00

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 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, 2021 and 2020:

	<u>6/30/2021</u>	<u>6/30/2020</u>
Collective Deferred Outflows of Resources	\$ 9,626,548,228.00	\$ 10,129,162,237.00
Collective Deferred Inflows of Resources	14,591,988,841.00	17,736,240,054.00
Collective Net Pension Liability	65,993,498,688.00	61,519,112,443.00
School District's portion	0.2086%	0.21269%

C. Defined Contribution Retirement 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;
- Employees enrolled in PERS or 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.
- 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

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 \$64,519.10, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$45,259.90.

Note 9. Post-Retirement Benefits

General Information about the OPEB Plan

Plan Description and Benefits Provided

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 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 are 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

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 total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on age	3.25 - 15.25% based on age
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 the Scale MP-2020. 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 the Scale MP-2020. Disability mortality was based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2020.

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, PFRS and PERS, 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 \$170,477,186. 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 0.2514043356%, which was a decrease of 0.0039518245% 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 \$7,085,247 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

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 is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%, respectively. 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, respectively, 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	\$ 205,519,047.07	\$ 170,477,186.00	\$ 143,077,825.53
State of New Jersey's Total Nonemployer OPEB Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

**SOUTHERN REGIONAL 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, respectively, 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	\$ 137,614,933.46	\$ 170,477,186.00	\$ 209,608,824.86
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:

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information (continued):

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

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		<u>4,704,163,473</u>
	\$	<u><u>4,921,365,558</u></u>

** Employer Contributions made after June 30, 2021 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

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

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>149,307</u>
	<u><u>366,111</u></u>

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	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u>\$ 67,809,962,608.00</u>
Total Covered Employee Payroll	14,267,738,657
Net OPEB Liability as a Percentage of Payroll	475%

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, 2020, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$6,160,486.00, \$1,726,006.35, \$1,930,600.00 and \$1,989.00, respectively.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

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, employee contributions, reimbursements to the State for benefits paid and the ending unemployment claims fund balance and/or unemployment trust liability of the School District for the current year and previous two years.

<u>Fiscal Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Restricted Unemployment Fund Balance</u>	<u>Ending Balance Unemployment Trust Liability</u>
2021	\$ 74,323.51	\$ -	\$ 158,111.48	\$ 74,003.45
2020	52,979.75	42,467.17	157,791.42	-
2019	150,234.65	3,404.00	147,278.84	-

*Starting on July 1, 2020 Unemployment is accounted for in the General Fund.

As of June 30, 2021 the State provided quarterly bills for the previous four quarters have not been provided in the fiscal year. The District has accrued a liability for estimated unemployment claims.

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.

Joint Insurance Pool – The School District also participates in the School Alliance Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property - Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers' Compensation
School Board Legal Liability	Excess Liability
Employers Liability	Comprehensive Crime Coverage

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.

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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 12. Contingencies (Continued)

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	Primerica	AXA Equitable
MetLife	Vanguard	

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 was \$4,585,642.44.

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 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 15. Tax Abatements (Continued)

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at 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. 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 \$0.

Note 17. Fund Balances

General Fund – Of the \$21,410,226.08 General Fund fund balance at June 30, 2021, \$7,388,803.18 has been restricted for the Capital Reserve Account; \$4,886,920.00 has been restricted for the Maintenance Reserve Account; \$1,600,000.00 has been restricted for the Tuition Reserve Account; \$158,111.48 has been reserved for Unemployment Claims; \$2,266,820.00 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$1,311,262.12 has been committed to other purposes; \$699,569.00 has been assigned for subsequent year's expenditures; and 3,098,740.30 has been unassigned.

Special Revenue Fund – Of the \$622,183.70 Special Revenue Fund fund balance at June 30, 2021, \$101,227.05 has been restricted for Scholarships; and \$520,956.65 has been restricted for Student Activities.

Capital Projects Fund – Of the \$8,016,374.40 Capital Projects Fund fund balance at June 30, 2021, \$8,016,374.40 is restricted for future capital projects.

Debt Service Fund – Of the \$26.03 Debt Service Fund fund balance at June 30, 2021, \$26.03 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$20,257,802.94 at June 30, 2021. The primary causes of this deficit is 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 Employee's 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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 19: Prior Period Adjustment/Restatement of Fund Balance and Net Position

Net Position as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

Net Position as previously reported at June 30, 2020	\$ 35,465,282.27
Prior Period Adjustment- Implementation of GASB 84:	
Restricted Fund Balance-Unemployment	157,791.42
Restricted Fund Balance-Student Activities	826,785.42
Restricted Fund Balance- Scholarship	112,045.99
	1,096,622.83
Total Prior Period Adjustment	1,096,622.83
Net Position as restated, July 1, 2020	\$ 36,561,905.10

Fund Balance in the General Fund and the Special Revenue Fund as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

	General Fund	Special Revenue Fund
Fund Balance as previously reported at June 30, 2020	\$ 21,271,772.42	\$ -
Prior Period Adjustment- Implementation of GASB 84:		
Restricted Fund Balance-Unemployment	157,791.42	-
Restricted Fund Balance-Student Activities	-	826,785.42
Restricted Fund Balance- Scholarship	-	112,045.99
	157,791.42	938,831.41
Total Prior Period Adjustment	157,791.42	938,831.41
Fund Balance as restated, July 1, 2020	\$ 21,429,563.84	\$ 938,831.41

Note 20: Subsequent Event

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 School 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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SOUTHERN REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021				VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 47,650,013.00	\$ -	\$ 47,650,013.00	\$ 47,650,013.00	\$ -
Tuition From Other LEAs Within State	7,314,446.00	-	7,314,446.00	7,334,694.64	20,248.64
Transportation Fees From Other LEAs	700,000.00	-	700,000.00	705,800.00	5,800.00
Unrestricted Miscellaneous Revenues	80,000.00	-	80,000.00	98,622.21	18,622.21
Interest Earned on Maintenance Reserve	1,000.00	-	1,000.00	1,000.00	-
Interest Earned on Capital Reserve Funds	1,000.00	-	1,000.00	1,000.00	-
Total Local Sources	55,746,459.00	-	55,746,459.00	55,791,129.85	44,670.85
State Sources:					
Categorical Transportation Aid	630,356.00	-	630,356.00	630,356.00	-
Extraordinary Aid	-	-	-	928,347.00	928,347.00
Categorical Special Education Aid	1,966,074.00	(203,985.00)	1,762,089.00	1,762,089.00	-
Categorical Security Aid	204,023.00	-	204,023.00	204,023.00	-
Other State Aids	-	-	-	4,930.00	4,930.00
Nonbudgeted:					
TPAF Pension (on-behalf)	-	-	-	6,160,486.00	6,160,486.00
TPAF Social Security (reimbursed)	-	-	-	1,726,006.35	1,726,006.35
TPAF Post Retirements	-	-	-	1,930,600.00	1,930,600.00
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	1,989.00	1,989.00
Total State Sources	2,800,453.00	(203,985.00)	2,596,468.00	13,348,826.35	10,752,358.35
Federal Sources:					
Medicaid Reimbursement	15,787.00	-	15,787.00	29,608.76	13,821.76
ARRA/SEMI Revenue	-	-	-	3,105.03	3,105.03
Total Federal Sources	15,787.00	-	15,787.00	32,713.79	16,926.79
Total Revenues	58,562,699.00	(203,985.00)	58,358,714.00	69,172,669.99	10,813,955.99

SOUTHERN REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Current Expense:					
Regular Programs - Instruction:					
Grades 6-8 - Salaries of Teachers	11-130-100-101	5,232,062.00	-	5,232,062.00	5,095,379.56
Employee Benefits	11-130-100-270	-	1,073,443.07	1,073,443.07	1,073,443.07
Grades 9-12 - Salaries of Teachers	11-140-100-101	10,401,979.00	(822.80)	10,401,156.20	10,113,604.96
Employee Benefits	11-140-100-270	-	1,873,577.36	1,873,577.36	1,873,577.36
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	165,000.00	1,000.00	166,000.00	17,459.13
Purchased Professional - Educational Services	11-150-100-320	1,000.00	(1,000.00)	-	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	11-190-100-106	60,746.00	-	60,746.00	57,368.80
Purchased Technical Services	11-190-100-340	84,982.44	-	84,982.44	82,700.92
Other Purchased Services	11-190-100-500	257,450.00	(88,401.30)	169,048.70	21,636.95
General Supplies	11-190-100-610	827,460.70	37,910.36	865,371.06	584,711.67
Textbooks	11-190-100-640	217,950.00	(1,580.00)	216,370.00	74,494.54
Other Objects	11-190-100-800	53,030.00	(6,134.02)	46,895.98	19,541.25
Total Regular Programs - Instruction		17,301,660.14	2,887,992.67	20,189,652.81	19,013,918.21
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	329,004.00	3,171.84	332,175.84	332,175.84
Other Salaries for Instruction	11-204-100-106	36,723.00	-	36,723.00	36,723.00
Health Benefits	11-204-100-270	-	98,528.20	98,528.20	98,528.20
General Supplies	11-204-100-610	9,367.00	-	9,367.00	4,512.18
Textbooks	11-204-100-640	2,459.00	-	2,459.00	1,035.72
Other Objects	11-204-100-800	6,850.00	-	6,850.00	175.00
Total Learning and/or Language Disabilities		384,403.00	101,700.04	486,103.04	473,149.94
Special Education - Instruction:					
Behavioral Disabilities:					
Salaries of Teachers	11-209-100-101	353,059.00	-	353,059.00	353,059.00
Other Salaries for Instruction	11-209-100-106	161,948.00	2,008.00	163,956.00	163,802.27
Health Benefits	11-209-100-270	-	227,156.95	227,156.95	227,156.95
Other Purchased Services	11-209-100-500	200.00	-	200.00	200.00
General Supplies	11-209-100-610	26,400.00	-	26,400.00	3,013.03
Textbooks	11-209-100-640	500.00	-	500.00	500.00
Other Objects	11-209-100-800	1,000.00	-	1,000.00	-
Total Behavioral Disabilities		543,107.00	229,164.95	772,271.95	747,031.25
Total		20,189,652.81	2,887,992.67	23,077,645.48	21,757,346.60

SOUTHERN REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	11-213-100-101	3,969,609.00	(1,992.94)	3,967,616.06	167,495.01
Other Salaries	11-213-100-106	258,946.00	(7,300.19)	251,645.81	96,288.06
Health Benefits	11-213-100-270	-	749,751.12	749,751.12	-
General Supplies	11-213-100-610	7,928.00	-	7,928.00	3,790.60
Textbooks	11-213-100-640	5,550.00	-	5,550.00	4,960.90
Total Resource Room/Resource Center		4,242,033.00	740,457.99	4,982,490.99	272,534.57
Special Education - Instruction:					
Autism:					
Salaries of Teachers	11-214-100-101	225,984.00	1,766.00	227,750.00	-
Other Salaries for Instruction	11-214-100-106	702,226.00	(17,612.04)	684,613.96	150,921.56
Health Benefits	11-214-100-270	-	377,431.52	377,431.52	-
Purchased Professional - Educational Services	11-214-100-320	89,900.00	17,611.98	107,511.98	-
Other Purchased Services	11-214-100-500	2,000.00	-	2,000.00	1,891.00
General Supplies	11-214-100-610	7,400.00	-	7,400.00	1,309.51
Total Autism		1,027,510.00	379,197.46	1,406,707.46	154,122.07
Total Special Education - Instruction		6,197,053.00	1,450,520.44	7,647,573.44	464,850.44
Basic Skills/Remedial - Instruction:					
Other Salaries for Instruction	11-230-100-106	30,000.00	5,292.19	35,292.19	14,789.41
General Supplies	11-230-100-610	2,195.00	-	2,195.00	2,095.18
Textbooks	11-230-100-640	2,930.00	-	2,930.00	2,830.18
Other Objects	11-230-100-800	200.00	-	200.00	200.00
Total Basic Skills/Remedial - Instruction		35,325.00	5,292.19	40,617.19	19,914.77
Bilingual Education - Instruction:					
General Supplies	11-240-100-610	1,000.00	-	1,000.00	-
Textbooks	11-240-100-640	1,000.00	-	1,000.00	2.00
Total Bilingual Education - Instruction		2,000.00	-	2,000.00	2.00
School-Sponsored Cocurricular/Extra Curricular Activities - Instruction:					
Salaries	11-401-100-100	366,042.00	-	366,042.00	30,040.92
Other Objects	11-401-100-800	54,610.10	-	54,610.10	32,559.60

SOUTHERN REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Total School-Sponsored Cocurricular/Extra Curricular Activities - Instruction		420,652.10	-	420,652.10	62,600.52
School-Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	1,073,748.00	11,614.00	1,085,362.00	47,950.52
Health Benefits	11-402-100-270	-	25,491.68	25,491.68	-
Purchased Services	11-402-100-500	6,068.62	(1,000.00)	5,068.62	4,153.62
Travel - All Other	11-402-100-580	-	1,000.00	1,000.00	448.75
Supplies and Materials	11-402-100-600	128,694.11	(0.90)	128,693.21	24,125.53
Other Objects	11-402-100-800	262,896.09	(27,090.30)	235,805.79	19,222.24
Total School-Sponsored Athletics - Instruction		1,471,406.82	10,014.48	1,481,421.30	95,900.66
Summer School - Instruction:					
Other Salaries of Instruction	11-422-100-106	-	-	-	444.62
Total Summer School - Instruction		-	-	-	444.62
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Regular	11-000-100-561	-	12,186.44	12,186.44	-
Tuition to Other LEAs Within State - Special	11-000-100-562	10,000.00	6,007.72	16,007.72	11,205.00
Tuition to County Vocational School - Regular	11-000-100-563	170,375.00	10,844.50	181,219.50	34,170.00
Tuition to County Special Services & Regular Day Schools	11-000-100-565	100,000.00	7,610.04	107,610.04	52,695.29
Tuition to Private School Disabled - Within State	11-000-100-566	435,123.94	9,338.78	444,462.72	206,190.30
Tuition - State Facilities	11-000-100-568	39,872.00	-	39,872.00	-
Tuition - Other	11-000-100-569	50,222.50	(11,442.00)	38,780.50	19,558.00
Total Undistributed Expenditures - Instruction (Tuition)		805,593.44	34,545.48	840,138.92	323,818.59
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	134,639.00	(1,153.68)	133,485.32	13,032.80
Health Benefits	11-000-211-270	-	51,818.99	51,818.99	-
Supplies and Materials	11-000-211-600	1,000.00	-	1,000.00	63.16
Total Undistributed Expenditures Attendance and Social Work		135,639.00	50,665.31	186,304.31	13,095.96
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	260,935.00	12,025.02	272,960.02	3,969.94
Health Benefits	11-000-213-270	-	55,476.72	55,476.72	-
Purchased Professional & Technical Services	11-000-213-300	31,000.00	-	31,000.00	312.50
Other Purchased Services	11-000-213-500	900.00	-	900.00	900.00
Supplies and Materials	11-000-213-600	10,000.00	-	10,000.00	3,351.70
Total Undistributed Expenditures - Health Services		302,835.00	67,501.74	370,336.74	8,534.14

