

**Delsea Regional High School Board of Education
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015**

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

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Delsea Regional High School Board of Education
Franklinville, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by:

Delsea Regional High School Board of Education Administration

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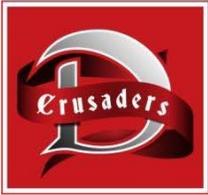
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INTRODUCTORY SECTION



DELSEA REGIONAL HIGH SCHOOL DISTRICT

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Dr. Piera Gravenor, *Superintendent* • Dr. Melissa Williams, *Assistant Superintendent* • Joseph Collins, *Business Administrator*
Dr. Anner Thompson, *Director of Special Services/CST* • Paul Berardelli, *HS Principal* • Jill Bryfogle, *MS Principal*

December 15, 2015

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Delsea Regional High School District for the fiscal year ended June 30, 2015, is hereby submitted. This CAFR includes the District's basic financial statements prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designated to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections:

- The Introductory Section contains a table of contents, letter of transmittal, list of principal officials, and an organizational chart of the District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the basic financial statements, and notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;
- The Single Audit Section - The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the New Jersey OMB Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments*.

- Information related to this single audit, including the auditors' reports on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, if any, are included in the single audit section of this report.

Reporting Entity and Its Services

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

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular and vocational, as well as special education for handicapped youth. The District completed the 2014-15 fiscal year with an average daily enrollment of 1,696 students, which is 59 students less than the previous year's enrollment.

The teaching staff consists of approximately 142 teachers, plus 29 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 vice principal; the high school has one principal and two vice 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 the students to excel to their fullest potential. It is the District 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 has a State approved 2013-2016 Technology Plan.

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, Read180, System 44, STAR reader, and Study Island 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.

Reporting Entity and Its Services (Continued)

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 upper classmen 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, and Teens as Teachers.

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 inter-scholastic 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 curricula 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. 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 Gloucester County in the southern part of 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 truck 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 massive 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

Economic Condition and Outlook (Continued)

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.

Junior Reserve Officers' Training Corps (JROTC) - The JROTC program is a 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. As of 2015, every student in the District is supplied with a school-issued Chromebook and technology is infused daily in all content levels in all grades. 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 e-mail and internet access. The high school

Technology (Continued) - also boasts many specialized areas for specific, more sophisticated technology utilization. In addition to numerous computer labs, there is a television/broadcast studio and a language lab. Both buildings house wireless laptop carts, iPad carts, and “Smartboard” technology. The iPad cart in the middle school music department infuses technology into music, creating a seamless transition to the high school music tech program. School level tech mentors assist teachers in planning and utilizing technology in their classrooms.

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 interests and nonfiction. Through professional development, Science, and Social Studies teachers are increasing the focus on informational text in their curriculum. Disengaged reader book clubs function at the middle school.

iSTEM – This year students are offered a track in the newly developed CTE program. Students employ problem-based learning, discovery, and inquiry to create and develop projects and activities. This is a three-year program whose foundation can be found in the middle school elective, 21st Century Learning.

Advanced Placement - The District is a leader in the county in the offerings of a variety of Advanced Placement courses (20) that expand and solidify the college preparatory curricula to provide students with college entrance skills compatible to, and competitive with, the skills of academic students in other post-secondary institutions in the nation. This special academic curricula in grades seven through twelve function through an articulated and graduated program process from Honors courses in the lower grade levels to nineteen Advanced Placement courses in grades 10, 11, and 12.

Violence Reduction - As a result of continuing revisions in the District's discipline code and board policy, as well as the institution of a variety of pro-active violence prevention strategies, such as service learning, there has been a reduction in the number of acts of violence as reported in the District Report on Violence and Vandalism and Substance Abuse. The Olweus Anti-Bullying program used in the middle school provides a strong foundation in character building.

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.

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 “Personalized Professional Development” that promotes “Choose Your Own PD,” allowing staff to remain current on State and District initiatives while promoting individual growth and learning. The District recognizes each student’s ability to learn and promotes training in Let Me Learn, a program which focuses on individual learning patterns. Through a comprehensive training cycle, staff members are instructed in the application of this innovative program along with proven instructional practices, research based activities, and

Professional Development (Continued) - effective school procedures to affect all student achievement and performance. The District is also participating in the NJDOE's Highly Effective Educator pilot focused on allowing those educators rated highly effective with alternatives to traditional teacher evaluation.

SHAPE Program – SHAPE, School, and Home Achievement for a Partnership in Education, serves as a summer enrichment program for academic and social programs for the most at-risk population. Students are exposed to instruction in math, English, and study skills, are mentored by high school students who serve as role models, and complete hands-on projects that reinforce teamwork. Cultural excursions are also part of the program.

Olweus Bullying Prevention Program - The District received a grant from Gloucester County in 2011/2012 to implement the Olweus Bullying Prevention program in both the middle schools. The program focuses 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.

Internal Accounting Controls

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

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

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

Budgetary Controls

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either 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.

Accounting System and Reports

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 require 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 3. The District is required to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

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

Independent Audit

State statutes require an annual audit by independent Certified Public Accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC, was selected by the Board of Education. In addition to meeting the requirements set forth in the state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey Circular Letters 04-04 and/or 15-08, as revised. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Significant Awards – Educational

Delsea Regional High School Placed on the 2015-2016 College Board's 6th Annual AP[®] District Honor Roll for Significant Gains in Student Access and Success

Delsea Regional High School is one of five schools in the state to be a finalist in the 2014-2015 Samsung Solve for Tomorrow contest.

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

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

Delsea Regional High School has been recognized for their outstanding JROTC program. The program was awarded the designation of "Honor Unit with Distinction" for the 2014-2015 school year by the Department of the Army.

Significant Awards – Educational (Continued)

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

Eleven high school students in the DECA (Distributive Education Club of America) program were recognized as top students in the State of New Jersey. These students were also selected to represent Delsea at the International Career Development Conference in Salt Lake City, Utah. The current NJ DECA president is a Delsea student.

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.

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 operation. 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 HIGH SCHOOL DISTRICT

FRANKLINVILLE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2015

Members of the Board of Education	Term Expires
Kathie P. Catucci, President	2017
David J. Piccirillo, Vice President	2016
John Bruno	2015
Gregory Coffin	2016
William DiMatteo	2016
Garry Lightfoot	2015
James Kelly	2017
Mario R. Christina	2017
Thomas Tobin	2015

Other Officials

Dr. Piera Gravenor, Superintendent

Joseph M. Collins, Business Administrator/Board Secretary

Angela M. Gregory, Treasurer

Frank P. Cavallo, Jr. Esq., Solicitor

DELSEA REGIONAL HIGH SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

ARCHITECT

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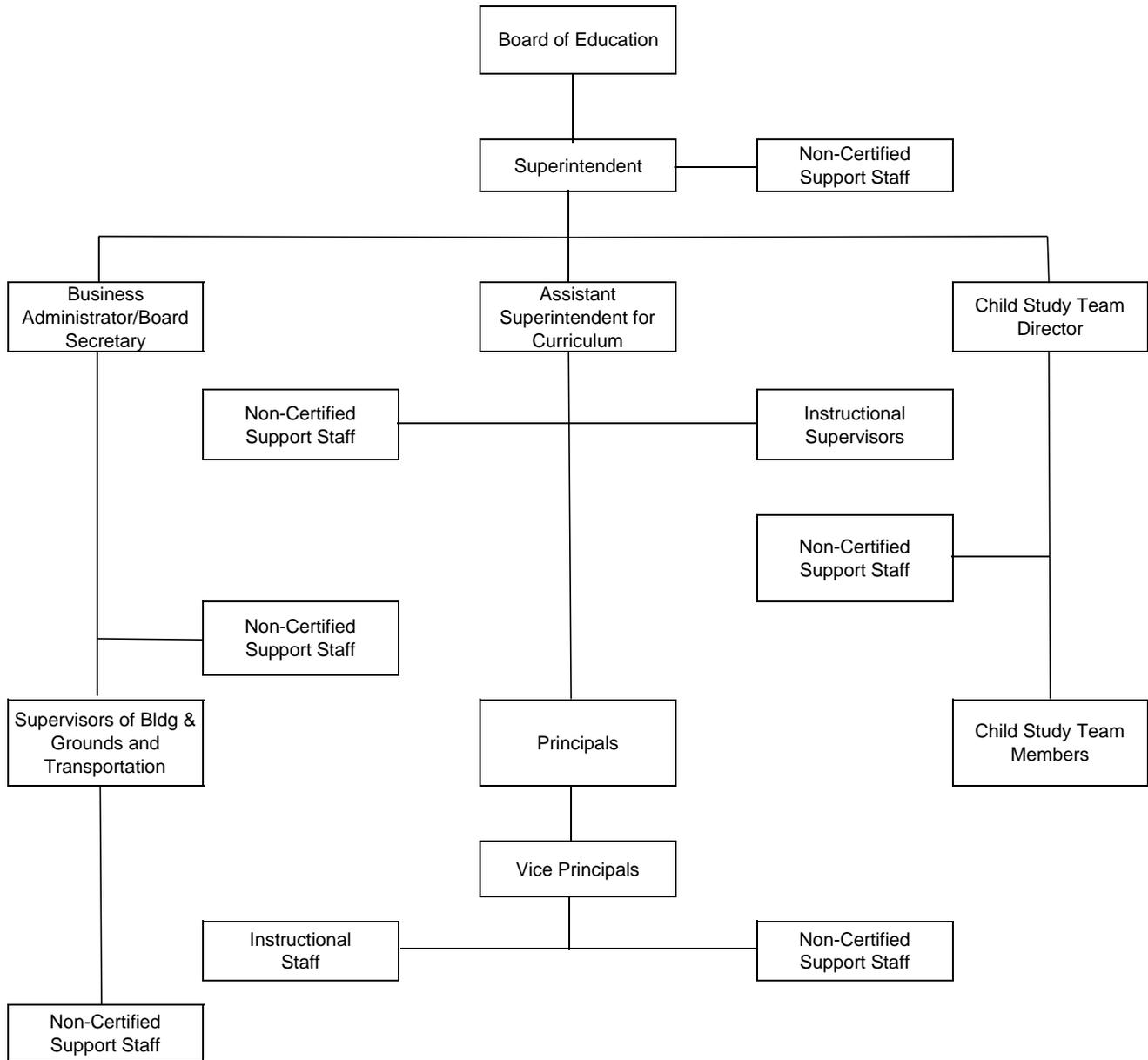
AUDIT FIRM

Petroni & Associates LLC
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Glassboro, NJ 08028

OFFICIAL DEPOSITORY

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**DELSEA REGIONAL SCHOOL DISTRICT
ORGANIZATIONAL CHART**



FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Delsea Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delsea Regional High Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delsea Regional High Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial

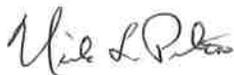
assistance as required by NJ OMB Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial assistance as required by NJ OMB Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015, on our consideration of the Delsea Regional High Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Delsea Regional High Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

December 15, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

The discussion and analysis of Delsea Regional High School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- In total, net position increased \$1,731,546 from \$20,476,474 to \$22,208,020, which represents an increase of \$11,771,717 and a decrease due to a prior period adjustment of \$10,040,171, resulting in an 8.5 percent increase from fiscal year 2014.
- General revenues (see exhibit A-2) accounted for \$44,486,988 in revenue or 95 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,458,994 or 5 percent of total revenues of \$46,945,982.
- The District had (see exhibit A-2) \$35,141,844 in expenses; only \$2,426,573 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$44,486,988 were adequate to provide for these programs.
- Among Governmental Funds, (see exhibit B-2) the General Fund had \$33,548,006 in revenues and \$32,457,302 in expenditures. The fund balance for the General Fund increased \$1,548,475 from fiscal year 2014.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Delsea Regional High School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending. Of the Governmental Funds, the General Fund is by far the most significant fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "Is the District as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
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Statement of Net Position and the Statement of Activities (Continued)

first in the District's financial statements, report information on the District as a whole and its activities in a way that helps you answer this question. These statements are prepared to include all assets and liabilities, using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors. Because the goal of the District is to provide services to our students, not to generate a profit as commercial entities do, one must consider the many non-financial factors, including the quality of the education provided and the safety of the schools, when assessing the overall health of the District.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

- **Governmental Activities** - All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- **Business-type Activity** - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The food service enterprise fund is reported as a Business-type Activity.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide more detailed information about the District's funds. The District uses many funds to account for a multitude of financial transaction. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Governmental Funds

The District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental Fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Governmental Funds (Continued)

Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements. The District's Governmental Funds are the General Fund, Special Revenue Fund, and Debt Service Fund.

Proprietary Funds

Services for which the District charges a fee are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way as the district-wide statements. There are two types of Proprietary Funds, Enterprise Funds, and Internal Service Funds. The Enterprise Fund (Food Service Fund) is the same as the business-type activities in the District-wide statements, but additional detail and information is provided in the fund statements. The District uses the internal service fund to report activities associated with supplying transportation, technology, and administrative services to other school districts.

Reporting on the District's Fiduciary Responsibilities

All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District as a trustee, or fiduciary, is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. This information is information that has not been presented on the face of the financial statements, for reasons of practicality, but is essential for the financial statements to be fairly presented.

The District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary comparison of the District's net position for fiscal years 2015 and 2014.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

The District as a Whole (Continued)

Table I - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current & other assets	\$ 22,813,588	\$ 5,308,576	\$ 172,152	\$ 160,552	\$ 22,985,740	\$ 5,469,128
Capital assets	22,342,826	17,812,839	8,824	10,835	22,351,650	17,823,674
Total assets	<u>45,156,414</u>	<u>23,121,415</u>	<u>180,976</u>	<u>171,387</u>	<u>45,337,390</u>	<u>23,292,802</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension	<u>1,292,452</u>				<u>1,292,452</u>	
LIABILITIES						
Long-term liabilities	22,463,566	2,348,350			22,463,566	2,348,350
Other liabilities	1,283,774	434,177	30,995	33,801	1,314,769	467,978
Total liabilities	<u>23,747,340</u>	<u>2,782,527</u>	<u>30,995</u>	<u>33,801</u>	<u>23,778,335</u>	<u>2,816,328</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pension	<u>643,487</u>				<u>643,487</u>	
NET POSITION						
Invested in capital assets, net of debt	10,029,998	16,258,259	8,824	10,835	10,038,822	16,269,094
Restricted	22,952,933	5,567,578			22,952,933	5,567,578
Unrestricted	(10,924,892)	(1,486,947)	141,157	126,751	(10,783,735)	(1,360,196)
Total net position	<u>\$ 22,058,039</u>	<u>\$ 20,338,890</u>	<u>\$ 149,981</u>	<u>\$ 137,586</u>	<u>\$ 22,208,020</u>	<u>\$ 20,476,476</u>

The District's combined net position was \$22,208,020 on June 30, 2015. This was an increase of 8.5 percent from the prior year.

Total assets increased \$22,044,588. There was an increase in current and other assets of \$17,516,612 and an increase in capital assets of \$4,527,976. The increases are due primarily to capital projects and state aid receivables.

Total liabilities increased \$20,962,007 due primarily to an increase in bonds payable and pension liability.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

The District as a Whole (Continued)

Table 2 shows changes in net position for fiscal year 2015 compared to fiscal year 2014.

Table 2- Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 720,123	\$ 880,372	\$ 414,229	\$ 415,734	\$ 1,134,352	\$ 1,296,106
Operating grants & contributions	1,003,987	760,227	288,234	308,891	1,292,221	1,069,118
General revenues:						
Property taxes	14,275,025	13,982,918			14,275,025	13,982,918
Federal & state aid	27,073,776	16,711,108			27,073,776	16,711,108
Other	3,138,110	3,118,374	77	100	3,138,187	3,118,474
Total revenues	46,211,021	35,452,999	702,540	724,725	46,913,561	36,177,724
Expenses:						
Instruction	12,197,066	11,780,886			12,197,066	11,780,886
Support services	21,199,411	19,942,097			21,199,411	19,942,097
Interest on debt	124,859	49,490			124,859	49,490
Unallocated depreciation	660,031	672,751			660,031	672,751
Capital outlay	270,332	1,376,070			270,332	1,376,070
Food service			690,145	711,371	690,145	711,371
Total expenses	34,451,699	33,821,294	690,145	711,371	35,141,844	34,532,665
Change in net position	\$ 11,759,322	\$ 1,631,705	\$ 12,395	\$ 13,354	\$ 11,771,717	\$ 1,645,059

Program revenues include charges for services and operating grants and contributions. The increase in program revenues is primarily the result of an increase in grant revenues.

