

DELSEA REGIONAL HIGH SCHOOL DISTRICT

Franklinville, New Jersey
County of Gloucester

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

DELSEA REGIONAL HIGH SCHOOL DISTRICT

FRANKLINVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by

**Delsea Regional High School District
Finance Department**

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OUTLINE OF ACFR

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INTRODUCTORY SECTION

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DELSEA REGIONAL HIGH SCHOOL DISTRICT

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

March 7, 2024

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

Dear Board Members:

The annual comprehensive financial report (ACFR) of the Delsea Regional High School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2023, 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 annual comprehensive financial report is presented in four sections:

- The Introductory Section contains a table of contents, letter of transmittal, list of principal officials, and an organizational chart of the District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the basic financial statements, and notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;
- The Single Audit Section - The District is required to undergo an annual audit in conformity with the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08.
- Information related to this single audit, including the auditors' reports on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, if any, are included in the single audit section of this report.

Reporting Entity and Its Services

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

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular and vocational, as well as special education for handicapped youth. The District completed the 2022-23 fiscal year with an average daily enrollment of 1,594 students, which is 4 students less than the previous year's enrollment.

The teaching staff consists of approximately 139 teachers, plus 34 classroom support personnel. The district administrative structure includes: a superintendent, an assistant superintendent of curriculum, a business administrator/board secretary, a director of the child study team, and district wide instructional supervisors. The middle school has one principal and one assistant principal; the high school has one principal and two assistant principals. The nine-member board of education is an elected body consisting of seven representatives from Franklin Township and two from Elk Township. Each of the two satellite districts, Franklin and Elk, has its own board of education.

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

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

A strong basic skills curriculum in reading, writing and math is available for students who benefit from small group instruction and need reinforcement of their foundational skills. The District utilizes various research based programs such as the Accelerated Reader program, IXL Math & ELA, and MathXL to provide differentiated instruction.

Comprehensive special education programs are provided to meet the requirements of the special needs population. The District employs six Child Study Team members whose purpose is to ensure that these students receive an educational program appropriate to their needs. The district also utilizes READ 180 to provide targeted literacy instruction to struggling readers and Freckle to address targeted math needs.

The District has made available to students a number of intervention groups to provide for the varied needs of our diversified population. Natural Helpers is a group whose purpose is to help students develop the capacity to intervene effectively with troubled friends. Peer Mediation is available for students to meet with a student mediator for the purpose of resolving conflicts. The 9th Grade Transition Program consists of a select group of upperclassmen who are trained to work with incoming freshmen providing academic,

emotional and social assistance. Additional intervention groups are: Affected Others Educational Support Group, Students United for Respect and Equality, Achieving Sex Equality Through Students, Drug Information Support Group, Recovering Support Group, Pupil Assistance Committee, Concerned Persons Group, Chemical Dependency Support Group, the SURE club, and Student Voice Committee. Last year the district was awarded a \$2.4 million Federal grant focused on the MS climate and culture grant over the next three years.

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

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

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

Delsea Middle School offers a secure and caring environment to address the special needs of the adolescent student. The friendly and empathetic staff, coupled with a meaningful curriculum for middle level students, provides an atmosphere conducive to the student's academic, social, and emotional growth. All seventh and eighth grade students are exposed to a seven period day of sequentially designed programs in language arts; math; science; social studies; health/physical education; and exploratory programs in art, music, foreign language, writing, and computer technology. Students are scheduled into program levels according to their interest, test scores, teacher recommendations, past achievements, and parental requests. The middle school Climate Team in addition to a variety of clubs and activities are available to meet the social, academic, and physical needs of the middle school student.

Economic Condition and Outlook

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

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

The museums, theaters, and other enriching activities of Philadelphia and New York City are within a short driving distance, allowing residents to enjoy the quiet, bucolic life without sacrificing cultural stimulation.

Many major colleges and universities are within an hour drive in both urban and suburban settings. Within the communities, the Delsea Regional school buildings and grounds are the hub of many varied activities for both children and adults.

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

Major Initiatives

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

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

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

In-District Specialized Educational Programs for Students with Disabilities - The District has developed programs for low functioning cognitive children to ensure their placements would remain in-district. These programs provide for life skills and transitioning while maintaining strong academic components. When an opening is available we promote and accept tuition students from other districts. The 2019-2020 school year saw the reinstatement of an 18-21 year old program for our special needs students who have graduated but wish to continue attending school.

Junior Reserve Officers' Training Corps (JROTC) - The JROTC program is an award-winning cooperative financial and curricular effort agreed to by the Army and the District to provide secondary school students with opportunities for the development of leadership, patriotism, strength of character, community service, self-discipline and responsibility.

Technology - In order to challenge students in the twenty-first century, an emphasis has been placed on technology throughout the District. Technology has been integrated into every aspect of the curriculum. Both the high school and middle school facilities are equipped with state of the art labs, media centers, and technological tools, as well as a district wide wireless network with email and internet access. An educational technology coach works with staff to enhance learning and innovate pedagogy. The high school also boasts many specialized areas for specific, more sophisticated technology utilization. In addition to numerous computer labs, there is a television/broadcast studio, a CAD lab, and music tech lab, and online course offerings. The iPad cart in the middle school music department infuses technology into music, creating a seamless transition to the high school music tech program. The District's commitment to technology advanced with the start of the 2013/2014 school year. Every student at Delsea is given a Chromebook as part of the District's 1:1 device initiative. Teachers are able to enhance learning by providing Flipped and Blended learning for students. The focus of technology has shifted from merely placing devices in students' hands or offering workshops to teachers. Preparing students for future success is about maximizing learning and leveraging technology, increasing equity and access for all. The district has moved from static to dynamic learning through the infusion of technology into learning.

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

Advanced Placement - The District is a leader in the county in the offerings of a variety of Advanced Placement courses that expand and solidify the college preparatory curricula to provide students with college entrance skills compatible to, and competitive with, the skills of academic students in other post-secondary institutions in the nation. This special academic curricula in grades seven through twelve function through an articulated and graduated program process from Honors courses in the lower grade levels to nineteen Advanced Placement courses in grades 10, 11, and 12. The district will be adding two more AP courses to the curriculum offerings in the 2021-2022 school year.

Violence Reduction - As a result of continuing revisions in the District's discipline code and board policy, as well as the institution of a variety of proactive violence prevention strategies, such as service learning, there has been a reduction in the number of acts of violence as reported in the District Report on Violence and Vandalism and Substance Abuse. The federal MS Culture and Climate grant has increased access to national programs such as culturally responsive PBIS, trauma-informed practices, and restorative justice; all will be added into the school over the next four years. The district is also looking at discipline disproportionately to ensure that disciplinary actions are fair and equitable.

School to Careers - Emphasis is being placed on School to Career initiatives to provide students with work-based learning, school-based learning, and connecting activities. To this end, the District has formed School to Career Partnerships with other local school districts, as well as partnerships with businesses and industry. The high school has added a Work-Based Learning Experiences coordinator and course to place students into relevant internships and jobs, helping to prepare them for careers following high school.

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

Professional Development - The District, as an advocate of professional growth, recognizes the need to remain current on educational research, practice and initiatives. This year's professional development focus is on equity and access, effective implementation of technology including G- Suite for Education PD and the transition from static to dynamic learning, and allowing staff to remain current on State and District initiatives while promoting individual growth and learning. The District's multi-year commitment to equity and access includes PD for administrators, staff, teachers, and students. The District recognizes each student's ability to learn and promotes training in Let Me Learn, a program which focuses on individual learning patterns. Professional development also focuses on assessment, technology, and best practices to enhance growth and learning.

SHAPE Program – SHAPE (School and Home for a Partnership in Education) serves as a summer enrichment program for academic and social programs for the most at-risk population. Students are exposed to instruction in math, English, and study skills, are mentored by high school students who serve

as role models, and complete hands-on projects that reinforce teamwork. Cultural excursions are also part of the program. Due to the pandemic, the district was unable to offer the summer program, and instead is providing extended school year opportunities through during and after school tutoring in math and ELA.

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

Internal Accounting Controls

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal controls are also subject to periodic evaluation by the District management.

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

Budgetary Controls

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved for by the voters of the municipalities, the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

Accounting System and Reports

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at year end.

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

Management's Discussion and Analysis

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of

transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District is required to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

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

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., Certified Public Accounts & Advisors, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

Significant Awards – Educational

The Delsea Regional School District was awarded the Bipartisan Safer Communities Stronger Connections grant for 1.3 million dollars. The funds will assist in adding physical safety measures, mental health supports, professional learning on effective instructional practices, and multiple tiers of supports for students.

Delsea Regional Middle School, in partnership with three other districts, was awarded a federal culture and climate grant for 2.4 million dollars over the past three years. This will assist the district in furthering their commitment to fostering an environment conducive to success and the whole student.

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

The Delsea Regional music department won a NAMM Music Award for Best Music Community in 2012-2013, 2013-2014, 2015-2016, 2016-2017, 2017-2018, 2019-2020, 2020-2021, 2021-2022, 2022-2023.

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

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

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

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

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

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

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

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

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

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

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

Acknowledgements

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

Respectfully submitted,

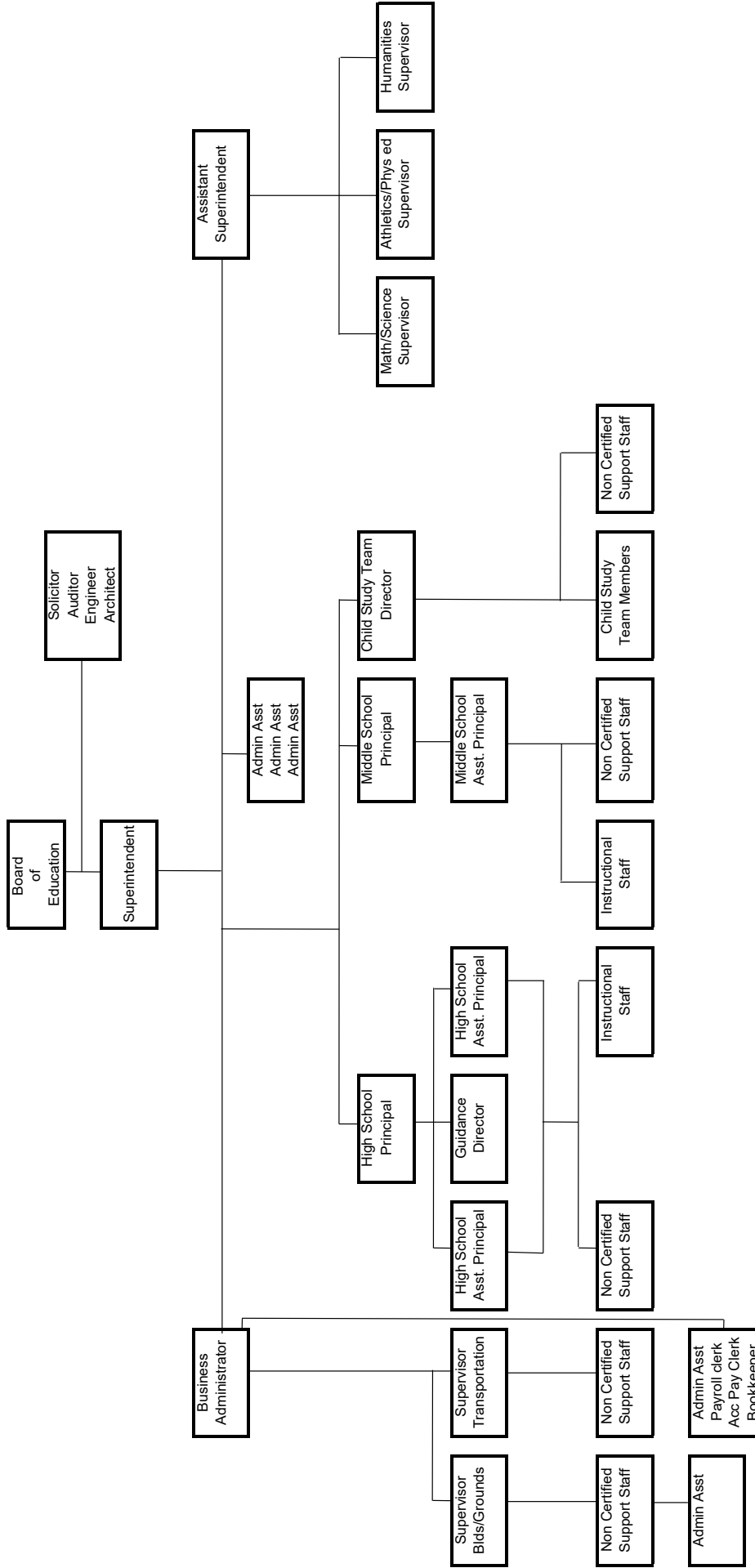
Dr. Piera Gravenor

Dr. Piera Gravenor
Superintendent

Joseph M. Collins

Joseph M. Collins
Business Administrator/Board Secretary

**DELSEA REGIONAL SCHOOL DISTRICT
ORGANIZATIONAL CHART**



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

ROSTER OF OFFICIALS

June 30, 2023

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
David J. Piccirillo, President	2025
Joseph Darmino Sr., Vice President	2024
Frank Borelli	2023
William DiMatteo	2025
Cheryl Beck	2023
Ellen Gaglianone	2026
Charles DeWoody	2024
Garry Lightfoot Jr.	2024

OTHER OFFICIALS

Dr. Piera Gravenor, Superintendent

Joseph Collins, CPA, School Business Administrator

Angela M. Gregory, Treasurer

Frank P. Cavallo, Jr., Esquire, Solicitor

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

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

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

ARCHITECT

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

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delsea Regional High School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delsea Regional High School District, County of Gloucester, State of New Jersey, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As Discussed in Note 1 to the financials statements, during the fiscal year ended June 30, 2023, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

Prior Period Restatement

Due to the implementation of GASB 96, Net Position as of June 30, 2022 on the statement of activities and the statement of revenues, expenses and changes in fund net position has been restated, as discussed in Note 22 to the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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.

Supplementary 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 combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

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

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

Medford, New Jersey
March 7, 2024

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

As management of the Delsea Regional High School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2023 compared to fiscal year 2022.

Table 1
Summary of Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 8,181,245	\$ 10,114,970	\$ (1,933,725)	-19.1%
Capital Assets, Net	33,737,103	33,615,706	121,397	0.4%
Total Assets	<u>41,918,348</u>	<u>43,730,676</u>	<u>(1,812,328)</u>	-4.1%
Deferred Outflow of Resources	<u>1,303,523</u>	1,148,809	154,714	13.5%
Current and other Liabilities	1,141,468	2,242,611	(1,101,143)	-49.1%
Noncurrent Liabilities	<u>17,080,800</u>	<u>16,014,290</u>	<u>1,066,510</u>	6.7%
Total Liabilities	<u>18,222,268</u>	<u>18,256,901</u>	<u>(34,633)</u>	-0.2%
Deferred Inflow of Resources	<u>2,200,273</u>	4,659,552	(2,459,279)	-52.8%
Net Position:				
Net Investment in Capital Assets	24,831,635	24,768,732	62,903	0.3%
Restricted	5,390,078	7,278,138	(1,888,060)	-25.9%
Unrestricted (Deficit)	<u>(7,422,383)</u>	<u>(10,083,838)</u>	<u>2,661,455</u>	-26.4%
Total Net Position	<u>\$ 22,799,330</u>	<u>\$ 21,963,032</u>	<u>\$ 836,298</u>	3.8%

Table 2 shows the changes in net position for fiscal year 2023 compared to fiscal year 2022.

Table 2
Summary of Changes in Net Position (continued)

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 1,605,632	\$ 1,102,961	\$ 502,671	45.6%
Operating Grants & Contributions	7,427,753	10,689,876	(3,262,123)	-30.5%
General Revenues:				
Property Taxes	17,168,350	16,845,788	322,562	1.9%
Federal & State Aid	15,492,484	15,039,957	452,527	3.0%
Other General Revenues	<u>3,392,420</u>	<u>3,381,730</u>	<u>10,690</u>	0.3%
Total Revenues	<u>45,086,639</u>	<u>47,060,312</u>	<u>(1,973,673)</u>	-4.2%

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

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

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Function/Program Expenditures:				
Regular Instruction	11,060,313	9,859,271	1,201,042	12.2%
Special Education Instruction	1,269,094	2,615,816	(1,346,722)	-51.5%
Other Instruction	1,279,566	1,215,927	63,639	5.2%
Tuition	3,503,236	4,445,997	(942,761)	-21.2%
Student & Instruction Related Services	4,685,565	4,376,994	308,571	7.0%
School Administrative Services	707,005	695,878	11,127	1.6%
Other Administrative Services	1,938,812	1,878,674	60,138	3.2%
Plant Operations & Maintenance	3,028,597	2,607,129	421,468	16.2%
Pupil Transportation	3,806,796	3,269,125	537,671	16.4%
Unallocated Benefits	7,556,652	9,976,266	(2,419,614)	-24.3%
On Behalf TPAF Pension and Social				
Security Contributions	950,596	401,775	548,821	136.6%
Transfer to Charter Schools	294,302	-	294,302	100.0%
Internal Services	1,096,811	903,674	193,137	21.4%
Interest & Other Charges	273,853	251,560	22,293	8.9%
Unallocated Amortization	81,076	-	81,076	100.0%
Unallocated Depreciation	2,263,916	2,226,575	37,341	1.7%
Food Service	778,453	948,669	(170,216)	-17.9%
Total Expenditures	<u>44,574,643</u>	<u>45,673,330</u>	<u>(1,098,687)</u>	<u>-2.4%</u>
Change In Net Position	511,996	1,386,982	(874,986)	-63.1%
Net Position - Beginning, restated	22,287,334	20,576,050	1,711,284	8.3%
Net Position - Ending	<u>\$ 22,799,330</u>	<u>\$ 21,963,032</u>	<u>\$ 836,298</u>	<u>3.8%</u>

Governmental Activities

During the fiscal year 2023, the net position of governmental activities increased by \$480,883 or 2.2%. The primary reason for the increase was due to the decrease in overall expenditures for the year.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$22,399,716, with an unrestricted deficit balance of \$(7,697,881). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 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:

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Governmental Activities (continued)

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(7,697,881)
Add back: PERS Pension Liability		7,317,770
Less: Deferred Outflows related to pensions		(1,303,523)
Add back: Deferred Inflows related to pensions		<u>2,200,373</u>
Unrestricted Net Position (Without GASB 68)	<u>\$</u>	<u>516,739</u>

Business-type Activities

During the fiscal year 2023, the net position of business-type activities increased by \$31,113 or 8.4%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$399,614.

General Fund Budgeting Highlights

Final budgeted revenues were \$35,308,716, which were equal to the original budgeted revenues. Excluding nonbudgeted revenues, the School District’s budgeted revenues exceeded actual revenues by \$168,727.

Final budgeted appropriations were \$40,236,479, which was an increase of \$548,878 from the original budget. The increase is due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year’s budget and transfers in from Maintenance Reserve. Excluding nonbudgeted revenues, the School District’s budget appropriations exceeded actual expenditures by \$1,782,885.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$6,934,642 at June 30, 2023, a decrease of \$1,882,770 from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$7,304,125, a decrease of \$981,946 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund decreased by \$1,945,793 to \$5,523,772 at June 30, 2023, compared to a decrease of \$43,819 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund were as follows:

- Normal increases in the tax levy received during 22/23
- Transfer of Capital Reserve funds in the amount of \$3,000,000 to locally fund a new capital project.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Governmental Funds (continued)

Special revenue fund – The ending balance in the Special Revenue fund was \$780,956, which consisted of Student Activities balance of \$461,561 and Scholarships balance of \$319,395.

Capital projects fund – The ending balance in the Capital Projects fund was \$999,593, which is an increase of \$979,592 compared to the prior year.

Debt service fund – During the current fiscal year, the fund balance of the School District’s debt service fund decreased by \$198 to \$(196) at June 30, 2023.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District’s food service fund increased by \$31,113 to \$399,614 at June 30, 2023, compared to an increase of \$102,896 in net position in the prior fiscal year.