SOUTHERN REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures - Speech, OT, PT and Related Services: Salaries	440,828.00	(9,132.64)	431,695.36	379,171.40	52,523.96
Health Benefits	-	56,492.18	56,492.18	56,492.18	-
Purchased Professional - Educational Services	-	8,400.00	8,400.00	8,400.00	-
Supplies and Materials	1,500.00	-	1,500.00	892.75	607.25
Total Undistributed Expenditures - Speech, OT, PT and Related Services	442,328.00	55,759.54	498,087.54	444,956.33	53,131.21
Undistributed Expenditures - Other Support Services - Extra Services: Salaries	855,158.00	-	855,158.00	683,408.25	171,749.75
Health Benefits	-	351,984.78	351,984.78	351,984.78	-
Total Undistributed Expenditures - Other Support Services - Extra Services	855,158.00	351,984.78	1,207,142.78	1,035,393.03	171,749.75
Undistributed Expenditures - Guidance: Salaries of Other Professional Staff	1,079,982.00	(11,487.04)	1,068,494.96	1,066,837.82	1,657.14
Salaries of Secretaries & Clerical Assistants	155,012.00	-	155,012.00	155,012.00	-
Other Salaries	34,500.00	513.66	35,013.66	35,013.66	-
Health Benefits	-	336,591.11	336,591.11	336,591.11	-
Other Purchased Services	700.00	-	700.00	-	700.00
Supplies and Materials	2,500.00	-	2,500.00	1,550.00	950.00
Other Objects	7,000.00	-	7,000.00	6,165.00	835.00
Total Undistributed Expenditures - Guidance	1,279,694.00	325,617.73	1,605,311.73	1,601,169.59	4,142.14
Undistributed Expenditures - Child Study Teams: Salaries of Other Professional Staff	1,054,953.00	(3,632.82)	1,051,320.18	1,002,157.71	49,162.47
Salaries of Secretaries & Clerical Assistants	157,384.00	9,234.77	166,618.77	161,942.96	4,675.81
Other Salaries	26,500.00	(2,944.84)	23,555.16	15,776.20	7,778.96
Health Benefits	-	179,306.07	179,306.07	179,306.07	-
Purchased Professional - Educational Services	28,776.00	-	28,776.00	9,526.75	19,249.25
Other Purchased Services	1,000.00	(1,000.00)	-	-	-
Miscellaneous Purchased Services	-	1,000.00	1,000.00	480.00	520.00
Supplies and Materials	2,081.00	2,500.00	4,581.00	4,203.16	377.84
Other Objects	3,943.00	-	3,943.00	3,874.90	68.10
Total Undistributed Expenditures - Child Study Teams	1,274,637.00	184,463.18	1,459,100.18	1,377,267.75	81,832.43

SOUTHERN REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	417,209.00	(417,209.00)	-	-
Salaries of Other Professional Staff	11-000-221-104	-	420,841.79	420,841.79	-
Salaries of Sec. and Clerical Assist.	11-000-221-105	168,330.00	-	168,330.00	-
Health Benefits	11-000-221-270	-	119,735.87	119,735.87	-
Total Undistributed Expenditures - Improvement of Instruction Services		585,539.00	123,368.66	708,907.66	-
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	300,165.00	-	300,165.00	-
Health Benefits	11-000-222-270	-	122,047.78	122,047.78	-
Other Purchased Services	11-000-222-500	150.00	-	150.00	150.00
Supplies and Materials	11-000-222-600	45,908.93	380.00	46,288.93	18,310.70
Other Objects	11-000-222-800	1,500.00	-	1,500.00	819.82
Total Undistributed Expenditures - Educational Media Services/Library		347,723.93	122,427.78	470,151.71	19,280.52
Undistributed Expenditures - Support Services - General Administration:					
Salaries	11-000-230-100	572,381.00	0.04	572,381.04	14,756.00
Health Benefits	11-000-230-270	-	66,639.83	66,639.83	-
Legal Services	11-000-230-331	46,839.92	-	46,839.92	21,270.11
Audit Fees	11-000-230-332	40,000.00	-	40,000.00	4,800.00
Other Purchased Professional Services	11-000-230-339	44,875.00	100,000.00	144,875.00	128,180.00
Communications/Telephone	11-000-230-530	130,000.00	-	130,000.00	84,391.79
BOE Other Purchased Professional Services	11-000-230-585	-	178,600.00	178,600.00	44,582.00
Other Purchased Services	11-000-230-590	178,600.00	(178,600.00)	-	-
General Supplies	11-000-230-610	10,500.00	-	10,500.00	5,216.22
Miscellaneous Expenditures	11-000-230-890	21,795.00	-	21,795.00	18,579.40
BOE Membership Dues and Fees	11-000-230-895	25,000.00	-	25,000.00	1,209.15
Total Undistributed Expenditures - Support Services - General Administration		1,069,990.92	166,639.87	1,236,630.79	322,984.67
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	11-000-240-103	1,120,297.00	-	1,120,297.00	-
Salaries of Secretaries & Clerical Assistants	11-000-240-105	506,286.00	5,279.61	511,565.61	5,330.40
Health Benefits	11-000-240-270	-	348,952.10	348,952.10	-

SOUTHERN REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021				VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Purchased Services	200.00	154,720.40	154,920.40	-	154,920.40
Supplies and Materials	50,969.99	-	50,969.99	21,446.95	29,523.04
Other Objects	101,630.34	-	101,630.34	68,675.62	32,954.72
Total Undistributed Expenditures - Support Services - School Administration	1,779,383.33	508,952.11	2,288,335.44	2,065,606.88	222,728.56
Undistributed Expenditures - Central Services:					
Salaries	591,319.00	-	591,319.00	590,529.39	789.61
Health Benefits	-	168,418.10	168,418.10	168,418.10	-
Purchased Professional Services	26,000.00	(4.29)	25,995.71	22,322.87	3,672.84
Purchased Technical Services	28,100.00	60,000.00	88,100.00	17,550.40	70,549.60
Miscellaneous Purchased Services	24,016.80	-	24,016.80	11,513.75	12,503.05
Supplies and Materials	9,115.00	-	9,115.00	3,062.16	6,052.84
Miscellaneous Expenditures	5,500.00	4.29	5,504.29	3,196.29	2,308.00
Total Undistributed Expenditures - Central Services	684,050.80	228,418.10	912,468.90	816,592.96	95,875.94
Undistributed Expenditures - Administrative Information Technology:					
Salaries	329,701.00	-	329,701.00	314,508.20	15,192.80
Health Benefits	-	68,076.84	68,076.84	68,076.84	-
Purchased Technical Services	53,080.00	-	53,080.00	52,778.83	301.17
Other Purchased Services	1,000.00	(1,000.00)	-	-	-
Supplies and Materials	27,756.50	-	27,756.50	21,059.53	6,696.97
Total Undistributed Expenditures - Administrative Information Technology	411,537.50	67,076.84	478,614.34	456,423.40	22,190.94
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	959,571.00	(90,668.05)	868,902.95	776,320.17	92,582.78
Health Benefits	-	435,273.46	435,273.46	435,273.46	-
Cleaning, Repair & Maintenance Services	959,200.20	(12,000.00)	947,200.20	675,828.86	271,371.34
General Supplies	321,106.01	(3,225.82)	317,880.19	288,472.50	29,407.69
Total Undistributed Expenditures - Required Maintenance for School Facilities	2,239,877.21	329,379.59	2,569,256.80	2,175,894.99	393,361.81
Undistributed Expenditures - Custodial Services:					
Salaries	1,056,803.00	19,690.84	1,076,493.84	1,021,788.32	54,705.52
Salaries of Non-Instructional Aides	60,000.00	-	60,000.00	41,882.26	18,117.74
Health Benefits	-	260,911.03	260,911.03	260,911.03	-
Cleaning, Repair & Maintenance Services	111,979.44	-	111,979.44	62,560.74	49,418.70

SOUTHERN REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Purchased Property Services	11-000-262-490	210,000.00	-	210,000.00	113,313.17	96,686.83
Insurance	11-000-262-520	265,000.00	6,559.00	271,559.00	271,559.00	-
General Supplies	11-000-262-610	360,545.82	-	360,545.82	282,572.39	77,973.43
Energy (Natural Gas)	11-000-262-621	275,555.40	(26,662.00)	248,893.40	214,920.80	33,972.60
Energy (Electricity)	11-000-262-622	994,729.76	-	994,729.76	833,127.74	161,602.02
Other Objects	11-000-262-800	19,000.00	(1,051.94)	17,948.06	11,433.39	6,514.67
Total Undistributed Expenditures - Custodial Services		3,353,613.42	259,446.93	3,613,060.35	3,114,068.84	498,991.51
Undistributed Expenditures - Care and Upkeep of Grounds:						
Salaries	11-000-263-100	224,481.00	65,305.31	289,786.31	289,689.78	96.53
Health Benefits	11-000-263-270	-	111,524.81	111,524.81	111,524.81	-
Cleaning, Repair & Maintenance Services	11-000-263-420	222,589.17	(16,500.08)	206,089.09	112,663.82	93,425.27
General Supplies	11-000-263-610	206,500.00	(1,000.00)	205,500.00	184,308.75	21,191.25
Total Undistributed Expenditures - Care and Upkeep of Grounds		653,570.17	159,330.04	812,900.21	698,187.16	114,713.05
Security:						
Salaries	11-000-266-100	244,046.00	22,171.83	266,217.83	261,407.57	4,810.26
Health Benefits	11-000-266-270	-	1,361.29	1,361.29	1,361.29	-
Purchased Professional and Technical Services	11-000-266-300	175,000.00	-	175,000.00	166,120.46	8,879.54
Total Security		419,046.00	23,533.12	442,579.12	428,889.32	13,689.80
Undistributed Expenditures - Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	133,755.00	474.75	134,229.75	134,229.75	-
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,861,324.00	(45,370.81)	1,815,953.19	1,718,320.21	97,632.98
Sal for Pupil Trans (Other than Bet. Home & Sch)	11-000-270-162	350,000.00	(350,000.00)	-	-	-
Sal for Pupil Trans (Bet. H&S) - NonPublic Sch	11-000-270-163	-	269,703.21	269,703.21	195,754.01	73,949.20
Health Benefits	11-000-270-270	-	1,409,890.60	1,409,890.60	1,409,890.60	-
Cleaning, Repair and Maintenance Services	11-000-270-420	318,561.34	(101,652.92)	216,908.42	154,622.04	62,286.38
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	-	59,342.35	59,342.35	59,342.35	-
Contract Services (Between Home & School) - Vendors	11-000-270-511	-	467,503.44	467,503.44	361,550.87	105,952.57
Contract Services (Special Education) - ESCs & CTAS	11-000-270-518	300,000.00	(300,000.00)	-	-	-
Miscellaneous Purchased Services - Transportation	11-000-270-593	110,000.00	-	110,000.00	97,554.00	12,446.00
General Supplies	11-000-270-610	789,254.54	-	789,254.54	390,063.59	399,190.95
Miscellaneous Expenditures	11-000-270-800	45,005.33	(5.33)	45,000.00	10,553.40	34,446.60
Total Undistributed Expenditures - Student Transportation Services		3,907,900.21	1,409,885.29	5,317,785.50	4,531,880.82	785,904.68

SOUTHERN REGIONAL SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Unallocated Benefits:				
Social Security Contributions	850,000.00	-	850,000.00	841,255.00
Other Retirement Contributions - PERS	1,200,000.00	(174,406.88)	1,025,593.12	1,019,262.00
Pension Contributions	65,000.00	-	65,000.00	48,078.90
Workmen's Compensation	650,000.00	(19,272.00)	630,728.00	510,716.16
Health Benefits	10,708,000.00	(9,529,072.95)	1,178,927.05	321,329.94
Tuition Reimbursement	98,335.86	9,652.87	107,988.73	107,388.73
Other Employee Benefits	-	547,553.11	547,553.11	547,553.11
Unused Sick Payment to Staff	172,961.00	12,713.00	185,674.00	185,674.00
Total Unallocated Benefits	13,744,296.86	(9,152,832.85)	4,591,464.01	3,581,257.84
Increase in Maintenance Reserves	1,000.00	(1,000.00)	-	-
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	6,160,486.00
TPAF Social Security (reimbursed)	-	-	-	1,726,006.35
TPAF Post Retirements	-	-	-	1,930,600.00
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	1,989.00
Total Undistributed Expenditures	34,292,413.79	(4,683,836.76)	29,608,577.03	35,271,426.51
Total Expenditures - Current Expense	59,721,510.85	(331,016.98)	59,390,493.87	63,233,895.74
Capital Outlay:				
Increase in Capital Reserves	1,000.00	(1,000.00)	-	-
Equipment:				
School-Sponsored & Other Instructional Programs	42,046.00	15,477.20	57,523.20	42,016.92
Undistributed Expenditures:				
Undistributed Expenditures - Instruction	202,980.00	61,919.04	264,899.04	115,695.29
Undist. Expend.-Support Serv. - Child Study Teams	-	2,200.00	2,200.00	2,200.00
Undistributed Expenditures - School Admin.	10,000.00	-	10,000.00	9,142.00
Undist. Expend. - Custodial Services	548,767.42	(13,089.26)	535,678.16	271,286.45
Undist. Expend. - Care and Upkeep of Grounds	-	9,525.00	9,525.00	9,525.00
School Buses - Regular	1,071,314.44	-	1,071,314.44	501,314.44
Total Equipment	1,875,107.86	76,031.98	1,951,139.84	951,180.10
Facilities Acquisition & Construction Services:				
Assessment for Debt Service on SDA Funding	38,250.00	-	38,250.00	38,250.00
Total Facilities Acquisition & Construction Services	38,250.00	-	38,250.00	38,250.00
Total Capital Outlay	1,914,357.86	75,031.98	1,989,389.84	989,430.10
Total Expenditures	61,635,868.71	(255,985.00)	61,379,883.71	64,223,325.84
				(2,843,442.13)

SOUTHERN REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)	(3,073,169.71)	52,000.00	(3,021,169.71)	7,970,513.86
Other Financing Sources/(Uses):				
Transfers In/(Out):				
Transfer to Other Funds	-	-	-	806,059.09
Transfers to Cover Deficit (Enterprise Fund)	-	(52,000.00)	(52,000.00)	(52,000.00)
Capital Reserve - Transfer to Capital Projects	-	(5,715,313.00)	(5,715,313.00)	-
Total Other Financing Sources/(Uses)	-	(5,767,313.00)	(5,767,313.00)	806,059.09
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(3,073,169.71)	(5,715,313.00)	(8,788,482.71)	8,776,572.95
Fund Balances, July 1 (As Restated)	21,661,454.84	-	21,661,454.84	-
Fund Balances, June 30	\$ 18,588,285.13	\$ (5,715,313.00)	\$ 12,872,972.13	\$ 8,776,572.95

RECAPITULATION OF BUDGET TRANSFERS

\$ 5,715,313.00
<u>\$ 5,715,313.00</u>

Board Approved Transfer to Capital Projects

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 7,388,803.18
Maintenance Reserve	4,886,920.00
Tuition Reserve	1,600,000.00
Excess Surplus Designated for Subsequent Year's Expenditures	2,266,820.00
Reserve for Unemployment Claims	158,111.48
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	699,569.00
Year-End Encumbrances	1,311,262.12
Unassigned Fund Balance	3,338,059.30
Subtotal	21,649,545.08
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(239,319.00)
Fund Balance per Governmental Funds (GAAP)	\$ 21,410,226.08

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ -	\$ 1,522,642.82	\$ 1,522,642.82	\$ 583,811.41	\$ 938,831.41
State Sources	43,948.00	-	43,948.00	22,023.25	21,924.75
Federal Sources	797,799.00	2,350,679.32	3,148,478.32	2,049,101.17	1,099,377.15
Total Revenues	841,747.00	3,873,322.14	4,715,069.14	2,654,935.83	2,060,133.31
Expenditures:					
Instruction:					
Salaries of Teachers	256,596.57	152,670.21	409,266.78	273,677.72	135,589.06
Other Salaries for Instruction	-	90,638.41	90,638.41	72,772.78	17,865.63
Tuition	487,514.00	145,935.40	633,449.40	587,005.40	46,444.00
Purchased Professional - Educational Services	-	41,816.00	41,816.00	20,574.00	21,242.00
General Supplies	43,948.00	8,174.66	52,122.66	48,634.66	3,488.00
Textbooks	-	2,627.00	2,627.00	1,449.25	1,177.75
Total Instruction	788,058.57	441,861.68	1,229,920.25	1,004,113.81	225,806.44
Support Services:					
Salaries of Other Professional Staff	-	222,769.63	222,769.63	19,045.63	203,724.00
Personal Services - Employee Benefits	-	244,038.82	244,038.82	140,397.58	103,641.24
Purchased Educational Services	-	9,217.42	9,217.42	9,217.00	0.42
Other Purchased Services (400-500 Series)	53,688.43	(26,421.86)	27,266.57	18,001.09	9,265.48
Supplies and Materials	-	211,663.63	211,663.63	208,290.31	3,373.32
Other Objects	-	18,459.00	18,459.00	18,459.00	-
Scholarships Awarded	-	213,177.06	213,177.06	111,950.01	101,227.05
Student Activities	-	1,309,465.76	1,309,465.76	788,509.11	520,956.65
Total Support Services	53,688.43	2,202,369.46	2,256,057.89	1,313,869.73	942,188.16
Facilities Acquisition & Construction Services:					
Construction Services	-	1,229,091.00	1,229,091.00	653,600.00	575,491.00
Total Facilities Acquisition & Construction Services	-	1,229,091.00	1,229,091.00	653,600.00	575,491.00
Total Expenditures	841,747.00	3,873,322.14	4,715,069.14	2,971,583.54	1,743,485.60
Total Outflows	841,747.00	3,873,322.14	4,715,069.14	2,971,583.54	1,743,485.60
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (316,647.71)</u>	<u>\$ 316,647.71</u>
Fund Balance, July 1 (Restated)				<u>938,831.41</u>	
Fund Balance, June 30				<u>\$ 622,183.70</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 101,227.05	
Student Activities				<u>520,956.65</u>	
Total Fund Balance				<u>\$ 622,183.70</u>	

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
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)	\$ 69,172,669.99	\$ 2,654,935.83
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(653,600.00)
Prior Year	-	155,825.73
<p>The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).</p>		
Current Year	(239,319.00)	-
Prior Year	231,891.00	-
<hr style="border: 1px solid black;"/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 69,165,241.99</u>	<u>\$ 2,157,161.56</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 64,223,325.84	\$ 2,971,583.54
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.		
	-	(497,774.27)
<hr style="border: 1px solid black;"/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 64,223,325.84</u>	<u>\$ 2,473,809.27</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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SOUTHERN REGIONAL SCHOOL DISTRICT
 SCHEDULE OF THE SCHOOL 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	0.0931725771%	0.0932588599%	0.0941806300%	0.0943432010%	0.0991903610%	0.0999092968%	0.1002800174%	0.0961046622%
School District's proportionate share of the net pension liability	\$ 15,194,011.00	\$ 16,803,832.00	\$ 18,543,697.00	\$ 21,961,589.00	\$ 29,377,340.00	\$ 22,427,635.00	\$ 18,775,162.00	\$ 18,367,510.00
School District's covered payroll	\$ 6,732,167.00	\$ 6,603,290.00	\$ 6,595,768.70	\$ 6,508,328.00	\$ 6,587,503.00	\$ 7,630,036.00	\$ 7,640,555.00	Unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	225.69%	254.48%	281.15%	337.44%	445.96%	293.94%	245.73%	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.