General revenues include property taxes, federal and state aids, and other revenues, with unrestricted state aid being the predominant source of revenue for the District. Other revenues include revenues from transportation jointures, tuition, community school, athletic events, and other miscellaneous sources.

There was an increase in property taxes of \$292,107. The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District budget and related tax levy.

Governmental Activities

The District's total revenues for governmental activities were \$46,211,021 for the year ended June 30, 2015. Federal, state, and local grants/aid accounted for 58.5 percent of revenue, property taxes made up 30.8 percent of revenues for governmental activities and charges for services made up 1.5 percent. The total cost of all program and services was \$34,451,699. Instruction and instruction related activities account for 35.3 percent of District expenses, plant operations and maintenance account for 7.9 percent, pupil transportation 14.2 percent, school and other administrative services 4.8 percent, and employee benefits 20.8 percent.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Governmental Activities (Continued)

The Statement of Activities shows the cost of program services and the charges for these services and offsetting grant revenues. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Of the \$34,451,699 total cost of services for fiscal year, \$32,727,589 is for activities which are not self-supporting and are supported by tax revenue and unrestricted State aid.

Table 3 - Governmental Activities

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:	\$ 12,197,066	\$ 11,431,290	\$ 11,780,886	\$ 11,210,394
Support services:				
Tuition	1,582,393	1,582,393	1,261,409	1,261,409
Student & instructional related services	3,115,539	2,877,328	2,951,779	2,764,674
School administrative services	532,837	408,646	513,054	367,280
General & business administrative services	1,151,980	1,037,180	1,077,853	963,053
Plant operations & maintenance	2,739,056	2,713,970	2,480,972	2,445,241
Pupil transportation	4,904,905	4,448,859	5,096,037	4,511,970
Employee benefits	7,172,701	7,172,701	6,560,993	6,560,993
Interest on long-term debt	124,859	124,859	49,490	49,490
Capital outlay	270,332	270,332	1,376,070	1,373,440
Depreciation	660,031	660,031	672,751	672,751
Total expenses	<u>\$ 34,451,699</u>	<u>\$ 32,727,589</u>	<u>\$ 33,821,294</u>	<u>\$ 32,180,695</u>

Business-Type Activities

Business-type activities include the food service operation. This program had program revenues of \$702,463 and expenses of \$690,145 for fiscal year 2015. The District received 41% of its program revenues from grants from the federal and state reimbursable lunch programs. Revenues from federal and state grant programs are driven by participation. The increase in net position of \$12,395 for fiscal year 2015 was mainly caused by a decrease in expenditures.

The District's Funds

All governmental Funds (i.e., General Fund, Special Revenue Fund, and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$45,519,288 and expenditures were \$39,152,402. The net increase in fund balance for the year was most significant in the capital projects fund, an increase of \$15,857,379. The increase was mainly caused by a state grant and bond proceeds received for capital projects. The negative balance in unreserved undesignated fund balance in the general fund is the result of the deferred June state aid payments as described in the footnotes to the financial statements.

General Fund Budgeting Highlights

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

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

General Fund Budgeting Highlights (Continued)

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

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

For the General Fund, total revenues on the budget basis were \$33,546,308, which includes \$2,375,287 for TPAF members for pension and social security is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements, elimination of this item will provide a more accurate comparison of budget to actual revenues and expenditures. The total revenues represent an increase of \$819,239 over the final budget amount. This was mainly due to additional transportation fees earned for transportation jointures, and unanticipated tuition revenue. Total expenditures, on the budget basis, were \$32,457,302. Expenditures were \$2,118,569 less than the final budget amount of \$32,200,584 after eliminating the reimbursed TPAF pension and social security contributions.

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

Capital Assets

At the end of the fiscal year 2015 the District had \$22,351,445 invested in land, buildings, and furniture and equipment. Table 4 shows fiscal year 2015 balances compared to 2014.

Overall capital assets increased \$3,999,420 from fiscal year 2014 to fiscal year 2015. The increase in capital assets is due primarily to the construction in progress. Total capital asset additions for fiscal year 2015 were \$5,546,684.

Table 4- Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 71,500	\$ 71,500			\$ 71,500	\$ 71,500
Site improvements	658,788	773,977			658,788	1,022,805
Construction in Progress	4,924,496				4,924,496	
Buildings & improvements	14,641,691	15,189,151			14,641,691	16,026,350
Machinery & equipment	2,046,351	1,778,211	\$ 8,619	\$ 10,835	2,054,970	1,231,370
Total	\$ 22,342,826	\$ 17,812,839	\$ 8,619	\$ 10,835	\$ 22,351,445	\$ 18,352,025

Debt Administration

At June 30, 2015, the District had \$12,312,828 of outstanding debt. Of this amount, \$10,581,000 is for serial bonds for school construction/renovation, \$884,488 for capital leases, and \$847,340 is for compensated absences. The District continues to pay down its debt, decreasing bonds and loans \$745,000 in fiscal year 2015.

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Factors Bearing on the District's Future

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

The Delsea Regional High School District receives a majority of its revenue from two sources, state aid and local property taxes. Although state aid has increased slightly over the past couple of years, the 2% mandated cap on property tax increases has created several challenges for the District to move forward with its curriculum.

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 a 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, recent legislation from the State has limited the choice student enrollments; with limited enrollments, the choice school revenue is also limited. Regardless of the limitations the District has 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. Recently the District signed shared service agreements with one of the constituent elementary districts for the provision of all administrative services including superintendent, business administrator, Director of Curriculum, Director of Child Study Team, facilities manager, transportation, technology, and purchasing services. This decision has essentially made Elk and Delsea a de facto Pre-K through 12 District with the ultimate beneficiaries being the students and taxpayers.

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

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

Delsea Regional High School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Delsea Regional High School District
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,726,104	\$ 101,766	\$ 2,827,870
Receivables, net	13,021,080	59,466	13,080,546
Interfund receivable	149,531		149,531
Inventory		10,920	10,920
Restricted assets:			
Restricted cash and cash equivalents	5,656,504		5,656,504
Capital reserve account	1,260,369		1,260,369
Capital assets:			
Non-depreciable assets	71,500		71,500
Assets net of depreciation	22,271,326	8,824	22,280,150
Total assets	45,156,414	180,976	45,337,390
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	1,292,452		1,292,452
LIABILITIES			
Accounts payable	375,275		375,275
Deposits payable		2,954	2,954
Interfund payable	126,094	23,438	149,532
Payable to state government	7,492		7,492
Payable to federal government	63		63
Deferred revenue	14,023	4,603	18,626
Accrued interest payable	113,827		113,827
Noncurrent liabilities:			
Due within one year	647,000		647,000
Due beyond one year	11,665,828		11,665,828
Net pension liability	10,797,738		10,797,738
Total liabilities	23,747,340	30,995	23,778,335
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	643,487		643,487
NET POSITION			
Invested in capital assets, net of related debt	10,029,998	8,824	10,038,822
Restricted for:			
Capital projects	15,857,379		15,857,379
Debt service	(196)		(196)
Other purposes	7,095,750		7,095,750
Unrestricted	(10,924,892)	141,157	(10,783,735)
Total net position	\$ 22,058,039	\$ 149,981	\$ 22,208,020

Delsea Regional High School District
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 8,080,763				\$ (8,080,763)		\$ (8,080,763)
Special education	2,744,152			\$ 765,776	(1,978,376)		(1,978,376)
Other special instruction	303,388				(303,388)		(303,388)
Other instruction	1,068,763				(1,068,763)		(1,068,763)
Support services:							
Tuition	1,582,393				(1,582,393)		(1,582,393)
Student & instruction related services	3,115,539			238,211	(2,877,328)		(2,877,328)
School administrative services	532,837	\$ 124,191			(408,646)		(408,646)
Other administrative services	1,151,980	114,800			(1,037,180)		(1,037,180)
Plant operations and maintenance	2,739,056	25,086			(2,713,970)		(2,713,970)
Pupil transportation	4,904,905	456,046			(4,448,859)		(4,448,859)
Employee benefits	7,172,701				(7,172,701)		(7,172,701)
Interest on long-term debt	124,859				(124,859)		(124,859)
Capital outlay	270,332				(270,332)		(270,332)
Unallocated depreciation	660,031				(660,031)		(660,031)
Total governmental activities	<u>34,451,699</u>	<u>720,123</u>		<u>1,003,987</u>	<u>(32,727,589)</u>		<u>(32,727,589)</u>
Business-type activities:							
Food service	690,145	414,229		288,234		\$ 12,318	12,318
Total primary government	<u>\$ 35,141,844</u>	<u>\$ 1,134,352</u>		<u>\$ 1,292,221</u>	<u>\$ (32,727,589)</u>	<u>\$ 12,318</u>	<u>\$ (32,715,271)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 13,874,384		\$ 13,874,384
Taxes levied for debt service					400,641		400,641
Federal and state aid not restricted					16,872,901		16,872,901
Federal and state aid restricted					10,200,875		10,200,875
Tuition					1,858,599		1,858,599
Transportation fees					1,217,727		1,217,727
Investment earnings					3,400	\$ 77	3,477
Miscellaneous income					86,774		86,774
Loss on disposal of asset					(28,390)		(28,390)
Subtotal, general revenues					<u>44,486,911</u>	<u>77</u>	<u>44,486,988</u>
Changes in net position					11,759,322	12,395	11,771,717
Net position - beginning					20,338,888	137,586	20,476,474
Prior period adjustment of pension liability					(10,040,171)		(10,040,171)
Restated net position at the beginning of the year					<u>10,298,717</u>	<u>137,586</u>	<u>10,436,303</u>
Net position - ending					<u>\$ 22,058,039</u>	<u>\$ 149,981</u>	<u>\$ 22,208,020</u>

FUND FINANCIAL STATEMENTS

Delsea Regional High School District
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,726,104		\$ 5,656,504		\$ 8,382,608
Due from other funds	763,867				763,867
Receivables from other governments	1,812,662	\$ 868,358	10,200,875		12,881,895
Other receivables	10,101				10,101
Restricted cash and cash equivalents	1,260,369				1,260,369
Total Assets	<u>\$ 6,573,103</u>	<u>\$ 868,358</u>	<u>\$ 15,857,379</u>		<u>23,298,840</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 140,459	\$ 232,640			373,099
Due to other funds		614,140		\$ 196	614,336
Deferred revenue		14,023			14,023
Payable to state government		7,492			7,492
Payable to federal government		63			63
Total Liabilities	<u>140,459</u>	<u>868,358</u>		<u>196</u>	<u>1,009,013</u>
Fund balances:					
Restricted for					
Excess surplus - current year	1,933,574				1,933,574
Excess surplus - prior year - designated for subsequent year's expenditures	2,458,405				2,458,405
Capital reserve account	1,263,769				1,263,769
Capital projects fund			\$ 15,857,379		15,857,379
Debt service fund				(196)	(196)
Assigned to:					
Designated by the BOE for subsequent year's expenditures	379,000				379,000
Other purposes	1,061,002				1,061,002
Unassigned					
General fund	(663,106)				(663,106)
Total fund balances	<u>6,432,644</u>		<u>15,857,379</u>	<u>(196)</u>	<u>22,289,827</u>
Total liabilities and fund balance	<u>\$ 6,573,103</u>	<u>\$ 868,358</u>	<u>\$ 15,857,379</u>		

See accompanying notes to the basic financial statements.

Delsea Regional High School District
Balance Sheet
Governmental Funds
June 30, 2015

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 \$39,484,885, and the accumulated depreciation is \$22,066,555 (See Note 8).	\$ 22,342,826
Internal Service Funds are used by management to charge the costs of certain activities, such as custodial services to other governments. Assets and liabilities of the Internal Service Fund of \$814 are included in the statement of net position.	814
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 9).	(12,312,828)
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(113,827)
Net pension liability adjustment	(108,602)
The cumulative effect of the change in accounting principles for adoption of GASB Statement No. 68 and 71 are reported as a prior period adjustment of pension liability (See Note 2).	(10,040,171)
Net position of governmental activities	<u>\$ 22,058,039</u>

Delsea Regional High School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 13,874,384			\$ 400,641	\$ 14,275,025
Tuition	1,858,599				1,858,599
Transportation fees	1,217,727				1,217,727
Interest earned on capital reserve funds	3,400				3,400
Miscellaneous	86,774	\$ 16,600			103,374
Total - local sources	17,040,884	16,600		400,641	17,458,125
State sources	16,457,203	46,820	\$ 10,200,875	365,779	27,070,677
Federal sources	49,919	940,567			990,486
Total revenues	33,548,006	1,003,987	10,200,875	766,420	45,519,288
EXPENDITURES:					
Current:					
Regular instruction	8,016,291				8,016,291
Special education instruction	1,977,406	765,776			2,743,182
Other special instruction	303,388				303,388
Other instruction	1,050,974				1,050,974
Support services and undistributed costs:					
Tuition	1,582,393				1,582,393
Student & instruction related services	2,865,402	238,211			3,103,613
School administrative services	431,458				431,458
Other administrative services	1,355,022				1,355,022
Plant operations and maintenance	2,690,712				2,690,712
Pupil transportation	4,231,443				4,231,443
Employee benefits	7,060,293				7,060,293
Debt service:					
Principal				745,000	745,000
Interest and other charges				21,617	21,617
Capital outlay	892,520		4,924,496		5,817,016
Total expenditures	32,457,302	1,003,987	4,924,496	766,617	39,152,402
Excess (deficiency) of revenues over expenditures	1,090,704		5,276,379	(197)	6,366,886
OTHER FINANCING SOURCES (USES):					
Bond proceeds			10,581,000		10,581,000
Transfers in from internal service	73,695				73,695
Capital leases (non-budgeted)	384,076				384,076
Total other financing sources (uses)	457,771		10,581,000		11,038,771
Net change in fund balances	1,548,475		15,857,379	(197)	17,405,657
Fund balance - July 1	4,884,169			1	4,884,170
Fund balance - June 30	\$ 6,432,644		\$ 15,857,379	\$ (196)	\$ 22,289,827

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, 2015

Total net change in fund balances - Governmental Funds (from B-2)	\$ 17,405,657
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.	
Capital outlays	5,546,684
Depreciation	(988,308)
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the Governmental Funds, the proceeds from a sale increases financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.	
	(28,389)
Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	
Bond and loan repayments	745,000
Capital lease repayment	309,169
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.	
Proceeds of long-term debt	(10,581,000)
Capital lease proceeds	(384,075)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due.	
	(103,244)
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.	
	(53,570)
Pension contributions are reported in Governmental Funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments.	
	(108,602)
Change in net position of governmental activities	\$ 11,759,322

Delsea Regional High School District
Statement of Net Position
Proprietary Funds
June 30, 2015

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
	<u>Food Service</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 101,766	
Accounts receivable:		
State	1,320	
Federal	45,639	
Other	12,507	
Intergovernmental		\$ 129,084
Inventories	10,920	
Total current assets	<u>172,152</u>	<u>129,084</u>
Noncurrent assets:		
Furniture, machinery & equipment	426,586	
Less: accumulated depreciation	(417,762)	
Total noncurrent assets	<u>8,824</u>	
Total assets	<u>180,976</u>	<u>129,084</u>
LIABILITIES		
Current liabilities:		
Accounts payable		2,176
Deposits payable	2,954	
Interfund payables	23,438	126,094
Deferred revenue	4,603	
Total current liabilities	<u>30,995</u>	<u>128,270</u>
NET POSITION		
Invested in capital assets net of related debt	8,824	
Unrestricted	141,157	814
Total net position	<u>\$ 149,981</u>	<u>\$ 814</u>