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$33,737,103 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net increase in the School District’s capital assets for the current fiscal year in the amount of \$121,397. This increase is primarily due to current year capital asset additions exceeding current year depreciation. Table 4 shows fiscal 2023 balances compared to 2022.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 71,500	\$ 71,500	\$ -	0.0%
Construction in Progress	2,195,504	175,096	2,020,408	1153.9%
Land Improvements	903,340	1,016,933	(113,593)	-11.2%
Building and Improvements	27,136,837	28,687,374	(1,550,537)	-5.4%
Equipment	3,429,922	3,664,803	(234,881)	-6.4%
	<u>\$ 33,737,103</u>	<u>\$ 33,615,706</u>	<u>\$ 121,397</u>	<u>0.4%</u>

Net depreciation expense for the year was \$2,276,749. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$7,881,000, financed purchase payables outstanding of \$1,024,468 and compensated absences payable of \$839,562.

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Factors Bearing on the District's Future

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

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

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

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

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

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

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

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A. District-Wide Financial Statements

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DELSEA REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 1,570,699	\$ 395,590	\$ 1,966,289
Receivables, Net (Note 4)	4,535,862	18,574	4,554,436
Internal Balances	143,748	(143,748)	-
Inventory	-	43,114	43,114
Restricted Cash & Cash Equivalents	1,374,180	-	1,374,180
Intangible Asset (Note 21)	243,226	-	243,226
Capital Assets, Net (Note 5)			
Non-Depreciable	2,267,004	-	2,267,004
Depreciable	31,345,983	124,116	31,470,099
	<hr/>		
Total Assets	41,480,702	437,646	41,918,348
DEFERED OUTFLOW OF RESOURCES			
Related to Pensions (Note 8)	1,303,523	-	1,303,523
	<hr/>		
Total Deferred Outflow of Resources	1,303,523	-	1,303,523
	<hr/>		
Total Assets and Deferred Outflow of Resources	42,784,225	437,646	43,221,871
LIABILITIES			
Accounts Payable	124,707	-	124,707
Accrued Interest Payable	131,149	-	131,149
Payroll Deductions and Withholdings	8,445	-	8,445
Due to Other Governments	666,596	-	666,596
Unearned Revenue	172,539	38,032	210,571
Noncurrent Liabilities (Note 7):			
Due Within One Year	798,708	-	798,708
Due Beyond One Year	16,282,092	-	16,282,092
	<hr/>		
Total Liabilities	18,184,236	38,032	18,222,268
DEFERED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	2,200,273	-	2,200,273
	<hr/>		
Total Deferred Inflow of Resources	2,200,273	-	2,200,273
	<hr/>		
Total Liabilities and Deferred Inflow of Resources	20,384,509	38,032	20,422,541
NET POSITION			
Net Investment in Capital Assets	24,707,519	124,116	24,831,635
Restricted For:			
Capital Projects	1,929,078	-	1,929,078
Debt Service	(196)	-	(196)
Excess Surplus	2,235,545	-	2,235,545
Maintenance Reserve	226,436	-	226,436
Other Purposes	999,215	-	999,215
Unrestricted	(7,697,881)	275,498	(7,422,383)
	<hr/>		
Total Net Position	\$ 22,399,716	\$ 399,614	\$ 22,799,330

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2023**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular	\$ 11,060,313	\$ -	\$ -	\$ (11,060,313)	\$ -	\$ (11,060,313)
Special Education	1,269,094	-	344,528	(924,566)	-	(924,566)
Other Instruction	1,279,566	-	-	(1,279,566)	-	(1,279,566)
Support Services:						
Tuition	3,503,236	-	553,660	(2,949,576)	-	(2,949,576)
Student & Instruction Related Services	4,685,565	-	2,091,630	(2,593,935)	-	(2,593,935)
Health Services	216,071	-	-	(216,071)	-	(216,071)
Educational Media Services/School Library	240,120	-	-	(240,120)	-	(240,120)
School Administrative Services	707,005	-	-	(707,005)	-	(707,005)
General Administration	537,489	-	-	(537,489)	-	(537,489)
Central Services	463,572	-	-	(463,572)	-	(463,572)
Administrative Information Technology	481,560	-	-	(481,560)	-	(481,560)
Plant Operations & Maintenance	3,028,597	-	-	(3,028,597)	-	(3,028,597)
Pupil Transportation	3,806,796	-	-	(3,806,796)	-	(3,806,796)
Unallocated Benefits	7,556,652	-	3,067,138	(4,489,514)	-	(4,489,514)
On-Behalf TPAF Pension and Social Security Contributions	950,596	-	950,596	-	-	-
Transfers to Charter Schools	294,302	-	-	(294,302)	-	(294,302)
Internal Services	1,096,811	1,216,485	-	119,674	-	119,674
Interest and Charges on Long-Term Debt	273,853	-	-	(273,853)	-	(273,853)
Unallocated Amortization	81,076	-	-	(81,076)	-	(81,076)
Unallocated Depreciation	2,263,916	-	-	(2,263,916)	-	(2,263,916)
Total Governmental Activities	43,796,190	1,216,485	7,007,552	(35,572,153)	-	(35,572,153)
Business-Type Activities:						
Food Service	778,453	389,147	420,201	-	30,895	30,895
Total Business-Type Activities	778,453	389,147	420,201	-	30,895	30,895
Total Primary Government	\$ 44,574,643	\$ 1,605,632	\$ 7,427,753	(35,572,153)	30,895	(35,541,258)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				16,529,734	-	16,529,734
Property Taxes, Levied for Debt Service				638,616	-	638,616
Federal & State Aid Not Restricted				15,492,484	-	15,492,484
Tuition Charges				2,064,370	-	2,064,370
Transportation Charges				1,103,142	-	1,103,142
Interest Earnings				1,862	218	2,080
Miscellaneous Income				222,828	-	222,828
Total General Revenues, Special Items, Extraordinary Items & Transfers				36,053,036	218	36,053,254
Change In Net Position				480,883	31,113	511,996
Net Position - Beginning, as previously stated				21,594,531	368,501	21,963,032
Prior Period Adjustment				324,302	-	324,302
Net Position - Beginning, as restated (Note 22)				21,918,833	368,501	22,287,334
Net Position - Ending				\$ 22,399,716	\$ 399,614	\$ 22,799,330

B. Fund Financial Statements

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Governmental Funds

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	\$ 802,588	\$ 768,111	\$ -	\$ -	\$ 1,570,699
Receivables from Other Governments	3,252,864	930,039	-	-	4,182,903
Other Accounts Receivable	132,194	1,195	-	-	133,389
Interfund Accounts Receivable	1,036,501	-	1,001,333	-	2,037,834
Restricted Cash & Cash Equivalents	1,374,180	-	-	-	1,374,180
Total Assets	\$ 6,598,327	\$ 1,699,345	\$ 1,001,333	\$ -	\$ 9,299,005
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 64,777	\$ 46,356	\$ 1,740	\$ -	\$ 112,873
Intergovernmental Payable:					
State	-	7,259	-	-	7,259
Interfund Accounts Payable	1,001,333	692,235	-	196	1,693,764
Unearned Revenue	-	172,539	-	-	172,539
Payroll Deductions & Withholdings	8,445	-	-	-	8,445
Total Liabilities	1,074,555	918,389	1,740	196	1,994,880
Fund Balances:					
Restricted for:					
Maintenance Reserve	226,436	-	-	-	226,436
Capital Reserve Account	929,485	-	-	-	929,485
Unemployment Compensation	218,259	-	-	-	218,259
Excess Surplus - Designated for Subsequent Year's Expenditures	1,104,365	-	-	-	1,104,365
Excess Surplus	1,131,180	-	-	-	1,131,180
Capital Projects Fund	-	-	(568,375)	-	(568,375)
Debt Service Fund	-	-	-	(196)	(196)
Student Activities	-	461,561	-	-	461,561
Scholarships	-	319,395	-	-	319,395
Assigned to:					
Other Purposes	1,255,311	-	1,567,968	-	2,823,279
Designated for Subsequent Year	936,329	-	-	-	936,329
Unassigned:					
General Fund	(277,593)	-	-	-	(277,593)
Total Fund Balances	5,523,772	780,956	999,593	(196)	7,304,125
Total Liabilities & Fund Balances	\$ 6,598,327	\$ 1,699,345	\$ 1,001,333	\$ -	

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 \$70,240,933 and the accumulated depreciation is \$36,627,946.	33,612,987
Intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$405,377 and the accumulated amortization is \$162,151.	243,226
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(131,149)
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	1,303,523
Deferred Inflows related to pensions	(2,200,273)
Internal Services Funds are used by management to charge the costs of certain activities, such as custodial and administrative services to other governments. Assets and liabilities of the Internal Service Fund of \$7,414 are included in the Statement of Net Position.	7,414
Accrued pension contributions for the June 30, 2023 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.	(659,337)
Long-term liabilities, including net pension liability, compensated absences and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(17,080,800)
Net position of Governmental Activities	\$ 22,399,716

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 16,529,734	\$ -	\$ -	\$ 638,616	\$ 17,168,350
Tuition	2,064,370	-	-	-	2,064,370
Transportation	1,103,142	-	-	-	1,103,142
Interest Earned on Capital Reserve Funds	1,862	-	-	-	1,862
Miscellaneous	222,828	758,395	-	-	981,223
Total Local Sources	19,921,936	758,395	-	638,616	21,318,947
State Sources	21,989,494	127,281	-	-	22,116,775
Federal Sources	49,352	2,104,142	-	-	2,153,494
Total Revenues	41,960,782	2,989,818	-	638,616	45,589,216
Expenditures:					
Current Expense:					
Regular Instruction	10,611,819	-	-	-	10,611,819
Special Education Instruction	931,075	338,019	-	-	1,269,094
Other Instruction	1,279,566	-	-	-	1,279,566
Support Services:					
Tuition	2,949,576	553,660	-	-	3,503,236
Student & Instruction Related Services	2,578,388	2,107,177	-	-	4,685,565
Health Services	216,071	-	-	-	216,071
Educational Media Services/					
School Library	240,120	-	-	-	240,120
Instructional Staff Training	53,733	-	-	-	53,733
General Administrative	483,756	-	-	-	483,756
School Administrative Services	707,005	-	-	-	707,005
Central Services	463,572	-	-	-	463,572
Administrative Information Technology	481,560	-	-	-	481,560
Plant Operations & Maintenance	3,028,597	-	-	-	3,028,597
Pupil Transportation	3,806,796	-	-	-	3,806,796
Employee Benefits	6,047,633	-	-	-	6,047,633
On Behalf TPAF Pension and Social					
Security Contributions	6,546,362	-	-	-	6,546,362
Debt Service:					
Principal	-	-	-	390,000	390,000
Interest & Other Charges	-	-	-	248,814	248,814
Capital Outlay	1,280,025	6,509	2,020,408	-	3,306,942
Total Expenditures	41,705,654	3,005,365	2,020,408	638,814	47,370,241
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	255,128	(15,547)	(2,020,408)	(198)	(1,781,025)
Other Financing Sources/(Uses):					
Transfers In	119,674	-	3,000,000	-	3,119,674
Transfers Out	(3,000,000)	-	-	-	(3,000,000)
Transfers to Charter Schools	(294,302)	-	-	-	(294,302)
Financed Purchase - Nonbudgeted	973,707	-	-	-	973,707
Total Other Financing Sources & Uses	(2,200,921)	-	3,000,000	-	799,079
Net Change in Fund Balances	(1,945,793)	(15,547)	979,592	(198)	(981,946)
Fund Balances, July 1	7,469,565	796,503	20,001	2	8,286,071
Fund Balances June 30	\$ 5,523,772	\$ 780,956	\$ 999,593	\$ (196)	\$ 7,304,125

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (981,946)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (2,263,916)	
Capital Outlays	<u>2,333,235</u>	69,319

Capital outlays related to subscription-based information technology arrangements 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 amortization expense. This is the amount by which capital outlays exceeded amortization in the period. (81,076)

Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 915,213

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+). (25,039)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets. (973,707)

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. 1,495,807

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 (+). 62,312

Change in Net Position of Governmental Activities \$ 480,883

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Proprietary Funds

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2023**

ASSETS	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUNDS	GOVERNMENTAL	
	FOOD SERVICE FUND	ACTIVITIES- INTERNAL SERVICE FUND	
Current Assets:			
Cash & Cash Equivalents	\$ 395,590	\$ -	\$ 395,590
Receivables from Other			
Governments	13,986	219,570	233,556
Other Receivable	4,588	-	4,588
Inventories	43,114	-	43,114
Total Current Assets	457,278	219,570	676,848
Fixed Assets:			
Equipment	587,977	-	587,977
Accumulated Depreciation	(463,861)	-	(463,861)
Total Fixed Assets	124,116	-	124,116
Total Assets	581,394	219,570	800,964
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	11,834	11,834
Unearned Revenue	38,032	-	38,032
Interfund Payable	143,748	200,322	344,070
Total Current Liabilities	181,780	212,156	393,936
NET POSITION			
Investment in Capital Assets	124,116	-	124,116
Unrestricted	275,498	7,414	282,912
Total Net Position	\$ 399,614	\$ 7,414	\$ 407,028

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES-	
	FOOD SERVICE FUND	INTERNAL SERVICE FUND	
Operating Revenue:			
Daily Sales - Reimbursable Programs	\$ 181,693	\$ -	\$ 181,693
Daily Sales - Nonreimbursable Programs	188,865	-	188,865
Services provided to other LEA's	-	1,216,485	1,216,485
Special Functions	11,267	-	11,267
Miscellaneous Income	7,322	-	7,322
Total Operating Revenues	389,147	1,216,485	1,605,632
Operating Expenses:			
Salaries	269,489	629,428	898,917
Social Security	-	44,028	44,028
Employee Benefits	62,231	190,326	252,557
Supplies and Materials	4,817	39,930	44,747
Other Purchased Services	51,175	123,472	174,647
Depreciation	12,833	-	12,833
Miscellaneous Other Expenses	34,053	56,427	90,480
Cost of Sales - Reimbursable Programs	223,882	-	223,882
Cost of Sales - Non-Reimbursable Programs	119,973	-	119,973
Cleaning, Repair & Maintenance Services	-	4,889	4,889
Communications/Telephone	-	5,151	5,151
Oil	-	811	811
Electricity	-	949	949
Travel	-	1,400	1,400
Total Operating Expenses	778,453	1,096,811	1,875,264
Operating Income/(Loss)	(389,306)	119,674	(269,632)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	8,644	-	8,644
State School Breakfast Program	635	-	635
Federal Sources:			
National School Lunch Program	197,606	-	197,606
National Breakfast Program	42,118	-	42,118
Healthy Hunger-Free Kids Act	7,125	-	7,125
Supply Chain Assistance Funds	60,090	-	60,090
Food Distribution Program	103,983	-	103,983
Interest Revenue	218	-	218
Transfers Out	-	(119,674)	(119,674)
Total Nonoperating Revenues	420,419	(119,674)	300,745
Change in Net Position	31,113	-	31,113
Net Position - Beginning of Year	368,501	7,414	375,915
Total Net Position - End of Year	\$ 399,614	\$ 7,414	\$ 407,028

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUND FOOD SERVICE FUND	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 414,286	\$ 1,356,462	\$ 1,770,748
Payments to Employees	(269,489)	(629,428)	(898,917)
Payments for Employee Benefits	(62,231)	(234,354)	(296,585)
Payments to Suppliers	(282,710)	(373,006)	(655,716)
Net Cash Provided/(Used) by Operating Activities	(200,144)	119,674	(80,470)
Cash Flows From Capital Financing Activities:			
Purchase of Equipment	(64,911)	-	(64,911)
Net Cash Used by Capital Financing Activities	(64,911)	-	(64,911)
Cash Flows From Noncapital Financing Activities:			
Operating Subsidies and Transfers to General Fund	-	(119,674)	(119,674)
Cash Received From State & Federal Reimbursements	359,513	-	359,513
Net Cash Provided by Noncapital Financing Activities	359,513	(119,674)	239,839
Cash Flows From Investing Activities:			
Interest & Dividends	218	-	218
Net Cash Provided by Investing Activities	218	-	218
Net Increase/(Decrease) in Cash & Cash Equivalents	94,676	-	94,676
Cash & Cash Equivalents, July 1	300,914	-	300,914
Cash & Cash Equivalents, June 30	\$ 395,590	\$ -	\$ 395,590
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:			
Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (389,306)	\$ 119,674	\$ (269,632)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	12,833	-	12,833
Food Distribution Program	103,983	-	103,983
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	(635)	139,977	139,342
(Increase)/Decrease in Inventory	(24,358)	-	(24,358)
Increase/(Decrease) in Unearned Revenue	25,774	-	25,774
Increase/(Decrease) in Accounts Payable	-	9,767	9,767
Increase/(Decrease) in Interfund Payable	71,565	(149,744)	(78,179)
Total Adjustments	189,162	-	189,162
Net Cash Provided/(Used) by Operating Activities	\$ (200,144)	\$ 119,674	\$ (80,470)

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

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DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The Delsea Regional High School District is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades seven through twelfth. The School District has an approximate enrollment at June 30, 2023 of 1,587 students.

The primary criterion for including activities within the School District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

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

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

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2023.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

A. Government-Wide Financial Statements

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

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

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

B. Governmental Fund Financial Statements

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

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued)

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

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

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

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

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay sub-fund.

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

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued)

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

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

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

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

The School District reports the following major proprietary funds:

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

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Property Tax Calendar

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

Budgets/Budgetary Control

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

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

Encumbrances

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Tuition Receivable/Payable

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

Inventories

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

Interfund Receivables/Payables

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

Capital Assets

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

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

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

Compensated Absences

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Deferred Outflows and Deferred Inflows of Resources

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

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

Deferred Loss on Refunding Debt

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

Bond Premiums, Discounts and Issuance Costs

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

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

Pensions

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

Fund Balance

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

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The District has implemented this standard as of June 30, 2023.