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

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 1,019,261.00	\$ 907,134.00	\$ 936,793.00	\$ 873,989.00	\$ 881,193.00	\$ 858,952.00	\$ 826,694.00	\$ 724,129.00
Contributions in relation to the contractually required contribution	(1,019,261.00)	(907,134.00)	(936,793.00)	(873,989.00)	(881,193.00)	(858,952.00)	(826,694.00)	(724,129.00)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 6,692,020.00	\$ 6,732,167.00	\$ 6,603,290.00	\$ 6,595,768.70	\$ 6,508,328.00	\$ 6,587,503.00	\$ 7,630,036.00	\$ 7,640,555.00
Contributions as a percentage of covered payroll	15.23%	13.47%	14.19%	13.25%	13.54%	13.04%	10.83%	9.48%

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.

SOUTHERN REGIONAL 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	137,370,006.00	130,528,131.00	137,625,054.00	143,836,424.00	170,595,322.00	136,265,190.00	116,015,121.00	107,510,677.00
School District's covered payroll	\$ 137,370,006.00	\$ 130,528,131.00	\$ 137,625,054.00	\$ 143,836,424.00	\$ 170,595,322.00	\$ 136,265,190.00	\$ 116,015,121.00	\$ 107,510,677.00
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	22.33%	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.

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT
BENEFITS (GASB 75)**

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**SOUTHERN REGIONAL 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
District's Total OPEB Liability				
Service Cost	\$ 3,671,399	\$ 3,698,326	\$ 4,231,435	\$ 5,099,973
Interest Cost	3,808,091	4,708,928	5,051,741	4,366,278
Difference between Expected & Actual Differences	28,177,504	(19,815,573)	(11,334,630)	-
Changes of Assumptions	31,140,324	1,588,785	(13,719,117)	(17,606,068)
Contributions: Member	89,956	96,962	110,485	118,047
Gross Benefit Payments	(2,967,867)	(3,271,006)	(3,196,761)	(3,205,828)
Net Change in District's Total OPEB Liability	63,919,407	(12,993,578)	(18,856,847)	(11,227,598)
District's Total OPEB Liability (Beginning)	106,557,779	119,551,357	138,408,204	149,635,802
District's Total OPEB Liability (Ending)	<u>\$ 170,477,186</u>	<u>\$ 106,557,779</u>	<u>\$ 119,551,357</u>	<u>\$ 138,408,204</u>
District's Covered Employee Payroll	\$ 30,815,557	\$ 30,318,045	\$ 29,445,138	\$ 28,903,932
District's Net OPEB Liability as a Percentage of Payroll	553%	351%	406%	479%

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.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
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.

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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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**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

	Title I	Title IIA	Title IV	I.D.E.A. - Basic	CARES
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	337,801.96	105,757.39	20,702.00	616,251.72	190,870.10
Total Revenues	337,801.96	105,757.39	20,702.00	616,251.72	190,870.10
Expenditures:					
Instruction:					
Salaries of Teachers	195,735.14	58,173.58	15,269.00	4,500.00	-
Other Salaries for Instruction	25,372.80	-	-	8,958.62	-
Tuition	-	-	-	587,005.40	-
Purchased Professional - Educational Services	-	-	-	-	-
General Supplies	24,838.00	-	-	-	17,682.65
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Instruction	245,945.94	58,173.58	15,269.00	600,464.02	17,682.65
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services - Employee Benefits	91,856.02	38,366.81	5,433.00	344.00	-
Purchased Educational Services	-	9,217.00	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	14,943.70	3,057.39
Supplies and Materials	-	-	-	-	152,171.06
Other Objects	-	-	-	500.00	17,959.00
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
Total Support Services	91,856.02	47,583.81	5,433.00	15,787.70	173,187.45
Facilities Acquisition & Construction Services:					
Construction Services	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	337,801.96	105,757.39	20,702.00	616,251.72	190,870.10
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-
Fund Balance June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

	Covid Relief Fund	ESSER II	Non Public Textbook	Non Public Nursing	Non Public Digital Divide
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	1,449.25	3,747.00	-
Federal Sources	122,253.00	653,600.00	-	-	1,865.00
Total Revenues	122,253.00	653,600.00	1,449.25	3,747.00	1,865.00
Expenditures:					
Instruction:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	38,441.36	-	-	-	-
Tuition	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	3,747.00	-
General Supplies	4,249.01	-	-	-	1,865.00
Textbooks	-	-	1,449.25	-	-
Total Instruction	42,690.37	-	1,449.25	3,747.00	1,865.00
Support Services:					
Salaries of Other Professional Staff	19,045.63	-	-	-	-
Personal Services - Employee Benefits	4,397.75	-	-	-	-
Purchased Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-
Supplies and Materials	56,119.25	-	-	-	-
Other Objects	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
Total Support Services	79,562.63	-	-	-	-
Facilities Acquisition & Construction Services:					
Construction Services	-	653,600.00	-	-	-
Total Facilities Acquisition & Construction Services	-	653,600.00	-	-	-
Total Expenditures	122,253.00	653,600.00	1,449.25	3,747.00	1,865.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-
Fund Balance June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**SOUTHERN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

	Non Public Ch. 192 Auxiliary	Non Public Ch. 193 Handicapped	Student Activity	Scholarships	Totals
Revenues:					
Local Sources	\$ -	\$ -	\$ 482,680.34	\$ 101,131.07	\$ 583,811.41
State Sources	6,253.00	10,574.00	-	-	22,023.25
Federal Sources	-	-	-	-	2,049,101.17
Total Revenues	6,253.00	10,574.00	482,680.34	101,131.07	2,654,935.83
Expenditures:					
Instruction:					
Salaries of Teachers	-	-	-	-	273,677.72
Other Salaries for Instruction	-	-	-	-	72,772.78
Tuition	-	-	-	-	587,005.40
Purchased Professional - Educational Services	6,253.00	10,574.00	-	-	20,574.00
General Supplies	-	-	-	-	48,634.66
Textbooks	-	-	-	-	1,449.25
Total Instruction	6,253.00	10,574.00	-	-	1,004,113.81
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	19,045.63
Personal Services - Employee Benefits	-	-	-	-	140,397.58
Purchased Educational Services	-	-	-	-	9,217.00
Other Purchased Services (400-500 Series)	-	-	-	-	18,001.09
Supplies and Materials	-	-	-	-	208,290.31
Other Objects	-	-	-	-	18,459.00
Scholarships Awarded	-	-	-	111,950.01	111,950.01
Student Activities	-	-	788,509.11	-	788,509.11
Total Support Services	-	-	788,509.11	111,950.01	1,313,869.73
Facilities Acquisition & Construction Services:					
Construction Services	-	-	-	-	653,600.00
Total Facilities Acquisition & Construction Services	-	-	-	-	653,600.00
Total Expenditures	6,253.00	10,574.00	788,509.11	111,950.01	2,971,583.54
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	-	-	(305,828.77)	(10,818.94)	(316,647.71)
Fund Balance, July 1 (Restated)	-	-	826,785.42	112,045.99	938,831.41
Fund Balance June 30	\$ -	\$ -	\$ 520,956.65	\$ 101,227.05	\$ 622,183.70

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F. Capital Projects Fund

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SOUTHERN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2021

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Emergency Generator Project	N/A	\$ 75,000.00	\$ 59,099.95	\$ 15,900.05	\$ -
Middle School Window Project	7/25/2014	689,400.00	532,934.00	-	156,466.00
High School Renovations	2/24/2014	7,480,875.00	5,220,623.00	-	2,260,252.00
High School Auditorium	1/10/2018	2,727,600.00	2,690,231.55	37,368.45	-
Door Renovations-High School	7/25/2014	570,000.00	529,257.86	40,742.14	-
Roof Project	7/1/2018	2,475,421.00	1,763,372.55	712,048.45	-
Boiler Project	7/1/2018	1,063,650.00	743,157.20	43,910.30	276,582.50
Track Resurfacing	1/6/2020	1,800,000.00	-	-	1,800,000.00
Paving and Drainage - High School	3/11/2020	1,290,313.00	-	1,050,619.82	239,693.18
Middle School Front Entrance	3/17/2021	726,471.18	-	53,905.03	672,566.15
High School Fields & HVAC	3/19/2021	3,698,528.82	-	121,027.25	3,577,501.57
Total		\$ 22,597,259.00	\$ 11,538,676.11	\$ 2,075,521.49	\$ 8,983,061.40

Reconciliation of Fund Balance

Unexpended Project Balances	\$ 8,983,061.40
Total Fund Balance (Budgetary Basis)	8,983,061.40
Less: Unexpended State Aid- ROD Grants	(966,687.00)
Total Fund Balance (GAAP Basis)	\$ 8,016,374.40

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

Revenues and Other Financing Sources:	
Transfer from Capital Reserve	\$ 5,715,313.00
Total Revenues and Other Financing Sources	<u>5,715,313.00</u>
Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	174,932.28
Construction Services	1,094,530.12
Transfer to Capital Reserve	<u>806,059.09</u>
Total Expenditures and Other Financing Uses	<u>2,075,521.49</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,639,791.51
Fund Balance, July 1	<u>5,343,269.89</u>
Fund Balance, June 30	<u>\$ 8,983,061.40</u>

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Maintenance Reserve	\$ 75,000.00	\$ -	\$ 75,000.00	\$ 75,000.00
Total Revenues and Other Financing Sources	75,000.00	-	75,000.00	75,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	13,750.00	-	13,750.00	13,750.00
Construction Services	45,349.95	-	45,349.95	45,349.95
Transfer to Capital Reserve	-	15,900.05	15,900.05	15,900.05
Total Expenditures and Other Financing Uses	59,099.95	15,900.05	75,000.00	75,000.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 15,900.05	\$ (15,900.05)	\$ -	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>Emergency Generator Project</u>	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	75,000.00
Bonds Issued	-
Original Authorized Cost	75,000.00
Additional Authorized Cost	-
Revised Authorized Cost	75,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2014
Revised Target Completion Date	6/30/2014

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 275,760.00	\$ -	\$ 275,760.00	\$ 275,760.00
Transfer from Capital Reserve	413,640.00	-	413,640.00	413,640.00
	<hr/>			
Total Revenues and Other Financing Sources	689,400.00	-	689,400.00	689,400.00
	<hr/>			
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	35,840.00	-	35,840.00	35,840.00
Construction Services	497,094.00	-	497,094.00	653,560.00
	<hr/>			
Total Expenditures and Other Financing Uses	532,934.00	-	532,934.00	689,400.00
	<hr/>			
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 156,466.00	\$ -	\$ 156,466.00	\$ -
	<hr/> <hr/>			

Additional Project Information:

<u>Name of Project:</u>	
Middle School Window Project	
Project Number	4950-060-14G2ZV
Grant Date	7/25/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	689,220.00
Additional Authorized Cost	180.00
Revised Authorized Cost	689,400.00
Percentage Increase over Original Authorized Cost	0.03%
Percentage Completion	77.30%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 2,992,350.00	\$ -	\$ 2,992,350.00	\$ 2,992,350.00
Capital Lease Proceeds	1,188,525.00	-	1,188,525.00	1,188,525.00
Transfer from Capital Reserve	3,300,000.00	-	3,300,000.00	3,300,000.00
Total Revenues and Other Financing Sources	7,480,875.00	-	7,480,875.00	7,480,875.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	388,979.00	-	388,979.00	388,979.00
Construction Services	4,831,644.00	-	4,831,644.00	7,091,896.00
Total Expenditures and Other Financing Uses	5,220,623.00	-	5,220,623.00	7,480,875.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 2,260,252.00	\$ -	\$ 2,260,252.00	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>High School Renovations</u>	
Project Number	4950-050-14-1001-G04
Grant Date	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	7,480,875.00
Additional Authorized Cost	-
Revised Authorized Cost	7,480,875.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	69.79%
Original Target Completion Date	Sept. 2017
Revised Target Completion Date	Sept. 2017

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$2,727,600.00	\$ -	\$ 2,727,600.00	\$ 2,727,600.00
Total Revenues and Other Financing Sources	2,727,600.00	-	2,727,600.00	2,727,600.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	203,439.80	-	203,439.80	203,439.80
Construction Services	2,486,791.75	-	2,486,791.75	2,486,791.75
Transfer to Capital Reserve	-	37,368.45	37,368.45	37,368.45
Total Expenditures and Other Financing Uses	2,690,231.55	37,368.45	2,727,600.00	2,727,600.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 37,368.45	\$ (37,368.45)	\$ -	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>High School Auditorium</u>	
Project Number	
Grant Date	4950-050-18-1000
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	2,400,000.00
Additional Authorized Cost	327,600.00
Revised Authorized Cost	2,727,600.00
Percentage Increase over Original Authorized Cost	13.65%
Percentage Completion	100.00%
Original Target Completion Date	8/31/2019
Revised Target Completion Date	10/31/2019

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$570,000.00	\$ -	\$ 570,000.00	\$ 570,000.00
Total Revenues and Other Financing Sources	570,000.00	-	570,000.00	570,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	5,404.36	-	5,404.36	5,404.36
Construction Services	523,853.50	-	523,853.50	523,853.50
Transfer to Capital Reserve	-	40,742.14	40,742.14	40,742.14
Total Expenditures and Other Financing Uses	529,257.86	40,742.14	570,000.00	570,000.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 40,742.14	\$ (40,742.14)	\$ -	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>Door Renovations-High School</u>	
Project Number	4950-060-14G2ZV
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	570,000.00
Additional Authorized Cost	-
Revised Authorized Cost	570,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	8/31/2019
Revised Target Completion Date	N/A

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 2,475,421.00	-	\$ 2,475,421.00	\$ 2,475,421.00
Total Revenues and Other Financing Sources	2,475,421.00	-	2,475,421.00	2,475,421.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	124,096.55	-	124,096.55	158,033.00
Construction Services	1,639,276.00	-	1,639,276.00	1,605,339.55
Transfer to Capital Reserve	-	712,048.45	712,048.45	712,048.45
Total Expenditures and Other Financing Uses	1,763,372.55	712,048.45	2,475,421.00	2,475,421.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 712,048.45	\$ (712,048.45)	\$ -	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>Roof Project</u>	
Project Number	
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	570,000.00
Additional Authorized Cost	1,905,421.00
Revised Authorized Cost	2,475,421.00
Percentage Increase over Original Authorized Cost	334.28%
Percentage Completion	100.00%
Original Target Completion Date	8/31/2019
Revised Target Completion Date	10/31/2019