Delsea Regional High School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities Enterprise Funds	Governmental Activities
	Food Service	Internal Service Fund
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 111,055	
Daily sales - non-reimbursable programs	281,088	
Special functions	22,086	
Services provided to other LEA's		\$ 720,123
Total operating revenues	<u>414,229</u>	<u>720,123</u>
Operating expenses:		
Cost of sales	340,775	
Salaries	235,611	386,274
Employee benefits	55,044	154,861
Other professional/technical services		1,523
Cleaning, repair, and maintenance		630
Purchased property service	2,568	
Other purchased services	46,425	3,691
Miscellaneous transportation services		7,411
Contracted services (aid in lieu payments)		35,989
General supplies	7,453	53,126
Energy		1,084
Travel		1,411
Miscellaneous	258	428
Depreciation	2,011	
Total operating expenses	<u>690,145</u>	<u>646,428</u>
Operating income (loss)	<u>(275,916)</u>	<u>73,695</u>
Non-operating revenues (expenses):		
State sources:		
State school lunch program	6,225	
Federal sources:		
National school lunch program	198,647	
National school breakfast program	35,781	
Food distribution program	47,581	
Interest and investment revenue	77	
Total non-operating revenues (expenses)	<u>288,311</u>	
Income (loss) before contributions & transfers	<u>12,395</u>	<u>73,695</u>
Transfers in (out)		<u>(73,695)</u>
Change in net position	<u>12,395</u>	
Total net position - beginning	<u>137,586</u>	<u>814</u>
Total net position - ending	<u>\$ 149,981</u>	<u>\$ 814</u>

Delsea Regional High School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities Enterprise Funds	Governmental Activities
	Food Service	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 402,458	\$ 720,123
Payments to employees	(235,611)	(386,274)
Payments for employee benefits	(55,044)	(154,861)
Payments to suppliers	(370,412)	(105,293)
	<u>(258,609)</u>	<u>73,695</u>
Net cash provided by (used for) operating activities		
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:		
State sources	6,745	
Federal sources	247,813	
Interfund accounts receivable	94,047	
Operating subsidies and transfers to other funds		(73,695)
	<u>348,605</u>	<u>(73,695)</u>
Net cash provided by (used for) non-capital financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends	77	
	<u>77</u>	
Net increase (decrease) in cash and cash equivalents	90,073	
Balances - beginning of year	11,693	
Balances - end of year	<u>\$ 101,766</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (275,916)	\$ 73,695
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	2,011	
Food distribution program	47,581	
(Increase) decrease in accounts receivable, net		215,794
(Increase) decrease in inventories	3,769	
Increase (decrease) in other receivables	(9,292)	
Increase (decrease) in accounts payable	(27,067)	2,176
Increase (decrease) in deposits payable	305	
Increase (decrease) in interfund payable		(217,970)
	<u>17,307</u>	
Total adjustments		
Net cash provided by (used for) operating activities	<u>\$ (258,609)</u>	<u>\$ 73,695</u>

Delsea Regional High School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	<u>Private Purpose Trust Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 110,127	\$ 343,844	\$ 338,591
Accounts receivable		1,300	
	<u>110,127</u>	<u>345,144</u>	<u>\$ 338,591</u>
LIABILITIES			
Accounts payable	1,116	15,700	
Payroll deductions & withholdings			\$ 136,533
Due to student groups			202,058
	<u>1,116</u>	<u>15,700</u>	<u>\$ 338,591</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>\$ 109,011</u>		
Permanent endowment - nonexpendable		50,000	
Expendable scholarship funds		<u>279,444</u>	
Total reserved for scholarships		<u>\$ 329,444</u>	

Delsea Regional High School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Private Purpose Trust Funds	
	Unemployment Compensation Trust	Scholarship Funds
OPERATING REVENUES:		
Gifts and contributions		\$ 69,533
Deductions from employees' salaries	\$ 41,586	
Interest on investments	519	18,583
Total additions	<u>42,105</u>	<u>88,116</u>
OPERATING EXPENSES:		
Scholarship payments		78,131
Unemployment insurance claims	36,816	
Total deductions	<u>36,816</u>	<u>78,131</u>
Change in net position	5,289	9,985
Net position - beginning of the year	<u>103,722</u>	<u>319,459</u>
Net position - end of the year	<u>\$ 109,011</u>	<u>\$ 329,444</u>

NOTES TO THE FINANCIAL STATEMENTS

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Delsea Regional High School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education of Delsea Regional High School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the GASB and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict the GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Reporting Entity

The Delsea Regional High School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades 7-12.

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

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

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

B. Basic Financial Statements – District-Wide Financial Statements

The District's basic financial statements include both District-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the District-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects and debt service are classified as governmental activities. The District's food service program is classified as a business-type activity.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

C. Basic Financial Statements – Fund Financial Statements

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

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

The non-major funds are combined in a column in the fund financial statements. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statements – Fund Financial Statements (Continued)

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

The following fund types are used by the District:

GOVERNMENTAL FUNDS

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

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

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPRIETARY FUNDS

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

Enterprise Funds - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

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

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

FIDUCIARY FUNDS

The Fiduciary Fund category is comprised of Trust and Agency Funds. Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other governments and therefore are not available to support the District's programs. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

D. Basis of Accounting

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). All budget amendments/transfers of appropriations must be made by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

F. 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 reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

G. Cash and Cash Equivalents

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Cash and Cash Equivalents (Continued)

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

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

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

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

H. Inventories

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

I. Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term Interfund loans are classified as Interfund receivables/payables. These amounts are eliminated in the Statement of Net Position, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

J. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value at the date of donation. The cost of normal maintenance and

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives:

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

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

K. Compensated Absences

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

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the School District's past experience of making termination payments. Salary-related payments for the employer's share of Social Security and Medicare taxes are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the Governmental Funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

L. Deferred Revenue

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, Governmental Fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from Governmental Funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

N. Net Position

Net Position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Funds are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

O. Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Non-spendable - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance (Continued)

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned - The unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

P. Revenues

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB No. 33. In applying GASB 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Q. Expenditures

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

R. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Allocation of Indirect Expenses (Continued)

function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

T. Use of Estimates

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

U. Accounting Changes

The District has implemented GASB No. 63, which modified the terminology of net assets to net position. This change did not result in any monetary restatement, but the District has restated prior years to reflect net position instead of net assets.

V. Recent Accounting Pronouncements Not Yet Effective

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, the impact of this statement on the net position of the entity is anticipated to be significant.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Recent Accounting Pronouncements Not Yet Effective (Continued)

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosures." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

During the year beginning July 1, 2015, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions," and Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date," whose primary objectives are to improve accounting and financial reporting for pensions. These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for pension. The effect of this change was to decrease fiscal year ended June 30, 2015, Net Position by \$10,040,171, which is the prior period adjustment of net pension liability. Financial statements for the fiscal year ended June 30, 2014, have not been restated, and the cumulative effect of the change totaling \$10,040,171, is shown as a one-time debit to net position in the fiscal year ended June 30, 2015, Statement of Activities.

NOTE 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash be deposited only in New Jersey banking institutions that participate in the Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2015 and 2014, was \$10,537,305 and \$3,636,191. As of June 30, 2015 and 2014, \$0 of the District's bank balance of \$15,279,340 and \$4,331,844, respectively, was exposed to Custodial Credit Risk.

NOTE 4: INVESTMENTS

As of June 30, 2015, the District had no investments.

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

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4: INVESTMENTS (CONTINUED)

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

NOTE 5: RECEIVABLES

Receivables at June 30, 2015, consisted of intergovernmental and other receivables. All receivables are considered collectible in full. A summary of the principal items of the receivables are as follows:

	Governmental Activities	Business-type Activities
State aid	\$ 10,394,618	\$ 1,320
Federal aid	865,015	45,639
Other	1,632,363	12,507
	<u>\$ 12,891,996</u>	<u>\$ 59,466</u>

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at June 30, 2015:

	Interfund Receivable	Interfund Payable
General Fund	\$ 763,867	
Special Revenue Fund		\$ 614,140
Debt Service Fund		196
Enterprise Fund		23,438
Internal Service Fund		126,093
	<u>\$ 763,867</u>	<u>\$ 763,867</u>

NOTE 7: INVENTORY

Inventory in the Food Service Fund at June 30, 2015, consisted of the following:

Food	\$ 4,417
Commodities	4,603
Supplies	1,900
	<u>\$ 10,920</u>

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions	Disposals	Balance June 30, 2015
Governmental activities:				
Land	\$ 71,500			\$ 71,500
Site improvements	2,967,045			2,967,045
Building & building improvements	29,458,378			29,458,378
Construction in progress		\$ 4,924,496		4,924,496
Machinery & equipment	6,495,409	622,188	\$ 129,635	6,987,962
Totals at historical costs	<u>38,992,332</u>	<u>5,546,684</u>	<u>129,635</u>	<u>44,409,381</u>
Less: accumulated depreciation for:				
Site improvements	2,193,068	115,189		2,308,257
Building & building improvements	14,269,227	547,460		14,816,687
Machinery & equipment	4,717,198	325,659	101,246	4,941,611
Total accumulated depreciation	<u>21,179,493</u>	<u>988,308</u>	<u>101,246</u>	<u>22,066,555</u>
Total capital assets, net of depreciation	<u>\$ 17,812,839</u>	<u>\$ 4,558,376</u>	<u>\$ 28,389</u>	<u>\$ 22,342,826</u>
Business-type activities:				
Machinery & equipment	\$ 426,586			\$ 426,586
Accumulated depreciation	415,751	\$ 2,216		417,967
Total capital assets, net of depreciation	<u>\$ 10,835</u>	<u>\$ (2,216)</u>		<u>\$ 8,619</u>

Depreciation was charged to the following governmental programs:

Instruction	\$ 62,259
Support administration	8,264
Transportation	224,864
Operation and maintenance	32,892
Unallocated	660,029
Total	<u>\$ 988,308</u>

NOTE 9: GENERAL LONG-TERM DEBT

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Permanently funded debt as of June 30, 2015, consisted of the following:

\$10,581,000 General Obligation Bonds dated February 15, 2015, payable in annual installments through August 1, 2039. Interest is paid semi-annually at the rate of 2.00% - 3.25% per annum. The balance remaining at June 30, 2015, was \$10,581,000.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: GENERAL LONG-TERM DEBT (CONTINUED)

A. Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2015, are as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Bonds payable	\$ 745,000	\$ 10,581,000	\$ 745,000	\$ 10,581,000	\$ 240,000
Capital leases	809,582	384,075	309,169	884,488	407,000
Compensated absences	793,770	100,184	46,614	847,340	
	<u>\$ 2,348,352</u>	<u>\$ 11,065,259</u>	<u>\$ 1,100,783</u>	<u>\$ 12,312,828</u>	<u>\$ 647,000</u>

B. Bonds and Loans Payable

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

Year Ended June 30,	Principal	Interest	Total
2016	\$ 240,000	\$ 291,800	\$ 531,800
2017	310,000	307,314	617,314
2018	325,000	300,964	625,964
2019	335,000	292,689	627,689
2020	350,000	282,414	632,414
2021-2025	1,965,000	1,242,194	3,207,194
2026-2030	2,305,000	921,644	3,226,644
2031-2035	2,375,000	566,006	2,941,006
2036-2040	2,376,000	192,818	2,568,818
	<u>\$ 10,581,000</u>	<u>\$ 4,397,843</u>	<u>\$ 14,978,843</u>

C. Bonds Authorized but not Issued

As of June 30, 2015, the Board had no authorized but not issued bonds.

D. Other

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: GENERAL LONG-TERM DEBT (CONTINUED)

D. Other (Continued)

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

For the year ended June 30, 2015, it is not necessary for the Board to establish a liability for arbitrage rebate.

E. Capital Lease Payable

The District has entered into lease purchase agreements for the acquisition of a pickup truck and computers. The lease agreements range from three to five years, and carry interest rates ranging from 0.0% to 7.13%. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of June 30, 2015.

Year Ended June 30,	Principal	Interest	Total
2016	407,000	16,184	423,184
2017	263,700	18,471	282,171
2018	179,697	8,291	187,988
2019	25,106	1,164	26,270
2020	8,985	342	9,327
	<u>\$ 884,488</u>	<u>\$ 44,452</u>	<u>\$ 928,940</u>

NOTE 10: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF), cost-sharing, multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of NJSA 18A:66, to provide retirement benefits, death, disability, and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the System's other related non-contributing employers.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10: PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (TPAF) (Continued) - Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified; professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.92% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The District's contributions to PERS for the years ending June 30, 2015, 2014, and 2013, were \$475,438, \$412,074, and \$435,342, respectively, equal to the required contributions for each year.

During the fiscal year ended June 30, 2015, 2014, and 2013, the State of New Jersey contributed \$1,587,002, \$1,208,968, and \$1,575,391, to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the District \$788,285 during the year ended June 30, 2015, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

For the year ended June 30, 2015, the District recognized pension expense of \$584,040. At June 30, 2015, the 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
JUNE 30, 2015**

NOTE 10: PENSION PLANS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 339,539	
Net difference between projected and actual earnings on pension plan investments		\$ 643,487
Changes in proportion and differences between District contributions and proportionate share of contributions	481,476	
Employer contributions subsequent to the measurement date	475,438	
	\$ 1,296,453	\$ 643,487

\$475,438 reported as deferred outflows of resources related to pensions, resulting from school district contributions, subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. 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 Ended June 30,	Amount
2016	\$ (9,950)
2017	(9,950)
2018	(9,950)
2019	(9,949)
2020	150,922
Thereafter	66,405
	\$ 177,528

Additional information – Collective balances at June 30, 2013 and 2014, are as follows:

	June 30, 2013	June 30, 2014
Collective deferred outflows of resources		\$ 952,194,675
Collective deferred inflows of resources		1,479,224,662
Collective net pension liability	\$ 19,111,986,911	18,722,735,003
District's proportion	0.0546894718%	0.0576717999%

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10: PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et. seq.). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by NJSA 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contributions to DCRP for years ending June 30, 2015, 2014, and 2013, were \$3,539, \$3,598, and \$3,812.

NOTE 11: POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 12: DEFERRED COMPENSATION

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

Lincoln Investment Planning, Inc.
Metropolitan Life Insurance

Siracusa Benefits Program

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded in the district-wide *Statement of Net Position*. The current portion of the compensated absence balance is not considered material to the Governmental Funds total liabilities and, is therefore not shown separately from the amount due in more than one year.

NOTE 14: LABOR CONTRACTS

As of June 30, 2015, the District's employees were represented by unions as follows:

Delsea Education Association - contract expires 6/30/14

Delsea Transportation Department Association - contract expires 6/30/17

Delsea Maintenance/Custodial Group - contract expires 6/30/15

Delsea Administration Association - contract expires 6/30/17

NOTE 15: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance:

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

New Jersey Unemployment Compensation Insurance:

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

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15: RISK MANAGEMENT (CONTINUED)

Fiscal Year	District Contribution	Employee Contribution	Amount Reimbursed	Ending Balance
2014-2015		\$ 41,586	\$ 36,816	\$ 109,011
2013-2014		41,778	28,416	103,722
2012-2013	\$ 90,000	41,158	63,978	89,892

NOTE 16: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2014 to June 30, 2015, fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 1,260,369
Interest earnings	3,400
Ending balance, June 30, 2015	<u>\$ 1,263,769</u>

The June 30, 2015, LRFP balance of local support costs of uncompleted capital projects is \$10,799,006.

NOTE 17: FUND BALANCE APPROPRIATED

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

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

Specific classifications of fund balance are summarized below:

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 17: FUND BALANCE APPROPRIATED (CONTINUED)

RESTRICTED

General Fund - In accordance with NJSA 18A:7F-7, \$4,391,979 is restricted as excess surplus (\$2,458,405 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2016).

ASSIGNED

General Fund - The District has appropriated and included as an anticipated revenue for the year ending June 30, 2016, \$379,000 of general fund balance as of June 30, 2015. As of June 30, 2015, the District had \$1,061,002 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Debt Service - The debt service had a negative fund balance as of June 30, 2015, of \$196.

UNASSIGNED

General Fund - As of June 30, 2015, a deficit of \$663,106 of fund balance was unassigned.

Special Revenue Fund - As of June 30, 2015, the Special Revenue Fund had no fund balance.

NOTE 18: CALCULATION OF EXCESS SURPLUS

The designation of Reserved Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund - fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015, is \$4,391,979.

NOTE 19: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$663,106 in the General Fund as of June 30, 2015, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e. if one government recognizes an asset; the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the District cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2 any negative unassigned General Fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP statements of \$663,106 is less than the last state aid payment.

**DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 20: CONTINGENT LIABILITIES

The District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

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

NOTE 21: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District's operations. State sources accounted for approximately 49% of the District's 2014-2015. General Fund revenue, while local tax levy accounted for approximately 41%.