Recently Issued Accounting Pronouncements

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

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District’s financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the School District’s bank balance of \$5,411,624 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	4,594,369
Uninsured and Uncollateralized		817,255
	\$	5,411,624

Investments

The School District had no investments at June 30, 2023.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 3. Reserve Accounts

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022		\$	3,577,623
Increased by:			
Interest Earnings			1,862
Deposits approved by Board			350,000
			3,929,485
Decreased by:			
Withdrawals approved by Board			(3,000,000)
			3,929,485
Ending Balance, June 30, 2023		\$	929,485

Maintenance Reserve

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

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 3. Reserve Accounts (continued)

Beginning Balance, July 1, 2022	\$	401,436
Decreased by:		
Budget Withdrawals		(175,000)
Ending Balance, June 30, 2023	\$	226,436

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 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, 2023, consisted of the following:

<u>Description</u>	Governmental Funds			Total Governmental <u>Activities</u>
	General <u>Fund</u>	Special Revenue <u>Fund</u>	Internal Service <u>Fund</u>	
Federal Awards	\$ 7,988	\$ 928,348	\$ -	\$ 936,336
State Awards	676,044	1,692	-	677,736
Other	2,701,025	1,195	219,570	2,921,790
Total	\$ 3,385,057	\$ 931,235	\$ 219,570	\$ 4,535,862

Proprietary Funds	Total
Food Service <u>Fund</u>	Business-Type <u>Activities</u>
\$ 13,478	\$ 13,478
508	508
4,588	4,588
\$ 18,574	\$ 18,574

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2023</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 71,500	\$ -	\$ -	\$ 71,500
Construction in Progress	175,096	2,020,408	-	2,195,504
Total Capital Assets not being depreciated	<u>246,596</u>	<u>2,020,408</u>	<u>-</u>	<u>2,267,004</u>
Capital Assets being depreciated:				
Land Improvements	4,279,341	5,000	-	4,284,341
Buildings and Improvements	51,411,980	4,725	-	51,416,705
Equipment	11,969,781	303,102	-	12,272,883
Total Capital Assets being depreciated	<u>67,661,102</u>	<u>312,827</u>	<u>-</u>	<u>67,973,929</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(22,724,606)	(1,555,262)	-	(24,279,868)
Land Improvements	(3,262,408)	(118,593)	-	(3,381,001)
Equipment	(8,377,016)	(590,061)	-	(8,967,077)
Total Accumulated Depreciation	<u>(34,364,030)</u>	<u>(2,263,916)</u>	<u>-</u>	<u>(36,627,946)</u>
Total Capital Assets being depreciated, net	<u>33,297,072</u>	<u>(1,951,089)</u>	<u>-</u>	<u>31,345,983</u>
Total Governmental Activities Capital Assets, net	<u>\$ 33,543,668</u>	<u>\$ 69,319</u>	<u>\$ -</u>	<u>\$ 33,612,987</u>
	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2023</u>
Business-Type Activities:				
Equipment	\$ 523,066	\$ 64,911	\$ -	\$ 587,977
	<u>523,066</u>	<u>64,911</u>	<u>-</u>	<u>587,977</u>
Less: Accumulated Depreciation:				
Equipment	(451,028)	(12,833)	-	(463,861)
	<u>(451,028)</u>	<u>(12,833)</u>	<u>-</u>	<u>(463,861)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 72,038</u>	<u>\$ 52,078</u>	<u>\$ -</u>	<u>\$ 124,116</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivable/payable balances as of June 30, 2023 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,036,501	\$ 1,001,333
Special Revenue Fund	-	692,235
Capital Projects Fund	1,001,333	-
Debt Service Fund		196
Food Service Fund	-	143,748
Internal Service Fund	-	200,322
	<u>\$ 2,037,834</u>	<u>\$ 2,037,834</u>

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

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 119,674	\$ 3,000,000
Capital Projects Fund	3,000,000	-
Internal Service Fund	-	119,674
	<u>\$ 3,119,674</u>	<u>\$ 3,119,674</u>

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

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 8,271,000	\$ -	\$ 390,000	\$ 7,881,000	\$ 405,000
Financed Purchases Payable	575,974	973,707	525,213	1,024,468	393,708
Compensated Absences	919,874	-	62,312	857,562	-
Net Pension Liability	6,247,442	1,070,328	-	7,317,770	-
	<u>\$ 16,014,290</u>	<u>\$ 2,044,035</u>	<u>\$ 977,525</u>	<u>\$ 17,080,800</u>	<u>\$ 798,708</u>

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 7. Long-Term Obligations (continued)

Bonds Payable

The current bond issuance outstanding consists of General Obligation Bonds dated February 15, 2015 with an original amount of \$10,581,000, payable in annual installments through August 1, 2039. Interest is paid semi-annually at the rate of 3.00%-3.25% per annum. The balance remaining at June 30, 2023, was \$7,881,000.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 405,000	\$ 236,889	\$ 641,889
2025	420,000	224,514	644,514
2026	430,000	211,764	641,764
2027	450,000	198,564	648,564
2028	475,000	184,689	659,689
2029-2033	2,375,000	709,694	3,084,694
2034-2038	2,375,000	344,834	2,719,834
2039-2040	951,000	30,924	981,924
	<u>\$ 7,881,000</u>	<u>\$ 2,141,872</u>	<u>\$ 10,022,872</u>

Financed Purchases Payable

The District has entered into several financed purchase agreements for the acquisition of computers and technology equipment. The agreements range from three to five years and carry interest rates ranging from 3.16% to 7.50%. The following is a schedule of future minimum payments under financed purchases, together with the net present value of the minimum finance purchase payments as of June 30, 2023.

The future minimum financed purchase payments for these leases is as follows:

Fiscal Year Ending <u>June 30,</u>	
2024	\$ 435,726
2025	317,599
2026	208,983
2027	147,750
Total Minimum Payments	1,110,058
Less: Amount Representing Interest	(85,590)
Present Value of Minimum Finance Purchase Payments	<u>\$ 1,024,468</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 7. Long-Term Obligations (continued)

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

Bonds Authorized but not Issued

As of June 30, 2023, the School District had no bonds authorized but not issued.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$7,317,770 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The School District's proportion measured as of June 30, 2022, was 0.048490%, which was a decrease of 0.00425% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension expense/(benefit) of \$(882,622) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 52,816	\$ 46,576
Changes of Assumptions	22,673	1,095,760
Net Difference between Projected and Actual Earnings on Pension Plan Investments	302,876	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	265,821	1,057,937
School District Contributions Subsequent to Measurement Date	659,337	-
	\$ 1,303,523	\$ 2,200,273

\$659,337 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending Dec 31,	Amount
2023	\$ (1,278,546)
2024	(651,376)
2025	(317,664)
2026	693,022
2027	(1,523)
	\$ (1,556,087)

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

	<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, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	-	5.16
June 30, 2021	5.13	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022		5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	-	5.00
June 30, 2021	5.00	-
June 30, 2022	5.00	
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
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
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2027	2.85 - 6.55% Based on Years of Service
Thereafter	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. 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.

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, 2022) 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, 2022 are summarized in the following table:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% 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 projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 9,480,810	\$ 7,317,770	\$ 5,591,653

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
District's portion of the Plan's total Net Pension Liability	0.048490%	0.052737%

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of June 30, 2023. The State's proportionate share of the contribution associated with the special funding situation was \$15,397 as of June 30, 2023. These are based on measurements as of June 30, 2022.

B. Teachers' Pension and Annuity Fund (TPAF)

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more 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, 2023 was \$56,231,506. The School District's proportionate share was \$-0-.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.10899%, which was a decrease of 0.00212% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the School District recognized \$1,513,347 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

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, 2022) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>65,932,636</u>	<u>56,231,506</u>	<u>48,059,523</u>
	<u>\$ 65,932,636</u>	<u>\$ 56,231,506</u>	<u>\$ 48,059,523</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
District's portion of the Plan's total Net Pension Liability	0.10899%	0.11111%

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

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

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

For the year ended June 30, 2023, employee contributions totaled \$30,211, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$16,478.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

General Information about the OPEB Plan (continued)

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 is the responsibility of the individual local education employers.

Basis of Presentation

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability:	\$	50,646,462,966		
		TPAF/ABP	PERS	PFRS
Salary Increases:		2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
		based on years of service	based on years of service	based on years of service

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

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, 2022 was \$71,715,766. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.14160%, which was an increase of 0.00060% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$1,571,331 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, 2022 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increased to 13.44% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increased to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreased to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2022, 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 84,294,339	\$ 71,715,766	\$ 61,634,668
State of New Jersey's Total Non- employer Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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, 2022, 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 59,277,464	\$ 71,715,766	\$ 88,054,231
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

* See Healthcare Cost Trend Assumptions for details of rates.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ -	\$ -
Differences between Expected & Actual Experience	9,042,402,619	(15,462,950,679)
Change in Assumptions	8,765,620,577	(17,237,289,230)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ 17,808,023,196	\$ (32,700,239,909)

** Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,			
2023	\$	(2,517,151,602)	
2024		(2,517,151,602)	
2025		(2,517,151,602)	
2026		(2,175,449,761)	
2027		(1,243,951,140)	
Thereafter		(3,921,361,006)	
	\$	(14,892,216,713)	

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

	June 30, 2021
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
	364,817

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability

Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected & Actual Experience	1,399,200,736
Change in Benefit Terms	-
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	<u>(1,329,476,059)</u>
Net Change in Total OPEB Liability	(9,361,188,004)
Total OPEB Liability (Beginning)	<u>60,007,650,970</u>
Total OPEB Liability (Ending)	<u>\$ 50,646,462,966</u>
Total Covered Employee Payroll	\$ 14,753,355,408
Net OPEB Liability as a Percentage of Payroll	343%

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, 2023, the on-behalf payments for normal costs, post-retirement medical costs, long-term disability and reimbursed TPAF social security contributions were \$4,445,487, \$1,167,819, \$1,228 and \$931,828, respectively.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 50,490	\$ 226	\$ 80,047	\$ 218,259
2021-2022	46,596	224	9,312	247,590
2020-2021	41,864	290	27,937	210,082

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. Any potential liability of the District with respect to loss claims would be equal to the deductible associated with policies and events which may exceed coverage limits. There have been no significant reductions in insurance coverage amounts.

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 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.

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.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

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
Siracusa Benefits Program
Metropolitan Life Insurance

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2023, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$857,562 and \$-0-, respectively.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 16. Commitments

The School District has contractual commitments at June 30, 2023 to various vendors, which are recorded in the general fund as assigned to year end encumbrances in the amount of \$1,255,311 and in the capital projects fund as assigned to year end encumbrances in the amount of \$1,567,968.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 was \$1,131,180.

Note 18. Fund Balances

General Fund – Of the \$5,523,772 General Fund fund balance at June 30, 2023, \$929,485 has been restricted for the Capital Reserve Account; \$226,436 has been restricted for the Maintenance Reserve Account; \$1,104,365 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$1,131,180 has been restricted for current year excess surplus; \$218,259 has been restricted to the future use of Unemployment Compensation; \$1,255,311 has been assigned to year-end encumbrances; \$936,329 has been assigned and included as anticipated revenue for the year ending June 30, 2023; and (\$277,593) has been unassigned.

Special Revenue Fund – Of the \$780,956 Special Revenue Fund fund balance at June 30, 2023, \$461,561 is restricted for Student Activities and \$319,395 is restricted for Scholarships.

Capital Projects Fund – Of the \$999,593 Capital Projects Fund fund balance at June 30, 2023, \$999,593 is restricted for future capital projects approved by the School District.

Debt Service Fund – The Debt Service fund balance at June 30, 2023 is (\$196).

Note 19. Deficit in Fund Balances

The School District has a deficit fund balance of \$277,593 in the General Fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the fund statements (modified accrual basis) of \$277,593 is less than the last state aid payment.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 19. Deficit in Fund Balances (continued)

The District has an accumulated deficit of \$196 in the Debt Service Fund as of June 30, 2023. This deficit is the result of the District not raising the proper amount of the debt service tax levy in the budget. The District will resolve the deficit with future tax levy receipts or through local contributions.

The District has a deficit of \$568,375 restricted fund balance in the Capital Projects Fund as of June 30, 2023. The District will resolve the deficit with additional local funding in the subsequent year for the remaining amount of the capital project.

Note 20. Deficit in Net Position

Unrestricted Net Position – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$7,894,725. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 21. Intangible Assets (SBITAs)

The School District has recorded intangible assets as a result of implementing GASB 96. The assets are subscription-based information technology arrangements for curriculum software used throughout the District. The intangible asset is amortized on a straight-line basis over the terms of the related subscription arrangement.

Intangible asset activity for the School District for the year ended June 30, 2023, was as follows:

	Balance as of June 30, 2022	Increases	Decreases	Balance as of June 30, 2023
Intangible Assets (SBITAs):				
Curriculum Software	\$ 405,377	\$ -	\$ -	\$ 405,377
Total Intangible Assets	<u>405,377</u>	<u>-</u>	<u>-</u>	<u>405,377</u>
Less accumulated amortization				
Curriculum Software	(81,075)	(81,076)	-	(162,151)
Total accumulated amortization	<u>(81,075)</u>	<u>(81,076)</u>	<u>-</u>	<u>(162,151)</u>
Intangible Assets, net	<u>\$ 324,302</u>	<u>\$ (81,076)</u>	<u>\$ -</u>	<u>\$ 243,226</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 22. Prior Period Adjustment

Net position as of July 1, 2022 has be restated as follows for the implementation of GASB 96 and the amortization of subscription based information technology arrangements.

Prior Period Adjustment to Net Position

Balance, June 30, 2022 prior to Adjustment	\$ 21,594,531
Add:	
GASB 96 Implementation	<u>324,302</u>
Balance, July 1, 2022 Restated	<u><u>\$ 21,918,833</u></u>

Note 23. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and March 7, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Tax Levy	10-1210	\$ 16,529,734	\$ -	\$ 16,529,734	\$ 16,529,734	\$ -
Tuition from Other LEA's Within the State	10-1320	2,120,000	-	2,120,000	2,064,370	(55,630)
Transportation	10-1420	1,300,000	-	1,300,000	1,103,142	(196,858)
Interest on Capital Reserve Funds	10-1511	200	-	200	1,862	1,662
Interest on Maintenance Reserve Funds	10-1512	200	-	200	-	(200)
Miscellaneous Revenues	10-1990	185,607	-	185,607	222,828	37,221
Total Local Sources		20,135,741	-	20,135,741	19,921,936	(213,805)
State Sources:						
School Choice Aid	10-3116	515,877	-	515,877	515,877	-
Categorical Transportation Aid	10-3121	561,312	-	561,312	561,312	-
Categorical Special Education Aid	10-3132	1,540,790	-	1,540,790	1,540,790	-
Equalization Aid	10-3176	12,044,423	-	12,044,423	12,044,423	-
Categorical Security Aid	10-3177	260,074	-	260,074	260,074	-
Extraordinary Aid	10-3131	200,000	-	200,000	556,535	356,535
Non-Public Transportation Aid	10-3190	-	-	-	27,144	27,144
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	4,445,487	4,445,487
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,167,819	1,167,819
On-Behalf TPAF Long Term Disability Insurance Contributions		-	-	-	1,228	1,228
Reimbursed TPAF Social Security Contribution		-	-	-	931,828	931,828
Total State Sources		15,122,476	-	15,122,476	22,052,517	6,930,041
Federal Sources:						
Medicaid Reimbursement	10-4200	50,499	-	50,499	49,352	(1,147)
Total Federal Sources		50,499	-	50,499	49,352	(1,147)
Total Revenues		35,308,716	-	35,308,716	42,023,805	6,715,089
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Grades 6 - 8	11-130-100-101	2,763,804	51,338	2,815,142	2,814,649	493
Grades 9 - 12	11-140-100-101	6,192,148	(135,650)	6,056,498	6,048,968	7,530
Home Instruction:						
Salaries of Teachers	11-150-100-101	7,500	(5,090)	2,410	2,410	-
Purchased Professional/Education Services	11-150-100-320	20,000	53,063	73,063	70,823	2,240
Other Purchase Services (400-500 series)	11-150-100-500	1,000	(821)	179	-	179
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	95,988	(47,040)	48,948	44,959	3,989
Purchased Professional - Educational Services	11-190-100-320	638,033	222,555	860,588	856,569	4,019
Other Purchased Services	11-190-100-500	603,384	(81,360)	522,024	502,186	19,838
General Supplies	11-190-100-610	266,838	38,722	305,560	254,292	51,268
Textbooks	11-190-100-640	10,000	(3,755)	6,245	-	6,245
Other Objects	11-190-100-800	12,619	5,620	18,239	16,963	1,276
Total Regular Programs		10,611,314	97,582	10,708,896	10,611,819	97,077

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	348,926	46,272	395,198	395,198	-
Purchased Professional/Education Services	11-212-100-320	10,000	-	10,000	10,000	-
Other Purchased Services (400-500 Series)	11-212-100-500	5,000	(5,000)	-	-	-
General Supplies	11-212-100-610	4,381	(912)	3,469	2,878	591
Other Objects	11-212-100-800	-	360	360	360	-
Total Multiple Disabilities		368,307	40,720	409,027	408,436	591
Resource Room:						
Salaries of Teachers	11-213-100-101	476,052	(12,782)	463,270	451,544	11,726
Other Salaries for Instruction	11-213-100-106	157,622	(56,884)	100,738	54,067	46,671
Purchased Professional/Education Services	11-213-100-320	10,000	(3,779)	6,221	6,221	-
General Supplies	11-213-100-610	2,038	1,413	3,451	3,426	25
Other Objects	11-213-100-800	400	2,370	2,770	2,770	-
Total Resource Room		646,112	(69,662)	576,450	518,028	58,422
Home Instruction:						
Salaries of Teachers	11-219-100-101	-	4,611	4,611	4,611	-
Total Home Instruction		-	4,611	4,611	4,611	-
Total Special Education		1,014,419	(24,331)	990,088	931,075	59,013
Basic Skills/Remedial- Instruction						
Salaries of Teachers	11-230-100-101	92,334	(24,823)	67,511	63,249	4,262
Other Purchase Services (400-500 series)	11-230-100-500	2,500	(2,465)	35	-	35
General Supplies	11-230-100-610	1,000	(592)	408	38	370
Total Basic Skills/Remedial- Instruction		95,834	(27,880)	67,954	63,287	4,667
Bilingual Education - Instruction						
Salaries of Teachers	11-240-100-101	1,000	-	1,000	-	1,000
General Supplies	11-240-100-610	250	-	250	-	250
Total Bilingual Education - Instruction		1,250	-	1,250	-	1,250
School Sponsored Co-Curricular Activities:						
Salaries	11-401-100-100	165,247	(6,610)	158,637	111,510	47,127
Purchased Services	11-401-100-500	22,900	(8,592)	14,308	5,921	8,387
Supplies and Materials	11-401-100-600	8,234	(1,952)	6,282	1,777	4,505
Other Objects	11-401-100-800	11,750	(5,423)	6,327	-	6,327
Total School Sponsored Co-Curricular Activities		208,131	(22,577)	185,554	119,208	66,346
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	550,192	(15,123)	535,069	528,639	6,430
Other Purchased Services	11-402-100-500	75,657	16,727	92,384	91,709	675
Supplies and Materials	11-402-100-600	111,611	22,771	134,382	120,800	13,582
Other Objects	11-402-100-800	28,000	16,932	44,932	44,932	-
Total School Sponsored Athletics Instruction		765,460	41,307	806,767	786,080	20,687
Total Other Instructional Programs		973,591	18,730	992,321	905,288	87,033

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Before/After School Programs - Instruction:						
Salaries of Teacher Tutors	11-421-100-178	22,500	-	22,500	3,781	18,719
Total Before/After School Programs - Instruction		22,500	-	22,500	3,781	18,719
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	59,000	-	59,000	43,450	15,550
Other Salaries of Instruction	11-422-100-106	13,000	-	13,000	9,869	3,131
General Supplies	11-422-100-610	2,500	358	2,858	2,858	-
Other Objects	11-422-100-800	500	(256)	244	-	244
Total Summer School - Instruction		75,000	102	75,102	56,177	18,925
Alternative Education Program - Instruction:						
Salaries of Teachers	11-423-100-101	33,120	29,485	62,605	62,605	-
Other Salaries of Instruction	11-423-100-106	8,640	783	9,423	7,128	2,295
Purchased Professional and Technical Services	11-423-100-300	4,000	(4,000)	-	-	-
Total Alternative Education Program - Instruction		45,760	26,268	72,028	69,733	2,295
Alternative Education Program - Support Services:						
Salaries	11-423-200-100	77,400	(40,085)	37,315	27,765	9,550
Total Alternative Education Program - Support Services		77,400	(40,085)	37,315	27,765	9,550
Total Alternative Education Program		123,160	(13,817)	109,343	97,498	11,845
Other Supplemental/At-Risk Programs - Instruction:						
Salaries of Teachers	11-424-100-101	36,000	12,428	48,428	48,428	-
Other Salaries of Instruction	11-424-100-106	17,280	554	17,834	6,120	11,714
Total Other Supplemental/At-Risk Program - Instruction		53,280	12,982	66,262	54,548	11,714
Other Supplemental/At-Risk Programs - Support Services:						
Salaries	11-424-200-100	36,000	75	36,075	20,665	15,410
Total Other Supplemental/At-Risk Program - Support Services		36,000	75	36,075	20,665	15,410
Total Other Supplemental/At-Risk Programs		89,280	13,057	102,337	75,213	27,124
Community Services Programs - Operations						
Salaries	11-800-330-100	89,100	-	89,100	78,322	10,778
Purchased Services (300-500 series)	11-800-330-500	2,000	-	2,000	-	2,000
Total Community Services Programs - Operations		91,100	-	91,100	78,322	12,778
Total Instruction		13,097,448	63,443	13,160,891	12,822,460	338,431
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	60,000	(405)	59,595	28,581	31,014
Tuition to County Vocational District/Regular Day School	11-000-100-563	241,956	17,652	259,608	259,608	-
Tuition to County Special Services District/Regional Day Schools	11-000-100-565	1,225,550	(21,851)	1,203,699	863,961	339,738
Tuition to Private School for the Handicapped - State	11-000-100-566	2,067,910	(40,129)	2,027,781	1,797,426	230,355
Tuition State Facilities	11-000-100-568	22,553	-	22,553	-	22,553
Total Undistributed Expenditures - Instruction		3,617,969	(44,733)	3,573,236	2,949,576	623,660