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,063,650.00	-	\$ 1,063,650.00	\$ 1,063,650.00
Total Revenues and Other Financing Sources	1,063,650.00	-	1,063,650.00	1,063,650.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	50,906.55	-	50,906.55	85,092.00
Construction Services	692,250.66	43,910.30	736,160.96	978,558.00
Total Expenditures and Other Financing Uses	743,157.21	43,910.30	787,067.51	1,063,650.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 320,492.79	\$ (43,910.30)	\$ 276,582.49	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>Boiler Project</u>	
Project Number	
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	570,000.00
Additional Authorized Cost	493,650.00
Revised Authorized Cost	1,063,650.00
Percentage Increase over Original Authorized Cost	86.61%
Percentage Completion	74.00%
Original Target Completion Date	8/31/2019
Revised Target Completion Date	11/30/2020

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,800,000.00	-	\$ 1,800,000.00	\$ 1,800,000.00
Total Revenues and Other Financing Sources	1,800,000.00	-	1,800,000.00	1,800,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	-	-	-	289,346.00
Construction Services	-	-	-	1,510,654.00
Total Expenditures and Other Financing Uses	-	-	-	1,800,000.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 1,800,000.00	\$ -	\$ 1,800,000.00	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>Track Resurfacing</u>	
Project Number	4950-050-20-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,800,000.00
Additional Authorized Cost	-
Revised Authorized Cost	1,800,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	8/3/2020
Revised Target Completion Date	

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ -	1,290,313.00	\$ 1,290,313.00	\$ 1,290,313.00
Total Revenues and Other Financing Sources	-	1,290,313.00	1,290,313.00	1,290,313.00
Expenditures and Other Financing Uses:				
Construction Services	-	1,050,619.82	1,050,619.82	1,290,313.00
Total Expenditures and Other Financing Uses	-	1,050,619.82	1,050,619.82	1,290,313.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ 239,693.18	\$ 239,693.18	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>Paving and Drainage - High School</u>	
Project Number	4950-050-20-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,290,313.00
Additional Authorized Cost	-
Revised Authorized Cost	1,290,313.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	81.42%
Original Target Completion Date	12/1/2021
Revised Target Completion Date	

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ -	726,471.18	\$ 726,471.18	\$ 726,471.18
Total Revenues and Other Financing Sources	-	726,471.18	726,471.18	726,471.18
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	-	53,905.03	53,905.03	53,905.03
Construction Services	-	-	-	672,566.15
Total Expenditures and Other Financing Uses	-	53,905.03	53,905.03	726,471.18
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ 672,566.15	\$ 672,566.15	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>MIDDLE SCHOOL FRONT ENTRANCE</u>	
Project Number	4950-060-21-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	550,000.00
Additional Authorized Cost	176,471.18
Revised Authorized Cost	726,471.18
Percentage Increase over Original Authorized Cost	32.09%
Percentage Completion	7.42%
Original Target Completion Date	12/1/2021
Revised Target Completion Date	

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

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ -	3,698,528.82	\$ 3,698,528.82	\$ 3,698,528.82
Total Revenues and Other Financing Sources	-	3,698,528.82	3,698,528.82	3,698,528.82
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	-	121,027.25	121,027.25	121,027.25
Construction Services	-	-	-	3,577,501.57
Total Expenditures and Other Financing Uses	-	121,027.25	121,027.25	3,698,528.82
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ 3,577,501.57	\$ 3,577,501.57	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>HIGH SCHOOL FIELDS & HVAC</u>	
Project Number	4950-050-21-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	3,875,000.00
Additional Authorized Cost	(176,471.18)
Revised Authorized Cost	3,698,528.82
Percentage Increase over Original Authorized Cost	-4.55%
Percentage Completion	3.27%
Original Target Completion Date	6/1/2022
Revised Target Completion Date	

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G. Proprietary Funds

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Enterprise Funds

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**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	COMMUNITY EDUCATION	TOTALS
ASSETS			
Current Assets:			
Cash & Cash Equivalents	26,659.98	\$ 6,192.44	\$ 32,852.42
Accounts Receivable:			
Federal	61,462.28	-	61,462.28
State	2,915.60	-	2,915.60
Inventories	13,478.80	-	13,478.80
Total Current Assets	104,516.66	6,192.44	110,709.10
Noncurrent Assets:			
Capital Assets	479,885.34	-	479,885.34
Less: Accumulated Depreciation	(420,126.00)	-	(420,126.00)
Total Capital Assets, Net	59,759.34	-	59,759.34
Total Noncurrent Assets	59,759.34	-	59,759.34
Total Assets	164,276.00	6,192.44	170,468.44
LIABILITIES			
Current Liabilities:			
Unearned Revenue	4,726.31	-	4,726.31
Interfund Payable	40,000.00	-	40,000.00
Total Current Liabilities	44,726.31	-	44,726.31
NET POSITION			
Net Investment in Capital Assets	59,759.34	-	59,759.34
Unrestricted	59,790.35	6,192.44	65,982.79
Total Net Position	\$ 119,549.69	\$ 6,192.44	\$ 125,742.13

**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	COMMUNITY EDUCATION	TOTALS
Operating Revenues:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs	\$ 46,043.00	\$ -	\$ 46,043.00
Miscellaneous	30,844.58	4,129.00	34,973.58
Total Operating Revenues	<u>76,887.58</u>	<u>4,129.00</u>	<u>81,016.58</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	136,874.57	-	136,874.57
Cost of Sales - Non-Reimbursable Programs	24,250.53	-	24,250.53
Salaries	-	2,940.00	2,940.00
Other Professional Technical Services	267,385.03	-	267,385.03
Supplies and Materials	17,866.17	85.00	17,951.17
Depreciation	7,337.00	-	7,337.00
Total Operating Expenses	<u>453,713.30</u>	<u>3,025.00</u>	<u>456,738.30</u>
Operating Income/(Loss)	<u>(376,825.72)</u>	<u>1,104.00</u>	<u>(375,721.72)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	15,488.45	-	15,488.45
Federal Sources:			
National School Lunch Program	268,661.10	-	268,661.10
Emergency Operating Cost Program	36,104.64	-	36,104.64
National School Breakfast Program	42,478.96	-	42,478.96
Food Distribution Program	20,328.10	-	20,328.10
Board Contribution	52,000.00	-	52,000.00
Total Nonoperating Revenues/(Expenses)	<u>435,061.25</u>	<u>-</u>	<u>435,061.25</u>
Change in Net Position	58,235.53	1,104.00	59,339.53
Total Net Position - Beginning	<u>61,314.16</u>	<u>5,088.44</u>	<u>66,402.60</u>
Total Net Position - Ending	<u>\$ 119,549.69</u>	<u>\$ 6,192.44</u>	<u>\$ 125,742.13</u>

**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	COMMUNITY EDUCATION	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 36,861.05	\$ 4,724.00	\$ 41,585.05
Payments to Employees	-	(2,940.00)	(2,940.00)
Payments for Employee Benefits	(267,385.03)	-	(267,385.03)
Payments to Suppliers	(151,065.27)	(85.00)	(151,150.27)
Net Cash Provided by/(Used for) Operating Activities	(381,589.25)	1,699.00	(379,890.25)
Cash Flows From Noncapital Financing Activities:			
State Sources	15,488.45	-	15,488.45
Federal Sources	347,244.70	-	347,244.70
Net Cash Provided by/(Used for) Noncapital Financing Activities	414,733.15	-	414,733.15
Net Increase/(Decrease) in Cash & Cash Equivalents	33,143.90	1,699.00	34,842.90
Balances - Beginning of Year	(6,483.92)	4,493.44	(1,990.48)
Balances - End of Year	\$ 26,659.98	\$ 6,192.44	\$ 32,852.42
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (376,825.72)	\$ 1,104.00	\$ (375,721.72)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	7,337.00	-	7,337.00
Food Distribution Program	20,328.10	-	20,328.10
(Increase)/Decrease in Accounts Receivable, Net	(39,997.77)	595.00	(39,402.77)
(Increase)/Decrease in Inventories	7,597.90	-	7,597.90
Increase/(Decrease) in Unearned Revenue	(28.76)	-	(28.76)
Total Adjustments	(4,763.53)	595.00	(4,168.53)
Net Cash Provided/(Used) by Operating Activities	\$ (381,589.25)	\$ 1,699.00	\$ (379,890.25)

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Internal Service Fund

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EXHIBIT G-4

SOUTHERN REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2021

	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 18,876.00
Total Current Assets	<u>18,876.00</u>
Total Assets	<u><u>18,876.00</u></u>
LIABILITIES	
Current Liabilities:	
Other Current Liabilities	\$ 18,447.92
Total Current Liabilities	<u>18,447.92</u>
NET POSITION	
Unrestricted	<u>428.08</u>
Total Net Position	<u><u>\$ 428.08</u></u>

SOUTHERN REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES <hr/> INTERNAL SERVICE FUND <hr/>
Nonoperating Revenues (Expenses):	
Interest Revenue	\$ 32.21
Total Nonoperating Revenues/(Expenses)	<hr/> 32.21
Change in Net Position	32.21
Total Net Position - Beginning	<hr/> 395.87
Total Net Position - Ending	<hr/> <hr/> \$ 428.08

EXHIBIT G-6

SOUTHERN REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

	<u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL SERVICE FUND</u>
Cash Flows From Operating Activities:	
Payments to Suppliers	\$ 15,804.08
Net Cash Provided by/(Used for) Operating Activities	<u>15,804.08</u>
Cash Flows From Investing Activities:	
Interest:	<u>32.21</u>
Net Cash Provided by/(Used for) Interest Activities	<u>32.21</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	15,836.29
Balances - Beginning of Year	<u>3,039.71</u>
Balances - End of Year	<u>\$ 18,876.00</u>
 Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Operating Income/(Loss)	\$ -
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Increase/(Decrease) in Other Current Liabilities	<u>15,804.08</u>
Total Adjustments	<u>15,804.08</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 15,804.08</u>

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

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EXHIBIT I-3

SOUTHERN REGIONAL SCHOOL DISTRICT
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Fund Balance, July 1,	\$ 26.03	\$ -	\$ 26.03	\$ -
Fund Balance, June 30,	\$ 26.03	\$ -	\$ 26.03	\$ -

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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SOUTHERN REGIONAL 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:										
Invested in Capital Assets,										
Net of Related Debt	\$ 36,202,082.29	\$ 35,692,409.88	\$ 34,480,581.78	\$ 27,614,073.00	\$ 24,134,579.00	\$ 23,371,388.00	\$ 2,362,258.00	\$ 23,912,510.00	\$ 19,955,273.00	\$ 19,623,553.00
Restricted:										
Debt Service	26.03	26.03	26.03	15.00	(37,469.00)	(31,269.00)	(12,042.00)	112,544.00	-	(159,536.00)
Capital Projects	15,405,177.58	22,329,622.21	19,453,842.24	11,196,316.00	9,379,399.00	121,775.00	15,900.00	1,230,305.00	-	-
Other	9,534,035.18	-	-	6,217,770.00	8,449,262.00	9,278,889.00	6,259,328.00	4,299,332.00	5,994,275.00	5,085,900.00
Unrestricted (Deficit)	(20,257,802.94)	(22,556,749.82)	(23,277,150.68)	(24,764,769.00)	(25,750,560.00)	(18,250,930.00)	206,634.00	25,718.00	400,501.00	1,017,760.00
Total Governmental Activities										
Net Position	\$ 40,883,518.14	\$ 35,465,308.30	\$ 30,657,299.37	\$ 20,263,405.00	\$ 16,175,211.00	\$ 14,489,853.00	\$ 8,832,078.00	\$ 29,580,409.00	\$ 26,350,049.00	\$ 25,567,677.00
Business-Type Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 59,759.34	\$ 67,096.34	\$ 75,188.34	\$ 40,934.00	\$ 28,088.00	\$ 27,920.00	\$ 29,866.00	\$ 31,812.00	\$ 41,860.00	\$ 89,398.00
Unrestricted (Deficit)	65,982.79	(693.74)	16,223.87	66,271.00	108,003.00	123,510.00	128,761.00	180,062.00	167,068.00	173,061.00
Total Business-Type Activities										
Net Position	\$ 125,742.13	\$ 66,402.60	\$ 91,412.21	\$ 107,205.00	\$ 136,091.00	\$ 151,430.00	\$ 158,627.00	\$ 211,874.00	\$ 208,928.00	\$ 262,459.00
District-Wide:										
Net Investment in Capital Assets	\$ 36,261,841.63	\$ 35,759,506.22	\$ 34,555,770.12	\$ 27,655,007.00	\$ 24,162,667.00	\$ 23,399,308.00	\$ 23,722,124.00	\$ 23,944,322.00	\$ 19,997,133.00	\$ 19,997,133.00
Restricted	24,939,238.79	22,329,622.21	19,453,842.24	17,414,101.00	17,791,192.00	9,369,395.00	6,263,186.00	5,642,181.00	5,994,275.00	5,994,275.00
Unrestricted (Deficit)	(20,191,820.15)	(22,557,443.56)	(23,260,926.81)	(24,698,498.00)	(25,642,557.00)	(18,127,420.00)	335,395.00	205,780.00	567,569.00	567,569.00
Total District Net Position	\$ 41,009,260.27	\$ 35,531,684.87	\$ 30,748,685.55	\$ 20,370,610.00	\$ 16,311,302.00	\$ 14,641,283.00	\$ 30,320,705.00	\$ 29,792,283.00	\$ 26,558,977.00	\$ 26,558,977.00

*For the year ended June 30, 2021 net position was reclassification due to GASB 84.
Source: CAFR Schedule A-1