NOTE 22: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2015 and December 15, 2015, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

Delsea Regional High School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local sources:					
Local tax levy	\$ 13,874,384		\$ 13,874,384	\$ 13,874,384	
Tuition	1,500,000		1,500,000	1,858,599	\$ 358,599
Transportation fees from other LEA's	900,000		900,000	1,217,727	317,727
Interest earned on capital reserve	200		200	3,400	3,200
Unrestricted miscellaneous	50,000		50,000	86,774	36,774
Total - local sources	16,324,584		16,324,584	17,040,884	716,300
State sources:					
Extraordinary aid	58,800		58,800	132,491	73,691
Categorical special education aid	956,261		956,261	956,261	
Categorical security aid	231,243		231,243	231,243	
School choice aid	336,777	\$ (13,746)	323,031	323,031	
Equalization aid	12,086,304		12,086,304	12,086,304	
Categorical transportation aid	300,718		300,718	300,718	
PARCC readiness aid	16,350		16,350	16,350	
Per pupil growth aid	16,350		16,350	16,350	
Non-public transportation costs	24,395		24,395	17,470	(6,925)
TPAF post retirement medical (on-behalf - non-budgeted)				973,668	973,668
TPAF pension contrib. (on-behalf - non-budgeted)				613,334	613,334
Reimbursed TPAF social security contrib. (non-budgeted)				788,285	788,285
Total - state sources	14,027,198	(13,746)	14,013,452	16,455,505	2,442,053
Federal sources:					
Medical assistance program				49,919	49,919
Total - federal sources				49,919	49,919
Total revenues	\$ 30,351,782	\$ (13,746)	\$ 30,338,036	\$ 33,546,308	\$ 3,208,272

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers					
Grades 6-8	\$ 2,470,000	\$ (130,923)	\$ 2,339,077	\$ 2,282,024	\$ 57,053
Grades 9-12	4,664,000	(89,077)	4,574,923	4,563,008	11,915
Regular programs - home instruction:					
Salaries of teachers	8,000	24,395	32,395	32,367	28
Purchased professional - educational services	12,000	(11,153)	847	420	427
Other purchased services (400-500 series)	500	770	1,270	1,270	
Regular programs - undistributed instruction:					
Other salaries for instruction	100,000	5,639	105,639	104,678	961
Purchased professional - educational services	231,560	212,685	444,245	439,178	5,067
Other purchased services (400-500 series)	408,374	(56,657)	351,717	338,836	12,881
General supplies	315,396	78,720	394,116	243,460	150,656
Textbooks	38,885	(22,949)	15,936	10,689	5,247
Other objects	10,640	(8,050)	2,590	361	2,229
Total regular programs	<u>8,259,355</u>	<u>3,400</u>	<u>8,262,755</u>	<u>8,016,291</u>	<u>246,464</u>
Special education - instruction:					
Learning and/or language disabilities					
Salaries of teachers	278,000	30,400	308,400	308,400	
Other salaries for instruction	48,600		48,600	45,531	3,069
Other purchased services (400-500 series)	18,500	(12,900)	5,600	3,614	1,986
General supplies	5,600	(4,707)	893	619	274
Total learning and/or language disabilities	<u>350,700</u>	<u>12,793</u>	<u>363,493</u>	<u>358,164</u>	<u>5,329</u>

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Behavioral disabilities:					
Salaries of teachers	52,800	94	52,894	52,894	
Other salaries for instruction	41,000	5,323	46,323	46,323	
Other purchased services (400-500 series)	11,850	(10,350)	1,500	884	616
General supplies	600	(352)	248	248	
Other objects	400	(400)			
Total behavioral disabilities	106,650	(5,685)	100,965	100,349	616
Multiple disabilities:					
Salaries of teachers	83,000	1,598	84,598	84,598	
Other salaries for instruction	125,800	300	126,100	126,100	
Other purchased services (400-500 series)	21,722	15,034	36,756	36,140	616
General supplies	1,950	(1,242)	708	640	68
Textbooks	800	(800)			
Other objects	800		800		800
Total multiple disabilities	234,072	14,890	248,962	247,478	1,484
Resource room/resource center:					
Salaries of teachers	1,120,500	(37,629)	1,082,871	1,079,141	3,730
Other salaries for instruction	158,000	5,646	163,646	163,646	
Other purchased services (400-500 series)	21,300	(11,495)	9,805	8,905	900
General supplies	9,961	(2,201)	7,760	7,623	137
Other objects	500	(405)	95		95
Total resource room/resource center	1,310,261	(46,084)	1,264,177	1,259,315	4,862
Home instruction:					
Salaries of teachers	5,000	7,354	12,354	12,100	254
Other salaries for instruction	7,500	(7,500)			
Purchased professional - educational services	7,000	(7,000)			
Total home instruction	19,500	(7,146)	12,354	12,100	254
Total special education - instruction	2,021,183	(31,232)	1,989,951	1,977,406	12,545

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Basic skills/remedial - instruction:					
Salaries of teachers	277,000	24,890	301,890	301,890	
Other purchased services (400-500 series)	5,000	(4,000)	1,000		1,000
General supplies	3,650	(1,418)	2,232	1,498	734
Total basic skills/remedial - instruction	<u>285,650</u>	<u>19,472</u>	<u>305,122</u>	<u>303,388</u>	<u>1,734</u>
Bilingual education - instruction:					
Salaries of teachers	2,000	(1,000)	1,000		1,000
General supplies	500		500		500
Total bilingual education - instruction	<u>2,500</u>	<u>(1,000)</u>	<u>1,500</u>		<u>1,500</u>
School sponsored co-curricular activities - instruction:					
Salaries	92,400	18,367	110,767	110,167	600
Purchased services (300-500 series)	19,845	(18,800)	1,045	545	500
Supplies and materials	17,062	25,860	42,922	12,048	30,874
Other objects	14,245	200	14,445	11,721	2,724
Total school sponsored co-curricular activities - instruction	<u>143,552</u>	<u>25,627</u>	<u>169,179</u>	<u>134,481</u>	<u>34,698</u>
School sponsored athletic - instruction:					
Salaries	403,950	9,448	413,398	412,685	713
Purchased services (300-500 series)	77,790	1,927	79,717	77,430	2,287
Supplies and materials	109,434	39,898	149,332	112,021	37,311
Other objects	21,166	21,075	42,241	40,241	2,000
Total school sponsored athletic - instruction	<u>612,340</u>	<u>72,348</u>	<u>684,688</u>	<u>642,377</u>	<u>42,311</u>
Before/after school programs - instructional:					
Other salaries of instruction	5,700	400	6,100	3,806	2,294
Total before/after school programs - instructional	<u>5,700</u>	<u>400</u>	<u>6,100</u>	<u>3,806</u>	<u>2,294</u>
Summer school - instruction:					
Salaries of teachers	117,500	(44,002)	73,498	71,935	1,563
Other salaries for instruction	22,300	(10,003)	12,297	11,400	897
General supplies	2,500	(2,050)	450		450
Total summer school - instruction	<u>142,300</u>	<u>(56,055)</u>	<u>86,245</u>	<u>83,335</u>	<u>2,910</u>

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Alternative education program - instructional:					
Salaries of teachers	74,000	43,975	117,975	117,915	60
Other salaries for instruction	10,100	3,868	13,968	13,968	
Other purchased services (400-500 series)	500		500		500
Supplies and materials	500	(500)			
Total alternative education program - instructional	85,100	47,343	132,443	131,883	560
Alternative education program - support services					
Salaries	23,200	30,317	53,517	46,806	6,711
Total alternative education program - support services	23,200	30,317	53,517	46,806	6,711
Total alternative education program	108,300	77,660	185,960	178,689	7,271
Other supplemental at-risk programs - instructional:					
Salaries of teachers	77,600	(76,835)	765	600	165
Other salaries for instruction	11,000	(8,488)	2,512		2,512
General supplies	3,000	(1,150)	1,850		1,850
Total supplemental at-risk programs - instructional	91,600	(86,473)	5,127	600	4,527
Other supplemental at-risk programs -support services:					
Salaries	26,800	(18,825)	7,975		7,975
Other salaries for instruction	1,200	(72)	1,128	394	734
Total supplemental at-risk programs - support services	28,000	(18,897)	9,103	394	8,709
Total supplemental at-risk programs	119,600	(105,370)	14,230	994	13,236
Community services programs - operations:					
Salaries	2,000		2,000		2,000
Other salaries	38,980		38,980	5,085	33,895
Purchased services (300-500 series)	4,240	(651)	3,589	1,556	2,033
Supplies and materials		651	651	651	
Total community services programs - operations	45,220		45,220	7,292	37,928
Total instruction	11,745,700	5,250	11,750,950	11,348,059	402,891

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - regular	36,000	(15,000)	21,000	9,077	11,923
Tuition to county vocational - regular	179,466	59,013	238,479	224,014	14,465
Tuition to county vocational - special	4,500		4,500		4,500
Tuition to CSSD & regional day schools	508,000	(83,575)	424,425	424,425	
Tuition to private sch. for the disabled - within state	823,000	100,268	923,268	897,884	25,384
Tuition - state facilities	112,000	(94,000)	18,000	17,699	301
Tuition - other		19,548	19,548	9,294	10,254
Total undistributed expenditures - instruction	1,662,966	(13,746)	1,649,220	1,582,393	66,827
Undistributed exp. - attendance and social work:					
Salaries	32,030	1,226	33,256	33,256	
Other salaries	23,200	5,443	28,643	28,616	27
Purchased professional and technical services	4,285	(3,700)	585		585
Other purchased services (400-500 series)	1,500	(20)	1,480	991	489
Supplies and materials	100		100		100
Total undistributed exp. - attendance and social work	61,115	2,949	64,064	62,863	1,201
Undistributed expenditures - health services:					
Salaries	180,950	5,792	186,742	185,615	1,127
Other purchased prof. and tech services	16,743	(1,000)	15,743	15,600	143
Other purchased services (400-500 series)	1,650		1,650	1,166	484
Supplies and materials	9,280	(2,750)	6,530	6,174	356
Total undistributed expenditures - health services	208,623	2,042	210,665	208,555	2,110
Undistributed expenditures - speech, OT, PT and related services:					
Salaries	69,300	1,221	70,521	70,521	
Salaries other instruction	7,000	(7,000)			
Purchased professional - educational services	32,410	13,257	45,667	45,667	
Supplies and materials	1,000	(761)	239	239	
Other objects	100		100		100
Total undistributed expenditures - speech, OT, PT and related services	109,810	6,717	116,527	116,427	100

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed expenditures - special education - extraordinary services:					
Salaries	90,400	2,897	93,297	92,992	305
Purchased professional - educational services	50,000	10,512	60,512	60,512	
Supplies and materials	500	(45)	455	108	347
Other objects	100		100		100
Total undistributed expenditures - special education - extraordinary services	141,000	13,364	154,364	153,612	752
Undistributed expenditures - guidance:					
Salaries of other professional staff	586,300	(37,948)	548,352	532,442	15,910
Salaries of secretarial and clerical assistants	111,100	238	111,338	99,005	12,333
Other purchased prof. and tech services	16,458	(1,750)	14,708	12,268	2,440
Other purchased services (400-500 series)	25,559	(7,810)	17,749	10,288	7,461
Supplies and materials	23,022	510	23,532	15,192	8,340
Other objects	1,084	850	1,934	1,293	641
Total undistributed expenditures - guidance	763,523	(45,910)	717,613	670,488	47,125
Undistributed expenditures - child study teams:					
Salaries of other professional staff	458,000	(1,357)	456,643	455,793	850
Salaries of secretarial and clerical assistants	66,600	3,772	70,372	70,322	50
Other salaries	47,200	(29,500)	17,700	12,874	4,826
Purchased professional - educational services	35,000	26,969	61,969	61,969	
Other purchased prof. and tech services	27,025	12,808	39,833	39,689	144
Misc. purch. serv. (400-500 series other than resid. costs)	23,911	1,778	25,689	23,871	1,818
Supplies and materials	22,000	(6,450)	15,550	9,853	5,697
Other objects	6,000	(2,933)	3,067	3,067	
Total undistributed expenditures - child study teams	685,736	5,087	690,823	677,438	13,385
Undistributed exp. - improvement of instr. services:					
Salaries of supervisors of instruction	599,900	(44,563)	555,337	554,007	1,330
Salaries of other professionals	65,000	(53,229)	11,771	10,600	1,171
Salaries of secretarial and clerical assistants	35,550	12,470	48,020	48,020	
Other purchased services (400-500 series)	5,902	55,322	61,224	58,094	3,130
Supplies and materials	8,538		8,538	4,523	4,015
Other objects	5,000		5,000		5,000
Total undistributed exp. - improvement of instr. services	719,890	(30,000)	689,890	675,244	14,646

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed expenditures - educational media serv.:					
School library:					
Salaries of other professional staff	142,850	878	143,728	142,410	1,318
Salaries of secretarial and clerical assistants	25,750	94	25,844	25,361	483
Purchased professional - technical services	1,500		1,500		1,500
Other purchased services (400-500 series)	98,858	(8,932)	89,926	61,604	28,322
Supplies and materials	33,490	3,460	36,950	32,868	4,082
Other objects	893		893		893
Total undistributed exp. - educational media serv.					
School library	303,341	(4,500)	298,841	262,243	36,598
Undistributed expenditures - instructional staff:					
Training services:					
Salaries of supervisors of instruction	25,000	402	25,402	25,402	
Salaries of other professional staff	5,000	(402)	4,598	2,790	1,808
Purchased professional - educational service	20,000	(18,000)	2,000		2,000
Other purchased services (400-500 series)	9,500	6,000	15,500	10,340	5,160
Supplies and materials	8,000	(6,000)	2,000		2,000
Total undistributed expenditures - instructional staff					
Training services	67,500	(18,000)	49,500	38,532	10,968
Undistributed exp. - support services - gen. admin.:					
Salaries	228,500		228,500	225,867	2,633
Legal services	25,000	27	25,027	25,027	
Audit fees	17,000	(27)	16,973	16,100	873
Architectural/engineering services	10,000	(8,000)	2,000	600	1,400
Other purchased professional services	15,000	2,702	17,702	16,974	728
Purchased technical services	3,000		3,000	2,635	365
Other purchased services (400-500 series)	54,300	(3,344)	50,956	46,350	4,606
Communications/telephone	68,000	9,728	77,728	74,280	3,448
BOE other purchased services	2,000		2,000		2,000
Supplies and materials	15,627	(6,300)	9,327	4,839	4,488
BOE in-house training/meeting supplies	500		500		500
Judgments against the school district	20,000	(15,286)	4,714	1,000	3,714
Miscellaneous expenditures	6,000	1,000	7,000	4,878	2,122
BOE membership dues and fees	17,000		17,000	12,908	4,092
Total undistributed exp. - support serv. - gen. admin.	481,927	(19,500)	462,427	431,458	30,969

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed exp. - support serv. - school admin.:					
Salaries of principals/assistant principals	329,950	14,551	344,501	342,091	2,410
Salaries of other professional staff	169,400	(8,255)	161,145	155,104	6,041
Salaries of secretarial and clerical assistants	125,000		125,000	122,342	2,658
Purchased professional and technical services	26,045	(6,711)	19,334	16,556	2,778
Other purchased services (400-500 series)	37,727	(4,486)	33,241	27,958	5,283
Supplies and materials	29,677	(554)	29,123	26,497	2,626
Other objects	13,000	454	13,454	13,454	
Total undistributed exp. - support serv. - school admin.	<u>730,799</u>	<u>(5,001)</u>	<u>725,798</u>	<u>704,002</u>	<u>21,796</u>
Undistributed exp. - central services:					
Salaries	271,100		271,100	266,780	4,320
Purchased technical services	32,655		32,655	26,395	6,260
Other purchased services (400-500 series)	10,235		10,235	4,001	6,234
Supplies and materials	13,867		13,867	9,447	4,420
Interest for lease purchase agreements	45,000	(20,000)	25,000	17,278	7,722
Miscellaneous expenditures	2,000		2,000	1,215	785
Total undistributed exp. - central services	<u>374,857</u>	<u>(20,000)</u>	<u>354,857</u>	<u>325,116</u>	<u>29,741</u>
Undistributed exp. - admin. information technology:					
Salaries	223,500	(70,575)	152,925	131,214	21,711
Purchased technical services	5,000		5,000	1,563	3,437
Other purchased services (400-500 series)	217,068	(45,761)	171,307	155,800	15,507
Supplies and materials	35,925	24,344	60,269	37,327	22,942
Other objects	700		700		700
Total undistributed exp. - admin. info. technology	<u>482,193</u>	<u>(91,992)</u>	<u>390,201</u>	<u>325,904</u>	<u>64,297</u>
Undistributed expenditures - operation and maintenance					
Uniforms	18,709	10,597	29,306	23,306	6,000
Undistributed expenditures - required maintenance for school facilities:					
Cleaning, repair and maintenance services	430,594	6,417	437,011	410,517	26,494
General supplies	42,000	(6,417)	35,583	29,160	6,423
Total undistributed expenditures - required maintenance for school facilities	<u>472,594</u>		<u>472,594</u>	<u>439,677</u>	<u>32,917</u>