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Attendance & Social Work Services:						
Salaries	11-000-211-100	98,005	-	98,005	88,364	9,641
Purchased Professional and Technical Services	11-000-211-300	1,000	-	1,000	1,000	-
Other Purchased Services (400-500 series)	11-000-211-500	500	-	500	-	500
Total Attendance & Social Work Services		99,505	-	99,505	89,364	10,141
Health Services:						
Salaries	11-000-213-100	229,325	(20,000)	209,325	193,547	15,778
Purchased Professional & Technical Services	11-000-213-300	18,750	-	18,750	18,260	490
Other Purchased Services (400-500 series)	11-000-213-500	1,275	(175)	1,100	-	1,100
Supplies and Materials	11-000-213-600	6,548	-	6,548	4,264	2,284
Total Health Services		255,898	(20,175)	235,723	216,071	19,652
Speech, OT, PT and Related Services:						
Purchased Professional - Education Services	11-000-216-320	122,000	-	122,000	120,396	1,604
Supplies and Materials	11-000-216-600	2,000	-	2,000	300	1,700
Total Speech, OT, PT and Related Services		124,000	-	124,000	120,696	3,304
Other Support Services - Students - Extra Services:						
Salaries of Teachers	11-000-217-100	160,712	(470)	160,242	139,376	20,866
Purchased Professional - Education Services	11-000-217-320	60,000	24,946	84,946	84,946	-
Supplies and Materials	11-000-217-600	12,000	(165)	11,835	200	11,635
Total Other Support Services - Students - Extra Services		232,712	24,311	257,023	224,522	32,501
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	655,235	9,704	664,939	663,364	1,575
Salaries of Secretarial & Clerical Assistants	11-000-218-105	76,091	-	76,091	75,965	126
Other Purchased Prof. and Tech. Services	11-000-218-390	24,671	-	24,671	24,671	-
Other Purchased Services (400-500 series)	11-000-218-500	65,367	(20,217)	45,150	20,374	24,776
Supplies and Materials	11-000-218-600	6,949	1,532	8,481	7,734	747
Other Objects	11-000-218-800	19,308	8,981	28,289	22,432	5,857
Total Guidance		847,621	-	847,621	814,540	33,081
Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	426,485	(75,600)	350,885	339,763	11,122
Salaries of Secretarial & Clerical Assistants	11-000-219-105	92,684	(1,270)	91,414	88,751	2,663
Other Salaries	11-000-219-110	12,000	10,700	22,700	20,700	2,000
Purchased Professional - Education Services	11-000-219-320	12,000	(1,005)	10,995	10,995	-
Other Purchased Prof. and Tech. Services	11-000-219-390	8,000	(388)	7,612	4,627	2,985
Other Purchased Services	11-000-219-500	6,662	3,911	10,573	8,891	1,682
Supplies and Materials	11-000-219-600	21,890	(7,741)	14,149	4,946	9,203
Other Objects	11-000-219-800	1,500	(326)	1,174	80	1,094
Total Child Study Teams		581,221	(71,719)	509,502	478,753	30,749
Improvement of Instruction Services						
Salaries of Supervisors of Instruction	11-000-221-102	661,635	(8,242)	653,393	651,939	1,454
Salaries of Other Professional Staff	11-000-221-104	91,834	-	91,834	91,834	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	35,142	-	35,142	35,031	111
Other Salaries	11-000-221-110	42,570	-	42,570	30,800	11,770
Other Purchased Services	11-000-221-500	35,201	13,029	48,230	39,909	8,321
Supplies and Materials	11-000-221-600	2,000	(1,000)	1,000	1,000	-
Other Objects	11-000-221-800	500	(500)	-	-	-
Total Improvement of Instruction Services		868,882	3,287	872,169	850,513	21,656

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Educational Media Services/School Library:						
Salaries	11-000-222-100	122,795	430	123,225	122,649	576
Other Purchased Services	11-000-222-500	93,491	(615)	92,876	87,649	5,227
Supplies and Materials	11-000-222-600	28,303	1,454	29,757	29,757	-
Other Objects	11-000-222-800	400	(332)	68	65	3
Total Educational Media Services/School Library		244,989	937	245,926	240,120	5,806
Support Services Instructional Staff Training Services:						
Salaries of Supervisors of Instruction	11-000-223-102	29,633	49	29,682	29,682	-
Salaries of Other Professional	11-000-223-104	14,000	(49)	13,951	8,231	5,720
Salaries of Secretarial & Clerical Assistants	11-000-223-105	15,061	-	15,061	15,013	48
Purchased Professional/Education Services	11-000-223-320	45,100	(38,287)	6,813	-	6,813
Other Purchased Services	11-000-223-500	3,500	-	3,500	740	2,760
Supplies and Materials	11-000-223-600	500	-	500	67	433
Total Support Services Instructional Staff Training Services		107,794	(38,287)	69,507	53,733	15,774
Support Services General Administration:						
Salaries	11-000-230-100	280,320	-	280,320	275,397	4,923
Legal Services	11-000-230-331	25,000	140,000	165,000	8,455	156,545
Audit Fees	11-000-230-332	27,500	8,500	36,000	36,000	-
Architectural/Engineering Services	11-000-230-334	5,000	-	5,000	-	5,000
Other Purchased Professional Services	11-000-230-339	5,000	-	5,000	2,400	2,600
Purchased Technical Services	11-000-230-340	5,000	-	5,000	4,835	165
Communications/Telephone	11-000-230-530	95,000	(173)	94,827	63,279	31,548
BOE Other Purchased Services	11-000-230-585	2,000	200	2,200	2,200	-
Misc. Purchased Services (400-500)	11-000-230-590	94,495	(20,310)	74,185	65,847	8,338
General Supplies	11-000-230-610	6,500	(550)	5,950	3,523	2,427
BOE In-House Training/Meeting Supplies	11-000-230-630	1,000	(200)	800	92	708
Miscellaneous Expenditures	11-000-230-890	10,000	20	10,020	9,020	1,000
BOE Membership Dues & Fees	11-000-230-895	15,000	-	15,000	12,708	2,292
Total Support Services General Administration		571,815	127,487	699,302	483,756	215,546
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	398,576	-	398,576	385,270	13,306
Salaries of Other Professional Staff	11-000-240-104	162,965	(1,000)	161,965	150,961	11,004
Salaries of Secretarial & Clerical Assistants	11-000-240-105	113,820	-	113,820	92,784	21,036
Other Salaries	11-000-240-110	-	3,117	3,117	-	-
Purchased Professional and Technical Services	11-000-240-300	15,500	(1,004)	14,496	11,003	3,493
Other Purchased Services (400-500 Series)	11-000-240-500	28,156	(969)	27,187	24,085	3,102
Supplies and Materials	11-000-240-600	33,700	(2,307)	31,393	24,645	6,748
Other Objects	11-000-240-800	12,000	3,140	15,140	15,140	-
Total Support Services School Administration		764,717	977	765,694	707,005	58,689
Central Services:						
Salaries	11-000-251-100	398,259	-	398,259	389,544	8,715
Purchased Technical Services	11-000-251-340	16,878	3,183	20,061	20,061	-
Misc. Purchased Services (400-500)	11-000-251-592	7,250	(3,183)	4,067	1,100	2,967
Supplies and Materials	11-000-251-600	7,986	-	7,986	5,478	2,508
Interest on Lease Purchase Agreements	11-000-251-832	45,300	999	46,299	46,299	-
Miscellaneous Expenditures	11-000-251-890	2,000	-	2,000	1,090	910
Total Central Services		477,673	999	478,672	463,572	15,100
Administrative Information Technology:						
Salaries	11-000-252-100	150,891	1,143	152,034	152,034	-
Purchased Technical Services	11-000-252-340	54,829	12,981	67,810	66,698	1,112
Other Purchased Services (400-500 series)	11-000-252-500	261,114	(16,389)	244,725	243,576	1,149
Supplies & Materials	11-000-252-600	18,000	1,266	19,266	19,123	143
Other Objects	11-000-252-800	1,000	-	1,000	129	871
Total Administrative Information Technology		485,834	(999)	484,835	481,560	3,275

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Allowance Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	344,502	(11,439)	333,063	264,218	68,845
General Supplies	11-000-261-610	59,500	20,873	80,373	79,091	1,282
Total Allowance Maintenance for School Facilities		404,002	9,434	413,436	343,309	70,127
Custodial Services:						
Salaries	11-000-262-100	1,110,407	1,177	1,111,584	1,092,653	18,931
Purchased Professional and Technical Services	11-000-262-300	5,000	(5,000)	-	-	-
Cleaning, Repair & Maintenance Services	11-000-262-420	70,000	116,272	186,272	167,961	18,311
Other Purchased Property Services	11-000-262-490	59,914	(39,470)	20,444	17,463	2,981
Insurance	11-000-262-520	193,342	(15,908)	177,434	174,850	2,584
Miscellaneous Purchased Services	11-000-262-590	52,400	2,629	55,029	54,555	474
General Supplies	11-000-262-610	102,750	3,961	106,711	99,674	7,037
Energy (Natural Gas)	11-000-262-621	169,000	54,442	223,442	223,442	-
Energy (Electricity)	11-000-262-622	400,000	67,882	467,882	467,882	-
Energy (Oil)	11-000-262-624	7,000	(5,516)	1,484	1,484	-
Energy (Gasoline)	11-000-262-626	2,000	(2,000)	-	-	-
Other Objects	11-000-262-800	7,500	(5,327)	2,173	1,755	418
Total Custodial Services		2,179,313	173,142	2,352,455	2,301,719	50,736
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	134,208	(31,257)	102,951	81,758	21,193
Cleaning, Repair & Maintenance Services	11-000-263-420	90,000	60,269	150,269	84,550	65,719
General Supplies	11-000-263-610	20,000	3,095	23,095	21,089	2,006
Total Care & Upkeep of Grounds		244,208	32,107	276,315	187,397	88,918
Security:						
Salaries	11-000-266-100	86,359	8,952	95,311	94,594	717
Purchased Professional and Technical Services	11-000-266-300	114,000	(16,000)	98,000	94,000	4,000
General Supplies	11-000-266-610	2,500	11,478	13,978	7,578	6,400
Total Security		202,859	4,430	207,289	196,172	11,117
Total Operation & Maintenance of Plant Services		3,030,382	219,113	3,249,495	3,028,597	220,898
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	440,664	(138,075)	302,589	269,861	32,728
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,156,809	(120,760)	1,036,049	991,080	44,969
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	760,157	(96,768)	663,389	653,768	9,621
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	100,000	51,961	151,961	140,472	11,489
Salaries of Pupil Transportation (Between Home & School) - Non-Public Schools	11-000-270-163	191,984	(124,317)	67,667	56,223	11,444
Purchased Professional and Technical Services	11-000-270-390	313,115	(21,918)	291,197	282,152	9,045
Cleaning, Repair & Maintenance Services	11-000-270-420	65,000	-	65,000	57,124	7,876
Aid in Lieu of Payments - Nonpublic	11-000-270-503	110,000	2,217	112,217	79,639	32,578
Aid in Lieu of Payments - Choice Schools	11-000-270-505	7,000	1,176	8,176	8,176	-
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	25,000	18,595	43,595	43,003	592
Contracted Services (Special Education Students) - Vendors	11-000-270-514	250,000	288,463	538,463	484,205	54,258
Miscellaneous Purchased Services - Transportation	11-000-270-593	149,135	(69,939)	79,196	53,724	25,472
Transportation Supplies	11-000-270-615	506,266	342,391	848,657	679,251	169,406
Other Objects	11-000-270-800	6,000	2,118	8,118	8,118	-
Total Student Transportation Services		4,081,130	135,144	4,216,274	3,806,796	409,478

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Allocated Benefits:						
Custodial Services:						
Other Employee Benefits	11-000-262-290	23,600	(9,276)	14,324	13,320	1,004
Total Custodial Services		23,600	(9,276)	14,324	13,320	1,004
Student Transportation Services:						
Social Security Contributions	11-000-270-220	183,947	(17,683)	166,264	128,964	37,300
Health Benefits	11-000-270-270	1,389,956	(693)	1,389,263	1,372,179	17,084
Other Employee Benefits	11-000-270-290	11,750	1,500	13,250	12,410	840
Total Student Transportation Services		1,585,653	(16,876)	1,568,777	1,513,553	55,224
Total Allocated Benefits		1,609,253	(26,152)	1,583,101	1,526,873	56,228
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	321,694	82,802	404,496	395,932	8,564
Other Retirement Benefits - PERS	11-000-291-241	625,494	(7,650)	617,844	611,479	6,365
Unemployment Compensation	11-000-291-250	20,000	-	20,000	-	20,000
Worker's Compensation	11-000-291-260	157,818	19,553	177,371	177,371	-
Health Benefits	11-000-291-270	3,768,522	(632,152)	3,136,370	3,108,220	28,150
Tuition Reimbursement	11-000-291-280	40,000	(4,418)	35,582	12,082	23,500
Other Employee Benefits	11-000-291-290	88,000	129,051	217,051	215,676	1,375
Total Unallocated Benefits - Employee Benefits		5,021,528	(412,814)	4,608,714	4,520,760	87,954
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	4,445,487	(4,445,487)
On-Behalf TPAF Post-Retirement Medical Contribution		-	-	-	1,167,819	(1,167,819)
On-Behalf TPAF Long Term Disability Insurance Contribution		-	-	-	1,228	(1,228)
Reimbursed TPAF Social Security Contribution		-	-	-	931,828	(931,828)
Total Nonbudgeted		-	-	-	6,546,362	(6,546,362)
Total Undistributed Expenditures		23,022,923	(102,624)	22,920,299	27,603,169	(4,682,870)
Increase in Maintenance Reserve	10-606	200	-	200	-	200
Total Expenditures - Current Expense		36,120,571	(39,181)	36,081,390	40,425,629	(4,344,239)
Capital Outlay:						
Equipment:						
Regular Programs - Instruction:						
School Sponsored & Other Instructional Programs	12-402-100-730	-	24,983	24,983	13,483	11,500
Undistributed Expenditures:						
School Administration	12-000-240-730	-	5,329	5,329	-	5,329
Custodial Services	12-000-262-730	-	13,600	13,600	13,600	-
Special Schools (All Programs)	12-XXX-X00-730	3,920	-	3,920	-	3,920
Student Transportation:						
School Buses - Regular	12-000-270-733	112,500	31,500	144,000	-	144,000
School Buses - Special	12-000-270-734	120,000	(120,000)	-	-	-
Total Equipment		236,420	(44,588)	191,832	27,083	164,749
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on						
Construction Services	12-000-400-450	-	632,647	632,647	279,235	353,412
Assessment for Debt Service on SDA Funding	12-000-400-896	175	-	175	-	175
Total Facilities Acquisition & Construction Services		175	632,647	632,822	279,235	353,587

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Assets Acquired Through Financing (Nonbudgeted):						
Instruction		-	-	-	973,707	(973,707)
Total Assets Acquired Through Financing (Nonbudgeted)		-	-	-	973,707	(973,707)
Increase in Capital Reserve	10-604	200	-	200	-	200
Total Capital Outlay		236,795	588,059	824,854	1,280,025	(455,171)
Total Expenditures		36,357,366	548,878	36,906,244	41,705,654	(4,799,410)
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures		(1,048,650)	(548,878)	(1,597,528)	318,151	1,915,679
Other Financing Sources/(Uses):						
Transfer of Fund to Charter Schools	10-000-100-56X	(330,235)	-	(330,235)	(294,302)	35,933
Transfers From Internal Service Fund		-	-	-	119,674	119,674
Loan Proceeds (Nonbudgeted)		-	-	-	973,707	973,707
Transfer of Capital Reserve to Capital Projects	12-000-400-931	(3,000,000)	-	(3,000,000)	(3,000,000)	-
Total Other Financing Sources/(Uses)		(3,330,235)	-	(3,330,235)	(2,200,921)	1,129,314
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		(4,378,885)	(548,878)	(4,927,763)	(1,882,770)	3,044,993
Fund Balances, July 1		8,817,412	-	8,817,412	8,817,412	-
Fund Balances, June 30		<u>\$ 4,438,527</u>	<u>\$ (548,878)</u>	<u>\$ 3,889,649</u>	<u>\$ 6,934,642</u>	<u>\$ 3,044,993</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 373,878
Transfer from Maintenance Reserve	175,000
Total	<u>\$ 548,878</u>

RECAPITULATION OF FUND BALANCE:

Restricted for:		
Capital Reserve		\$ 929,485
Maintenance Reserve		226,436
Unemployment Compensation		218,259
Excess Surplus		1,131,180
Excess Surplus Designated for Subsequent Year's Expenditures		1,104,365
Assigned to:		
Year-End Encumbrances		1,255,311
Designated for Subsequent Year's Expenditures		936,329
Unassigned Fund Balance		<u>1,133,277</u>
Subtotal		6,934,642
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis		<u>(1,410,870)</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 5,523,772</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ORIGINAL BUDGET	TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	POSITIVE/ FINAL TO ACTUAL
Revenues:					
Federal Sources	\$ 1,339,463	\$ 1,325,725	\$ 2,665,188	\$ 2,081,203	\$ (583,985)
State Sources	101,164	43,342	144,506	141,522	(2,984)
Local Sources	600,000	83,586	683,586	806,825	123,239
Total Revenues	2,040,627	1,452,653	3,493,280	3,029,550	(463,730)
Expenditures:					
Instruction:					
Salaries of Teachers	116,260	(22,922)	93,338	78,821	14,517
Purchased Professional Technical Services	25,505	116,949	142,454	136,357	6,097
Tuition	440,294	122,936	563,230	553,660	9,570
General Supplies	-	135,153	135,153	102,438	32,715
Textbooks	-	15,246	15,246	14,985	261
Total Instruction	582,059	367,362	949,421	886,261	63,160
Support Services:					
Salaries	172,669	517,773	690,442	556,946	133,496
Employee Benefits	-	138,373	138,373	31,330	107,043
Purchased Professional Services	-	188,828	188,828	96,949	91,879
Other Purchased Services	685,899	(142,091)	543,808	433,668	110,140
Supplies and Materials	-	306,504	306,504	264,964	41,540
Other Objects	-	69,395	69,395	441	68,954
Student Activities	525,000	-	525,000	690,355	(165,355)
Scholarship	75,000	-	75,000	77,674	(2,674)
Total Support Services	1,458,568	1,078,782	2,537,350	2,152,327	385,023
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	6,509	6,509	6,509	-
Total Facilities Acquisition & Construction Services	-	6,509	6,509	6,509	-
Total Expenditures	2,040,627	1,452,653	3,493,280	3,045,097	448,183
Total Outflows	2,040,627	1,452,653	3,493,280	3,045,097	448,183
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	(15,547)	(15,547)
Fund Balance, July 1	796,503	-	796,503	796,503	-
Fund Balance, June 30	\$ 796,503	\$ -	\$ 796,503	\$ 780,956	\$ (15,547)

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Student Activities	\$ 461,561
Scholarship	<u>319,395</u>
	<u>\$ 780,956</u>

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2023**

**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)	\$ 42,023,805	\$ 3,029,550
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	79,904
Current Year	-	(119,636)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,347,847	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,410,870)	-
	\$ 41,960,782	\$ 2,989,818
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 41,705,654	\$ 3,045,097
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	79,904
Current Year	-	(119,636)
	\$ 41,705,654	\$ 3,005,365
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.04849%	0.05274%	0.05107%	0.05199%	0.05814%	0.05641%	0.05781%	0.06170%	0.05767%	0.05469%
School District's proportionate share of the net pension liability	\$ 7,317,770	\$ 6,247,442	\$ 8,327,868	\$ 9,367,169	\$ 11,448,047	\$ 13,130,859	\$ 17,122,071	\$ 13,849,329	\$ 10,797,738	\$ 10,452,245
District's covered-employee payroll	\$ 4,252,191	\$ 3,631,219	\$ 3,600,344	\$ 3,796,870	\$ 3,638,651	\$ 3,730,002	\$ 3,945,064	\$ 3,941,737	\$ 4,815,991	Unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	172.09%	172.05%	231.31%	246.71%	314.62%	352.03%	434.01%	351.35%	224.21%	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	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).