**SOUTHERN REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL 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	\$ 32,956,948.55	\$ 29,890,587.67	\$ 32,315,192.20	\$ 18,731,677.00	\$ 19,182,801	\$ 18,489,286	\$ 19,091,978	\$ 15,030,411	\$ 14,372,685	\$ 17,101,417.00
Special Education	11,825,369.85	11,094,985.10	10,103,495.49	6,982,113.00	6,801,483	7,049,052	7,990,020	5,446,454	5,307,101	6,606,706
Other Instruction	2,907,194.03	2,752,542.62	2,729,116.87	1,685,225.00	1,598,617	1,638,675	1,616,800	1,539,768	1,485,535	1,603,489
Support Services:										
Tuition Charges	632,574.41	256,440.60	296,244.31	394,945.00	149,919	318,069	511,071	767,233	600,243	493,045
Student & Instruction Related Services	9,339,718.98	6,652,765.51	6,949,155.53	5,763,742.00	5,986,832	5,808,533	5,644,050	4,182,942	4,055,767	5,180,511
School Administrative Services	2,530,696.52	2,172,031.47	2,324,639.81	2,140,788.00	2,171,609	2,080,591	1,946,543	2,055,092	2,001,903	2,695,774
General & Business Administrative Services	1,119,361.61	1,170,864.70	1,165,139.42	992,498.00	1,062,092	916,905	880,399	770,084	782,126	938,972
Plant Operations & Maintenance	7,862,250.71	7,051,845.26	7,438,038.50	6,172,943.00	5,585,388	5,545,534	5,286,919	4,509,825	4,426,510	6,096,939
Central Services	1,000,456.08	899,559.99	972,584.74	775,974.00	769,672	686,429	709,002	553,504	517,561	660,822
Other Administrative Services	559,191.16	535,534.79	562,381.26	425,441.00	449,060	434,643	411,896	359,949	369,516	403,129
Pupil Transportation	5,552,273.82	5,137,277.58	5,056,683.90	4,034,950.00	3,956,581	4,113,937	4,399,507	2,949,555	2,937,411	4,423,837
Unallocated Benefits	-	-	-	11,344,211.00	15,636,826	14,187,433	12,979,031	22,303,431	25,368,348	5,995,202
Unallocated Other Deletions & Retirements of Capital Assets	-	-	-	-	281,582	560,105	102,258	(1,212,204)	663,525	(17,173)
Unallocated Depreciation	-	-	-	1,514,415.00	1,527,815	1,562,443	2,022,111	1,335,705	1,434,140	1,423,939
Special Schools	38,250.00	38,194.88	35,963.12	-	-	-	-	-	-	89,403
Interest and Charges on Long-Term Debt	-	-	-	48,890.00	52,909	77,262	104,369	142,177	327,649	490,892
Transfer to Enterprise Funds	-	27,000.00	125,285.00	-	-	-	-	-	-	-
Amortization of Debt Issuance Costs	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	76,324,283.72	67,679,630.16	70,073,940	61,007,812	65,213,186	63,468,897	63,695,954	60,740,985	64,973,354	54,251,570
Expenses										
Business-Type Activities:										
Food Service/Community Education	456,738.30	758,030.37	984,777.71	962,731	1,026,437	1,050,833	1,127,798	1,054,239	1,136,325	1,178,194
Total Business-Type Activities Expense	456,738.30	758,030.37	984,777.71	962,731	1,026,437	1,050,833	1,127,798	1,054,239	1,136,325	1,178,194
Total Government-Wide Expenses	\$ 76,781,024.02	\$ 68,437,660.53	\$ 71,058,718	\$ 61,970,543	\$ 66,239,623	\$ 64,519,730	\$ 64,823,752	\$ 61,795,224	\$ 66,109,679	\$ 54,369,439
Program Revenues:										
Governmental Activities:										
Instruction	\$ 17,128,603.51	\$ 12,790,324.39	\$ 14,083,025.84	\$ 761,213.00	\$ 786,811.00	\$ 818,469.00	\$ 784,400.00	\$ 772,617.00	\$ 676,970.00	\$ 846,425.00
Support Services	3,730,840.99	867,601.49	1,262,884.43	71,968.00	83,135.00	69,576.00	104,444.00	103,104.00	117,634.00	127,816.00
Charges for Services:										
Unallocated Benefits	-	-	-	1,240,437.00	10,499,548.00	10,062,740.00	10,159,309.00	10,284,412.00	9,625,976.00	284,407.00
Total Governmental Activities Program Revenues	20,859,444.50	13,657,925.88	15,345,910.27	2,073,618.00	11,369,494.00	10,950,785.00	11,048,153.00	11,160,133.00	10,420,580.00	1,258,648.00
Business-Type Activities:										
Charges for Services:										
Food Service/Community Education	81,016.58	442,856.13	595,711.13	618,045.00	651,233.00	671,189.00	729,009.00	736,254.00	767,694.00	844,403.00
Operating Grants & Contributions	383,061.25	241,911.81	313,753.01	315,571.00	359,642.00	329,979.00	336,154.00	315,712.00	295,050.00	273,139.00
Total Business Type Activities Program Revenues	464,077.83	684,767.94	909,464.14	933,616.00	1,010,875.00	1,001,168.00	1,065,163.00	1,051,966.00	1,062,744.00	1,117,542.00
Total Government-Wide Program Revenues	\$ 21,323,522.33	\$ 14,342,693.82	\$ 16,255,374.41	\$ 3,007,234.00	\$ 12,380,369.00	\$ 11,951,953.00	\$ 12,113,316.00	\$ 12,212,099.00	\$ 11,483,324.00	\$ 2,376,190.00
Net (Expense)/Revenue:										
Governmental Activities	\$ (55,464,841.22)	\$ (54,021,704.28)	\$ (54,728,029.88)	\$ (58,934,194.00)	\$ (53,843,692.00)	\$ (52,518,112.00)	\$ (52,647,801.00)	\$ (49,580,852.00)	\$ (54,552,774.00)	\$ (52,992,922.00)

**SOUTHERN REGIONAL 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
Business-Type Activities	7,339.53	(73,262.43)	(75,313.57)	(29,115.00)	(15,562.00)	(49,665.00)	(62,635.00)	(2,273.00)	(75,581.00)	999,673.00
Total Government-Wide Net Expense	\$ (55,457,501.69)	\$ (54,094,966.71)	\$ (54,803,343.45)	\$ (58,963,309.00)	\$ (53,859,254.00)	\$ (52,567,777.00)	\$ (52,710,436.00)	\$ (49,583,125.00)	\$ (54,626,355.00)	\$ (51,993,249.00)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 47,650,013.00	\$ 46,781,910.00	\$ 46,318,846.13	\$ 44,960,904.00	\$ 43,890,411.00	\$ 42,545,911.00	\$ 40,578,741.00	\$ 39,748,572.00	\$ 38,969,188.00	\$ 38,205,086.00
Taxes Levied for Debt Service	-	-	246,190.00	1,538,993.00	1,622,557.00	1,693,882.00	1,718,374.00	1,999,925.00	2,081,700.00	2,172,874.00
Federal & State Aid	3,555,030.79	3,342,730.12	2,943,948.59	8,968,178.00	2,490,675.00	2,736,972.00	2,368,375.00	2,271,711.00	5,669,425.00	4,515,607.00
Tuition Received	7,334,694.64	7,677,931.84	8,103,899.60	6,506,479.00	6,385,287.00	7,195,290.00	7,557,267.00	7,549,689.00	7,358,075.00	7,223,807.00
Transportation Fees	705,800.00	802,108.84	1,025,148.17	924,054.00	1,052,188.00	971,960.00	938,127.00	978,794.00	936,940.00	743,064.00
Investment Earnings	-	-	-	19,625.00	6,101.00	3,567.00	2,191.00	2,318.00	1,247.00	7,138.00
Loss on Disposal of Fixed Asset	(91,550.00)	(35,044.00)	(136,263.00)	-	-	-	-	-	(59,333.00)	(39,473.00)
Unallocated Insurance Refund Proceeds	-	-	-	-	-	-	-	83,344.00	-	-
Transfer	(52,000.00)	-	-	-	-	-	(2,000.00)	-	(15,536.00)	-
Miscellaneous Income	684,465.83	260,076.41	173,904.02	104,155.00	81,831.00	65,815.00	126,615.00	170,859.00	393,431.00	434,881.00
Total Governmental Activities	59,786,454.26	58,829,713.21	58,675,673.51	63,022,388	55,529,050	55,213,397	53,287,690	52,811,212	55,335,137	53,262,984
Business-Type Activities:										
Investment Earnings	\$ -	\$ -	\$ -	\$ 229.00	\$ 223.00	\$ 244.00	\$ 335.00	\$ 458.00	\$ 44.00	\$ 2,249.00
Revaluation of Capital Assets	-	-	(2,971.00)	-	-	-	-	-	(29,403.00)	-
Guaranteed Profit	-	-	-	-	-	42,224.00	6,523.00	4,761.00	33,873.00	-
Miscellaneous	52,000.00	48,252.82	125,557.37	-	-	-	2,000.00	-	15,536.00	-
Total Business-Type Activities	52,000.00	48,252.82	122,586.37	229	223	42,468	8,858	5,219	20,050	2,249
Total Government-Wide	\$ 59,838,454.26	\$ 58,877,966.03	\$ 58,798,259.88	\$ 63,022,617	\$ 55,529,273	\$ 55,255,865	\$ 53,296,548	\$ 52,816,431	\$ 55,355,187	\$ 53,265,233
Change in Net Position:										
Governmental Activities	\$ 4,321,613.04	\$ 4,808,008.93	\$ 3,947,643.63	\$ 4,088,194	\$ 1,685,358	\$ 2,695,285	\$ 639,889	\$ 3,230,360	\$ 782,363	\$ 270,062
Business-Type Activities	59,339.53	(25,009.61)	47,272.80	(28,886)	(15,339)	(7,197)	(53,777)	2,946	(53,531)	(89,621)
Total Government-Wide	\$ 4,380,952.57	\$ 4,782,999.32	\$ 3,994,916.43	\$ 4,059,308	\$ 1,670,019	\$ 2,688,088	\$ 586,112	\$ 3,233,306	\$ 728,832	\$ 180,441

Source: CAFR Schedule A-2

SOUTHERN REGIONAL SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 16,300,654.66	\$ 17,953,013.29	\$ 14,797,749.27	\$ 13,543,234.00	\$ 8,449,262.00	\$ 9,278,889.00	\$ 6,259,328.00	\$ 4,299,332.00	\$ 599,275.00	\$ 5,176,587.00
Assigned	2,010,831.12	1,640,980.19	816,265.25	604,931.00	572,043.00	430,164.00	-	-	-	-
Unreserved	3,098,740.30	1,677,778.94	1,533,694.65	1,344,016.00	1,343,788.00	1,102,947.00	1,679,874.00	2,131,005.00	2,520,396.00	3,098,703.00
Total General Fund	\$ 21,410,226.08	\$ 21,271,772.42	\$ 17,147,709.17	\$ 15,492,181.00	\$ 10,365,093.00	\$ 10,812,000.00	\$ 7,939,202.00	\$ 6,430,337.00	\$ 3,119,671.00	\$ 8,275,290.00
All Other Governmental Funds:										
Restricted										
Debt Service Fund	\$ 26.03	\$ 26.03	\$ 26.03	\$ 3,870,852.00	\$ 4,559,999.00	\$ 121,775.00	\$ 15,900.00	\$ 1,230,305.00	\$ -	\$ -
Capital Projects Fund	8,016,374.40	4,376,582.89	4,656,066.94	15.00	15.00	14.00	24,500.00	112,544.00	1.00	406.00
Special Revenue Fund	622,183.70	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 8,638,584.13	\$ 4,376,608.92	\$ 4,656,092.97	\$ 3,870,867.00	\$ 4,560,014.00	\$ 121,789.00	\$ 40,400.00	\$ 1,342,849.00	\$ 1.00	\$ 406.00

*For the year ended June 30, 2021 net position was reclassification due to GASB 84.
 Source: CAFR Schedule B-1

SOUTHERN REGIONAL 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										
Tax Levy	\$ 47,650,013.00	\$ 46,781,910.00	\$ 46,565,036.13	\$ 46,499,897.00	\$ 45,512,968.00	\$ 44,239,793.00	\$ 42,297,115.00	\$ 41,748,497.00	\$ 41,050,888.00	\$ 40,377,960.00
Tuition Charges	7,334,694.64	7,677,931.84	8,103,899.60	6,506,479.00	6,385,287.00	7,195,290.00	7,557,267.00	7,549,689.00	7,358,075.00	7,223,807.00
Transportation Fees	705,800.00	802,108.84	1,025,148.17	924,054.00	1,052,188.00	971,960.00	938,127.00	978,794.00	936,940.00	743,064.00
Interest Earnings	-	-	-	19,560.00	6,002.00	3,468.00	1,200.00	2,103.00	1,200.00	7,138.00
Miscellaneous	684,433.62	260,029.33	167,502.55	104,155.00	81,831.00	65,815.00	126,615.00	170,859.00	393,431.00	434,881.00
State Sources	13,363,421.60	11,397,517.37	10,796,831.06	8,937,259.00	7,844,497.00	7,316,222.00	6,397,356.00	6,775,706.00	5,562,022.00	4,504,761.00
Federal Sources	1,584,040.69	915,624.63	1,036,571.80	864,100.00	907,926.00	907,128.00	900,656.00	907,543.00	902,007.00	985,087.00
Total Revenues	71,322,403.55	67,835,122.01	67,694,989.31	63,855,504.00	61,790,699.00	60,699,676.00	58,219,256.00	58,133,191.00	56,204,566.00	54,276,698.00
Expenditures										
Instruction:										
Regular Instruction	20,018,032.02	19,757,552.37	20,801,040.32	18,731,677.00	19,182,801.00	18,489,286.00	19,091,978.00	15,030,411.00	14,372,685.00	17,101,417.00
Special Education Instruction	7,182,723.00	7,333,738.35	6,503,542.23	6,982,113.00	6,801,483.00	7,049,032.00	7,990,020.00	5,446,454.00	5,307,101.00	6,606,706.00
Other Instruction	1,765,828.02	1,819,419.06	1,756,711.51	1,685,225.00	1,598,617.00	1,638,675.00	1,616,800.00	1,539,768.00	1,485,535.00	1,603,489.00
Support Services:										
Tuition	516,320.33	227,188.76	256,500.86	394,945.00	149,919.00	318,069.00	511,071.00	767,233.00	600,243.00	493,045.00
Student & Instruction Related Services	7,088,261.01	5,387,204.90	5,499,724.91	5,763,742.00	5,986,832.00	5,808,533.00	5,644,050.00	4,182,942.00	4,055,767.00	5,180,511.00
School Administrative Services	2,065,606.88	1,924,270.69	2,012,771.53	2,140,788.00	2,171,609.00	2,080,591.00	1,946,543.00	2,055,092.00	2,001,903.00	2,695,774.00
General & Business Administration										
Services	913,646.12	1,037,305.70	1,008,827.02	992,498.00	1,062,092.00	916,905.00	880,399.00	770,084.00	782,126.00	938,972.00
Plant Operations & Maintenance	6,417,040.31	6,261,680.19	6,521,893.02	6,248,055.00	5,555,641.00	5,677,472.00	5,411,015.00	4,639,831.00	4,513,592.00	6,096,939.00
Pupil Transportation	4,531,880.82	4,551,273.06	4,378,290.93	4,034,950.00	3,956,581.00	4,113,937.00	4,399,507.00	2,949,555.00	2,937,411.00	4,423,837.00
Other Support Services	1,808,027.31	1,778,083.77	1,846,186.58	1,201,415.00	1,218,732.00	1,121,072.00	1,120,898.00	913,453.00	887,077.00	1,063,951.00
Unallocated Benefits	13,400,339.19	11,015,317.68	11,217,427.88	9,268,577.00	8,605,750.00	7,542,305.00	6,842,199.00	17,803,557.00	16,132,166.00	5,898,308.00
Special Schools	-	-	-	-	-	-	-	-	-	3,559.00
Capital Outlay	2,220,642.50	2,580,306.28	4,603,244.83	1,989,496.00	1,075,286.00	1,271,217.00	1,244,935.00	882,083.00	1,434,300.00	817,942.00
Debt Service:										
Principal	-	251,950.00	489,452.98	1,750,264.00	1,565,000.00	1,625,000.00	1,680,000.00	1,755,000.00	1,645,000.00	1,660,000.00
Interest & Other Charges	38,250.00	38,250.00	39,505.00	57,250.00	57,563.00	93,375.00	126,425.00	139,214.00	442,812.00	513,025.00
Total Expenditures	67,966,597.51	63,963,542.81	66,935,119.60	61,240,995.00	58,987,906.00	57,745,489.00	58,505,840.00	58,874,677.00	56,597,718.00	55,097,475.00
Excess (Deficiency) of Revenues Over/(Under) Expenditures	3,355,806.04	3,871,579.20	759,869.71	2,614,509.00	2,802,793.00	2,954,187.00	(286,584.00)	(741,486.00)	(393,152.00)	(820,777.00)
Other Financing Sources/(Uses):										
Proceeds from Capital Leases	-	-	-	-	-	-	495,000.00	-	647,664.00	-
Transfers in	6,521,372.09	1,800,000.00	3,539,071.00	1,823,432.00	3,300,000.00	413,730.00	780,928.00	2,868,000.00	5,707.00	5,649.00
Transfers Out	(6,573,372.09)	(1,827,000.00)	(3,664,356.00)	-	(3,300,000.00)	(413,730.00)	(782,928.00)	(1,434,000.00)	(21,243.00)	(91,493.00)
Total Other Financing Sources/(Uses)	(52,000.00)	(27,000.00)	(125,285.00)	1,823,432.00	-	-	493,000.00	1,434,000.00	632,128.00	(85,844.00)
Net Change in Fund Balances	\$ 3,303,806.04	\$ 3,844,579.20	\$ 634,584.71	\$ 4,437,941.00	\$ 2,802,793.00	\$ 2,954,187.00	\$ 206,416.00	\$ 692,514.00	\$ 238,976.00	\$ (906,621.00)
Debt Service as a Percentage of Noncapital Expenditures	0.06%	0.46%	0.80%	3.04%	2.83%	3.07%	3.19%	3.32%	3.83%	4.11%