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed expenditures - custodial services:					
Salaries	979,100	(36,925)	942,175	913,134	29,041
Other employee benefits	2,300	227	2,527	2,527	
Purchased professional and technical services	26,500	(19,110)	7,390	1,258	6,132
Cleaning, repair and maintenance services	115,951	(9,000)	106,951	68,566	38,385
Rental of land/bldgs.	35,000		35,000	35,000	
Other purchased property services	37,645	(4,800)	32,845	23,976	8,869
Insurance	160,400	23,800	184,200	184,164	36
Miscellaneous purchased services	5,000	(1,117)	3,883	1,015	2,868
General supplies	129,155	(1,722)	127,433	116,157	11,276
Energy - natural gas	334,750	(118,500)	216,250	192,303	23,947
Energy - electricity	520,098	(69,000)	451,098	423,656	27,442
Energy - oil	11,330		11,330	9,119	2,211
Energy - gasoline	2,600		2,600		2,600
Other objects	3,800	2,625	6,425	6,345	80
Total undistributed expenditures - custodial services	2,363,629	(233,522)	2,130,107	1,977,220	152,887
Undistributed expenditures - care and upkeep of grounds:					
Salaries	99,000	(5,450)	93,550	85,146	8,404
Cleaning, repair and maintenance services	93,000	(58,357)	34,643	23,869	10,774
General supplies	38,578	15,308	53,886	39,879	14,007
Total undistributed exp. - care and upkeep of grounds	230,578	(48,499)	182,079	148,894	33,185
Undistributed expenditures - security:					
Salaries	77,900	23,715	101,615	101,615	
Purchased professional and technical services	8,440	(7,715)	725		725
Total undistributed expenditures - security	86,340	16,000	102,340	101,615	725
Total operation and maintenance of plant	3,171,850	(255,424)	2,916,426	2,690,712	225,714

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed exp. - student transportation services:					
Salaries of non-instructional aides	350,000	58,641	408,641	407,701	940
Salaries for pupil trans (bet. home & school) - reg.	991,330	(51,943)	939,387	932,506	6,881
Salaries for pupil trans (bet. home & school) - spec. ed.	470,000	87,015	557,015	556,166	849
Salaries for pupil trans (other than bet. home & school)	89,000	65,988	154,988	153,961	1,027
Sal. for pupil trans (bet home & school) - nonpublic school	117,500	(33,103)	84,397	56,739	27,658
Social security contributions	200,075		200,075	137,529	62,546
Health benefits	1,220,000		1,220,000	1,127,840	92,160
Other employee benefits	13,200	4,550	17,750	16,619	1,131
Other purchased prof. and technical service	62,400	(31,759)	30,641	5,575	25,066
Cleaning, repair, & maintenance services	216,000	(188,385)	27,615	2,681	24,934
Rental payments - school buses	5,000		5,000		5,000
Contr. serv. - (bet. home and school) - vendors	6,000	(4,189)	1,811	375	1,436
Contr. serv. - (other than bet. home and school) - vendors	16,000	(2,229)	13,771	8,885	4,886
Contr. serv. - (bet. home and school) - joint agrmnts.	100,000	(35,000)	65,000		65,000
Contr. serv. - (special education) - vendors	20,000	41,689	61,689	61,689	
Contr. serv. - (special ed. students) - joint agrmnts.	14,000	(271)	13,729	13,729	
Contr. serv. - aid in lieu of payments	58,500		58,500	50,904	7,596
Misc. purchased services - transportation	112,006		112,006	78,759	33,247
Transportation supplies	537,250	85,912	623,162	615,668	7,494
Miscellaneous expenditures	3,100	1,500	4,600	4,117	483
Total undistributed exp. - student transportation serv.	4,601,361	(1,584)	4,599,777	4,231,443	368,334
Unallocated benefits - employee benefits:					
Social security contributions	300,000		300,000	279,998	20,002
Other retirement contribution - PERS	575,000	(40,000)	535,000	491,202	43,798
Unemployment compensation	100,000	(50,000)	50,000		50,000
Workmen's compensation	250,000	(40,000)	210,000	181,515	28,485
Health benefits	4,030,000	(243,990)	3,786,010	3,627,621	158,389
Tuition reimbursement	82,520	(20,000)	62,520	13,961	48,559
Other employee benefits	117,000		117,000	90,709	26,291
Total unallocated benefits	5,454,520	(393,990)	5,060,530	4,685,006	375,524

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
TPAF post retirement medical (on-behalf - non-budgeted)				973,668	(973,668)
TPAF pension contribution (on-behalf - non-budgeted)				613,334	(613,334)
Reimb. TPAF social security contrib. (non-budgeted)				788,285	(788,285)
Total on-behalf contributions				<u>2,375,287</u>	<u>(2,375,287)</u>
Total undistributed expenditures	<u>20,021,011</u>	<u>(869,488)</u>	<u>19,151,523</u>	<u>20,216,723</u>	<u>(1,065,200)</u>
Total current expense	<u>31,766,711</u>	<u>(864,238)</u>	<u>30,902,473</u>	<u>31,564,782</u>	<u>(662,309)</u>
Capital outlay:					
Interest deposit to capital reserve	<u>200</u>		<u>200</u>		<u>200</u>
Equipment:					
Regular programs - instruction:					
Grades 9-12					
Undistributed	33,083	13,900	46,983		46,983
Undistributed - athletics		15,000	15,000	14,990	10
Undistributed - guidance services		6,100	6,100		6,100
Undistributed - support general administration		19,190	19,190		19,190
Undistributed - central services		22,500	22,500		22,500
Undistributed - admin information technology		19,492	19,492		19,492
Undistributed - custodial services	28,990	188,415	217,405	119,784	97,621
Undistributed - student transportation		3,819	3,819	3,819	
School buses - regular	270,000	51,825	321,825	270,000	51,825
School buses - special	101,600	(5,718)	95,882	95,882	
Undistributed - food service		3,794	3,794	3,794	
Total equipment	<u>433,673</u>	<u>338,317</u>	<u>771,990</u>	<u>508,269</u>	<u>263,721</u>
Facilities acquisition and construction services:					
Construction services		512,000	512,000		512,000
Assessment for debt service on SDA funding		175	175	175	
Total facilities acquisition and constructions services		<u>512,175</u>	<u>512,175</u>	<u>175</u>	<u>512,000</u>
Assets acquired under capital lease:					
Assets acquired under capital lease (non-budgeted):					
Undistributed expenditures:					
Administration				46,895	(46,895)
Support services-student regular				337,181	(337,181)
Total assets acquired under capital lease				<u>384,076</u>	<u>(384,076)</u>
Total capital outlay	<u>433,873</u>	<u>850,492</u>	<u>1,284,365</u>	<u>892,520</u>	<u>391,845</u>
Total expenditures	<u>32,200,584</u>	<u>(13,746)</u>	<u>32,186,838</u>	<u>32,457,302</u>	<u>(270,464)</u>

Delsea Regional High School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Excess (deficiency) of revenues over (under) expenditures	(1,848,802)		(1,848,802)	1,089,006	3,478,736
Other financing sources (uses):					
Operating transfer in:					
Transfer from internal service fund				73,695	(73,695)
Capital leases (non-budgeted)				384,076	(384,076)
				457,771	(457,771)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,848,802)		(1,848,802)	1,546,777	3,020,965
Fund balances, July 1	6,234,093		6,234,093	6,234,093	
Fund balances, June 30	<u>\$ 4,385,291</u>		<u>\$ 4,385,291</u>	<u>\$ 7,780,870</u>	<u>\$ 3,020,965</u>
Recapitulation:					
Restricted fund balance:					
Capital reserve account				\$ 1,263,769	
Excess surplus - designated for subsequent year's expenditures				2,458,405	
Excess surplus - current year				1,933,574	
Assigned fund balance:					
Year-end encumbrances				1,061,002	
Designated for subsequent year's expenditures				379,000	
Unassigned fund balance				685,120	
				7,780,870	
Reconciliation to governmental funds statements (GAAP):					
June state aid payments are not recognized on GAAP basis				(1,348,226)	
Fund balance per governmental funds (GAAP)				<u>\$ 6,432,644</u>	

Delsea Regional High School District
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources		\$ 19,848	\$ 19,848	\$ 16,600	\$ 3,248
State sources	\$ 55,327	20,625	75,952	68,420	7,532
Federal sources	599,005	416,452	1,015,457	951,388	64,069
Total revenues	\$ 654,332	\$ 456,925	\$ 1,111,257	\$ 1,036,408	\$ 74,849
EXPENDITURES:					
Instruction:					
Salaries of teachers		\$ 100,000	\$ 100,000	\$ 100,000	
Purchased professional - educational services	\$ 30,494	30,264	60,758	55,147	\$ 5,611
Tuition	369,944	174,203	544,147	544,147	
General supplies	177,390	(84,489)	92,901	63,385	29,516
Textbooks	7,160	585	7,745	7,583	162
Miscellaneous expenditures	1,550	360	1,910	1,910	
Total instruction	586,538	220,923	807,461	772,172	35,289
Salaries of other professional staff	500	99,861	100,361	96,675	3,686
Personal services - employee benefits		35,789	35,789	28,551	7,238
Purchased professional - technical services		5,313	5,313	2,692	2,621
Purchased professional - educational services	10,584	13,633	24,217	20,511	3,706
Other purchased services (400-500 series)	49,750	55,762	105,512	103,004	2,508
Supplies & materials	6,960	9,609	16,569	12,803	3,766
Total support services	67,794	219,967	287,761	264,236	23,525
Facilities acquisition and construction services:					
Instructional equipment		16,035	16,035		16,035
Total expenditures	\$ 654,332	\$ 456,925	\$ 1,111,257	\$ 1,036,408	\$ 74,849

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

Delsea Regional High School District
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2015

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.	\$ 33,546,308	\$ 1,036,408
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in the encumbrances are recognized as expenditures, and the related revenue is recognized.		(32,421)
The last two State aid payments for the prior fiscal year are not recognized as revenue for budgetary purposes, and differs from GAAP which recognizes this revenue in the subsequent year when the State recognizes the related expense (GASB 33).	1,349,924	
The last two State aid payment for the current year are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(1,348,226)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	\$ 33,548,006	\$ 1,003,987
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$ 32,457,302	\$ 1,036,408
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(32,421)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	\$ 32,457,302	\$ 1,003,987

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

DELSEA REGIONAL HIGH SCHOOL
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
 Current Fiscal Year

	Fiscal Year Ended <u>June 30, 2015</u>
District's proportion of the net pension liability (asset)	0.0576717999%
District's proportionate share of the net pension liability (asset)	\$ 10,797,738
District's covered-employee payroll	4,815,991
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	224.21%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

DELSEA REGIONAL HIGH SCHOOL
 Schedule of District Contributions - PERS
 Current Fiscal Year

	Fiscal Year Ended <u>June 30, 2015</u>
Contractually required contribution	\$ 475,438
Contributions in relation to the contractually required contribution	<u>475,438</u>
Contribution deficiency (excess)	<u>None</u>
District's covered-employee payroll	\$ 4,815,991
Contributions as a percentage of covered-employee payroll	9.87%

DELSEA REGIONAL HIGH SCHOOL
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
 Current Fiscal Year

	Fiscal Year Ended <u>June 30, 2015</u>
District's proportion of the net pension liability (asset)	0.1082656023%
District's proportionate share of the net pension liability (asset)	\$ 57,864,441
District's covered-employee payroll	12,181,522
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	475.02%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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

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

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**DELSEA REGIONAL HIGH SCHOOL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE 1: CONTRIBUTIONS

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

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 2014, measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013, measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.01%
Salary increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

Delsea Regional High School District
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1a)	Non-Public Textbook Aid	Title I	Title I Carryover	Title II Part A	Title II Part A Carryover	Totals FY 2015
REVENUES:							
Local sources	\$ 16,600						\$ 16,600
State sources	60,837	\$ 7,583					68,420
Federal sources	699,720		\$ 145,662	\$ 39,331	\$ 44,659	\$ 22,016	951,388
Total revenues	\$ 777,157	\$ 7,583	\$ 145,662	\$ 39,331	\$ 44,659	\$ 22,016	\$ 1,036,408
EXPENDITURES:							
Instruction:							
Salaries of teachers			\$ 100,000				\$ 100,000
Purchased professional - educational services	\$ 55,147						55,147
Tuition	544,147						544,147
General supplies	57,548		5,837				63,385
Textbooks		\$ 7,583					7,583
Miscellaneous expenditures	1,910						1,910
Total instruction	658,752	7,583	105,837				772,172
Support services:							
Salaries of other professional staff	19,190		14,242	\$ 36,403	\$ 16,806	\$ 10,034	96,675
Personal services - employee benefits	1,044		22,656	2,798	1,286	767	28,551
Purchased professional - technical services	1,440				452	800	2,692
Purchased professional - educational services	20,511						20,511
Other purchased services (400-500 series)	68,181		2,249		26,115	6,459	103,004
Supplies & materials	8,039		678	130		3,956	12,803
Total support services	118,405		39,825	39,331	44,659	22,016	264,236
Total expenditures	\$ 777,157	\$ 7,583	\$ 145,662	\$ 39,331	\$ 44,659	\$ 22,016	\$ 1,036,408

Delsea Regional High School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1b)	Perkins Grant	Perkins Carryover	IDEA Basic	IDEA Basic Carryover	Total Carried Forward
REVENUES:						
Local sources	\$ 16,600					\$ 16,600
State sources	60,837					60,837
Federal sources		\$ 54,105	\$ 4,259	\$ 596,270	\$ 45,086	699,720
Total revenues	\$ 77,437	\$ 54,105	\$ 4,259	\$ 596,270	\$ 45,086	\$ 777,157
EXPENDITURES:						
Instruction:						
Purchased professional - educational services	\$ 25,476			\$ 29,671		\$ 55,147
Tuition				502,669	\$ 41,478	544,147
General supplies		\$ 48,296	\$ 4,014	3,070	2,168	57,548
Miscellaneous expenditures		1,665	245			1,910
Total instruction	25,476	49,961	4,259	535,410	43,646	658,752
Support services:						
Salaries of other professional staff	19,190					19,190
Personal services - employee benefits	1,044					1,044
Purchased professional - technical services					1,440	1,440
Purchased professional - educational services	18,781	1,730				20,511
Other purchased services (400-500 series)	6,216	1,105		60,860		68,181
General supplies	6,730	1,309				8,039
Total support services	51,961	4,144		60,860	1,440	118,405
Total expenditures	\$ 77,437	\$ 54,105	\$ 4,259	\$ 596,270	\$ 45,086	\$ 777,157

Delsea Regional High School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1c)	Non-Public Technology Aid	Non-Public Nursing Aid	Non-Public Corrective Speech	Municipal Alliance	PSLP Grant	Total Carried Forward
REVENUES:							
Local sources	\$ 16,600						\$ 16,600
State sources	29,504	\$ 3,919	\$ 12,331	\$ 3,534	\$ 5,550	\$ 5,999	60,837
Total revenues	<u>\$ 46,104</u>	<u>\$ 3,919</u>	<u>\$ 12,331</u>	<u>\$ 3,534</u>	<u>\$ 5,550</u>	<u>\$ 5,999</u>	<u>\$ 77,437</u>
EXPENDITURES:							
Instruction:							
Purchased professional - educational services	\$ 21,942			\$ 3,534			\$ 25,476
Total instruction	<u>21,942</u>			<u>3,534</u>			<u>25,476</u>
Support services:							
Salaries of other professional staff	11,110				\$ 5,550	\$ 2,530	19,190
Personal services - employee benefits	850					194	1,044
Purchased professional - educational services	6,450		\$ 12,331				18,781
Other purchased services (400-500 series)	2,112	\$ 3,919				185	6,216
Supplies & materials	3,640					3,090	6,730
Total support services	<u>24,162</u>	<u>3,919</u>	<u>12,331</u>		<u>5,550</u>	<u>5,999</u>	<u>51,961</u>
Total expenditures	<u>\$ 46,104</u>	<u>\$ 3,919</u>	<u>\$ 12,331</u>	<u>\$ 3,534</u>	<u>\$ 5,550</u>	<u>\$ 5,999</u>	<u>\$ 77,437</u>