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 611,479	\$ 617,607	\$ 558,659	\$ 505,675	\$ 578,334	\$ 552,559	\$ 513,588	\$ 530,413	\$ 475,438	412,074
Contributions in relation to the contractually required contribution	(611,479)	(617,607)	(558,659)	(505,675)	(578,334)	(552,559)	(513,588)	(530,413)	(475,438)	(412,074)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 4,252,191	\$ 3,631,219	\$ 3,600,344	\$ 3,796,870	\$ 3,638,651	\$ 3,730,002	\$ 3,945,064	\$ 3,941,737	\$ 4,815,991	Unavailable
Contributions as a percentage of covered-employee payroll	14.38%	17.01%	15.52%	13.32%	15.89%	14.81%	13.02%	13.46%	9.87%	Unavailable

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

	2023	2022	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%	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	56,231,506	53,414,636	74,447,717	69,990,718	71,780,827	76,146,600	90,964,073	71,703,114	57,864,441	57,829,325
District's covered-employee payroll	\$ 56,231,506	\$ 53,414,636	\$ 74,447,717	\$ 69,990,718	\$ 71,780,827	\$ 76,146,600	\$ 90,964,073	\$ 71,703,114	\$ 57,864,441	\$ 57,829,325
School District's proportionate share of the net pension liability as a percentage of its covered payroll	\$ 12,563,458	\$ 12,425,492	\$ 12,319,248	\$ 12,291,724	\$ 12,082,874	\$ 12,019,686	\$ 11,739,889	\$ 11,739,889	\$ 12,181,522	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability Associated with the District						
Service Cost	\$ 3,334,039	\$ 3,898,772	\$ 2,182,891	\$ 2,280,930	\$ 2,620,451	\$ 3,150,773
Interest Cost	1,900,547	2,194,861	2,125,987	2,583,733	2,816,602	2,424,839
Differences between Expected and Actual	2,932,172	(16,193,449)	16,733,981	(9,973,262)	(7,783,464)	-
Changes of Benefit Terms	-	(90,057)	-	-	-	-
Changes of Assumptions	(19,238,398)	83,474	17,606,919	885,155	(7,500,156)	(9,751,384)
Contributions: Member	60,393	56,112	50,862	54,020	60,402	65,580
Gross Benefit Payments	(1,882,548)	(1,728,936)	(1,678,049)	(1,822,365)	(1,747,649)	(1,780,977)
Net Change in Total OPEB Liability Associated with District	(12,893,795)	(11,779,223)	37,022,591	(5,991,789)	(11,533,814)	(5,891,169)
Total OPEB Liability Associated with District (Beginning)	84,609,561	96,388,784	59,366,193	65,357,982	76,891,796	82,782,965
Total OPEB Liability Associated with District (Ending)	<u>\$ 71,715,766</u>	<u>\$ 84,609,561</u>	<u>\$ 96,388,784</u>	<u>\$ 59,366,193</u>	<u>\$ 65,357,982</u>	<u>\$ 76,891,796</u>
District's Covered Employee Payroll	\$ 16,815,649	\$ 16,056,711	\$ 15,919,592	\$ 16,088,594	\$ 15,721,525	\$ 15,749,688
Net OPEB Liability Associated with District as a Percentage of Payroll	426.48%	526.94%	605.47%	369.00%	415.72%	488.21%

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

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	NONPUBLIC NURSING SERVICES	AUXILIARY SERVICES	NONPUBLIC TRANSPORTATION	NONPUBLIC SUPPLEMENTAL INSTRUCTION	NONPUBLIC EXAM & CLASSIFICATION	NONPUBLIC TEXTBOOKS	NONPUBLIC SECURITY	NONPUBLIC TECHNOLOGY	RESTORATIVE JUSTICE GRANT	SUBTOTAL
Revenues:										
State Sources	\$ 25,872	\$ 902	\$ 11,151	\$ 19,908	\$ 14,985	\$ 47,355	\$ 9,657	\$ 11,692	\$ 141,522	
Total Revenues	\$ 25,872	\$ 902	\$ 11,151	\$ 19,908	\$ 14,985	\$ 47,355	\$ 9,657	\$ 11,692	\$ 141,522	
Expenditures:										
Instruction:										
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional / Technical Services	-	-	11,151	19,908	-	-	-	-	-	31,059
Textbooks	-	-	-	-	14,985	-	-	-	-	14,985
Total Instruction	-	-	11,151	19,908	14,985	-	-	-	-	46,044
Support Services:										
Salaries	-	-	-	-	-	-	-	-	930	930
Purchased Professional Services	25,872	-	-	-	-	-	-	-	-	25,872
Other Purchased Services	-	902	-	-	-	47,355	9,657	-	-	57,914
Supplies & Materials	-	-	-	-	-	-	-	10,762	-	10,762
Total Support Services	25,872	902	-	-	47,355	9,657	11,692	95,478		
Total Expenditures	\$ 25,872	\$ 902	\$ 11,151	\$ 19,908	\$ 14,985	\$ 47,355	\$ 9,657	\$ 11,692	\$ 141,522	

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	TITLE I PART A	TITLE II - PART A	TITLE III	TITLE IV	SAFE & DRUG- FREE SCHOOLS YEAR 3	SAFE & DRUG- FREE SCHOOLS YEAR 4	ASCERS	I.D.E.A. - PART B	SUBTOTAL
Revenues:									
Federal Sources	\$ 198,373	\$ 35,498	\$ 425	\$ 14,530	\$ 312,528	\$ 394,317	\$ 182,936	\$ 452,617	\$ 1,591,224
Total Revenues	\$ 198,373	\$ 35,498	\$ 425	\$ 14,530	\$ 312,528	\$ 394,317	\$ 182,936	\$ 452,617	\$ 1,591,224
Expenditures:									
Instruction:									
Salaries of Teachers	\$ 45,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,200
Purchased Professional Services	-	-	-	-	-	-	-	81,893	81,893
Tuition	-	-	-	-	-	-	182,936	370,724	553,660
General Supplies	24,748	-	425	7,975	-	-	-	-	33,148
Other Objects	-	-	-	-	-	-	-	-	-
Total Instruction	69,948	-	425	7,975	-	-	182,936	452,617	713,901
Support Services:									
Salaries	114,600	9,570	-	3,615	142,260	155,201	-	-	425,246
Employee Benefits	12,225	732	-	277	5,787	12,309	-	-	31,330
Purchased Professional Services	-	24,172	-	-	-	-	-	-	24,172
Other Purchased Services	1,600	-	-	2,663	140,151	186,023	-	-	330,437
Supplies & Materials	-	1,024	-	-	24,170	40,503	-	-	65,697
Other Objects	-	-	-	-	160	281	-	-	441
Total Support Services	128,425	35,498	-	6,555	312,528	394,317	-	-	877,323
Total Expenditures	\$ 198,373	\$ 35,498	\$ 425	\$ 14,530	\$ 312,528	\$ 394,317	\$ 182,936	\$ 452,617	\$ 1,591,224

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	CSSRA		AMERICAN RESCUE PLAN				TOTALS		
	PERKINS	ESSER II	ESSER III	ESSER LEARNING	BEYOND THE DAY	OTHER LOCAL GRANTS		STUDENT ACTIVITIES	SCHOLARSHIP
Revenues:									
Federal Sources	\$ 89,570	\$ 32,425	\$ 320,294	\$ 29,191	\$ 18,499	\$ -	\$ -	\$ -	\$ 2,081,203
State Sources	-	-	-	-	-	-	-	-	141,522
Local Sources	-	-	-	-	-	54,343	669,395	83,087	806,825
Total Revenues	89,570	32,425	320,294	29,191	18,499	54,343	669,395	83,087	3,029,550
Expenditures:									
Instruction:									
Salaries of Teachers	-	-	-	29,191	4,430	-	-	-	78,821
Purchased Professional/Technical Services	23,405	-	-	-	-	-	-	-	136,357
Tuition	-	-	-	-	-	-	-	-	553,660
General Supplies	50,216	-	19,074	-	-	-	-	-	102,438
Textbooks	-	-	-	-	-	-	-	-	14,985
Total Instruction	73,621	-	19,074	29,191	4,430	-	-	-	886,261
Support Services:									
Salaries	900	-	129,870	-	-	-	-	-	556,946
Employee Benefits	-	-	-	-	-	-	-	-	31,330
Purchased Professional Services	6,897	20,925	5,014	-	14,069	-	-	-	96,949
Other Purchased Services	1,643	-	-	-	-	43,674	-	-	433,668
Supplies & Materials	-	11,500	166,336	-	-	10,669	-	-	264,964
Other Objects	-	-	-	-	-	-	-	-	441
Student Activities	-	-	-	-	-	-	690,355	-	690,355
Scholarship	-	-	-	-	-	-	-	77,674	77,674
Total Support Services	9,440	32,425	301,220	-	14,069	54,343	690,355	77,674	2,152,327
Facilities Acquisition & Construction Services:									
Instructional Equipment	6,509	-	-	-	-	-	-	-	6,509
Total Facilities Acquisition & Construction Services	6,509	-	-	-	-	-	-	-	6,509
Total Expenditures	89,570	32,425	320,294	29,191	18,499	54,343	690,355	77,674	3,045,097
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	-	-	-	-	-	-	(20,960)	5,413	(15,547)
Fund Balance, July 1	-	-	-	-	-	-	482,521	313,982	796,503
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 461,561	\$ 319,395	\$ 780,956

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F. Capital Projects Fund

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2023**

PROJECT TITLE	ORIGINAL DATE	REVISED BUDGETARY APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE JUNE 30, 2023
			PRIOR YEAR	CURRENT YEAR	
Middle School Special Education Classrooms (SCSE) Wing Addition	11/5/2014	\$ 1,713,213	\$ 1,705,377	\$ -	7,836
Middle School Roof Replacement, HVAC System and Electrical System Upgrades	11/5/2014	7,554,343	7,542,178	-	12,165
Toilet Room Addition and Fieldhouse	2/2/2022	3,175,096	175,096	2,020,408	979,592
Total		\$ 12,442,652	\$ 9,422,651	\$ 2,020,408	\$ 999,593

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

Revenues and Other Financing Sources:	
Transfer from Capital Reserve	<u>\$ 3,000,000</u>
 Total Revenues	 <u>3,000,000</u>
Expenditures & Other Financing Uses:	
Other Professional/Technical Services	2,019,995
Construction Services	<u>413</u>
 Total Expenditures & Other Financing Sources/(Uses)	 <u>2,020,408</u>
 Excess/(Deficiency) of Revenues Over/(Under) Expenditures	 979,592
Fund Balance - Beginning	<u>20,001</u>
 Fund Balance - Ending	 <u><u>\$ 999,593</u></u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MIDDLE SCHOOL SPECIAL EDUCATION CLASSROOM (SCSE) WING ADDITION
YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$ 1,368,949	\$ -	\$ 1,368,949	\$ 1,368,949
State Sources: SDA Grant	344,264		344,264	344,264
Total Revenues	1,713,213	-	1,713,213	1,713,213
Expenditures & Other Financing Uses:				
Legal Services	289	-	289	16,000
Audit Services	-	-	-	16,000
Engineer/Architect	151,845	-	151,845	160,000
Other Professional/Technical Service	16,145	-	16,145	16,000
Construction Services	1,403,080	-	1,403,080	1,469,463
Supplies	-	-	-	8,250
Other Objects	134,018	-	134,018	27,500
Total Expenditures	1,705,377	-	1,705,377	1,713,213
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 7,836	\$ -	\$ 7,836	\$ -

ADDITIONAL PROJECT INFORMATION

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MIDDLE SCHOOL ROOF REPLACEMENT, HVAC SYSTEM AND ELECTRICAL SYSTEM UPGRADES
YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$ 3,637,399	\$ -	\$ 3,637,399	\$ 3,637,399
State Sources: SDA Grant	3,916,944		3,916,944	3,916,944
Total Revenues	7,554,343	-	7,554,343	7,554,343
Expenditures & Other Financing Uses:				
Legal Services	24,780	-	24,780	86,000
Audit Services	3,000	-	3,000	16,000
Engineer/Architect	687,245	-	687,245	600,000
Other Professional/Technical Services	77,980	-	77,980	90,000
Construction Services	6,740,891	-	6,740,891	6,668,093
Supplies	845	-	845	64,250
Other Objects	7,437	-	7,437	30,000
Total Expenditures	7,542,178	-	7,542,178	7,554,343
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 12,165	\$ -	\$ 12,165	\$ -

ADDITIONAL PROJECT INFORMATION

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
TOILET ROOM ADDITION AND FIELD HOUSE
YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ 175,096	\$ 3,000,000	\$ 3,175,096	\$ 3,175,096
Total Revenues	175,096	3,000,000	3,175,096	3,175,096
Expenditures & Other Financing Uses:				
Engineer/Architect	-	85,878	85,878	-
Other Professional/Technical Services	175,096	1,934,117	2,109,213	272,096
Construction Services	-	-	-	2,853,000
Supplies	-	-	-	50,000
Other Objects	-	413	413	-
Total Expenditures	175,096	2,020,408	2,195,504	3,175,096
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 979,592	\$ 979,592	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	4940-050-22-1000
Original Authorized Cost	\$ 3,175,096
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 3,175,096
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	69.15%
Original Target Completion Date	August 2023
Revised Target Completion Date	August 2023

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G. Proprietary Funds

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Enterprise Funds

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023**

ASSETS	BUSINESS-TYPE ACTIVITIES	
	FOOD SERVICE FUND	TOTAL
Current Assets:		
Cash & Cash Equivalents	\$ 395,590	\$ 395,590
Accounts Receivable:		
State	508	508
Federal	13,478	13,478
Other	4,588	4,588
Inventory	43,114	43,114
	457,278	457,278
Total Current Assets		
Noncurrent Assets:		
Furniture, Machinery & Equipment	587,977	587,977
Less: Accumulated Depreciation	(463,861)	(463,861)
	124,116	124,116
Total Noncurrent Assets		
	581,394	581,394
Total Assets		
LIABILITIES		
Current Liabilities:		
Unearned Revenue	38,032	38,032
Interfund Payable	143,748	143,748
	181,780	181,780
Total Current Liabilities		
NET POSITION		
Investment in Capital Assets	124,116	124,116
Unrestricted	275,498	275,498
	399,614	399,614
Total Net Position		
	\$ 399,614	\$ 399,614

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES	
	FOOD SERVICE FUND	TOTAL
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 181,693	\$ 181,693
Daily Sales Nonreimbursable Programs	188,865	188,865
Special Functions	11,267	11,267
Miscellaneous	7,322	7,322
Total Operating Revenue	389,147	389,147
Operating Expenses:		
Salaries - FSMC	269,489	269,489
Employee Benefits - FSMC	62,231	62,231
Supplies and Materials	4,817	4,817
Management Fee	51,175	51,175
Depreciation	12,833	12,833
Miscellaneous	34,053	34,053
Cost of Sales - Reimbursable Programs	223,882	223,882
Cost of Sales - Non-Reimbursable Programs	119,973	119,973
Total Operating Expenses	778,453	778,453
Operating/(Loss)/Gain	(389,306)	(389,306)
Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program	8,644	8,644
State School Breakfast Program	635	635
Federal Sources:		
National School Lunch Program	197,606	197,606
National School Breakfast Program	42,118	42,118
Healthy Hunger-Free Kids Act	7,125	7,125
Supply Chain Assistance Funds	60,090	60,090
Food Distribution Program	103,983	103,983
Interest & Investment Revenue	218	218
Total Nonoperating Revenues/ (Expenses)	420,419	420,419
Net Income/(Loss)	31,113	31,113
Net Position - Beginning	368,501	368,501
Total Net Position - Ending	\$ 399,614	\$ 399,614

DELSEA REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	FOOD SERVICE FUND	TOTAL
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 414,286	\$ 414,286
Payments to Suppliers	(282,710)	(282,710)
Payments to Employees	(269,489)	(269,489)
Payments for Employee Benefits	(62,231)	(62,231)
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(200,144)	(200,144)
	<hr/>	<hr/>
Cash Flows From Capital Financing Activities:		
Purchase of Equipment	(64,911)	(64,911)
	<hr/>	<hr/>
Net Cash Used by Capital Financing Activities	(64,911)	(64,911)
	<hr/>	<hr/>
Cash Flows From Non-Capital Financing Activities:		
Cash Received from State & Federal Reimbursements	359,513	359,513
	<hr/>	<hr/>
Net Cash Provided by Non-Capital Financing Activities	359,513	359,513
	<hr/>	<hr/>
Cash Flows From Investing Activities:		
Interest Income	218	218
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	218	218
	<hr/>	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	94,676	94,676
Cash & Cash Equivalents, July 1	300,914	300,914
	<hr/>	<hr/>
Cash & Cash Equivalents, June 30	\$ 395,590	\$ 395,590
	<hr/>	<hr/>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:		
Operating Income/(Loss)	\$ (389,306)	\$ (389,306)
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:		
Depreciation Expense	12,833	12,833
Food Distribution Program	103,983	103,983
Change in Assets & Liabilities:		
(Increase)/Decrease in Accounts Receivable	(635)	(635)
(Increase)/Decrease in Inventory	(24,358)	(24,358)
Increase/(Decrease) in Unearned Revenue	25,774	25,774
Increase/(Decrease) in Interfunds Payable	71,565	71,565
	<hr/>	<hr/>
Total Adjustments	189,162	189,162
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (200,144)	\$ (200,144)
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Internal Service Fund

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

ASSETS	<u>GOVERNMENTAL ACTIVITIES</u> INTERNAL SERVICE FUND	TOTAL
Current Assets:		
Receivables from Other Governments	\$ 219,570	\$ 219,570
	<hr/>	<hr/>
Total Assets	219,570	219,570
	<hr/>	<hr/>
 LIABILITIES		
Interfunds Payable	200,322	200,322
Accounts Payable	11,834	11,834
	<hr/>	<hr/>
Total Liabilities	212,156	212,156
	<hr/>	<hr/>
 NET POSITION		
Unrestricted	7,414	7,414
	<hr/>	<hr/>
Total Net Position	\$ 7,414	\$ 7,414
	<hr/> <hr/>	<hr/> <hr/>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2023**

	GOVERNMENTAL ACTIVITIES		INTERNAL SERVICE FUND		TOTAL
OPERATING REVENUES:					
Charges for Services:					
Services provided to other LEA's	\$	1,216,485	\$	1,216,485	
Total Operating Revenue		1,216,485		1,216,485	
OPERATING EXPENSES:					
Salaries		629,428		629,428	
Social Security		44,028		44,028	
Employee Benefits		190,326		190,326	
Other Professional/Technical Services		97,922		97,922	
Cleaning, Repair & Maintenance Services		4,889		4,889	
Contracted Services (Aid in Lieu)		25,550		25,550	
General Supplies		39,930		39,930	
Communications/Telephone		5,151		5,151	
Oil		811		811	
Electricity		949		949	
Travel		1,400		1,400	
Miscellaneous		56,427		56,427	
Total Operating Expenses		1,096,811		1,096,811	
Total Operating Income/(Loss)		119,674		119,674	
Nonoperating Revenues/(Expenses):					
Transfers Out		(119,674)		(119,674)	
Total Nonoperating Revenues/ (Expenses)		(119,674)		(119,674)	
Net Income/(Loss)		-		-	
Total Net Position - July 1		7,414		7,414	
Total Net Position - June 30	\$	7,414	\$	7,414	