Source: CAFR Schedule B-2

EXHIBIT J-5

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON				
	INVESTMENTS	MISCELLANEOUS	TOTAL		
2021	\$ 2,000.00	\$ 98,622.21	\$ 100,622.21		
2020	1,000.00	259,029.33	259,029.33		
2019	10,146.52	163,619.41	173,765.93		
2018	19,163.00	104,155.00	123,318.00		
2017	6,002.00	81,374.00	87,376.00		
2016	3,378.00	65,808.00	69,186.00		
2015	-	126,608.00	126,608.00		
2014	16,404.00	147,623.00	164,027.00		
2013	9,348.00	365,583.00	374,931.00		
2012	69,314.00	344,144.00	413,458.00		
Total	\$ 136,755.52	\$ 1,756,565.95	\$ 1,892,321.47		

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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**SOUTHERN REGIONAL SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

BARNEGAT LIGHT

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2021	\$ 29,373,900	\$ 954,585,800	\$ 37,150,100	\$ 1,156,800	\$ 1,022,266,600	\$ 130,404,700	\$ 1,152,671,300	0.2490
2020	31,120,000	942,012,200	37,694,300	1,156,800	1,011,983,300	130,404,700	1,142,388,000	0.2610
2019	29,678,400	945,058,800	35,725,300	1,156,800	1,011,619,300	130,404,700	1,142,024,000	0.2330
2018	33,208,200	935,636,500	36,303,852	1,156,800	1,006,305,352	130,319,700	1,136,625,052	0.2350
2017	33,681,500	929,111,400	36,664,300	1,156,800	1,000,614,000	130,119,700	1,130,733,700	0.2490
2016	33,406,600	928,665,600	37,204,437	1,156,800	1,000,433,437	129,937,700	1,130,371,137	0.1830
2015	33,984,208	925,762,300	37,315,700	1,156,800	998,219,008	129,954,000	1,128,173,008	0.2000
2014	37,240,700	919,616,400	37,246,200	1,156,800	995,260,100	129,954,000	1,125,214,100	0.2000
2013	31,333,800	926,010,800	37,501,200	1,156,800	996,002,600	129,954,000	1,125,956,600	0.2890
2012	32,457,400	923,358,200	40,433,400	1,156,800	997,405,800	130,734,400	1,128,140,200	0.2350

BEACH HAVEN

2021	\$ 60,491,800	\$ 1,933,830,300	\$ 124,719,200	\$ 14,137,900	\$ 2,133,179,200	\$ 62,945,700	\$ 2,196,124,900	0.2940
2020	60,600,600	1,911,509,700	128,845,800	14,137,900	2,115,094,000	64,237,600	2,179,331,600	0.3270
2019	63,815,500	1,897,035,300	128,623,200	15,022,900	2,104,496,900	60,685,600	2,165,182,500	0.3020
2018	70,975,900	1,864,116,800	130,675,110	15,022,900	2,080,790,710	60,685,600	2,141,476,310	0.3560
2017	71,041,500	1,850,883,300	131,104,600	15,022,900	2,068,052,300	60,685,600	2,128,737,900	0.3060
2016	72,703,300	1,495,079,300	104,787,941	11,888,900	1,684,459,441	50,361,200	1,734,820,641	0.3010
2015	71,052,100	1,484,137,800	104,037,792	11,888,900	1,671,116,592	51,801,708	1,722,918,300	0.3810
2014	74,759,100	1,468,222,600	104,037,792	11,888,900	1,658,908,392	51,675,508	1,710,583,900	0.3810
2013	55,884,100	1,480,412,700	104,652,392	13,936,500	1,654,885,692	52,226,208	1,707,111,900	0.3510
2012	49,565,400	1,487,564,200	105,254,692	13,936,500	1,656,320,792	52,226,208	1,708,547,000	0.3600

**SOUTHERN REGIONAL SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

HARVEY CEDARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2020	\$ 23,515,200	\$ 1,259,334,200	\$ 15,109,300		\$ 1,297,958,700	\$ 47,561,200	\$ 1,345,519,900	0.2760
2019	23,480,400	1,247,576,600	15,109,300		1,286,166,300	47,561,200	1,333,727,500	0.2670
2018	22,040,800	1,243,889,400	15,109,300	-	1,281,039,500	43,045,600	1,324,085,100	0.2590
2017	31,136,600	1,212,703,200	15,124,254	-	1,258,964,054	43,045,600	1,302,009,654	0.2730
2016	33,832,500	1,193,289,400	14,959,100	-	1,242,081,000	43,090,400	1,285,171,400	0.2510
2015	27,826,900	1,196,388,500	14,228,550	-	1,238,443,950	43,090,400	1,281,534,350	0.2780
2014	18,457,500	1,262,792,400	14,062,600	-	1,295,312,500	43,819,900	1,339,132,400	0.3300
2013	20,466,200	1,199,702,200	14,340,500	-	1,234,508,900	43,819,900	1,278,328,800	0.3300
2012	14,521,800	1,206,769,000	14,340,500	-	1,235,631,300	43,819,900	1,279,451,200	0.3020
2011	18,826,600	1,202,153,700	14,184,500	-	1,235,164,800	43,819,900	1,278,984,700	0.2990

LONG BEACH TOWNSHIP

2020	\$ 215,393,500	\$ 10,090,886,400	\$ 148,862,700	\$ 1,865,000	\$ 10,457,007,600	\$ 123,342,100	\$ 10,580,349,700	0.2410
2019	228,418,600	7,699,298,965	136,455,400	3,317,300	8,067,490,265	94,538,100	8,162,028,365	0.3010
2018	240,661,400	7,602,874,965	137,495,200	4,239,500	7,985,271,065	95,445,300	8,080,716,365	0.3150
2017	250,261,600	7,513,702,465	140,767,793	4,239,500	7,908,971,358	96,687,700	8,005,659,058	0.2910
2016	231,570,900	7,472,986,765	140,232,400	4,951,800	7,849,741,865	95,011,800	7,944,753,665	0.2360
2015	246,475,000	7,383,362,865	145,412,322	4,953,200	7,780,203,387	93,033,700	7,873,237,087	0.2650
2014	259,653,500	7,294,716,515	141,317,600	5,015,200	7,700,702,815	93,032,400	7,793,735,215	0.3160
2013	275,901,100	7,186,784,875	145,320,900	5,015,200	7,613,022,075	92,443,600	7,705,465,675	0.3160
2012	169,665,200	7,250,730,665	151,950,700	5,015,200	7,577,361,765	94,179,600	7,671,541,365	0.3070
2011	176,536,165	7,228,634,700	155,483,300	5,015,200	7,565,669,365	92,331,300	7,658,000,665	0.2860

**SOUTHERN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

SHIP BOTTOM BOROUGH

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2021	\$ 26,217,600	\$ 1,238,906,800	\$ 132,131,807	\$ 3,149,400	\$ 1,400,405,607	\$ 71,654,007	\$ 1,472,059,614	0.2670
2020	22,933,400	1,220,973,300	130,902,399	3,149,400	1,377,958,499	71,359,507	1,449,318,006	0.2740
2019	26,230,300	1,194,142,000	115,402,140	3,149,400	1,338,923,840	71,359,507	1,410,283,347	0.2880
2018	27,642,400	1,178,083,700	115,537,551	3,149,400	1,324,413,051	71,037,107	1,395,450,158	0.3010
2017	35,815,000	1,156,328,700	116,839,700	3,149,400	1,312,132,800	70,971,307	1,383,104,107	0.2520
2016	33,876,200	983,853,300	115,437,726	2,659,900	1,135,827,126	54,215,000	1,190,042,126	0.2180
2015	41,059,900	961,920,500	114,620,700	2,659,900	1,120,261,000	52,352,100	1,172,613,100	0.2470
2014	35,066,700	950,796,400	115,001,600	2,639,900	1,103,504,600	51,821,300	1,155,325,900	0.2470
2013	23,964,400	961,839,400	115,859,800	2,639,900	1,104,303,500	52,097,600	1,156,401,100	0.2600
2012	21,665,100	970,377,500	121,454,600	2,659,900	1,116,157,100	52,444,000	1,168,601,100	0.2530

STAFFORD TOWNSHIP

2021	\$ 64,393,500	\$ 3,697,384,400	\$ 523,311,200	\$ 12,921,100	\$ 4,298,010,200	\$ 417,274,828	\$ 4,715,285,028	0.9570
2020	65,127,900	3,646,224,400	535,994,600	12,321,100	4,259,668,000	405,645,628	4,665,313,628	0.9590
2019	72,800,000	3,591,719,700	535,289,700	10,201,100	4,210,010,500	395,152,828	4,605,163,328	0.9420
2018	70,768,300	3,546,662,300	540,809,311	9,983,500	4,168,223,411	394,369,228	4,562,592,639	0.9540
2017	77,666,700	3,316,100,000	494,529,500	5,301,000	3,893,597,200	390,037,828	4,283,635,028	0.9910
2016	82,398,900	3,264,430,450	496,908,050	5,301,000	3,849,038,400	381,450,901	4,230,489,301	0.2360
2015	81,794,000	3,207,651,650	501,336,900	5,301,000	3,796,083,550	381,306,101	4,177,389,651	0.9510
2014	83,046,000	3,072,774,600	503,958,200	5,289,100	3,665,067,900	380,220,251	4,045,288,151	0.9510
2013	85,750,100	3,000,279,200	504,026,100	5,289,100	3,595,344,500	386,615,851	3,981,960,351	0.9700
2012	119,809,000	3,787,904,100	459,327,500	4,965,400	4,372,006,000	384,506,851	4,756,512,851	0.9550

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

SURF CITY

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
2021	\$ 33,053,600	\$ 1,853,669,500	\$ 82,576,400	\$ 1,969,299,500	\$ 63,355,600	916,904	\$ 2,033,572,004	0.2820
2020	26,852,000	1,836,211,100	82,587,100	1,945,650,200	63,525,500	916,904	2,010,092,604	0.2570
2019	38,486,500	1,803,572,700	82,876,900	1,924,936,100	63,547,500	817,895	1,989,301,495	0.2500
2018	16,654,900	1,503,368,695	76,744,795	1,596,768,390	50,437,900	-	1,647,206,290	0.3020
2017	18,006,800	1,485,102,800	76,553,120	1,579,662,720	50,404,100	-	1,630,066,820	0.3120
2016	27,681,500	1,460,346,700	78,219,977	1,566,248,177	50,197,700	-	1,616,445,877	0.3010
2015	27,429,100	1,448,886,900	80,490,500	1,556,806,500	50,197,700	-	1,607,004,200	0.2740
2014	26,178,900	1,441,394,000	79,948,100	1,547,521,000	50,197,700	-	1,597,718,700	0.2800
2013	15,529,600	1,451,038,000	79,932,600	1,546,500,200	49,753,200	-	1,596,253,400	0.2790
2012	16,987,400	1,443,657,500	80,412,000	1,541,056,900	49,746,000	-	1,590,802,900	0.2740

**SOUTHERN REGIONAL 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			TOTAL DIRECT	OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE	
	REGIONAL SCHOOL		TOWNSHIP OF BARNEGAT LIGHT		OCEAN COUNTY		COUNTY LIBRARY		COUNTY OPEN SPACE		
	LOCAL SCHOOL	REGIONAL SCHOOL			OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	COUNTY OPEN SPACE			
2021	0.0450	0.2040	0.2490	0.2490	0.2460	0.3440	0.0380	0.0130	0.8900		
2020	0.0470	0.2140	0.2610	0.2610	0.2410	0.3500	0.0390	0.0120	0.9030		
2018	0.0470	0.1860	0.2330	0.2330	0.2360	0.3500	0.0390	0.0120	0.8700		
2017	0.0460	0.1890	0.2350	0.2350	0.2260	0.3440	0.0380	0.0120	0.8550		
2016	0.0460	0.2030	0.2490	0.2490	0.2270	0.3570	0.0390	0.0130	0.8850		
2015	0.0440	0.1830	0.2270	0.2270	0.2220	0.3620	0.0390	0.0120	0.8620		
2014	0.0380	0.1620	0.2000	0.2000	0.2220	0.3570	0.0390	0.0130	0.8310		
2013	0.0450	0.2440	0.2890	0.2890	0.2050	0.3570	0.0400	0.0130	0.8150		
2012	0.0430	0.1920	0.2350	0.2350	0.1850	0.3410	0.0400	0.0130	0.8680		
2011	0.0430	0.2180	0.2610	0.2610	0.1750	0.3330	0.0380	0.0140	0.7950		

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			TOTAL DIRECT	OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE	
	REGIONAL SCHOOL		BOROUGH OF BEACH HAVEN		OCEAN COUNTY		COUNTY LIBRARY		COUNTY OPEN SPACE		
	LOCAL SCHOOL	REGIONAL SCHOOL			OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	COUNTY OPEN SPACE			
2021	0.0960	0.1980	0.2940	0.2940	0.4200	0.3700	N/A	0.0130	1.0970		
2020	0.0960	0.2310	0.3270	0.3270	0.3730	0.3710	N/A	0.0140	1.1210		
2018	0.0970	0.2050	0.3020	0.3020	0.4080	0.3660	N/A	0.0130	1.0890		
2017	0.0960	0.2600	0.3560	0.3560	0.4060	0.3520	N/A	0.0130	1.1270		
2016	0.0880	0.2180	0.3060	0.3060	0.4060	0.3520	N/A	0.0120	1.0760		
2015	0.1080	0.3010	0.4090	0.4090	0.4340	0.4290	N/A	0.0140	1.2860		
2014	0.1020	0.2790	0.3810	0.3810	0.4510	0.4220	N/A	0.0150	1.2690		
2013	0.1010	0.2500	0.3510	0.3510	0.4260	0.4090	N/A	0.0140	1.2300		
2012	0.0900	0.2700	0.3600	0.3600	0.3460	0.3880	N/A	0.0150	1.1000		
2011	0.0890	0.2570	0.3460	0.3460	0.3710	0.3670	N/A	0.0150	1.1130		

Source: Municipal Tax Collector

**SOUTHERN REGIONAL 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			TOTAL DIRECT	BOROUGH OF				OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	SCHOOL		HARVEY CEDARS	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	COUNTY LIBRARY	COUNTY OPEN SPACE		
2021	0.044	0.232	0.2760	0.283	0.333	0.036	0.012				0.9400	
2020	0.0450	0.2220	0.2670	0.2770	0.3350	0.0370	0.0120				0.9280	
2019	0.0460	0.2130	0.2590	0.2660	0.3410	0.0380	0.0120				0.9160	
2018	0.0470	0.2260	0.2730	0.2660	0.3480	0.0380	0.0120				0.9370	
2017	0.0460	0.2360	0.2820	0.2660	0.3550	0.0380	0.0130				0.9540	
2016	0.0440	0.2780	0.3220	0.2510	0.3660	0.0400	0.0120				0.9910	
2015	0.0380	0.2920	0.3300	0.2510	0.3570	0.0390	0.0120				0.9890	
2014	0.0440	0.2580	0.3020	0.2440	0.3490	0.0390	0.0120				0.9460	
2013	0.0420	0.2570	0.2990	0.2430	0.3370	0.0390	0.0130				0.9340	
2012	0.0410	0.1750	0.2160	0.2240	0.3190	0.0370	0.0130				0.8920	

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			TOTAL DIRECT	TOWNSHIP OF				OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	SCHOOL		LONG BEACH	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	COUNTY LIBRARY	COUNTY OPEN SPACE		
2021	0.0410	0.2000	0.2410	0.2050	0.3140	0.0350	0.0110				0.8060	
2020	0.0510	0.2500	0.3010	0.2540	0.3830	0.0420	0.0140				0.9940	
2019	0.0510	0.2640	0.3150	0.2540	0.3790	0.0420	0.0130				1.0030	
2018	0.0500	0.2410	0.2910	0.2500	0.3780	0.0410	0.0130				0.9730	
2017	0.0480	0.2610	0.3090	0.2360	0.3790	0.0410	0.0130				0.9780	
2016	0.0470	0.2650	0.3120	0.2320	0.3870	0.0420	0.0130				0.9860	
2015	0.0410	0.2750	0.3160	0.2320	0.3820	0.0410	0.0140				0.9850	
2014	0.0460	0.2610	0.3070	0.2280	0.3710	0.0410	0.0140				0.9700	
2013	0.0450	0.2410	0.2860	0.2240	0.3580	0.0420	0.0140				0.9450	
2012	0.0440	0.2340	0.2780	0.2210	0.3400	0.0390	0.0140				0.9000	