Delsea Regional High School District
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1d)	Auxiliary Services		Handicapped Services		Total Carried Forward
		Basic Skills	Transportation	Examination & Classification	Supplemental Instruction	
REVENUES:						
Local sources	\$ 16,600					\$ 16,600
State sources		\$ 6,450	\$ 1,112	\$ 10,093	\$ 11,849	29,504
Total revenues	<u>\$ 16,600</u>	<u>\$ 6,450</u>	<u>\$ 1,112</u>	<u>\$ 10,093</u>	<u>\$ 11,849</u>	<u>\$ 46,104</u>
EXPENDITURES:						
Instruction:						
Purchased professional - educational services				\$ 10,093	\$ 11,849	\$ 21,942
Total instruction				<u>10,093</u>	<u>11,849</u>	<u>21,942</u>
Support services:						
Salaries of other professional staff	\$ 11,110					11,110
Personal services - employee benefits	850					850
Purchased professional - educational services		\$ 6,450				6,450
Other purchased services (400-500 series)	1,000		\$ 1,112			2,112
Supplies & materials	3,640					3,640
Total support services	<u>16,600</u>	<u>6,450</u>	<u>1,112</u>			<u>24,162</u>
Total expenditures	<u>\$ 16,600</u>	<u>\$ 6,450</u>	<u>\$ 1,112</u>	<u>\$ 10,093</u>	<u>\$ 11,849</u>	<u>\$ 46,104</u>

Delsea Regional High School District
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Olweus Grant	Exxon- Mobil	Mosaic Arts	Total Carried Forward
REVENUES:				
Local sources	\$ 600	\$ 1,000	\$ 15,000	\$ 16,600
Total revenues	<u>\$ 600</u>	<u>\$ 1,000</u>	<u>\$ 15,000</u>	<u>\$ 16,600</u>
EXPENDITURES:				
Support services:				
Salaries of other professional staff			\$ 11,110	\$ 11,110
Personal services - employee benefits			850	850
Other purchased services (400-500 series)			1,000	1,000
Supplies & materials	\$ 600	\$ 1,000	2,040	3,640
Total support services	<u>600</u>	<u>1,000</u>	<u>15,000</u>	<u>16,600</u>
Total expenditures	<u>\$ 600</u>	<u>\$ 1,000</u>	<u>\$ 15,000</u>	<u>\$ 16,600</u>

CAPITAL PROJECTS FUND

DELSEA REGIONAL HIGH SCHOOL
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2015

Project Title/Issue	Approval Date	Revised Budgetary Appropriation	GAAP		Unexpended Appropriations June 30, 2015
			Prior Year	Expenditures to Date Current Year	
Middle School Special Education Classrooms (SCSE) Wing Addition	11/05/14	\$ 1,743,750		\$ 183,149	\$ 1,560,602
Middle School Roof Replacement, HVAC System and Electrical System Upgrades	11/05/14	8,216,250		4,462,207	3,754,044
High School Roof Replacement, HVAC System and Electrical System Upgrades	11/05/14	10,821,875		279,141	10,542,734
		<u>\$ 20,781,875</u>	<u>None</u>	<u>\$ 4,924,496</u>	<u>\$ 15,857,379</u>

ELK TOWNSHIP BOARD OF EDUCATION
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budgetary Basis
 For the Year Ended June 30, 2015

Revenues and other financing sources	
Bond proceeds	\$ 10,581,021
State Sources: SDA Grant	10,200,854
	<hr/>
Total Revenues and other financing sources	20,781,875
	<hr/>
Expenditures and other financing uses	
Legal services	24,636
Audit services	3,000
Engineer/architect	947,884
Other professional/technical services	42,229
Construction services	3,898,466
Supplies	845
Other objects	7,437
	<hr/>
Total expenditures	4,924,496
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	15,857,379
	<hr/>
Fund balance - ending	<u>\$ 15,857,379</u>

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Middle School Special Education Classroom (SCSE) Wing Addition
 From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds		\$ 1,399,486	\$ 1,399,486	\$ 1,399,486
State Sources: SDA Grant		344,264	344,264	344,264
Total revenues		<u>1,743,750</u>	<u>1,743,750</u>	<u>1,743,750</u>
Expenditures and other financing uses				
Legal services		2,067	2,067	16,000
Audit services		252	252	16,000
Engineer/architect		171,893	171,893	160,000
Other professional/technical services		8,866	8,866	16,000
Construction services				1,500,000
Supplies		71	71	8,250
Other objects				27,500
Total expenditures		<u>183,149</u>	<u>183,149</u>	<u>1,743,750</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 1,560,602</u>	<u>\$ 1,560,602</u>	
Additional project information:				
Project number	4940-060-14-1004			
Grant date	11/05/14			
Bond authorization date	11/05/14			
Bonds authorized	\$ 1,399,486			
Bonds issued	1,399,465			
Original authorized cost	1,743,750			
Additional authorized cost	None			
Revised authorized cost	1,743,750			
Percentage increase over original authorized cost	0%			
Percentage completion	0%			
Original target completion date	August 2016			
Revised target completion date	August 2016			

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Middle School Roof Replacement, HVAC System and Electrical System Upgrades
 From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds		\$ 3,962,459	\$ 3,962,459	\$ 3,962,459
State Sources: SDA Grant		4,253,791	4,253,791	4,253,791
Total revenues		<u>8,216,250</u>	<u>8,216,250</u>	<u>8,216,250</u>
Expenditures and other financing uses				
Legal services		9,740	9,740	86,000
Audit services		1,186	1,186	16,000
Engineer/architect		555,340	555,340	600,000
Other professional/technical services		15,504	15,504	90,000
Construction services		3,872,666	3,872,666	7,330,000
Supplies		334	334	64,250
Other objects		7,437	7,437	30,000
Total expenditures		<u>4,462,207</u>	<u>4,462,207</u>	<u>8,216,250</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 3,754,044</u>	<u>\$ 3,754,044</u>	
Additional project information:				
Project number	4940-060-13-1003			
Grant date	11/05/14			
Bond authorization date	11/05/14			
Bonds authorized	\$ 3,962,459			
Bonds issued	3,962,459			
Original authorized cost	8,216,250			
Additional authorized cost	None			
Revised authorized cost	8,216,250			
Percentage increase over original authorized cost	0%			
Percentage completion	18%			
Original target completion date	August 2015			
Revised target completion date	August 2015			

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 High School Roof Replacement, HVAC System and Electrical System Upgrades
 From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Bond proceeds		\$ 5,219,076	\$ 5,219,076	\$ 5,219,076
State Sources: SDA Grant		5,602,799	5,602,799	5,602,799
Total revenues		<u>10,821,875</u>	<u>10,821,875</u>	<u>10,821,875</u>
Expenditures and other financing uses				
Legal services		12,829	12,829	98,000
Audit services		1,562	1,562	168,000
Engineer/architect		220,651	220,651	790,000
Other professional/technical services		17,859	17,859	94,000
Construction services		25,800	25,800	9,566,000
Supplies		440	440	70,000
Other objects				35,875
Total expenditures		<u>279,141</u>	<u>279,141</u>	<u>10,821,875</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 10,542,734</u>	<u>\$ 10,542,734</u>	

Additional project information:

Project number	4940-050-13-1001
Grant date	11/05/14
Bond authorization date	11/05/14
Bonds authorized	\$ 1,750,578
Bonds issued	1,750,000
Original authorized cost	1,750,578
Additional authorized cost	None
Revised authorized cost	1,750,578
Percentage increase over original authorized cost	0%
Percentage completion	0%
Original target completion date	August 2016
Revised target completion date	August 2016

PROPRIETARY FUNDS

Delsea Regional High School District
Combining Schedule of Net Position
Enterprise Fund
June 30, 2015

	Enterprise Fund <hr/> Food Service <hr/>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 101,766
Accounts receivable	
State	1,320
Federal	45,639
Other	12,507
Inventories	10,920
Total current assets	<hr/> 172,152 <hr/>
Noncurrent assets:	
Furniture, machinery & equipment	426,586
Less: accumulated depreciation	<hr/> (417,762) <hr/>
Total noncurrent assets	<hr/> 8,824 <hr/>
Total assets	<hr/> 180,976 <hr/>
LIABILITIES	
Current liabilities:	
Deposits payable	2,954
Deferred revenue	4,603
Interfund accounts payable	23,438
Total current liabilities	<hr/> 30,995 <hr/>
NET POSITION	
Invested in capital assets net of related debt	8,824
Unrestricted	141,157
Total net position	<hr/> \$ 149,981 <hr/>

Delsea Regional High School District
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Fund
For the Year Ended June 30, 2015

	Enterprise Fund
	Food Service
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 111,055
Daily sales - non-reimbursable programs	281,088
Special functions	22,086
	414,229
Total operating revenues	414,229
Operating expenses:	
Salaries	235,611
Employee benefits	55,044
Purchased property service	2,568
Other purchased services	46,425
General supplies	7,453
Cost of sales	340,775
Miscellaneous	258
Depreciation	2,011
	690,145
Total operating expenses	690,145
Operating income (loss)	(275,916)
Non-operating revenues (expenses):	
State sources:	
State school lunch program	6,225
Federal sources:	
National school lunch program	198,647
National school breakfast program	35,781
Food distribution program	47,581
Interest and investment revenue	77
	288,311
Total non-operating revenues (expenses)	288,311
Change in net position	12,395
Total net position - beginning	137,586
Total net position - ending	\$ 149,981

Delsea Regional High School District
Combining Schedule of Cash Flows
Enterprise Fund
For the Year Ended June 30, 2015

	Enterprise Funds
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 402,458
Payments to employees	(235,611)
Payments for employee benefits	(55,044)
Payments to suppliers	(370,412)
	(258,609)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State reimbursements	6,745
Federal reimbursements	247,813
Interfund accounts receivable	94,047
	348,605
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	77
	90,073
Net increase (decrease) in cash and cash equivalents	90,073
Balances - beginning of year	11,693
Balances - end of year	\$ 101,766
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (275,916)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	2,011
Food distribution program	47,581
(Increase) decrease in inventories	3,769
(Increase) decrease in other receivables	(9,292)
Increase (decrease) in accounts payable	(27,067)
Increase (decrease) in deposits payable	305
	17,307
Total adjustments	17,307
Net cash provided by (used for) operating activities	\$ (258,609)

Delsea Regional High School District
Combining Schedule of Net Position
Internal Service Fund
June 30, 2015

	<u>Internal Service Fund</u>
ASSETS	
Current assets:	
Accounts receivable:	
Intergovernmental	\$ 129,084
Total assets	<u>129,084</u>
LIABILITIES	
Current liabilities:	
Interfund payable	126,094
Accounts payable	2,176
Total current liabilities	<u>128,270</u>
NET POSITION	
Unrestricted	<u><u>\$ 814</u></u>

Delsea Regional High School District
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Fund
For the Year Ended June 30, 2015

	Internal Service Fund
	Fund
Operating revenues:	
Charges for services	
Service provided to other LEA's	\$ 720,123
Operating expenses:	
Salaries	386,274
Employee benefits	154,861
Other professional/technical services	1,523
Cleaning, repair, and maintenance	630
Other purchased services	3,691
Miscellaneous transportation services	7,411
Contracted services (aid in lieu payments)	35,989
General supplies	53,126
Energy	1,084
Travel	1,411
Miscellaneous	428
Total operating expenses	646,428
Operating income (loss)	73,695
Transfers in (out)	(73,695)
Change in net position	
Total net position - beginning	814
Total net position - ending	\$ 814

Delsea Regional High School District
Combining Schedule of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2015

	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 720,123
Payments to employees	(386,274)
Payments for employee benefits	(154,861)
Payments to suppliers	(105,293)
	<hr/>
Net cash provided by (used for) operating activities	73,695
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating subsidies and transfers to general fund	(73,695)
	<hr/>
Net cash provided by (used for) non-capital financing activities	(73,695)
	<hr/>
Net increase (decrease) in cash and cash equivalents	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	73,695
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Increase) decrease in accounts receivable, net	215,794
Increase (decrease) in accounts payable	2,176
Increase (decrease) in interfund payable	(217,970)
	<hr/>
Total adjustments	
Net cash provided by (used for) operating activities	<u>\$ 73,695</u>

FIDUCIARY FUNDS

Delsea Regional High School District
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2015

	Private Purpose Trust		Agency		Totals
	Unemployment Compensation	Scholarship	Student Activity	Payroll	
ASSETS					
Cash and cash equivalents	\$ 110,127	\$ 343,844	\$ 215,100	\$ 9,922	\$ 678,993
Accounts receivable		1,300			1,300
Total assets	<u>110,127</u>	<u>345,144</u>	<u>\$ 215,100</u>	<u>\$ 9,922</u>	<u>\$ 680,293</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,116	15,700			\$ 16,816
Payroll deductions & withholdings				\$ 9,922	9,922
Due to student groups			<u>\$ 215,100</u>		<u>215,100</u>
Total liabilities	<u>1,116</u>	<u>15,700</u>	<u>\$ 215,100</u>	<u>\$ 9,922</u>	<u>241,838</u>
Net Position:					
Held in trust for unemployment claims and other purposes	<u>\$ 109,011</u>				<u>109,011</u>
Permanent endowment - nonexpendable		50,000			50,000
Expendable scholarship funds		<u>279,444</u>			<u>279,444</u>
Total reserved for scholarships		<u>\$ 329,444</u>			<u>329,444</u>
Total net position					<u>438,455</u>
Total liabilities and net position					<u>\$ 680,293</u>

Delsea Regional High School District
Combining Statement of Changes in
Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015

	<u>Scholarship</u>	<u>New Jersey Unemployment Compensation</u>	<u>Total</u>
OPERATING REVENUES:			
Gifts and contributions	\$ 69,533		\$ 69,533
Deductions from employees' salaries		\$ 41,586	41,586
Interest on investments	18,583	519	19,102
Total additions	<u>88,116</u>	<u>42,105</u>	<u>130,221</u>
OPERATING EXPENSES:			
Scholarship payments	78,131		78,131
Unemployment compensation insurance claims		36,816	36,816
Total deductions	<u>78,131</u>	<u>36,816</u>	<u>114,947</u>
Changes in net position	9,985	5,289	15,274
Net position, July 1	<u>319,459</u>	<u>103,722</u>	<u>423,181</u>
Net position, June 30	<u>\$ 329,444</u>	<u>\$ 109,011</u>	<u>\$ 438,455</u>

EXHIBIT H-3

Delsea Regional High School District
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	Balance June 30, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
SCHOOLS:				
Delsea High School	\$ 175,144	\$ 580,835	\$ 571,867	\$ 184,112
Delsea Middle School	26,914	51,371	47,297	30,988
Total all schools	\$ 202,058	\$ 632,206	\$ 619,164	\$ 215,100

EXHIBIT H-4

Delsea Regional High School District
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	\$ 136,533	\$ 19,085,249	\$ 19,211,860	\$ 9,922
LIABILITIES				
Net payroll		\$ 10,859,639	\$ 10,859,639	
Payroll deductions and withholdings	\$ 136,533	8,225,610	8,352,221	\$ 9,922
Total liabilities	\$ 136,533	\$ 19,085,249	\$ 19,211,860	\$ 9,922

LONG-TERM DEBT

Delsea Regional High School District
Schedule of Serial Bonds
Year Ended June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
High school reconstruction and renovation	10/1/93	\$ 9,830,000	10/1/2014	\$ 650,000	5.00%	\$ 650,000		\$ 650,000	
Athletic stadium renovations	6/15/00	1,200,000	1/15/2015	95,000	5.65%	95,000		95,000	
Improvements and renovations to the Middle and High School	2/15/2015	10,581,000	08/01/15	240,000	2.00%				
			08/01/16	310,000	2.00%				
			08/01/17	325,000	2.00%				
			08/01/18	335,000	3.00%				
			08/01/19	350,000	3.00%				
			08/01/20	370,000	3.00%				
			08/01/21	380,000	3.00%				
			08/01/22	390,000	3.00%				
			08/01/23	405,000	3.00%				
			08/01/24	420,000	3.00%				
			08/01/25	430,000	3.00%				
			08/01/26	450,000	3.00%				
			08/01/27-32	475,000	3.00%				
			08/1/33-35	475,000	3.125%				
08/1/36-38	475,000	3.25%							
08/01/39	476,000	3.25%							
							\$10,581,000		\$10,581,000
						\$ 745,000	\$10,581,000	\$ 745,000	\$ 10,581,000