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2023**

	<u>GOVERNMENTAL ACTIVITIES</u>		
	INTERNAL		
	SERVICE FUND	TOTAL	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 1,356,462	\$ 1,356,462	
Payments to Suppliers	(373,006)	(373,006)	
Payments to Employees	(629,428)	(629,428)	
Payments for Employee Benefits	(234,354)	(234,354)	
	<hr/>	<hr/>	
Net Cash Provided/(Used) by Operating Activities	119,674	119,674	
	<hr/>	<hr/>	
Cash Flows from Noncapital Financing Activities:			
Operating Subsidies and Transfers to General Fund	(119,674)	(119,674)	
	<hr/>	<hr/>	
Net Cash Provided/(Used) for Noncapital Financing Activities	(119,674)	(119,674)	
	<hr/>	<hr/>	
Net Increase/(Decrease) in Cash & Cash Equivalents	-	-	
Cash & Cash Equivalents, July 1	-	-	
	<hr/>	<hr/>	
Cash & Cash Equivalents, June 30	\$ -	\$ -	
	<hr/> <hr/>	<hr/> <hr/>	

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

Reconciliation of Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ 119,674	\$ 119,674	
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:			
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	139,977	139,977	
Increase/(Decrease) in Accounts Payable	9,767	9,767	
Increase/(Decrease) in Interfunds Payable	(149,744)	(149,744)	
	<hr/>	<hr/>	
Total Adjustments	-	-	
	<hr/>	<hr/>	
Net Cash Provided/(Used) by Operating Activities	\$ 119,674	\$ 119,674	
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I. Long-Term Debt

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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2023**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY		INTEREST RATE	BALANCE JUNE 30, 2022	RETIRED	BALANCE JUNE 30, 2023
			DATE	AMOUNT				
Improvements and renovations to the middle school and high school	2/15/2015	\$ 10,581,000	08/01/23	\$ 405,000	3.000%	\$ 8,271,000	\$ 390,000	\$ 7,881,000
			08/01/24	420,000	3.000%			
			08/01/25	430,000	3.000%			
			08/01/26	450,000	3.000%			
			08/01/27-32	475,000	3.000%			
			08/01/33-35	475,000	3.125%			
			08/01/36-38	475,000	3.250%			
			08/01/39	476,000	3.250%			
Total						<u>\$ 8,271,000</u>	<u>\$ 390,000</u>	<u>\$ 7,881,000</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF FINANCED PURCHASES PAYABLE
JUNE 30, 2023**

PURPOSE	DATE OF LEASE	TERM OF LEASE	ORIGINAL INTEREST		INTEREST RATE	BALANCE JUNE 30, 2022	ISSUED	RETIRED	BALANCE JUNE 30, 2023
			PRINCIPAL	INTEREST					
IP Phones	9/1/2018	5 Years	\$ 33,962	\$ 5,563	5.22%	\$ 7,192	\$ -	\$ 7,192	\$ -
43 Promethean Boards	9/1/2018	5 Years	167,400	20,766	4.03%	36,175	-	36,175	-
Wireless Access Points	9/1/2018	5 Years	23,231	4,175	5.78%	5,182	-	5,182	-
3 Servers	9/1/2018	5 Years	22,763	3,278	7.22%	4,858	-	4,858	-
Towers - Monitors	8/1/2019	5 Years	64,962	6,977	4.19%	26,610	-	12,957	13,653
40 Promethean Boards	7/1/2019	5 Years	131,600	25,077	5.90%	61,749	-	26,084	35,665
Chromebook Cases	9/1/2020	4 Years	14,531	1,609	7.50%	7,247	-	3,493	3,754
Chromebooks	10/1/2020	3 Years	208,254	9,844	4.80%	69,367	-	69,367	-
Chromebooks	9/1/2021	3 Years	224,469	9,587	4.25%	146,450	-	71,672	74,778
Computer Equipment	9/1/2021	5 Years	269,770	23,362	4.25%	211,144	-	49,476	161,668
Computer Equipment	7/1/2022	5 Years	123,978	11,766	4.75%	-	123,978	27,149	96,829
Computer Equipment	7/1/2022	5 Years	202,328	16,429	4.06%	-	202,328	43,751	158,577
Chromebooks	7/1/2022	3 Years	290,090	11,633	4.00%	-	290,090	100,574	189,516
Network Equipment	7/1/2022	5 Years	154,826	20,043	4.20%	-	153,416	28,471	124,945
45 Promethean Boards	7/1/2022	5 Years	205,092	17,322	2.77%	-	203,895	38,812	165,083
Total						\$ 575,974	\$ 973,707	\$ 525,213	\$ 1,024,468

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	JUNE 30, 2023				POSITIVE/ NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 638,616	\$ -	\$ 638,616	\$ 638,616	\$ -
Total Revenues	638,616	-	638,616	638,616	-
Expenditures:					
Regular Debt Service:					
Interest	248,814	-	248,814	248,814	-
Principal	390,000	-	390,000	390,000	-
Total Expenditures	638,814	-	638,814	638,814	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(198)	-	(198)	(198)	-
Fund Balance, July 1	2	-	2	2	-
Fund Balance, June 30	\$ (196)	\$ -	\$ (196)	\$ (196)	\$ -

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in,										
Capital Assets	\$ 24,707,519	\$ 24,696,694	\$ 25,194,575	\$ 26,649,674	\$ 27,192,201	\$ 28,304,260	\$ 28,386,542	\$ 20,087,435	\$ 10,029,998	\$ 16,258,259
Restricted	5,390,078	7,278,138	5,921,622	5,578,630	5,272,827	6,122,634	6,505,723	12,061,889	22,952,933	5,567,578
Unrestricted	(7,697,881)	(10,380,301)	(10,805,752)	(15,010,610)	(15,444,617)	(101,322,900)	(14,053,996)	(10,499,398)	(10,924,892)	(1,486,949)
Total Governmental Activities	\$ 22,399,716	\$ 21,594,531	\$ 20,310,445	\$ 17,217,694	\$ 17,020,411	\$ (66,896,006)	\$ 20,838,269	\$ 21,649,926	\$ 22,058,039	\$ 20,338,888
Business-Type Activities:										
Net Investment in,										
Capital Assets	\$ 124,116	\$ 72,038	\$ 30,054	\$ 36,011	\$ 39,053	\$ 42,128	\$ 45,710	\$ 6,894	\$ 8,824	\$ 10,835
Unrestricted	275,498	296,463	235,551	188,623	168,712	123,057	135,904	146,688	141,157	126,751
Total Business-Type Activities	\$ 399,614	\$ 368,501	\$ 265,605	\$ 224,634	\$ 207,765	\$ 165,185	\$ 181,614	\$ 153,582	\$ 149,981	\$ 137,586
District-Wide:										
Net Investment in,										
Capital Assets	\$ 24,831,635	\$ 24,768,732	\$ 25,224,629	\$ 26,685,685	\$ 27,231,254	\$ 28,346,388	\$ 28,432,252	\$ 20,094,329	\$ 10,038,822	\$ 16,269,094
Restricted	5,390,078	7,278,138	5,921,622	5,578,630	5,272,827	6,122,634	6,505,723	12,061,889	22,952,933	5,567,578
Unrestricted	(7,422,383)	(10,083,838)	(10,570,201)	(14,821,987)	(15,275,905)	(101,199,843)	(13,918,092)	(10,352,710)	(10,783,735)	(1,360,198)
Total District Net Position	\$ 22,799,330	\$ 21,963,032	\$ 20,576,050	\$ 17,442,328	\$ 17,228,176	\$ (66,730,821)	\$ 21,019,883	\$ 21,803,508	\$ 22,208,020	\$ 20,476,474

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 11,060,313	\$ 9,859,271	\$ 8,526,073	\$ 9,032,728	\$ 8,852,199	\$ 8,889,722	\$ 8,623,669	\$ 8,363,282	\$ 8,080,763	\$ 7,896,965
Special Education	1,269,094	2,615,816	2,108,260	2,242,305	2,345,504	2,526,822	2,579,859	2,696,918	2,750,548	2,528,466
Other Special Instruction	-	-	-	532,739	563,506	486,454	567,685	369,628	303,388	256,675
Other Instruction	1,279,566	1,215,927	1,241,556	1,105,597	1,085,326	1,212,512	1,109,757	1,165,302	1,068,763	1,098,780
Support Services:										
Tuition	3,503,236	4,445,997	3,758,939	3,293,948	3,498,676	2,916,971	2,296,333	2,027,675	1,582,393	1,261,409
Student & Instruction Related Services	4,685,565	4,376,994	3,962,126	2,701,317	3,120,480	3,043,773	3,090,711	3,109,952	3,141,564	2,951,779
Health Services	216,071	247,018	237,323	-	-	-	-	-	-	-
Educational Media Services/School Library	240,120	233,756	195,862	-	-	-	-	-	-	-
School Administrative Services	707,005	695,878	683,226	617,385	520,241	578,927	512,785	491,292	532,837	513,054
General Administrative	537,489	519,453	485,765	1,004,806	1,141,374	1,097,037	1,033,505	1,140,117	1,151,980	1,077,853
Central Services	463,572	422,385	430,811	-	-	-	-	-	-	-
Administrative Information Technology	481,560	456,062	427,838	-	-	-	-	-	-	-
Plant Operations & Maintenance	3,028,597	2,607,129	2,710,769	2,844,750	2,899,941	2,959,811	2,820,985	2,477,707	2,739,056	2,480,972
Pupil Transportation	3,806,796	3,269,125	2,440,658	4,790,202	5,370,618	5,419,578	5,240,580	5,030,983	4,904,905	5,096,037
Employee Benefits	7,556,652	9,976,266	10,332,697	10,091,241	12,158,442	13,235,183	10,113,699	8,411,483	7,172,701	6,560,993
On Behalf TPAF Pension and Social Security Contributions	950,596	401,775	4,876,026	-	-	-	-	-	-	-
Transfer to Charter Schools	294,302	-	208,859	-	-	-	-	-	-	-
Internal Service	1,096,811	903,674	710,578	-	-	-	-	-	-	-
Interest on Long-Term Debt	273,853	251,560	271,392	278,039	288,501	298,255	304,731	307,312	124,859	49,490
Capital Outlay	-	-	-	472,386	1,144,845	785,379	-	726,934	270,332	1,376,070
Unallocated Amortization	81,076	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	2,263,916	2,226,575	2,166,481	2,252,260	2,006,217	871,339	635,710	658,822	660,031	672,751
Total Governmental Activities Expenses	43,796,190	44,724,661	45,775,239	41,259,703	44,995,870	44,321,763	38,930,009	36,977,407	34,484,120	33,821,294
Business-Type Activities:										
Food Service	778,453	948,669	379,557	536,641	672,907	706,647	681,849	664,646	690,145	711,371
Total Business-Type Activities Expense	778,453	948,669	379,557	536,641	672,907	706,647	681,849	664,646	690,145	711,371
Total District Expenses	\$ 44,574,643	\$ 45,673,330	\$ 46,154,796	\$ 41,796,344	\$ 45,668,777	\$ 45,028,410	\$ 39,611,858	\$ 37,642,053	\$ 35,174,265	\$ 34,532,665

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 1,216,485	\$ 978,275	\$ 780,802	\$ 776,760	\$ 765,907	\$ 840,273	\$ 737,375	\$ 745,664	\$ 720,123	\$ 880,372
Operating Grants & Contributions	7,007,552	9,763,134	12,150,237	1,079,902	977,731	954,743	1,007,324	954,183	1,036,408	760,227
Total Governmental Activities Program Revenues	8,224,037	10,741,409	12,931,039	1,856,662	1,743,638	1,795,016	1,744,699	1,699,847	1,756,531	1,640,599
Business-Type Activities:										
Charges for Services:										
Food Service	389,147	124,686	12,414	284,962	446,193	414,213	406,274	396,911	414,229	415,734
Operating Grants & Contributions	420,201	926,742	407,995	268,379	269,162	275,883	258,712	271,204	288,234	308,891
Total Business-Type Activities Program Revenues	809,348	1,051,428	420,409	553,341	715,355	690,096	664,986	668,115	702,463	724,625
Total District Program Revenues	\$ 9,033,385	\$ 11,792,837	\$ 13,351,448	\$ 2,410,003	\$ 2,458,993	\$ 2,485,112	\$ 2,409,685	\$ 2,367,962	\$ 2,458,994	\$ 2,365,224
Net/(Expense)/Revenue:										
Governmental Activities	\$ (35,572,153)	\$ (33,983,252)	\$ (32,844,200)	\$ (39,403,041)	\$ (43,252,232)	\$ (42,526,747)	\$ (37,185,310)	\$ (35,277,560)	\$ (32,727,589)	\$ (32,180,695)
Business-Type Activities	30,895	102,759	40,852	16,700	42,448	(16,551)	(16,863)	3,469	12,318	13,254
Total District-Wide Net Expense	\$ (35,541,258)	\$ (33,880,493)	\$ (32,803,348)	\$ (39,386,341)	\$ (43,209,784)	\$ (42,543,298)	\$ (37,202,173)	\$ (35,274,091)	\$ (32,715,271)	\$ (32,167,441)

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 16,529,734	\$ 16,205,622	\$ 15,887,865	\$ 15,714,677	\$ 15,406,546	\$ 15,104,457	\$ 14,808,291	\$ 14,517,932	\$ 13,874,384	\$ 13,274,157
Taxes Levied for Debt Service	638,616	640,166	641,615	632,612	627,689	625,964	617,314	531,800	400,641	708,761
Unrestricted Grants & Contributions	15,492,484	15,039,957	14,647,923	19,883,772	21,335,915	17,978,575	17,430,709	17,035,334	16,872,901	16,711,108
Restricted Grants & Contributions	-	-	-	-	-	-	-	-	10,200,875	-
Tuition Received	2,064,370	2,116,279	2,037,949	2,027,224	2,104,622	2,523,723	2,167,049	1,779,475	1,858,599	1,698,159
Transportation Fees	1,103,142	1,163,455	666,914	1,194,008	1,579,182	1,442,730	1,217,929	842,823	1,217,727	1,345,317
Investment Earnings	1,862	3,477	678	1,836	6,055	6,384	6,343	3,732	3,400	17,342
Miscellaneous Income	222,828	98,382	493,672	146,195	216,329	(106,397)	126,018	158,351	86,774	60,764
Other - Special Items	-	-	-	-	-	-	-	-	(28,390)	(3,208)
Total Governmental Activities	36,053,036	35,267,338	34,376,616	39,600,324	41,276,338	37,575,436	36,373,653	34,869,447	44,486,911	33,812,400
Business-Type Activities:										
Investment Earnings	218	137	119	169	132	122	139	132	77	100
Capital Contributions	-	-	-	-	-	-	44,756	-	-	-
Total Business-Type Activities	218	137	119	169	132	122	44,895	132	77	100
Total District-Wide	\$ 36,053,254	\$ 35,267,475	\$ 34,376,735	\$ 39,600,493	\$ 41,276,470	\$ 37,575,558	\$ 36,418,548	\$ 34,869,579	\$ 44,486,988	\$ 33,812,500
Change in Net Position:										
Governmental Activities	\$ 480,883	\$ 1,284,086	\$ 1,532,416	\$ 197,283	\$ (1,975,894)	\$ (4,951,311)	\$ (811,657)	\$ (408,113)	\$ 11,759,322	\$ 1,631,705
Business-Type Activities	31,113	102,896	40,971	16,869	42,580	(16,429)	28,032	3,601	12,395	13,354
Total District	\$ 511,996	\$ 1,386,982	\$ 1,573,387	\$ 214,152	\$ (1,933,314)	\$ (4,967,740)	\$ (783,625)	\$ (404,512)	\$ 11,771,717	\$ 1,645,059

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 3,609,725	\$ 6,461,632	\$ 5,144,337	\$ 3,890,639	\$ 4,485,148	\$ 5,079,683	\$ 4,513,876	\$ 4,745,633	\$ 5,655,748	\$ 4,686,194
Assigned	2,191,640	622,145	2,013,094	1,667,792	767,678	1,022,950	1,543,529	2,407,087	1,440,002	881,383
Unrestricted	(277,593)	385,788	355,953	(343,288)	(383,130)	(461,654)	(530,266)	(614,664)	(663,106)	(683,408)
Total General Fund	\$ 5,523,772	\$ 7,469,565	\$ 7,513,384	\$ 5,215,143	\$ 4,869,696	\$ 5,640,979	\$ 5,527,139	\$ 6,538,056	\$ 6,432,644	\$ 4,884,169
All Other Governmental Funds:										
Restricted, Reported in:										
Special Revenue Fund	\$ 780,956	\$ 796,503	\$ 757,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	999,593	20,001	20,001	20,001	20,001	20,001	448,514	4,909,365	15,857,379	-
Debt Service Fund	(196)	2	200	198	-	-	(196)	(196)	(196)	1
Total All Other Governmental Funds	\$ 1,780,353	\$ 816,506	\$ 777,285	\$ 20,199	\$ 20,001	\$ 20,001	\$ 448,318	\$ 4,909,169	\$ 15,857,183	\$ 1

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Taxes Local	\$ 17,168,350	\$ 16,845,788	\$ 16,529,480	\$ 16,347,289	\$ 16,034,235	\$ 15,730,421	\$ 15,425,605	\$ 15,049,732	\$ 14,275,025	\$ 13,982,918
Tuition Charges	2,064,370	2,116,279	2,037,949	2,027,224	2,104,622	2,523,723	2,167,049	1,779,475	1,858,599	1,698,159
Transportation	1,103,142	1,163,455	666,914	1,194,008	1,579,182	1,442,730	1,217,929	842,823	1,217,727	1,345,317
Interest Earnings	1,862	3,477	678	1,836	6,055	6,384	3,732	3,400	3,400	3,095
Miscellaneous	981,223	782,196	1,091,004	146,195	216,329	230,450	126,018	158,745	103,374	93,018
State Sources	22,116,775	21,642,319	19,950,461	18,680,408	18,628,231	17,997,099	17,498,373	17,061,674	27,070,677	16,727,998
Federal Sources	2,153,494	2,792,819	1,625,820	1,080,913	949,879	936,219	939,660	930,022	984,090	725,330
Total Revenue	45,589,216	45,346,333	41,902,306	39,477,873	39,518,533	38,867,026	37,380,977	35,826,203	45,512,892	34,575,835
Expenditures:										
Instruction:										
Regular Instruction	10,611,819	9,774,901	8,823,223	9,056,517	8,794,135	8,725,643	8,443,624	8,257,144	8,016,291	7,882,966
Special Education Instruction	1,269,094	2,615,816	2,108,260	2,242,305	2,379,712	2,521,715	2,587,899	2,712,384	2,736,786	2,513,419
Other Special Instruction	-	-	-	530,743	562,414	486,116	567,075	369,628	303,388	256,675
Other Instruction	1,279,566	1,215,927	1,241,556	1,105,597	1,099,678	1,211,367	1,109,411	1,120,825	1,050,974	1,082,151
Undistributed:										
Tuition	3,503,236	4,445,997	3,758,939	3,293,948	3,498,676	2,916,971	2,296,333	2,027,675	1,582,393	1,261,409
Student & Instruction Related Services	4,685,565	4,376,994	3,962,126	3,257,916	3,140,309	3,039,351	3,101,866	3,105,819	3,103,613	2,974,270
Health Services	216,071	247,018	237,323	-	-	-	-	-	-	-
Educational Media Services/School Library	240,120	233,756	195,862	-	-	-	-	-	-	-
Instructional Staff Training	53,733	39,550	43,250	-	-	-	-	-	-	-
General Administrative	483,756	479,903	442,515	472,190	448,744	452,864	432,914	423,852	431,458	472,086
School Administrative Services	707,005	695,878	683,226	677,411	695,659	714,288	688,163	697,019	704,002	688,985
Central Services	463,572	422,585	430,811	407,679	391,169	409,330	394,808	378,066	325,116	333,270
Administrative Information Technology	481,560	456,062	427,838	397,141	432,114	385,009	319,151	378,855	325,904	238,996
Plant Operations & Maintenance	3,028,597	2,607,129	2,710,769	2,823,569	2,881,762	2,891,880	2,736,786	2,386,014	2,690,712	2,432,008
Pupil Transportation	3,806,796	3,269,125	2,440,658	4,394,421	5,014,405	4,685,587	4,518,234	4,479,983	4,231,443	4,323,808
Employee Benefits	6,047,633	5,940,761	6,078,815	9,141,623	9,177,521	8,504,282	8,362,376	7,694,611	7,060,293	6,564,899
On Behalf TP/AF Pension and Social Security Contributions	6,546,362	6,530,727	5,224,932	-	-	-	-	-	-	-
Debt Service Expenditures:										
Principal	390,000	380,000	370,000	350,000	335,000	325,000	310,000	240,000	745,000	1,291,832
Interest	248,814	260,539	271,788	282,414	292,689	300,964	307,314	291,800	21,617	64,073
Capital Outlay	3,306,942	1,927,303	2,67,017	1,216,281	1,767,095	2,035,865	6,762,919	12,915,596	5,817,016	1,890,873
Total Expenditures	47,370,241	45,919,771	39,718,908	39,649,755	40,911,082	39,606,232	42,938,873	47,479,271	39,146,006	34,271,720
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,781,025)	(573,438)	2,183,398	(171,882)	(1,392,549)	(739,206)	(5,557,896)	(11,653,068)	6,366,886	304,115
Other Financing Sources/(Uses):										
Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Capital Leases (Non-Budgeted)	973,707	494,239	222,785	442,607	621,266	761,576	-	727,223	10,581,000	858,417
Accounts Receivable Cancelled	-	-	-	-	-	(336,847)	-	-	384,076	-
Transfer to Charter School	(294,302)	-	(208,859)	-	-	-	-	-	-	-
Transfers Out	(3,000,000)	(175,096)	-	-	-	-	-	-	-	-
Transfers In	3,119,674	249,697	63,064	74,920	-	-	86,128	83,243	73,695	100,544
Total Other Financing Sources/(Uses)	799,079	568,840	76,990	517,527	621,266	424,729	86,128	810,466	11,038,771	958,961
Net Change in Fund Balances	\$(981,946)	\$(4,598)	\$ 2,260,388	\$ 345,645	\$(771,283)	\$(314,477)	\$(5,471,768)	\$(10,842,602)	\$ 17,405,657	\$ 1,263,076
Debt Service as a Percentage of Noncapital Expenditures	1.45%	1.46%	1.63%	1.65%	1.60%	1.67%	1.71%	1.54%	2.30%	4.19%