Source: Municipal Tax Collector

**SOUTHERN REGIONAL 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		TOTAL DIRECT	OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL		BOROUGH OF SHIP BOTTOM	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2021	0.0480	0.2190	0.2670	0.3650	0.3690	0.0400	0.0130	1.0540
2020	0.0490	0.2250	0.2740	0.3590	0.3700	0.0410	0.0130	1.0570
2019	0.0480	0.2400	0.2880	0.3540	0.3630	0.0400	0.0130	1.0580
2018	0.0480	0.2530	0.3010	0.3440	0.3620	0.0400	0.0130	1.0600
2017	0.0440	0.2080	0.2520	0.3400	0.3490	0.0380	0.0120	0.9910
2016	0.0470	0.2180	0.2650	0.3930	0.3930	0.0430	0.0130	1.1070
2015	0.0410	0.2060	0.2470	0.3930	0.3850	0.0420	0.0130	1.0800
2014	0.0480	0.2120	0.2600	0.3740	0.3880	0.0430	0.0140	1.0660
2013	0.0470	0.2060	0.2530	0.3630	0.3720	0.0430	0.0140	1.0520
2012	0.0460	0.2230	0.2690	0.3420	0.3540	0.0410	0.0150	1.0050

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		TOTAL DIRECT	OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL		TOWNSHIP OF STAFFORD	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2021	0.7160	0.2410	0.9570	0.9110	0.3800	0.0410	0.0140	2.3220
2020	0.7160	0.2430	0.9590	0.9110	0.3800	0.0420	0.0140	2.3250
2019	0.7140	0.2280	0.9420	0.9040	0.3740	0.0410	0.0130	2.2920
2018	0.7140	0.2400	0.9540	0.8980	0.3600	0.0390	0.0130	2.2780
2017	0.7520	0.2390	0.9910	0.9110	0.3820	0.0410	0.0130	2.3530
2016	0.7520	0.2360	0.9880	0.8950	0.3770	0.0410	0.0130	2.3290
2015	0.7280	0.2230	0.9510	0.8600	0.3610	0.0390	0.0120	2.2470
2014	0.7340	0.2360	0.9700	0.8740	0.3600	0.0410	0.0130	2.2830
2013	0.7170	0.2380	0.9550	0.8740	0.3480	0.0400	0.0150	2.2600
2012	0.5980	0.2140	0.8120	0.7170	0.3160	0.0360	0.0130	2.0500

Source: Municipal Tax Collector

**SOUTHERN REGIONAL 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		BOROUGH OF		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	SURF CITY	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2021	0.0440	0.2380	0.2820	0.2390	0.3330	0.0360	0.0120	0.9020
2020	0.0440	0.2130	0.2570	0.2390	0.3280	0.0370	0.0120	0.8730
2019	0.0440	0.2060	0.2500	0.2390	0.3330	0.0370	0.0120	0.8710
2018	0.0510	0.2510	0.3020	0.2790	0.3800	0.0410	0.0130	1.0150
2017	0.0490	0.2630	0.3120	0.2720	0.3880	0.0420	0.0140	1.0280
2016	0.0460	0.2550	0.3010	0.2670	0.3810	0.0410	0.0130	1.0030
2015	0.0400	0.2340	0.2740	0.2600	0.3740	0.0410	0.0130	0.9620
2014	0.0460	0.2340	0.2800	0.2520	0.3700	0.0420	0.0130	0.9510
2013	0.0440	0.2350	0.2790	0.2440	0.3520	0.0410	0.0130	0.9300
2012	0.0430	0.2310	0.2740	0.2300	0.3300	0.0380	0.0140	0.8910

Source: Municipal Tax Collector

**SOUTHERN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS PRIOR**

BARNEGAT LIGHT

NOT AVAILABLE

BEACH HAVEN

NOT AVAILABLE

HARVEY CEDARS

NOT AVAILABLE

LONG BEACH TOWNSHIP

NOT AVAILABLE

SHIP BOTTOM

NOT AVAILABLE

STAFFORD TOWNSHIP

NOT AVAILABLE

SURF CITY

NOT AVAILABLE

**SOUTHERN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
BARNEGAT LIGHT**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	N/A	N/A	N/A	N/A
2020	9,236,070	9,176,773	99.36%	N/A
2019	8,870,611	8,790,669	99.10%	N/A
2018	8,645,147	8,597,813	99.45%	N/A
2017	9,011,724	8,872,489	98.45%	N/A
2016	8,721,211	8,582,055	98.40%	N/A
2015	8,321,350	8,132,461	97.73%	N/A
2014	9,033,394	8,989,255	99.51%	36,215
2013	8,226,786	8,185,742	99.50%	N/A
2012	N/A	N/A	N/A	N/A

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
BEACH HAVEN**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A
2019	23,029,065	22,712,816	98.63%	N/A
2018	23,570,644	23,322,602	98.95%	N/A
2017	22,332,470	22,062,018	98.79%	N/A
2016	22,743,351	22,099,484	97.17%	N/A
2015	21,318,735	21,040,566	98.70%	N/A
2014	20,006,549	19,795,398	98.94%	197,163
2013	19,035,870	18,797,241	98.75%	N/A
2012	18,236,966	17,880,659	98.05%	N/A
2011	17,769,146	17,539,408	98.71%	3,707

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
HARVEY CEDARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	N/A	N/A	N/A	N/A
2020	11,995,443	11,949,405	99.62%	N/A
2019	11,785,058	11,641,314	98.78%	N/A
2018	11,895,417	11,759,275	98.86%	N/A
2017	11,973,094	11,833,052	98.83%	N/A
2016	12,509,229	12,258,529	98.00%	N/A
2015	12,285,859	12,207,906	99.37%	N/A
2014	11,712,952	11,650,950	99.47%	\$ 52,154
2013	11,529,197	11,469,162	99.48%	N/A
2012	10,034,847	9,958,405	99.24%	N/A

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
LONG BEACH TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	N/A	N/A	N/A	N/A
2020	\$ 80,369,339	\$ 80,084,736	99.65%	N/A
2019	\$ 80,673,439	\$ 79,938,886	99.09%	\$ 714,719
2018	77,420,815	76,685,625	99.05%	\$ 787,633
2017	77,264,635	76,713,403	99.29%	N/A
2016	77,331,817	76,585,103	99.03%	\$ 556,916
2015	76,436,267	74,569,931	97.56%	N/A
2014	73,776,617	73,107,882	99.09%	\$ 620,519
2013	70,332,995	69,735,972	99.15%	N/A
2012	67,798,996	67,025,265	98.86%	N/A
2011	65,387,159	64,624,595	98.83%	N/A

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
SHIP BOTTOM**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	N/A	N/A	N/A	N/A
2020	14,626,421	14,528,991	99.33%	N/A
2019	14,509,123	14,257,944	98.27%	\$ 141,156
2018	14,138,792	13,973,811	98.83%	N/A
2017	13,147,115	12,960,287	98.58%	N/A
2016	N/A	N/A	N/A	\$ 225,644
2015	12,236,660	11,915,533	97.38%	N/A
2014	12,040,990	11,596,059	96.30%	\$ 403,195
2013	11,557,481	11,200,295	96.91%	N/A
2012	11,429,990	11,070,639	96.86%	N/A

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
STAFFORD TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	N/A	N/A	N/A	N/A
2020	\$ 99,179,432	\$ 99,195,712	100.02%	\$ 515,244
2019	\$ 97,395,285	\$ 96,789,263	99.38%	\$ 85,883
2018	95,760,140	95,157,177	99.37%	\$ 266,613
2017	92,715,159	91,976,721	99.20%	\$ 233,146
2016	90,747,342	89,902,074	99.07%	N/A
2015	86,552,131	85,762,956	99.09%	N/A
2014	84,224,610	83,415,651	99.04%	\$ 187,096
2013	81,195,429	80,583,706	99.25%	N/A
2012	83,741,041	82,562,340	98.59%	N/A

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
SURF CITY**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A
2019	\$ 16,904,326	\$ 16,779,310	99.26%	N/A
2018	16,308,619	16,130,081	98.91%	N/A
2017	16,397,493	16,233,244	99.00%	N/A
2016	15,808,132	15,649,897	99.00%	N/A
2015	15,041,725	14,852,747	98.74%	N/A
2014	14,916,049	14,719,626	98.68%	187,096
2013	14,412,179	14,222,065	98.68%	N/A
2012	13,725,871	13,366,369	97.38%	N/A

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

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Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

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

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES			PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT		
2021	\$ -	\$ -	\$ -	N/A	N/A
2020	\$ -	\$ -	\$ -	N/A	N/A
2019	-	268,011.00	268,011.00		7.64
2018	-	606,881.00	606,881.00	N/A	17.30
2017	-	958,324.00	958,324.00	0.0070%	27.61
2016	1,520,000.00	1,253,258.00	2,773,258.00	0.1669%	80.32
2015	3,085,000.00	1,261,761.00	4,346,761.00	0.2703%	126.63
2014	4,710,000.00	243,424.00	4,953,424.00	0.3248%	145.55
2013	4,635,000.00	405,770.00	5,040,770.00	0.0034%	147.42
2012	8,145,000.00	560,582.00	8,705,582.00	0.5958%	255.03

**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	CAPITAL LEASES	NET GENERAL BONDED DEBT OUTSTANDING		
2021	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2019	-	268,011.05	-	0.0013%	7.64
2018	-	606,881.27	-	0.0031%	17.30
2017	-	958,324	-	0.0050%	27.61
2016	-	958,324	-	0.0146%	80.32
2015	3,085,000	1,261,761	3,085,000	0.0238%	126.63
2014	4,710,000	243,424	4,710,000	0.0273%	145.55
2013	6,390,000	405,770	6,390,000	0.0283%	147.42
2012	8,145,000	560,582	8,145,000	0.0492%	255.03

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

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Barnegat Light	\$ 2,415,641	100.00%	\$ 2,415,641
Beach Haven	11,509,220	100.00%	11,509,220
Harvey Cedars	1,223,119	100.00%	1,223,119
Long Beach Township	22,602,777	100.00%	22,602,777
Borough of Ship Bottom	13,429,209	100.00%	13,429,209
Stafford Township	61,621,569	100.00%	61,621,569
Stafford Township School District	13,409,908	100.00%	13,409,908
Surf City	2,080,380	100.00%	2,080,380
Ocean County General Obligation Debt	488,649,690	21.42%	104,668,764
Subtotal, Overlapping Debt			232,960,587
Southern Regional School District Direct Debt	-	100.00%	-
Total Direct & Overlapping Debt			\$ 232,960,587

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

**SOUTHERN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 889,675,774	\$ 843,670,544	\$ 794,162,466	\$ 751,746,477	\$ 713,798,531	\$ 698,284,296	\$ 740,128,043	\$ 717,396,739	\$ 844,395,384	\$ 854,804,437
Total Net Debt Applicable to Limit	-	-	-	-	1,520,000	4,346,761	4,710,000	6,390,000	8,145,000	9,760,000
Legal Debt Margin	\$ 889,675,774	\$ 843,670,544	\$ 794,162,466	\$ 751,746,477	\$ 712,278,531	\$ 693,937,535	\$ 735,418,043	\$ 711,006,739	\$ 836,250,384	\$ 845,044,437
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	N/A	N/A	N/A	N/A	0.21%	0.62%	0.64%	0.89%	0.96%	1.14%

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized Valuation Basis
Average Equalized Valuation of Taxable Property	\$ 23,495,778,338
Debt Limit (4 % of Average Equalization Value)	\$ 21,960,236,914
Net Bonded School Debt	\$ 21,269,667,763
Legal Debt Margin	\$ 66,725,683,015

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**SOUTHERN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PERSONAL INCOME*	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
BARNEGAT LIGHT BOROUGH				
2021	N/A	N/A	N/A	N/A
2020	588	N/A	N/A	3.5%
2019	585	31,086,315	53,139	2.7%
2018	584	29,990,152	51,353	3.6%
2017	582	28,991,166	49,813	4.5%
2016	578	28,078,084	48,578	6.8%
2015	583	27,468,045	47,115	5.3%
2014	580	26,071,580	44,951	5.3%
2013	578	25,004,280	43,260	5.0%
2012	579	24,813,045	42,855	5.0%
BEACH HAVEN BOROUGH				
2021	N/A	N/A	N/A	N/A
2020	1,216	N/A	N/A	9.2%
2019	1,202	63,873,078	53,139	4.3%
2018	1,192	61,212,776	51,353	6.2%
2017	1,178	58,679,714	49,813	7.8%
2016	1,172	56,933,416	48,578	7.4%
2015	1,168	55,030,320	47,115	7.8%
2014	1,167	52,457,817	44,951	6.4%
2013	1,165	50,397,900	43,260	6.4%
2012	1,168	50,054,640	42,855	15.9%
HARVEY CEDARS BOROUGH				
2021	N/A	N/A	N/A	N/A
2020	348	N/A	N/A	6.0%
2019	345	18,332,955	53,139	2.9%
2018	341	17,511,373	51,353	5.8%
2017	341	16,986,233	49,813	5.8%
2016	340	16,516,520	48,578	9.7%
2015	342	16,113,330	47,115	7.9%
2014	342	15,373,242	44,951	8.7%
2013	341	14,751,660	43,260	8.70%
2012	341	14,613,555	42,855	
LONG BEACH TOWNSHIP				
2021	N/A	N/A	N/A	N/A
2020	3,073	N/A	N/A	9.1%
2019	3,076	163,455,564	53,139	4.0%
2018	3,068	157,551,004	51,353	5.9%
2017	3,054	152,128,902	49,813	6.2%
2016	3,044	147,871,432	48,578	6.6%
2015	3,044	143,418,060	47,115	7.3%
2014	3,024	135,931,824	44,951	4.5%
2013	3,042	131,596,920	43,260	4.5%
2012	3,061	131,179,155	42,855	11.6%

**SOUTHERN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PERSONAL INCOME*	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
SHIP BOTTOM BOROUGH				
2021	N/A	N/A	N/A	N/A
2020	1,168	N/A	N/A	8.1%
2019	1,156	61,428,684	53,139	4.0%
2018	1,149	59,004,597	51,353	5.7%
2017	1,141	56,836,633	49,813	6.0%
2016	1,140	55,378,920	48,578	6.6%
2015	1,129	53,192,835	47,115	6.9%
2014	1,126	50,614,826	44,951	6.4%
2013	1,140	49,316,400	43,260	6.4%
2012	1,143	48,983,265	42,855	15.6%
STAFFORD TOWNSHIP				
2021	N/A	N/A	N/A	N/A
2020	28,532	N/A	N/A	9.4%
2019	27,862	1,480,558,818	53,139	3.7%
2018	27,588	1,416,726,564	51,353	4.9%
2017	27,283	1,359,048,079	49,813	5.3%
2016	27,109	1,316,901,002	48,578	5.9%
2015	26,916	1,268,147,340	47,115	7.1%
2014	26,787	1,204,102,437	44,951	8.1%
2013	26,694	1,154,782,440	43,260	8.1%
2012	26,696	1,144,057,080	42,855	10.3%
SURF CITY BOROUGH				
2021	N/A	N/A	N/A	N/A
2020	1,205	N/A	N/A	7.8%
2019	1,197	63,607,383	53,139	4.6%
2018	1,190	61,110,070	51,353	5.3%
2017	1,180	58,779,340	49,813	5.8%
2016	1,174	57,030,572	48,578	6.0%
2015	1,174	55,313,010	47,115	7.1%
2014	1,171	52,637,621	44,951	9.2%
2013	1,172	50,700,720	43,260	9.2%
2012	1,171	50,183,205	42,855	10.9%

2011-2020 - Data by County

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

NOT AVAILABLE

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**SOUTHERN REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

Function/Program	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	180	180	180	175	175	178	178	180	180	180
Special Education	94	94	91	81	68	70	72	72	72	72
Support Services:										
Student & Instruction Related Services	73	73	73	68	49	51	52	52	52	52
School Administrative Services	17	17	22	27	29	29	29	29	29	29
General & Business Administrative Services	7	7	8	12	12	12	12	12	12	12
Plant Operations & Maintenance	45	45	46	41	41	41	41	42	42	42
Pupil Transportation	62	62	62	61	64	64	64	62	62	62
Business & Other Support Services	9	9	8	8	8	8	8	8	8	8
Total	487	487	490	473	446	453	456	457	457	457

Source: District Personnel Records

**SOUTHERN REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2021	2,850	\$ 63,233,896	\$ 22,187	3.56%	235	N/A	N/A	2,828	2,598	-0.32%	91.87%
2020	2,855	61,166,503	21,424.34	0.75%	235	N/A	N/A	2,837	2,717	-0.25%	95.77%
2019	2,857	60,750,905	21,264	-4.14%	229	N/A	N/A	2,844	2,662	-0.11%	93.60%
2018	2,838	62,952,924	22,182	7.19%	229	N/A	N/A	2,847	2,669	0.14%	93.75%
2017	2,872	59,433,481	20,694	3.64%	229	N/A	N/A	2,843	2,671	-0.66%	93.95%
2016	2,877	57,443,985	19,967	7.61%	229	N/A	N/A	2,862	2,695	-2.09%	94.16%
2015	2,951	54,755,897	18,555	0.28%	232	N/A	N/A	2,923	2,759	-2.47%	94.39%
2014	2,997	55,454,480	18,503	-1.77%	234	13:1	14:1	2,997	2,830	0.63%	94.43%
2013	2,978	56,098,380	18,838	6.83%	234	N/A	N/A	2,978	2,802	0.21%	94.09%
2012	3,010	53,075,606	17,633	0.37%	234	N/A	N/A	2,972	2,807	1.30%	94.45%

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).