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2015

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2014	Issued	Retired	Balance June 30, 2015
			Principle	Interest					
Pickup Truck	9/13/11	5 Years	\$ 28,340	\$ 2,774	4.90%	\$ 11,587		\$ 5,655	\$ 5,932
Computer Equipment	8/1/11	5 Years	84,084	8,316	4.95%	34,386		16,778	17,608
Computer Equipment	8/1/12	3 Years	33,602	2,875	8.81%	11,174		11,174	
Computer Equipment	8/1/12	3 Years	33,735	2,886	8.81%	11,218		11,218	
Computer Equipment	8/1/12	4 Years	48,560	4,950	6.88%	24,227		11,710	12,517
Computer Equipment	8/1/12	3 Years	16,926	1,471	8.96%	5,628		5,628	
Computer Equipment	9/1/12	3 Years	25,724	2,201	8.81%	8,555		8,555	
Computer Equipment	9/1/12	5 Years	54,707	5,743	5.26%	32,767		10,368	22,399
Computer Equipment	1/1/13	3 Years	3,170	271	8.81%	1,054		1,054	
Computer Equipment	8/1/13	4 Years	214,189	18,472	4.29%	163,449		52,165	111,284
Phone Lease	9/1/13	5 Years	126,465	13,076	4.08%	106,772		23,998	82,774
Networking Equipment	6/27/14	3 Years	15,376	898	3.53%	15,376		5,125	10,251
Computer Equipment	8/14/13	4 Years	61,164	4,834	5.32%	44,665		14,123	30,542
Computer Equipment	8/14/13	3 Years	19,540	1,360	7.13%	12,573		6,070	6,503
Computer Equipment	5/28/14	4 Years	139,485	0	0.00%	139,485		34,871	104,614
Computer Equipment	8/15/13	3 Years	265,298	10,583	3.97%	173,338		85,126	88,212
Athletic Field Conditioner	11/6/13	3 Years	16,900	1,127	4.24%	13,328		5,551	7,777
Wireless Upgrade	6/4/15	3 Years	14,545		0.00%		\$ 14,545		14,545
Fortinet Lease	5/1/15	3 Years	46,895	2,851	6.21%		46,895		46,895
Computer Equipment	6/4/15	3 Years	232,878	13,600	6.00%		232,878		232,878
Computer Equipment	6/4/15	4 Years	46,425	2,748	3.97%		46,425		46,425
Computer Equipment	6/4/15	5 Years	43,332	3,293	3.80%		43,332		43,332
						<u>\$ 809,582</u>	<u>\$ 384,075</u>	<u>\$ 309,169</u>	<u>\$ 884,488</u>

Delsea Regional High School District
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 400,641		\$ 400,641	\$ 400,641	
Total local sources	400,641		400,641	400,641	
State sources:					
Debt service aid type II	365,779		365,779	365,779	
Total revenues	766,420		766,420	766,420	
EXPENDITURES:					
Regular debt service:					
Interest	21,618		21,618	21,617	
Redemption of principal	745,000		745,000	745,000	
Total expenditures	766,618		766,618	766,617	
Excess (deficiency) of revenues over (under) expenditures	(198)		(198)	(197)	
Fund balance, July 1	1		1	1	
Fund balance, June 30	\$ (197)		\$ (197)	\$ (196)	

STATISTICAL SECTION
(Unaudited)

**Delsea Regional High School District
Statistical Section**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	119-124
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	125-128
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the district's ability to issue additional debt in the future.	129-132
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	133-134
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the district provides and the activities it performs.	135-139

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Invested in capital assets, net of related debt	\$ 12,326,241	\$ 12,604,684	\$ 12,895,375	\$ 13,175,895	\$ 13,766,917	\$ 14,550,244	\$ 14,946,760	\$ 15,539,924	\$ 16,258,259	\$ 10,029,998
Restricted	616,002	592,554	991,113	1,771,230	1,332,932	1,950,525	3,970,350	4,269,276	5,567,578	22,952,933
Unrestricted	(373,585)	(136,053)	(309,430)	(909,575)	(1,601,203)	(1,310,790)	(1,348,536)	(1,521,471)	(1,486,949)	(10,924,892)
Total governmental activities net position	<u>\$ 12,568,658</u>	<u>\$ 13,061,185</u>	<u>\$ 13,577,058</u>	<u>\$ 14,037,550</u>	<u>\$ 13,498,646</u>	<u>\$ 15,189,979</u>	<u>\$ 17,568,574</u>	<u>\$ 18,287,729</u>	<u>\$ 20,338,888</u>	<u>\$ 22,058,039</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 64,544	\$ 43,500	\$ 27,046	\$ 17,321	\$ 15,210	\$ 13,098	\$ 11,304	\$ 13,051	\$ 10,835	\$ 8,824
Restricted						11,751				
Unrestricted	16,121	31,901	28,146	25,520	40,939	83,695	80,572	111,181	126,751	141,157
Total business-type activities net position	<u>\$ 80,665</u>	<u>\$ 75,401</u>	<u>\$ 55,192</u>	<u>\$ 42,841</u>	<u>\$ 56,149</u>	<u>\$ 108,544</u>	<u>\$ 91,876</u>	<u>\$ 124,232</u>	<u>\$ 137,586</u>	<u>\$ 149,981</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 12,390,785	\$ 12,648,184	\$ 12,922,421	\$ 13,193,216	\$ 13,782,127	\$ 14,563,342	\$ 14,958,064	\$ 15,552,975	\$ 16,269,094	\$ 10,038,822
Restricted	616,002	592,554	991,113	1,771,230	1,332,932	1,962,276	3,970,350	4,269,276	5,567,578	22,952,933
Unrestricted	(357,464)	(104,152)	(281,284)	(884,055)	(1,560,264)	(1,227,095)	(1,267,964)	(1,410,290)	(1,360,198)	(10,783,735)
Total District net position	<u>\$ 12,649,323</u>	<u>\$ 13,136,586</u>	<u>\$ 13,632,250</u>	<u>\$ 14,080,391</u>	<u>\$ 13,554,795</u>	<u>\$ 15,298,523</u>	<u>\$ 17,660,450</u>	<u>\$ 18,411,961</u>	<u>\$ 20,476,474</u>	<u>\$ 22,208,020</u>

Source: District records

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 9,449,578	\$ 10,119,561	\$ 10,927,233	\$ 10,234,450	\$ 10,381,084	\$ 7,070,584	\$ 7,141,834	\$ 7,896,578	\$ 7,896,965	\$ 8,080,763
Special education	2,562,256	2,701,408	2,494,855	2,751,321	3,233,428	2,418,985	1,959,016	2,404,974	2,528,466	2,750,548
Other special instruction	491,282	599,399	424,142	554,313	707,509	262,113	255,045	308,085	256,675	303,388
Other instruction	949,678	969,312	1,057,131	1,089,055	1,432,853	829,769	1,002,302	1,085,718	1,098,780	1,068,763
Non-public school programs	50,692	70,810	71,026	67,055	49,250	1,293	1,293			
Support Services:										
Tuition	1,156,386	1,542,813	1,487,658	1,423,268	1,744,821	1,952,812	2,033,131	1,327,893	1,261,409	1,582,393
Student & instruction related services	3,603,007	3,571,229	3,885,437	3,515,522	3,513,745	2,346,984	2,644,388	3,034,202	2,951,779	3,141,564
School administrative services	1,374,845	1,352,403	1,504,334	1,433,770	1,424,900	1,131,314	828,329	901,045	513,054	532,837
General and business administrative services	1,002,111	1,057,715	1,162,694	1,274,939	1,387,541	961,874	1,004,520	947,147	1,077,853	1,151,980
Plant operations and maintenance	2,488,798	2,682,454	2,834,396	2,831,279	2,950,282	2,232,770	2,363,505	2,468,621	2,480,972	2,739,056
Pupil transportation	2,574,423	2,825,207	3,351,606	3,332,165	3,625,374	2,844,651	3,156,366	3,839,673	5,096,037	4,904,905
Employee benefits						6,158,013	6,803,880	7,480,309	6,560,993	7,172,701
Special schools	129,099	123,992	91,700	111,217	20,007					
Transfer of funds to charter schools										
Interest on long-term debt	401,837	350,760	312,367	273,834	232,132	196,906	139,821	92,786	49,490	124,859
Capital outlay						3,122	26,167	309,595	1,376,070	270,332
Unallocated depreciation	268,447	263,156	258,991	258,942	243,741	738,107	717,965	682,353	672,751	660,031
Total governmental activities expenses	26,502,439	28,230,219	29,863,570	29,151,130	30,946,667	29,149,297	30,077,562	32,778,979	33,821,294	34,484,120
Business-type activities:										
Food service	772,243	830,924	830,148	828,719	834,244	772,112	802,569	738,577	711,371	690,145
Total District expenses	\$ 27,274,682	\$ 29,061,143	\$ 30,693,718	\$ 29,979,849	\$ 31,780,911	\$ 29,921,409	\$ 30,880,131	\$ 33,517,556	\$ 34,532,665	\$ 35,174,265
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
Student and instruction related services						\$ 27,172	\$ 26,547			
School administrative services						36,200	91,500	\$ 143,191	\$ 145,774	\$ 124,191
General and business administration			\$ 111,961	\$ 146,375	\$ 209,600	160,748	100,538	100,000	114,800	114,800
Plant operation and maintenance	\$ 893			20,253	38,955	31,727	37,846	40,238	35,731	25,086
Pupil transportation	88,637	\$ 126,233	399,581	428,349	367,677	323,729	427,919	540,490	584,067	456,046
Special schools	11,450	14,310	18,287	15,404	12,404					
Operating grants and contributions	1,060,944	1,116,492	1,496,231	1,145,479	1,291,463	958,299	828,905	748,687	760,227	1,036,408
Total governmental activities program revenues	1,161,924	1,257,035	2,026,060	1,755,860	1,920,099	1,537,875	1,513,255	1,572,606	1,640,599	1,756,531

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services										
Food service	576,139	621,374	603,236	580,557	558,036	534,661	473,176	450,963	415,734	414,229
Operating grants and contributions	167,201	204,044	206,475	235,591	289,338	289,672	312,601	319,842	308,891	288,234
Total business type activities program revenues	743,340	825,418	809,711	816,148	847,374	824,333	785,777	770,805	724,625	702,463
Total district program revenues	\$ 1,905,264	\$ 2,082,453	\$ 2,835,771	\$ 2,572,008	\$ 2,767,473	\$ 2,362,208	\$ 2,299,032	\$ 2,343,411	\$ 2,365,224	\$ 2,458,994
NET (EXPENSE)/REVENUE:										
Governmental activities	\$ (25,340,515)	\$ (26,973,184)	\$ (27,837,510)	\$ (27,395,270)	\$ (29,026,568)	\$ (27,611,422)	\$ (28,564,307)	\$ (31,206,373)	\$ (32,180,695)	\$ (32,727,589)
Business-type activities	(28,903)	(5,506)	(20,437)	(12,571)	13,130	52,221	(16,792)	32,228	13,254	12,318
Total district-wide net expense	\$ (25,369,418)	\$ (26,978,690)	\$ (27,857,947)	\$ (27,407,841)	\$ (29,013,438)	\$ (27,559,201)	\$ (28,581,099)	\$ (31,174,145)	\$ (32,167,441)	\$ (32,715,271)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 8,781,801	\$ 9,932,194	\$ 10,241,799	\$ 10,591,471	\$ 11,136,304	\$ 11,903,468	\$ 11,801,436	\$ 12,591,764	\$ 13,274,157	\$ 13,874,384
Taxes levied for debt service	872,802	650,279	633,818	617,817	636,554	736,294	757,823	733,390	708,761	400,641
Federal and state aid not restricted	15,648,188	16,085,653	16,524,649	15,585,378	15,407,161	15,256,246	16,271,448	16,316,250	16,711,108	16,872,901
Federal and state aid restricted										10,200,875
Tuition	118,755	86,228	117,871	152,442	409,136	508,102	983,497	1,121,220	1,698,159	1,858,599
Transportation fees from other LEA's within the state	341,200	545,467	614,878	749,965	807,122	818,988	1,001,273	1,176,681	1,345,317	1,217,727
Investment earnings	45,016	63,233	54,704	26,017	17,628	8,431	10,458	13,806	17,342	3,400
Miscellaneous income	166,837	102,657	165,664	132,672	73,759	71,226	116,967	59,508	60,764	86,774
Extraordinary items								(86,893)	(3,208)	(28,390)
Total governmental activities	25,974,599	27,465,711	28,353,383	27,855,762	28,487,664	29,302,755	30,942,902	31,925,726	33,812,400	44,486,911
Business-type activities:										
Investment earnings	243	242	228	220	178	174	124	128	100	77
Total business-type activities	243	242	228	220	178	174	124	128	100	77
Total district-wide	\$ 25,974,842	\$ 27,465,953	\$ 28,353,611	\$ 27,855,982	\$ 28,487,842	\$ 29,302,929	\$ 30,943,026	\$ 31,925,854	\$ 33,812,500	\$ 44,486,988
CHANGES IN NET ASSETS:										
Governmental activities	\$ 634,084	\$ 492,527	\$ 515,873	\$ 460,492	\$ (538,904)	\$ 1,691,333	\$ 2,378,595	\$ 719,353	\$ 1,631,705	\$ 11,759,322
Business-type activities	(28,660)	(5,264)	(20,209)	(12,351)	13,308	52,395	(16,668)	32,356	13,354	12,395
Total district	\$ 605,424	\$ 487,263	\$ 495,664	\$ 448,141	\$ (525,596)	\$ 1,743,728	\$ 2,361,927	\$ 751,709	\$ 1,645,059	\$ 11,771,717

Source: District records

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

	Fiscal Year Ending June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Restricted						\$ 1,559,897	\$ 3,218,851	\$ 3,342,876	\$ 4,686,194	\$ 5,655,748
Assigned						543,935	751,301	926,400	881,383	1,440,002
Unrestricted						(590,124)	(552,322)	(648,380)	(683,408)	(663,106)
Reserved	\$ 666,574	\$ 732,749	\$ 1,121,910	\$ 2,095,666	\$ 1,332,412					
Unreserved	158,802	334,065	363,411	(360,151)	(734,300)					
Total general fund	<u>\$ 825,376</u>	<u>\$ 1,066,814</u>	<u>\$ 1,485,321</u>	<u>\$ 1,735,515</u>	<u>\$ 598,112</u>	<u>\$ 1,513,708</u>	<u>\$ 3,417,830</u>	<u>\$ 3,620,896</u>	<u>\$ 4,884,169</u>	<u>\$ 6,432,644</u>
All other governmental funds										
Assigned										
Capital projects										\$ 15,857,379
Debt service fund						\$ 197	\$ 198	\$ 198	\$ 1	(196)
Unreserved, reported in:										
Special revenue fund	\$ (3,772)	\$ (3,772)	\$ (3,772)							
Debt service fund	279	793	1,517	\$ 389	\$ 520					
Total all other governmental funds	<u>\$ (3,493)</u>	<u>\$ (2,979)</u>	<u>\$ (2,255)</u>	<u>\$ 389</u>	<u>\$ 520</u>	<u>\$ 197</u>	<u>\$ 198</u>	<u>\$ 198</u>	<u>\$ 1</u>	<u>\$ 15,857,183</u>