Source: District Records

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Interest on Investments	\$ 5,354	\$ 1,437	\$ 5,266	\$ 13,184	\$ 10,975	\$ 5,123	\$ 17,134	\$ 46,994	\$ 36,678	\$ 14,247
Athletic Events	19,418	13,268	672	14,496	16,579	-	18,999	17,772	19,996	22,264
Sale of Assets	-	-	-	500	-	-	-	-	-	-
Rentals	15,431	958	-	13,329	7,016	-	4,744	2,189	13,928	8,711
Refunds	25,136	12,912	23,171	38,057	21,784	5,416	34,043	9,516	9,331	29,125
Fines	-	373	226	-	150	-	310	58	900	571
Community School Dividend	-	-	-	-	24,998	-	-	-	-	-
Insurance Dividend	-	-	389,187	53,781	-	-	-	-	-	-
Miscellaneous	157,489	69,434	75,150	12,848	134,827	219,911	50,788	31,588	5,941	93
Total	\$ 222,828	\$ 98,382	\$ 493,672	\$ 146,195	\$ 216,329	\$ 230,450	\$ 126,018	\$ 108,117	\$ 86,774	\$ 75,011

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
Franklin												
2022	\$29,356,400	\$1,060,180,900	\$ 51,598,900	\$5,777,300	\$ 95,800,800	\$ -	\$ 1,927,000	\$1,244,641,300	\$ -	1,244,641,300	1.085	\$1,646,130,476
2021	29,735,400	1,056,924,400	49,891,300	5,603,300	93,689,800	-	1,927,000	1,237,771,200	2,003,354	1,239,774,554	1.054	1,457,845,936
2020	31,119,600	1,050,078,300	50,207,200	5,445,500	93,136,200	-	1,927,000	1,231,913,800	3,352,485	1,235,266,285	1.026	1,368,835,101
2019	31,787,800	1,045,890,200	50,955,200	5,625,000	92,253,500	-	1,927,000	1,228,438,700	2,159,754	1,230,598,454	1.019	1,232,299,954
2018	32,143,500	1,048,027,300	49,508,200	5,625,200	92,593,900	-	1,927,000	1,229,825,100	2,161,153	1,231,986,253	1.019	1,322,706,396
2017	32,122,000	1,047,529,000	49,158,100	6,166,900	92,504,200	-	2,127,000	1,229,607,200	2,145,537	1,231,752,737	1.005	1,304,220,449
2016	34,255,500	1,045,898,900	48,604,500	6,071,800	95,784,400	-	2,127,000	1,234,259,600	2,819,379	1,237,078,979	0.979	1,306,330,003
2015	34,235,200	1,043,381,600	48,197,300	5,995,600	93,081,000	-	2,127,000	1,229,555,300	2,907,975	1,232,463,275	0.971	1,596,691,472
2014	36,089,600	1,041,281,400	47,646,600	6,105,900	93,789,600	-	3,103,600	1,229,745,400	2,956,780	1,232,702,180	0.940	1,294,883,839
				6,035,100	96,487,300	-	3,605,700	1,231,145,700	3,008,212	1,234,153,912	0.907	1,275,979,921
Elk												
2023	\$14,204,700	\$ 308,813,500	\$ 24,968,800	\$3,715,500	\$ 31,692,800	\$ 1,189,200	\$ -	\$ 384,584,500	\$ -	384,584,500	0.994	\$ 480,550,419
2022	15,078,400	304,610,300	24,543,700	3,559,500	30,667,300	1,189,200	-	379,648,400	1,110,641	380,759,041	1.034	440,722,136
2021	16,679,800	300,723,500	23,894,800	3,491,900	31,239,900	1,189,200	-	377,219,100	2,188,373	379,407,473	1.064	411,819,926
2020	16,957,500	298,289,900	23,295,800	3,658,500	29,711,400	1,189,200	-	373,102,300	1,148,777	374,251,077	1.060	375,182,477
2019	16,910,800	296,901,200	23,690,400	3,789,000	29,037,900	1,189,200	-	371,518,500	1,065,004	372,583,504	0.979	390,369,066
2018	17,934,500	293,890,500	22,894,800	4,119,600	29,913,100	1,189,200	-	369,941,700	1,077,657	371,019,357	0.945	383,914,044
2017	19,532,500	284,780,900	23,915,600	4,314,500	30,934,200	1,189,200	-	364,666,900	1,007,309	365,674,209	0.949	382,130,867
2016	17,933,400	275,905,100	24,150,100	4,349,300	30,344,300	1,189,200	-	353,871,400	1,088,181	354,959,581	0.922	368,583,465
2015	14,240,600	277,730,900	22,274,100	4,378,200	30,307,000	1,189,200	-	350,120,000	1,109,178	351,229,178	0.875	360,723,805
2014	14,194,800	276,047,800	22,896,000	4,398,500	30,622,800	1,189,200	-	349,349,100	1,093,377	350,442,477	0.838	359,865,466

b. Tax rates are per \$100

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE				OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICES	TOTAL DIRECT SCHOOL TAX RATE	TOWNSHIP SCHOOL DISTRICT		GLOUCESTER COUNTY		
				TOWNSHIP	SCHOOL DISTRICT			
Franklin								
2023	1.045	0.040	1.085	0.765	0.954	0.760	3.564	
2022	1.014	0.040	1.054	0.738	0.923	0.753	3.468	
2021	0.988	0.038	1.026	0.716	0.915	0.761	3.418	
2020	0.980	0.039	1.019	0.688	0.918	0.755	3.380	
2022	0.979	0.040	1.019	0.669	0.911	0.735	3.334	
2018	0.965	0.040	1.005	0.671	0.891	0.722	3.289	
2017	0.940	0.039	0.979	0.671	0.870	0.706	3.226	
2016	0.937	0.034	0.971	0.671	0.863	0.706	3.211	
2015	0.914	0.026	0.940	0.622	0.831	0.688	3.081	
2014	0.861	0.046	0.907	0.621	0.799	0.635	2.962	
Eik								
2023	0.955	0.039	0.994	0.936	0.949	0.750	3.629	
2022	0.995	0.039	1.034	0.941	0.911	0.787	3.673	
2021	1.024	0.040	1.064	0.917	0.940	0.796	3.717	
2020	1.019	0.041	1.060	0.905	0.934	0.782	3.681	
2022	0.941	0.038	0.979	0.903	0.921	0.764	3.567	
2018	0.907	0.038	0.945	0.876	0.925	0.755	3.501	
2017	0.911	0.038	0.949	0.876	0.826	0.753	3.404	
2016	0.889	0.033	0.922	0.876	0.822	0.750	3.370	
2015	0.850	0.025	0.875	0.861	0.816	0.721	3.273	
2014	0.796	0.042	0.838	0.794	0.810	0.681	3.123	

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

FRANKLIN TOWNSHIP	2023		2014	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION
RLS Real Estate of Newfield NJ II	\$ 10,744,100	0.86%	\$ -	N/A
PDM, LLC (CVS)	2,500,000	0.20%	1,086,500	0.09%
DAN Joint Venture III LP	2,158,300	0.17%	-	N/A
Wawa, Inc.	2,143,600	0.17%	1,498,800	0.12%
Graiff Brothers Properties LLC	2,062,300	0.17%	-	N/A
Rosemar Properties, V. LLC	1,600,000	0.13%	-	N/A
AJ Seerat LLC	1,550,000	0.12%	-	N/A
2099 Main Road LLC	1,512,300	0.12%	-	N/A
Blackwood Town Industries, Inc.	1,466,900	0.12%	1,143,300	0.09%
Nixholm Real Estate Holdings	1,420,500	0.11%	-	N/A
RT Enterprises, LLC	-	N/A	3,999,800	0.32%
R. Leo & Sons, LLC	-	N/A	2,277,700	0.18%
Sharon Reed Community Dev. Corp.	-	N/A	1,438,200	0.12%
Taxpayer #1	-	N/A	1,278,900	0.10%
State of NJ, DEP C/O White Oaks CC	-	N/A	1,195,900	0.10%
Taxpayer #2	-	N/A	1,130,400	0.09%
Visconti Brothers Properties, LLC	-	N/A	1,119,600	0.09%
Total	\$ 27,158,000	2.18%	\$ 16,169,100	1.31%

ELK TOWNSHIP	2023		2014	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION
Taxpayer #1	\$ 6,189,200	1.61%	\$ 1,181,300	0.34%
Laux Lakeview Park Inc.	4,350,900	1.13%	4,294,700	1.23%
SCP 2007-C27, LLC (CVS Caremark)	2,449,900	0.64%	2,000,000	0.57%
AURA Investors LLC % Moat Scs	2,314,100	0.60%	-	N/A
Ewan 77 LLC	1,690,000	0.44%	-	N/A
RIC AURA LLC C/O Cole Schotz PC	1,546,200	0.40%	-	N/A
Copart of Connecticut Inc % Tax Dept	1,317,400	0.34%	-	N/A
Clayton Associates	1,189,200	0.31%	1,223,200	0.35%
Robinson Property Holdings	1,052,200	0.27%	-	N/A
Christy Enterprises	1,029,600	0.27%	1,037,800	0.30%
Verizon New Jersey	-	N/A	1,406,464	0.40%
Paparone at Silver Lake Estates LLC	-	N/A	2,587,200	0.74%
Valley Del Sol	-	N/A	1,844,900	0.53%
Western Oilfields Supply Co.	-	N/A	1,140,300	0.33%
Silvergate Associates	-	N/A	1,932,500	0.55%
Total	\$ 23,128,700	6.01%	\$ 18,648,364	5.32%

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

YEAR ENDED DECEMBER 31	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITH THE FISCAL YEAR		COLLECTIONS IN SUBSEQUENT YEAR
		AMOUNT	PERCENT OF LEVY	
2023	\$ 17,168,350	\$ 17,168,350	100.00%	-
2022	16,845,788	16,845,788	100.00%	-
2021	16,529,480	16,529,480	100.00%	-
2020	16,347,289	16,347,289	100.00%	-
2022	16,034,235	16,034,235	100.00%	-
2018	15,730,421	15,730,421	100.00%	-
2017	15,425,605	15,425,605	100.00%	-
2016	14,275,025	14,275,025	100.00%	-
2015	13,982,918	13,982,918	100.00%	-
2014	13,325,154	13,325,154	100.00%	-

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

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

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES			BUSINESS- TYPE ACTIVITIES	TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME
	GENERAL OBLIGATION BONDS	EDA LOANS	FINANCED PURCHASES PAYABLE	FINANCED PURCHASES		
2023	\$ 7,881,000	\$ -	\$ 1,024,468	\$ -	\$ 8,905,468	Unavailable
2022	8,271,000	-	575,974	-	8,846,974	Unavailable
2021	8,651,000	-	609,399	-	9,260,399	0.70%
2020	9,021,000	-	906,549	-	9,927,549	0.80%
2022	9,371,000	-	987,262	-	10,358,262	1.08%
2018	9,706,000	-	902,696	-	10,608,696	0.94%
2017	10,031,000	-	689,583	-	10,720,583	0.99%
2016	10,341,000	-	1,192,905	-	11,533,905	1.10%
2015	10,581,000	-	884,488	-	11,465,488	1.12%
2014	745,000	-	809,582	-	1,554,582	0.16%

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2023	\$ 7,881,000	\$ -	\$ 7,881,000	0.48%	Unavailable
2022	8,271,000	-	8,271,000	0.51%	Unavailable
2021	8,651,000	-	8,651,000	0.54%	413
2020	8,651,000	-	8,651,000	0.54%	412
2022	9,021,000	-	9,021,000	0.56%	440
2018	9,371,000	-	9,371,000	0.58%	558
2017	9,706,000	-	9,706,000	0.61%	471
2016	10,031,000	-	10,031,000	0.63%	487
2015	10,341,000	-	10,341,000	0.65%	502
2014	10,581,000	-	10,581,000	0.67%	511

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	OVERLAPPING DEBT
Franklin			
Debt Repaid With Property Taxes:			
Franklin Township	\$ 7,272,929	100.00%	\$ 7,272,929
Gloucester County General Obligation Debt	151,050,000	4.41%	6,658,297
Regional School Debt	7,881,000	77.06%	<u>6,073,379</u>
Total Direct & Overlapping Debt			<u>\$ 20,004,605</u>
Elk			
Debt Repaid With Property Taxes:			
Elk Township	\$ 1,005,000	100.00%	\$ 1,005,000
Gloucester County General Obligation Debt	151,050,000	1.36%	2,057,362
Regional School Debt	7,881,000	22.94%	<u>1,807,621</u>
Total Direct & Overlapping Debt			<u>\$ 4,869,983</u>

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

Debt outstanding data provided by each governmental unit.

NOTE - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the above Townships. This process recognizes that, when considering the District's ability to issue and repay Long-Term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 55,614,539	\$ 53,751,439	\$ 51,933,044	\$ 51,079,084	\$ 50,521,077	\$ 39,189,481	\$ 49,675,551	\$ 49,433,011	\$ 49,677,554	\$ 50,734,582
Total Net Debt Applicable to Limit	7,881,000	8,271,000	8,651,000	9,021,000	9,371,000	9,706,000	10,031,000	10,341,000	10,581,000	745,000
Legal Debt Margin	\$ 47,733,539	\$ 45,480,439	\$ 43,282,044	\$ 42,058,084	\$ 41,150,077	\$ 29,483,481	\$ 39,644,551	\$ 39,092,011	\$ 39,096,554	\$ 49,989,582
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.17%	15.39%	16.66%	17.66%	18.55%	24.77%	20.19%	20.92%	21.30%	1.47%

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis		
	Elk	Franklin	Total
2022	\$ 474,382,607	\$ 1,461,724,774	\$ 1,936,107,381
2021	436,242,743	1,453,209,917	1,889,452,660
2020	405,634,160	1,330,259,708	1,735,893,868
			<u>\$5,561,453,909</u>
Average Equalized Valuation of Taxable Property			<u>\$ 1,853,817,970</u>
Debt Limit (3% of Average Equalization Value)			<u>\$ 55,614,539</u>
Net Bonded School Debt			<u>7,881,000</u>
Legal Debt Margin			<u>\$ 47,733,539</u>

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

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

YEAR	POPULATION (a)	PERSONAL INCOME	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
Franklin				
2023	N/A	N/A	N/A	N/A
2022	16,494	N/A	N/A	4.6%
2021	16,568	1,036,378,104	62,553	7.1%
2020	16,340	986,707,240	60,386	10.7%
2019	16,329	928,352,637	56,853	4.7%
2018	16,420	897,287,320	54,646	5.4%
2017	16,451	867,444,779	52,729	5.6%
2016	16,492	837,595,696	50,788	6.7%
2015	16,593	823,377,846	49,622	8.0%
2014	16,612	787,508,472	47,406	9.4%
Elk				
2023	N/A	N/A	N/A	N/A
2022	4,459	N/A	N/A	3.6%
2021	4,442	277,860,426	62,553	5.3%
2020	4,172	251,930,392	60,386	8.1%
2019	476	27,062,028	56,853	3.6%
2018	4,180	228,420,280	54,646	4.3%
2017	4,157	219,194,453	52,729	4.7%
2016	4,099	208,180,012	50,788	4.6%
2015	4,095	203,202,090	49,622	6.6%
2014	4,110	194,838,660	47,406	14.9%

Source:

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

^b Personal income

^c Per Capita

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

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

EMPLOYER	2023		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Rowan University	3,500	1	N/A
Inspira Health Medical Center, Woodbury	1,222	2	N/A
Walmart Supercenter	800	3	N/A
Jefferson Health, Washington Township	670	4	N/A
Aryzta LA Brea Bakery, Inc.	500	5	N/A
Keller Williams Realty	500	6	N/A
Honda of Turnersville	499	7	N/A
Pauslboro Refinery LLC Ap	402	8	N/A
Washington Township High School	400	9	N/A
Johnson Matthey, Inc.	379	10	N/A
			N/A

EMPLOYER	2014		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Underwood Memorial Hospital	1,825	1	N/A
Kennedy Hospital	1,675	2	N/A
County of Gloucester	1,500	3	N/A
Washington Township School District	1,498	4	N/A
Rowan University	1,483	5	N/A
Missa Bay, LLC	950	6	N/A
Monroe Township School District	792	7	N/A
U.S Foodservices	725	8	N/A
Exxon Mobile Research and Development	700	9	N/A
Delaware Valley Wholesale Florist	500	10	N/A
			N/A

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

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	115.0	107.0	100.0	104.0	105.0	102.0	108.0	106.0	105.0	108.0
Special Education	20.0	31.0	33.0	36.0	29.0	36.0	42.0	45.0	46.0	43.0
Other Instruction	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student & Instruction Related	33.0	34.0	37.0	36.0	38.0	37.0	31.0	30.0	33.0	38.0
General Administration	3.0	3.0	3.0	3.0	3.0	3.0	5.0	5.0	4.0	3.0
School Administration	7.0	7.0	7.0	7.0	7.0	7.0	9.0	8.0	10.0	10.0
Central Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information										
Technology	3.0	2.0	2.0	2.0	3.0	4.0	5.0	5.0	4.0	4.0
Plants Operations & Maintenance	33.0	29.0	28.0	28.0	28.0	29.0	25.0	24.0	22.0	25.0
Pupil Transportation	65.0	68.0	70.0	70.0	76.0	76.0	88.0	87.0	86.0	80.0
Total	285.0	287.0	286.0	292.0	295.0	300.0	319.0	316.0	316.0	317.0