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Middle School (1971, 86):											
Square Feet	119,703	119,703	119,703	119,703	119,703	119,703	119,703	119,703	119,703	119,703	119,703
Capacity (Students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	903	932	939	948	948	939	889	990	990	994	981
Junior High School: (1950, 56, 65):											
Square Feet	188,811	188,811	188,811	188,811	188,811	188,811	188,811	188,811	188,811	188,811	188,811
Capacity (Students)	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	970	980	980	1,000	1,000	1,000	1,085	1,058	1,058	1,080	1,090
Senior High School: (1997, 98):											
Square Feet	123,295	123,295	123,295	123,295	123,295	123,295	123,295	123,295	123,295	123,295	123,295
Capacity (Students)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	956	925	926	899	899	905	888	949	949	904	902
Other Buildings:											
Administration Building (1993):											
Square Feet	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475
Transportation/Maintenance (1996):											
Square Feet	7,260	7,260	7,260	7,260	7,260	7,260	7,260	7,260	7,260	7,260	7,260
Bus Garage (1965):											
Square Feet	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Technology Building (1965)											
Square Feet	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664
Maintenance Building (1965, 80):											
Square Feet	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470
World Language Office (1975):											
Square Feet	648	648	648	648	648	648	648	648	648	648	648

Number of Schools at June 30, 2020:
 Middle School = 1
 Junior High School = 1
 Senior High School = 1
 Other = 5

Source: District Facilities Office

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-xxx

* School Facilities Project Numbers	MIDDLE SCHOOL 4950-060-04-1000	HIGH SCHOOL	ADULT SCHOOL	TOTAL
2021	\$ 711,328	\$ 1,422,655	\$ -	2,133,983
2020	709,759	1,441,025	-	2,150,784
2019	1,676,805	718,631	-	2,395,436
2018	559,906	1,446,447	-	2,006,353
2017	553,360	1,296,725	-	1,850,085
2016	425,078	996,302	-	1,421,380
2015	424,030	993,896	-	1,417,926
2014	435,777	1,019,676	-	1,455,453
2013	429,485	1,038,574	-	1,468,059
2012	375,157	900,971	-	1,276,128

**INSURANCE SCHEDULE
June 2021**

	COVERAGE	DEDUCTIBLE
School Package Policy (School Alliance Insurance Fund):		
Property - Blanket Buildings and Contents	\$ 250,000,000	\$ 1,000
General Liability	250,000,000	1,000
Flood Insurance Coverage	10,000,000	-
Earthquake Coverage	25,000,000	-
Pollution Coverage	1,000,000	-
Umbrella Liability	10,000,000	
School Leaders Liability	15,000,000	10,000

Source: District records

SINGLE AUDIT SECTION

Fourth 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
Southern Regional School District
County of Ocean
Manahawkin, 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 Southern Regional 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 February 22, 2022.

Internal Control Over Financial Reporting

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

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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.

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

February 22, 2022



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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
Southern Regional School District
County of Ocean
Manahawkin, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Southern Regional School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2021. The Southern Regional 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 Southern Regional 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.

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Opinion on Each Major Federal and State Program

In our opinion, the Southern Regional 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 Southern Regional 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.

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
February 22, 2022

SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL 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	ADJUSTMENTS	UNEARNED REVENUE	BALANCE JUNE 30, 2021	
											RECEIVABLE	DUE TO GRANTOR
U.S. Department of Health and Human Services Passed Through New Jersey Department of Human Services: Medicaid Cluster Medical Assistance Program (SEM) Total Medicaid Cluster	93.778	2105NJ5MAP	100-010-3350-0211	\$ 32,713.79	7/1/20-6/30/2021	\$ -	\$ 32,713.79	\$ (32,713.79)	\$ -	\$ -	\$ -	\$ -
Total U.S. Department of Health and Human Services							\$ 32,713.79	\$ (32,713.79)	\$ -	\$ -	\$ -	\$ -
U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: School Breakfast Program COVID-19 National School Breakfast Program COVID-19 National School Lunch Program	10.553 10.553 10.553	20NJ304N1099 20NJ304N1099 19NJ304N1099	100-010-3350-028 100-010-3350-028 100-010-3350-028	41,000.92 1,478.04 1,597.20	7/1/20-6/30/21 7/1/20-6/30/21 7/1/19-6/30/20	- (470.80) (470.80)	36,783.76 1,478.04 470.80	(41,000.92) (1,478.04) -	- -	- -	(4,217.16) -	-
National School Lunch Program COVID-19 National School Lunch Program COVID-19 National School Lunch Program Healthy Hunger-Free Kids Act COVID-19 National School Lunch Program HHPKA COVID-19 National School Lunch Program HHPKA COVID-19 Emergency Operational Cost Program-Schools Food Distribution Program (Noncash Assistance)	10.555 10.555 10.555 10.555 10.555 10.555 10.555	20NJ304N1099 20NJ304N1099 19NJ304N1099 20NJ304N1099 20NJ304N1099 202121H170341 20NJ304N1099	100-010-3350-028 100-010-3350-028 100-010-3350-026 100-010-3350-026 100-010-3350-026 Unavailable Unavailable	245,078.73 18,329.22 2,475.66 4,887.61 365.54 50.82 36,104.64 20,328.10	7/1/20-6/30/21 7/1/20-6/30/21 7/1/20-6/30/20 7/1/20-6/30/21 7/1/20-6/30/21 7/1/20-6/30/20 7/1/20-6/30/21	- -	224,348.67 18,329.22 729.74 4,474.19 365.54 14.98 -	(245,078.73) (18,329.22) -	- -	- -	(20,730.06) -	-
Total U.S. Department of Agriculture						(1,215.52)	312,049.35	(367,572.80)	-	4,726.31	(61,465.28)	-
U.S. Department of Treasury Passed Through New Jersey Department of Education: COVID-19 Coronavirus Relief Fund COVID-19 Bridging the Digital Divide	21.019 21.019	SLT0007 SLT0007	100-034-5120-517 100-034-5120-516	122,253 1,871	3/1/20-9/30/23 3/1/20-9/30/23	-	122,253.00 1,865.00	(122,253.00) (1,865.00)	- -	- -	- -	-
Total U.S. Department of Treasury						-	124,118.00	(124,118.00)	-	-	-	-
U.S. Department of Education Passed Through New Jersey Department of Education: Elementary and Secondary Education Act (ESEA): Title I - Part A Title I - Part A Title II - Part A, Supporting Effective Instruction Title II - Part A, Supporting Effective Instruction Title IV - Part A Special Education Cluster: I.D.E.A. Part B I.D.E.A. Part B	84.010 84.010 84.367 84.367 84.424 84.027 84.027	S010A190030 S010A180030 S367A190029 S367A180029 S424A180031 H027A190100 H027A180100	100-034-5064-194 100-034-5064-194 100-034-5063-290 100-034-5063-290 100-034-5063-348 100-034-5065-016 100-034-5065-016	432,639.00 297,600.00 88,822.00 67,381.00 20,702.00 604,109.00 585,126.00	7/1/20-9/30/21 7/1/19-6/30/20 7/1/20-9/30/21 7/1/19-9/30/20 7/1/20-9/30/21 7/1/20-9/30/21 7/1/19-9/30/20	(165,306.02) (165,306.02)	218,082.98 381,389.00 62,907.78 29,689.22 92,597.00 604,505.19 239,795.81	(337,801.96) -	- -	- -	(119,718.98) -	-
Total U.S. Department of Education						(239,836.18)	844,301.00	(616,251.72)	40.37	-	(11,746.53)	-
Total Expenditures of Federal Awards						(529,533.71)	2,033,409.14	(2,449,387.76)	40.37	4,726.31	(950,198.27)	\$ -

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

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SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE, JUNE 30, 2021		MEMO		
										UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
New Jersey Department of Education:														
General Fund:														
State Aid Public:														
Special Education Categorical Aid	495-034-5120-089	\$ 1,762,089.00	7/1/20-6/30/21	-	-	\$ 1,762,089.00	\$ (1,762,089.00)	-	-	-	-	\$	\$ 162,413.47	1,762,089.00
Security Aid	495-034-5120-084	204,023.00	7/1/20-6/30/21	-	-	204,023.00	(204,023.00)	-	-	-	-	-	18,805.00	204,023.00
Total State Aid Public						\$ 1,966,112.00	(1,966,112.00)	-	-	-	-	-	\$ 181,218.47	1,966,112.00
Transportation Aid	495-034-5120-014	630,356.00	7/1/20-6/30/21	-	-	630,356.00	(630,356.00)	-	-	-	-	-	58,100.53	630,356.00
Extraordinary Aid	495-034-5120-044	928,347.00	7/1/20-6/30/21	-	-	-	(928,347.00)	-	-	-	-	-	928,347.00	928,347.00
Extraordinary Aid	495-034-5120-044	805,957.00	7/1/19-6/30/21	(805,957.00)	-	805,957.00	-	-	-	-	-	-	-	-
Additional Non-Public Transportation Aid	495-034-5120-014	4,930.00	7/1/20-6/30/21	-	-	-	(4,930.00)	-	-	-	-	-	4,930.00	4,930.00
Additional Non-Public Transportation Aid	495-034-5120-014	8,900.00	7/1/19-6/30/21	(8,900.00)	-	8,900.00	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	82,879.75	7/1/19-6/30/21	(82,879.75)	-	82,879.75	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	1,726,006.35	7/1/20-6/30/21	-	-	1,593,379.75	(1,726,006.35)	-	-	-	-	-	132,626.60	1,726,006.35
TPAF - Post Retirement														
Medical (Noncash Assistance)	495-034-5094-001	1,930,600.00	7/1/20-6/30/21	-	-	1,930,600.00	(1,930,600.00)	-	-	-	-	-	-	1,930,600.00
TPAF - Pension														
Contributions (Noncash Assistance)	495-034-5094-002	6,160,486.00	7/1/20-6/30/21	-	-	6,160,486.00	(6,160,486.00)	-	-	-	-	-	-	6,160,486.00
TPAF - Long-Term Disability														
Insurance (Noncash Assistance)	495-034-5094-004	1,989.00	7/1/20-6/30/21	-	-	1,989.00	(1,989.00)	-	-	-	-	-	-	1,989.00
Total General Fund						\$ 13,180,659.50	(13,348,826.35)	-	-	-	(1,065,903.60)	-	\$ 1,305,222.60	13,348,826.35
Special Revenue Fund:														
New Public Aid:														
Textbook Aid	100-034-5120-064	2,627.00	7/1/20-6/30/21	-	-	2,627.00	(1,449.25)	-	-	-	-	-	1,177.75	1,449.25
Nursing Services	100-034-5120-070	4,386.00	7/1/20-6/30/21	-	-	4,386.00	(3,747.00)	-	-	-	-	-	639.00	3,747.00
Nursing Services	100-034-5120-070	3,201.00	7/1/19-6/30/21	3.82	-	-	-	(3.82)	-	-	-	-	-	-
Auxiliary Services Aid (Chapter 192)	100-034-5120-067	8,709.00	7/1/20-6/30/21	-	-	10,655.00	(6,253.00)	-	-	-	-	-	4,402.00	6,253.00
Auxiliary Services Aid (Chapter 192)	100-034-5120-067	19,469.00	7/1/19-6/30/21	4,815.05	-	-	-	(4,815.05)	-	-	-	-	-	-
Handicapped Services (Chapter 193)	100-034-5120-066	24,289.00	7/1/20-6/30/21	-	-	26,774.00	(10,574.00)	-	-	-	-	-	16,200.00	10,574.00
Handicapped Services (Chapter 193)	100-034-5120-066	19,650.00	7/1/19-6/30/21	12,211.20	-	-	-	(12,211.20)	-	-	-	-	-	-
Total Special Revenue Fund						\$ 44,442.00	(22,023.25)	-	(17,030.07)	-	-	-	\$ 22,418.73	22,023.25
Capital Projects Fund:														
New Jersey School Development Authority:														
Middle School Window Project	4950-060-14-G22V	275,760.00	Unit Complete	(213,174.00)	-	-	-	-	-	-	(213,174.00)	-	-	213,174.00
High School Renovations	4950-030-14-1001-G04	2,992,350.00	Unit Complete	(2,088,249.00)	-	-	-	-	-	-	(2,088,249.00)	-	-	2,088,249.00
Total Capital Projects Fund														
New Jersey Department of Agriculture:														
Enterprise Fund:														
National School Lunch Program	100-010-3350-023	15,488.45	7/1/20-6/30/21	-	-	12,576.49	(15,488.45)	-	-	-	-	(2,911.96)	-	15,488.45
National School Lunch Program	100-010-3350-023	7,268.41	7/1/19-6/30/21	(1,911.76)	-	1,911.76	-	-	-	-	-	-	-	-
Total Enterprise Fund						\$ 14,488.25	(15,488.45)	-	-	-	-	(2,911.96)	-	15,488.45
Total State Financial Assistance						\$ 13,219,589.75	(13,386,338.05)	-	(17,030.07)	-	-	-	\$ 1,305,222.60	15,687,761.06
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:														
TPAF - Post Retirement														
Medical (Noncash Assistance)	495-034-5094-001	\$ 1,930,600.00	7/1/20-6/30/21	-	-	-	-	-	-	-	-	-	-	-
TPAF - Pension														
Contributions (Noncash Assistance)	495-034-5094-002	6,160,486.00	7/1/20-6/30/21	-	-	-	-	-	-	-	-	-	-	-
TPAF - Long-Term Disability														
Insurance (Noncash Assistance)	495-034-5094-004	1,989.00	7/1/20-6/30/21	-	-	-	-	-	-	-	-	-	-	-
Total State Financial Assistance Subject to Calculation for Major Program Determination														
						\$ 1,930,600.00								\$ 1,930,600.00
						6,160,486.00								6,160,486.00
						1,989.00								1,989.00
						\$ 5,293,265.05								\$ 5,293,265.05

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

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SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
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 Southern Regional 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.

SOUTHERN REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021 (Continued)

Note 3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *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 (\$7,428.00) for the general fund and (\$497,774.27) 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	\$ 32,713.79	\$ 13,341,398.35	\$ 13,374,112.14
Special Revenue Fund	1,551,326.90	22,023.25	1,573,350.15
Food Service Fund	367,572.80	15,488.45	383,061.25
Total Awards & Financial Assistance	<u>\$ 1,951,613.49</u>	<u>\$ 13,378,910.05</u>	<u>\$ 15,330,523.54</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 Southern Regional School District had no expenditures for loan or loan guarantee programs for the year ended June 30, 2021.

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiency(ies) identified? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____ yes X no

Identification of major programs:

<u>ALN Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425D200027	COVID-19 CARES Emergency Relief
84.425D	S425D200027	COVID-19 CARES - ESSER II

Dollar threshold used to determine Type A programs \$ 750,000.00

Auditee qualified as low-risk auditee? X yes _____ no

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
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.

**SOUTHERN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
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 Principals, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**SOUTHERN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
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 Principals, 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.