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
					TEACHING STAFF	MIDDLE SCHOOL RATIO	HIGH SCHOOL RATIO				
2023	1,587	\$ 40,719,931	25,658	2.21%	139	9.14:1	8.56:1	1,594	1,462	-0.25%	91.72%
2022	1,592	39,963,218	25,103	6.52%	137	11.9:1	11.5:1	1,598	1,454	2.90%	90.99%
2021	1,565	36,880,917	23,566	0.62%	143	11.5:1	10.7:1	1,553	1,455	-3.18%	93.69%
2020	1,614	37,801,060	23,421	-2.53%	142	12.2:1	12.9:1	1,604	1,544	-0.06%	96.26%
2022	1,603	38,516,298	24,028	4.97%	143	12.9:1	13.4:1	1,605	1,512	-0.43%	94.21%
2018	1,614	36,944,403	22,890	3.96%	145	11.5:1	12.9:1	1,612	1,515	0.75%	93.98%
2017	1,615	35,558,640	22,018	3.52%	151	10.1:1	12.7:1	1,600	1,506	-0.50%	94.13%
2016	1,600	34,031,875	21,270	10.78%	143	10.1:1	11.5:1	1,608	1,514	-5.13%	94.15%
2015	1,696	32,562,373	19,200	4.73%	139	11.2:1	10.8:1	1,695	1,596	-3.36%	94.16%
2014	1,754	32,155,588	18,333	4.42%	139	12.0:1	10.9:1	1,754	1,654	0.06%	94.30%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Middle School:										
Middle School (1989):										
Square Feet	101,650	101,650	101,650	101,650	101,650	101,650	101,650	101,650	97,000	97,000
Capacity (Students)	759	759	759	759	759	759	759	759	724	724
Enrollment	536	537	541	581	563	534	485	478	538	613
High School:										
High School (1960):										
Square Feet	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800
Capacity (Students)	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376
Enrollment	1,051	1,055	1,024	1,033	1,040	1,080	1,130	1,122	1,158	1,141
Other:										
Bus Garage (1996)										
Square Feet	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739
Maintenance/Transportation Trailer (1991):										
Square Feet	2,880	2,880	2,880	2,880	2,880	1,180	1,180	1,180	1,180	1,180
Waste Water Treatment Plant (1989):										
Square Feet	700	700	700	700	700	700	700	700	700	700
Stadium Wrestling Building (1973):										
Square Feet	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118
Stadium Maintenance Office (1973):										
Square Feet	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352
Stadium Storage Building (1973):										
Square Feet	760	760	760	760	760	760	760	760	760	760
Stadium Press Box (2001):										
Square Feet	256	256	256	256	256	256	256	256	256	256
Concession Stand#1 (1973):										
Square Feet	320	320	320	320	320	320	320	320	320	320
Concession Stand#2 (1973):										
Square Feet	320	320	320	320	320	320	320	320	320	320
Stadium Equipment Storage Building (1989)										
Square Feet	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520
Greenhouse										
Square Feet	2,248	2,248	2,248	2,248	2,248	2,248	1,012	1,012	1,012	1,012

Number of Schools at June 30, 2023:
 Middle School = 1
 High School = 1
 Other = 11

Source: District records, ASSA

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023**

	<u>Coverage</u>	<u>Deductible</u>
Selective Insurance Company of America		
Property/Inland Marine/Auto Physical Damage	\$ 175,000,000	\$ 500
Crime	249,500	500
General Liability/Auto Liability	14,750,000	
Workmen's Compensation	Statutory	
Educator's Legal Liability	14,750,000	
Firemans' Fund Insurance Company		
Commercial Umbrella	50,000,000	
Lexington Insurance Company, Inc.		
Cyber Liability	2,000,000	50,000 - 100,000
Lloyd's of London		
Violent Malicious Acts	1,000,000	15,000
Lloyd's of London		
Disaster Management Services	1,000,000	10,000
Travelers Insurance Company		
Boiler & Machinery	125,000,000	1,000
Commerce and Industry Insurance Company		
Commercial Pollution and Mold Legal Liability	3,000,000	
Pollution		25,000
Mold		100,000 - 250,000
Public Employees' Faithful Performance		
Bond - Ohio Casualty Insurance Co.		
Treasurer	265,000	
Board Secretary	35,000	

Source - District records

SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delsea Regional High School District (the “School District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated March 7, 2024.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

618 Stokes Road, Medford, NJ 08055

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

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

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

Medford, New Jersey
March 7, 2024



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
Delsea Regional High School District
County of Gloucester
Franklinville, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Delsea Regional High School District’s (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major federal and state programs for the fiscal year ended June 30, 2023. The School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District’s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted 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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors

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

Medford, New Jersey
March 7, 2024

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DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	FEDERAL AWARD NUMBER	PASS THROUGH IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE JUNE 30, 2023 (ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
U.S. Department of Health and Human Services: Passed Through New Jersey Department of Human Services: Medical Assistance Program (SEMI)	93.778	2305NSMAP	100-084-7540-211	\$ 44,149	7/1/22-6/30/23	\$ -	\$ 42,424	\$ (44,149)	\$ -	\$ (1,725)	\$ -
	93.778	2105NSMAP	100-084-7540-211	5,203	1/1/21-12/31/21	(6,928)	5,203	(5,203)	-	-	-
	93.778	2205NSMAP	100-084-7540-211	50,057	7/1/21-6/30/22	(6,928)	6,928	-	-	-	-
Total U.S. Department of Health and Human Services					(6,928)	54,555	(49,352)	-	-	(1,725)	-
U.S. Department of Agriculture: Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: COVID-19 School Breakfast Program	10.553	22NJ304N1099	100-010-3350-028	155,616	7/1/21-6/30/22	(16,062)	16,062	-	-	-	-
	10.553	23NJ304N1099	100-010-3350-028	42,118	7/1/22-6/30/23	(16,062)	39,263	(42,118)	-	(2,855)	-
	10.555	22NJ304N1099	100-010-3350-026	673,965	7/1/21-6/30/22	(40,292)	40,292	-	-	-	-
10.555	23NJ304N1099	100-010-3350-026	197,606	7/1/22-6/30/23	(40,292)	187,355	(197,606)	-	(10,251)	-	
10.555	22NJ304N1099	100-010-3350-026	7,125	7/1/21-6/30/22	-	6,753	(7,125)	-	(372)	-	
10.555	22NJ304N1099	100-010-3350-118	85,869	7/1/21-6/30/22	-	85,869	(60,090)	-	25,779	-	
10.555	22NJ304N1099	Unavailable	64,724	7/1/21-6/30/22	4,607	-	(4,607)	-	-	-	
10.555	23NJ304N1099	Unavailable	109,609	7/1/22-6/30/23	(35,685)	109,609	(99,376)	-	10,233	-	
Total Child Nutrition Cluster					(35,685)	429,878	(368,804)	-	(10,072)	36,012	-
Total U.S. Department of Agriculture					(51,747)	485,203	(410,922)	-	-	(13,478)	36,012
U.S. Department of Treasury COVID-19 State and Local Fiscal Recovery Funds (ASGERS)	21.027	SLEFRP002	100-084-5065-016	182,936	3/3/21-12/23/24	-	182,936	(182,936)	-	-	-
Total U.S. Department of Treasury					-	182,936	(182,936)	-	-	-	-
Total U.S. Department of Education Passed Through New Jersey Department of Education: I.D.E.A. Part B (Special Education Cluster)	84.027A	H027A210100	100-084-5065-016	572,134	7/1/21-9/30/22	(553,221)	553,221	-	-	-	-
84.027A	H027A220100	100-084-5065-016	538,147	7/1/22-9/30/23	(102,994)	100,626	(452,617)	-	(307,981)	-	
84.027X	H027X210100	100-084-5065-095	104,828	7/1/21-9/30/22	(65,621)	798,483	(452,617)	-	(310,449)	-	
84.010A	S010A210030	100-084-5064-194	145,325	7/1/21-9/30/22	(75,326)	75,326	-	-	-	-	
84.010A	S010A220030	100-084-5064-194	225,640	7/1/22-9/30/23	(75,326)	136,401	(198,373)	-	(137,988)	-	
84.367A	S367A20029	100-084-5063-290	47,175	7/1/22-9/30/23	(33,865)	25,658	(35,498)	-	(9,840)	-	
84.367A	S367A20029	100-084-5063-290	36,957	7/1/20-9/30/21	(33,865)	33,865	-	-	-	-	
84.365A	S365A220030	100-084-5064-187	425	7/1/22-9/30/23	(33,865)	59,523	(35,498)	-	(9,840)	-	
84.424A	S424A210031	100-084-5063-348	22,714	7/1/21-9/30/22	(12,955)	12,955	(425)	-	(267)	-	
84.424A	S424A220031	100-084-5063-348	21,978	7/1/22-9/30/23	(12,955)	7,867	(14,530)	-	(6,663)	-	
84.048A	V048A210030	100-084-5032-084	77,944	7/1/21-6/30/22	(5,234)	5,234	-	-	-	-	
84.048A	V048A220030	100-084-5032-084	88,563	7/1/22-6/30/23	(5,234)	50,487	(89,570)	-	(39,083)	-	
84.425D	S425D20027	100-084-5120-513	142,737	3/13/20-9/30/22	(6,234)	55,721	(89,570)	-	(39,083)	-	
84.425D	S425D210027	100-084-5120-518	513,544	3/13/20-9/30/23	(3,234)	14,552	(32,425)	(10,087)	-	-	
84.425D	S425D220027	100-084-5120-518	32,957	3/13/20-9/30/23	(3,234)	3,543	(32,425)	-	(21,107)	-	
84.425U	S425U210027	100-084-5120-523	45,000	3/13/20-9/30/23	(22,050)	22,050	-	-	-	3,543	
84.425U	S425U220027	100-084-5120-523	1,154,158	3/13/20-9/30/24	(645,743)	630,015	(320,294)	-	(336,022)	-	
84.425U	S425U210027	100-084-5120-523	140,060	3/13/20-9/30/24	(108,255)	108,255	-	-	-	-	
84.425U	S425U220027	100-084-5120-523	40,000	3/13/20-9/30/24	(6,469)	-	(29,191)	-	(35,660)	-	
84.425U	S425U210027	100-084-5120-523	40,000	3/13/20-9/30/24	-	-	-	-	(18,499)	-	
84.425U	S425U220027	100-084-5120-523	45,000	3/13/20-9/30/24	(15,318)	23,850	-	-	-	8,532	
84.184G	S184G210252	Unavailable	670,490	10/1/21-9/30/22	(224,535)	528,213	(303,678)	-	-	-	
84.184G	S184G220252	Unavailable	658,647	10/1/19-9/30/21	8,850	-	(8,850)	-	-	-	
84.184G	S184G220252	Unavailable	685,898	10/1/22-9/30/23	(215,685)	360,018	(394,317)	-	(34,299)	-	
Total U.S. Department of Education					(1,855,481)	2,768,148	(1,898,267)	-	(10,087)	(949,087)	12,075
Total Expenditures of Federal Awards					\$ (1,855,481)	\$ 3,490,842	\$ (2,541,477)	\$ -	\$ (10,087)	\$ (964,290)	\$ 48,087

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2023**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE, JUNE 30, 2023		MEMO	CUMULATIVE TOTAL EXPENDITURES	
									ACCOUNTS RECEIVABLE	UNEARNED REVENUE			RECEIVABLE
State Department of Education:													
General Fund:													
Equalization Aid	495-034-5120-078	\$ 12,044,423	7/1/22-6/30/23	\$ -	\$ 12,044,423	\$ (12,044,423)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,138,760	\$ 12,044,423
Special Education Categorical Aid	495-034-5120-089	1,540,790	7/1/22-6/30/23	-	1,540,790	(1,540,790)	-	-	-	-	-	145,677	1,540,790
Security Aid	495-034-5120-084	260,074	7/1/22-6/30/23	-	260,074	(260,074)	-	-	-	-	-	24,589	260,074
School Choice Aid	495-034-5120-068	515,877	7/1/22-6/30/23	-	515,877	(515,877)	-	-	-	-	-	48,774	515,877
Total State Aid Public				-	14,361,164	(14,361,164)	-	-	-	-	-	1,357,800	14,361,164
Transportation Aid	495-034-5120-014	561,312	7/1/22-6/30/23	-	561,312	(561,312)	-	-	-	-	-	53,070	561,312
Additional Nonpublic Transportation Aid	495-034-5120-014	25,520	7/1/21-6/30/22	(25,520)	-	-	-	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-067	27,144	7/1/22-6/30/23	-	-	(27,144)	-	-	-	(27,144)	-	-	27,144
Extraordinary Aid	495-034-5120-044	568,291	7/1/21-6/30/22	(568,291)	-	-	-	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	556,535	7/1/22-6/30/23	-	568,291	(556,535)	-	-	-	-	-	-	556,535
Reimbursed TPAF Social Security	100-034-5094-003	916,583	7/1/21-6/30/22	(44,671)	44,671	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security	100-034-5094-003	931,828	7/1/22-6/30/23	-	841,012	(931,828)	-	-	-	(90,816)	-	-	931,828
Noncash Assistance:													
TPAF - Post Retirement Medical	495-034-5094-001	1,167,819	7/1/22-6/30/23	-	1,167,819	(1,167,819)	-	-	-	-	-	-	1,167,819
TPAF - Pension Contributions	495-034-5094-002	4,445,487	7/1/22-6/30/23	-	4,445,487	(4,445,487)	-	-	-	-	-	-	4,445,487
TPAF - Long-Term Disability Insurance	495-034-5094-004	1,228	7/1/22-6/30/23	-	1,228	(1,228)	-	-	-	-	-	-	1,228
Total General Fund Assistance				(638,482)	22,016,504	(22,052,517)	-	-	-	(674,495)	-	1,410,870	22,052,517
Special Revenue Fund:													
Passed-State Department of Education:													
N.J. Nonpublic Aid:													
Textbook Aid	100-034-5120-064	14,585	7/1/21-6/30/22	6	-	-	-	(6)	-	-	-	-	-
Textbook Aid	100-034-5120-064	15,246	7/1/22-6/30/23	-	15,246	(14,985)	-	-	-	261	-	-	14,985
Security	100-034-5120-067	42,525	7/1/21-6/30/22	42,525	-	-	-	(42,525)	-	-	-	-	-
Security	100-034-5120-067	47,355	7/1/22-6/30/23	-	47,355	(47,355)	-	-	-	-	-	-	47,355
Nursing Services	100-034-5120-070	25,872	7/1/22-6/30/23	-	25,872	(25,872)	-	-	-	-	-	-	25,872
Home Instruction	100-034-5120-067	3,509	7/1/21-6/30/22	(3,509)	-	-	-	-	-	-	-	-	-
Technology	100-034-5120-373	10,206	7/1/21-6/30/22	3,752	-	-	-	(3,752)	-	-	-	-	-
Technology	100-034-5120-373	9,702	7/1/22-6/30/23	-	9,702	(9,657)	-	-	-	45	-	-	9,657
Auxiliary Services (Ch. 192):													
Compensatory Education	100-034-5120-067	448	7/1/21-6/30/22	448	-	-	-	(448)	-	-	-	-	-
Transportation	100-034-5120-068	915	7/1/21-6/30/22	119	-	-	-	(119)	-	-	-	-	-
Transportation	100-034-5120-068	1,118	7/1/22-6/30/23	-	1,118	(902)	-	-	-	216	-	-	902
Handicapped Services (Ch. 193):													
Corrective Speech	100-034-5120-066	1,767	7/1/21-6/30/22	186	-	-	-	(186)	-	-	-	-	-
Corrective Speech	100-034-5120-066	1,860	7/1/22-6/30/23	-	1,860	-	-	-	-	1,860	-	-	-
Examination & Classification	100-034-5120-066	26,731	7/1/21-6/30/22	759	-	-	-	(759)	-	-	-	-	-
Examination & Classification	100-034-5120-066	23,133	7/1/22-6/30/23	-	23,133	(19,908)	-	-	-	3,225	-	-	19,908
Supplementary Instruction	100-034-5120-066	14,208	7/1/21-6/30/22	2,479	-	-	-	(2,479)	-	-	-	-	-
Supplementary Instruction	100-034-5120-066	12,803	7/1/22-6/30/23	6,270	12,803	(11,151)	-	-	-	1,652	-	-	11,151
SDA Emergent and Capital Maintenance Needs	Unavailable	42,495	7/1/21-6/30/22	-	10,000	(11,692)	-	-	-	6,270	-	-	11,692
Restorative Justice Grant	Unavailable	12,000	7/1/22-6/30/23	-	-	-	-	-	-	(1,692)	-	-	-
Passed-County of Gloucester:													
Achievement Coach	Unavailable	50,000	7/1/16-6/30/17	59	-	-	-	-	-	59	-	-	-
Municipal Alliance	Unavailable	7,656	7/1/19-6/30/20	4,836	-	-	-	-	-	4,836	-	-	-
Subtotal State Financial Assistance				57,930	150,598	(141,522)	-	(50,274)	-	(1,692)	11,165	7,259	141,522
State Department of Agriculture:													
Enterprise Fund:													
National School Lunch Program	495-010-3350-001	15,840	7/1/21-6/30/22	(927)	927	-	-	-	-	-	-	-	-
National School Lunch Program	495-010-3350-001	8,644	7/1/22-6/30/23	-	8,184	(8,644)	-	-	-	(460)	-	-	8,644
National School Breakfast Program	495-010-3350-002	635	7/1/22-6/30/23	-	587	(635)	-	-	-	(48)	-	-	635
Total Enterprise Fund Assistance				(927)	9,698	(927)	-	-	-	(508)	-	-	9,279
Grand Total Expenditures of State Financial Assistance				(581,479)	22,176,800	(22,203,318)	\$ -	\$ (50,274)	\$ (676,695)	\$ 11,165	\$ 7,259	\$ 1,410,870	\$ 22,203,318
State Financial Assistance Programs Not Subject to Calculation for Major Program Determination:													
TPAF - Post Retirement Medical (Noncash Assistance)		1,167,819	7/1/22-6/30/23	-	-	-	-	-	-	-	-	-	1,167,819
TPAF - Pension Contributions (Noncash Assistance)		4,445,487	7/1/22-6/30/23	-	-	-	-	-	-	-	-	-	4,445,487
TPAF - Long-Term Disability Insurance (Noncash Assistance)		1,228	7/1/22-6/30/23	-	-	-	-	-	-	-	-	-	1,228
Total State Financial Assistance subject to Major Program Determination													\$ (16,588,784)

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. 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, 2023.

Note 3. Relationship to Basic Financial Statements

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$63,023) for the general fund and \$8,698 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	\$ 49,352	\$ 21,989,494	\$ 22,038,846
Special Revenue Fund	2,104,042	127,281	2,231,323
Food Service Fund	<u>410,922</u>	<u>9,279</u>	<u>420,201</u>
Total Awards & Financial Assistance	<u>\$ 2,564,316</u>	<u>\$ 22,126,054</u>	<u>\$ 24,690,370</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Delsea Regional High School District had no loan balances outstanding at June 30, 2023.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ yes	<u> X </u> no

Identification of major programs:

<u>AIL Number(s)</u>	<u>FAI Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
84.425D	S425D210027	Education Stabilization Fund:
84.425U	S425U210027	C.R.R.S.A. - E.S.S.E.R. II
21.027	SLFRP0002	American Rescue Plan - E.S.S.E.R. III
_____	_____	Covid-19 State and Local Fiscal Recovery Funds

Dollar threshold used to determine Type A programs	<u>\$750,000</u>
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Auditee qualified as low-risk auditee?	<u> X </u> yes	_____ no
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**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078	State Aid - Public:
495-034-5120-084	Equalization Aid
495-034-5120-089	Categorical Security Aid
495-034-5120-068	Categorical Special Education Aid
	School Choice

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

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

None.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.