Source: District records

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Tax levy	\$ 9,654,603	\$ 10,582,473	\$ 10,875,617	\$ 11,209,288	\$ 11,772,858	\$ 12,639,762	\$ 12,559,259	\$ 13,325,154	\$ 13,982,918	\$ 14,275,025
Tuition charges	118,755	86,228	117,871	152,442	409,136	508,102	983,497	1,121,220	1,698,159	1,858,599
Transportation fees				749,965	807,122	818,988	1,001,273	1,176,681	1,345,317	1,217,727
Interest earnings				26,017	17,628	8,431	10,458	13,806	3,095	3,400
Miscellaneous	573,187	731,417	859,233	173,406	96,556	84,831	125,015	59,508	93,018	103,374
State sources	15,793,718	16,263,049	16,975,363	15,689,585	13,287,266	15,280,017	15,846,684	16,321,867	16,727,998	27,070,677
Federal sources	906,730	933,346	1,039,817	1,015,942	3,400,965	920,923	1,245,621	743,070	725,330	984,090
Total revenue	27,046,993	28,596,513	29,867,901	29,016,645	29,791,531	30,261,054	31,771,807	32,761,306	34,575,835	45,512,892
EXPENDITURES:										
Instruction:										
Regular Instruction	7,005,161	7,116,394	7,707,616	7,611,868	7,742,463	7,048,107	7,156,285	7,874,369	7,882,966	8,016,291
Special education instruction	1,923,701	1,921,715	1,768,361	2,054,398	2,446,588	2,417,947	1,969,339	2,400,459	2,513,419	2,736,786
Other special instruction	411,156	474,755	324,358	427,948	545,100	261,873	243,915	308,646	256,675	303,388
Other instruction	671,599	686,962	747,711	760,080	1,013,212	824,501	1,000,990	1,071,493	1,082,151	1,050,974
Nonpublic school programs	49,869	69,987	70,037	66,232	47,618					
Community service	38,280	28,789	36,329	35,556	38,995					
Support services:										
Tuition	1,156,386	1,542,813	1,487,658	1,423,268	1,744,821	1,952,812	2,033,131	1,327,893	1,261,409	1,582,393
Student & instruction related services	2,832,886	2,724,556	3,013,815	2,707,752	2,709,361	2,395,754	2,614,197	3,026,133	2,974,270	3,103,613
General administrative services	407,694	426,307	455,292	474,542	495,837	446,590	455,183	428,394	472,086	431,458
School administrative services	1,026,331	976,233	1,011,501	1,051,191	1,059,298	900,355	785,768	782,903	688,985	704,002
Central services	273,287	290,989	318,559	324,106	335,890	358,348	310,176	328,169	333,270	325,116
Admin. information technology	124,767	112,883	118,639	118,282	132,337	136,869	137,650	170,445	238,996	325,904
Plant operations and maintenance	2,192,642	2,345,309	2,454,702	2,397,730	2,491,428	2,173,112	2,311,087	2,406,575	2,432,008	2,690,712
Pupil transportation	2,244,687	2,445,898	2,138,465	2,075,153	2,239,814	2,386,913	2,591,332	3,174,276	4,323,808	4,231,443
Employee benefits	4,443,120	5,379,876	6,059,336	5,573,817	6,071,456	6,157,496	6,809,390	7,476,608	6,564,899	7,060,293
Special schools	105,447	99,946	74,921	88,913	16,895					
Capital outlay	350,529	229,644	225,482	205,749	387,329	499,390	53,359	725,868	1,890,873	5,817,016
Debt service:										
Principal	1,573,779	1,119,995	1,120,219	1,125,456	1,205,697	1,205,956	1,291,229	1,291,524	1,291,832	745,000
Interest and other charges	430,932	363,039	324,652	286,253	245,558	202,850	158,127	111,108	64,073	21,617
Total expenditures	27,262,253	28,356,090	29,457,653	28,808,294	30,969,697	29,368,873	29,921,158	32,904,863	34,271,720	39,146,006
Excess (deficiency) of revenues over (under) expenditures	(215,260)	240,423	410,248	208,351	(1,178,166)	892,181	1,850,649	(143,557)	304,115	6,366,886
OTHER FINANCING SOURCES (USES):										
Capital leases (non-budgeted)							28,340	331,622	858,417	384,076
Transfers in	1,249	1,529	8,983	44,487	40,894	23,092	25,136	55,709	100,544	73,695
Bond proceeds										10,581,000
Transfers out								(40,708)		
Total other financing sources (uses)	1,249	1,529	8,983	44,487	40,894	23,092	53,476	346,623	958,961	11,038,771
Net change in fund balances	\$ (214,011)	\$ 241,952	\$ 419,231	\$ 252,838	\$ (1,137,272)	\$ 915,273	\$ 1,904,125	\$ 203,066	\$ 1,263,076	\$ 17,405,657
Debt service as a percentage of noncapital expenditures	7.4%	5.3%	4.9%	4.9%	4.7%	4.9%	4.9%	4.4%	4.2%	2.3%

Source: District records

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interest on investments	\$ 45,016	\$ 62,440	\$ 53,981	\$ 25,209	\$ 12,687			\$ 10,444	\$ 14,247	\$ 36,678
Athletic events	16,944	17,519	14,670	15,465	14,530	\$ 13,451	\$ 11,707	20,672	22,264	19,996
Sale of assets	29,458	7,113	2,059	1,224	7,264	9,782	730			
Rentals	3,193	5,457	7,027	4,720	10,568	4,506	7,239	7,036	8,711	13,928
Refunds	28,535	14,497	6,206	10,303	5,721	19,977	45,056	14,774	29,125	9,331
Prior year purchase order adjustment		109	563	6,968	331	1,601		2,807		
Fines	9,220	10,489	6,303	6,223	3,729	1,125	861	266	571	900
Community school	11,450	14,310	18,287	15,404	12,404					
Contributions/donations				1,000						
Educational fee						9,000				
Insurance dividend	65,150	28,469	50,533	44,330	17,449	11,680	37,874			
Miscellaneous	12,552	13,871	84,726	42,439	13,972	104	13,500	13,953	93	5,941
	<u>\$ 221,518</u>	<u>\$ 174,274</u>	<u>\$ 244,355</u>	<u>\$ 173,285</u>	<u>\$ 98,655</u>	<u>\$ 71,226</u>	<u>\$ 116,967</u>	<u>\$ 69,952</u>	<u>\$ 75,011</u>	<u>\$ 86,774</u>

Source: District records

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

FRANKLIN TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
2006	\$ 29,814,600	\$ 604,152,100	\$ 32,267,900	\$ 5,412,300	\$ 58,711,100		\$ 1,985,700	\$ 732,343,700	\$ 2,903,630	\$ 735,247,330	\$ 1,115,205,228	1.112
2007	28,786,900	624,421,300	33,380,800	5,327,000	59,315,300		1,985,700	753,217,000	2,577,876	755,794,876	1,337,579,555	1.146
2008	25,204,900	656,497,100	34,245,100	5,323,100	59,615,100		1,957,100	782,842,400	2,528,351	785,370,751	1,512,873,481	1.131
2009	24,893,100	674,513,800	33,593,800	5,128,100	61,432,900		1,969,800	801,531,500	2,676,260	804,207,760	1,543,539,661	1.146
2010	24,021,100	681,600,400	31,797,900	5,883,200	60,877,100		1,969,800	806,149,500	2,676,260	808,825,760	1,499,113,437	1.210
2011	23,414,600	676,493,100	32,851,900	5,907,600	62,685,000		1,969,800	803,322,000	2,405,012	805,727,012	1,460,207,338	1.256
2012	23,785,000	676,688,100	33,177,400	5,877,300	62,760,500		1,969,800	804,258,100	2,447,866	806,705,966	1,383,180,084	1.277
2013	37,838,500	1,042,344,800	48,877,100	5,843,700	103,327,000		4,149,800	1,242,380,900	3,746,836	1,246,127,736	1,316,263,732	0.869
2014	36,089,600	1,041,281,400	47,646,600	6,035,100	96,487,300		3,605,700	1,231,145,700	3,008,212	1,234,153,912	1,275,979,921	0.907
2015	34,235,200	1,043,381,600	49,129,500	6,105,900	93,789,600		3,103,600	1,229,745,400	2,956,780	1,232,702,180	1,294,883,839	0.940

ELK TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
2006	\$ 10,166,200	\$ 152,623,400	\$ 11,737,100	\$ 4,262,400	\$ 16,223,400	\$ 813,500		\$ 195,826,000	\$ 770,469	\$ 196,596,469	\$ 277,462,206	0.988
2007	23,642,500	301,100,300	24,557,900	4,295,700	25,429,300	1,137,400		380,163,100	1,126,105	381,289,205	326,320,260	0.542
2008	24,226,600	304,093,100	25,243,000	4,324,100	25,485,800	1,137,400		384,510,000	1,310,507	385,820,507	368,937,053	0.562
2009	23,663,000	311,873,900	25,622,600	4,369,000	27,731,500	1,137,400		394,397,400	1,421,103	395,818,503	392,665,910	0.588
2010	21,249,300	314,651,800	25,981,400	4,396,300	24,901,100	1,137,400		392,317,300	1,421,103	393,738,403	398,626,420	0.600
2011	21,291,000	317,066,800	26,197,200	4,501,700	26,812,600	1,137,400		397,006,700	1,406,464	398,413,164	391,638,213	0.604
2012	19,466,400	320,339,500	26,458,300	4,412,100	27,936,500	1,137,400		399,750,200	1,336,575	401,086,775	382,547,020	0.616
2013	14,151,800	275,989,300	23,117,900	4,313,700	31,157,500	1,189,200		349,919,400	1,231,905	351,151,305	374,101,341	0.801
2014	14,194,800	276,047,800	22,896,000	4,398,500	30,622,800	1,189,200		349,349,100	1,093,377	350,442,477	359,865,466	0.838
2015	14,240,600	277,730,900	22,274,100	4,378,200	30,307,000	1,189,200		350,120,000	1,109,178	351,229,178	360,723,805	0.875

Source: District records & Municipal/County Tax Assessor

- Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each County. Reassessment occurs when ordered by the County Board of Taxation.
a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph, and Messenger System Companies.
b Tax rates are per \$100 of assessed value.

Delsea Regional High School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

FRANKLIN TOWNSHIP

Fiscal Year Ended June 30,	Delsea Regional High School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Franklin Township Municipality	Franklin Township School District	Gloucester County	
2006	1.028	0.084	1.112	0.685	0.926	0.896	3.619
2007	1.077	0.069	1.146	0.740	1.011	0.975	3.872
2008	1.067	0.064	1.131	0.777	1.014	1.058	3.980
2009	1.083	0.063	1.146	0.820	1.014	1.054	4.034
2010	1.142	0.068	1.210	0.869	1.048	1.018	4.145
2011	1.183	0.073	1.256	0.912	1.082	0.980	4.230
2012	1.205	0.072	1.277	0.903	1.114	0.944	4.238
2013	0.821	0.048	0.869	0.617	0.763	0.638	2.887
2014	0.861	0.046	0.907	0.621	0.799	0.635	2.962
2015	0.914	0.026	0.940	0.622	0.831	0.688	3.081

ELK TOWNSHIP

Fiscal Year Ended June 30,	Delsea Regional High School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Elk Township Municipality	Elk Township School District	Gloucester County	
2006	0.914	0.074	0.988	0.721	1.038	0.896	3.643
2007	0.510	0.032	0.542	0.444	0.551	0.509	2.046
2008	0.526	0.032	0.558	0.512	0.562	0.567	2.199
2009	0.543	0.032	0.575	0.549	0.588	0.586	2.298
2010	0.579	0.034	0.613	0.549	0.600	0.596	2.358
2011	0.597	0.037	0.634	0.574	0.604	0.575	2.387
2012	0.586	0.030	0.616	0.658	0.642	0.565	2.481
2013	0.757	0.044	0.801	0.764	0.714	0.687	2.966
2014	0.796	0.042	0.838	0.794	0.810	0.681	3.123
2015	0.850	0.025	0.875	0.861	0.816	0.721	3.273

Source: District records and Municipal Tax Collector

- Note:** NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The Levy when added to other components of the District's net budget, may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.
- a** The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

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

FRANKLIN TOWNSHIP

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
RT Enterprises, LLC	\$ 3,098,100	0.24%		
Verizon New Jersey	2,956,780	0.23%		
PDM, LLC (CVS)	2,500,000	0.19%		
R. Leo & Sons, LLC	3,586,300	0.28%		
State of NJ, DEP C/O White Oaks CC	3,200,000	0.25%		
FSL Development	2,565,500	0.20%		
Rosemar Properties, V.L.L.C.	2,776,600	0.21%	\$ 950,000	0.14%
Wawa, Inc.	2,770,800	0.21%	1,080,800	0.16%
Visconti Brothers Properties, LLC	2,399,600	0.19%		
New Greenways, LLC	2,155,700	0.17%		
New Jersey Bell Telephone Co.			3,574,585	0.53%
White Oaks Country Club, LLC			3,049,100	0.45%
Individual Taxpayer 1			2,277,700	0.33%
Berkshire Gardens & Properties			1,787,800	0.26%
Pharmacy Development Malaga, LLC			1,087,000	0.16%
Meredith Farms			1,023,600	0.15%
Individual Taxpayer 2			870,700	0.13%
Niagara Chemical Co., FMC Corp.			847,900	0.12%
Total	\$ 28,009,380	2.16%	\$ 16,549,185	2.43%

ELK TOWNSHIP

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Individual Taxpayer 1	\$ 5,900,900	1.68%	\$ 808,500	0.41%
Laux Lakeview Park, Inc.	4,142,000	1.18%	2,770,500	1.41%
SCP 2007-C-27, LLC (CVS Caremark)	2,449,900	0.70%		
Silvergate Associates			1,235,500	0.63%
Clayton Associates	1,189,200	0.34%	1,029,100	0.52%
Verizon New Jersey	1,109,178	0.32%	770,469	0.39%
Copart of Connecticut Inc.	1,102,000	0.31%		
Western Oilfields Supply Co.	1,052,200	0.30%	725,000	0.37%
PCI REO 6 LLC	1,051,700	0.30%		
Christy Enterprises, LLC	1,029,600	0.29%	659,900	0.34%
Triplet Properties, LLC	1,026,100	0.29%		
Orleans at Elk Township, LLC			755,300	0.38%
Individual Taxpayer 2			669,800	0.34%
First National Bank of Elmer			669,600	0.34%
Total	\$ 20,052,778	5.71%	\$ 10,093,669	5.13%

Source: Municipal Tax Assessor

Delsea Regional High School District
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 10,118,538	\$ 10,118,538	100.00%	
2007	10,582,473	10,582,473	100.00%	
2008	10,875,617	10,875,617	100.00%	
2009	11,209,288	11,209,288	100.00%	
2010	11,772,858	11,772,858	100.00%	
2011	12,639,762	12,639,762	100.00%	
2012	12,559,259	12,559,259	100.00%	
2013	13,325,154	13,325,154	100.00%	
2014	13,982,918	13,982,918	100.00%	
2015	14,275,025	14,275,025	100.00%	

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

Note: State statute: a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Delsea Regional High School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	EDA Loans	Capital Leases			
2006	\$ 6,190,000	\$ 4,206,907		\$ 10,396,907	0.35%	502
2007	5,595,000	3,681,912		9,276,912	0.41%	440
2008	5,000,000	3,156,694		8,156,694	0.48%	383
2009	4,400,000	2,631,236		7,031,236	0.57%	329
2010	3,720,000	2,105,539		5,825,539	0.71%	277
2011	3,040,000	1,579,583		4,619,583	0.52%	219
2012	2,275,000	1,053,355	\$ 22,117	3,350,472	0.36%	160
2013	1,510,000	526,831	242,898	2,279,729	0.25%	109
2014	745,000		809,582	1,554,582	0.17%	74
2015	10,581,000		884,488	11,465,488	1.22%	547

Source: District records
N/A - Information not available

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2006	6,190,000		6,190,000	0.66%	299
2007	5,595,000		5,595,000	0.49%	265
2008	5,000,000		5,000,000	0.43%	235
2009	4,400,000		4,400,000	0.37%	206
2010	3,720,000		3,720,000	0.31%	177
2011	3,040,000		3,040,000	0.25%	144
2012	2,275,000		2,275,000	0.19%	108
2013	1,510,000		1,510,000	0.09%	72
2014	745,000		745,000	0.05%	36
2015	10,581,000		10,581,000	0.67%	505

Source: District records

N/A: Information not available

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

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

Delsea Regional High School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Franklin Township	\$ 97,465,000	100.00%	\$ 97,465,000
Elk Township	2,824,250	100.00%	2,824,250
Township of Franklin School District	2,202,000	100.00%	2,202,000
Township of Elk School District	1,195,000	100.00%	1,195,000
Gloucester County	248,081,720	6.51%	16,150,120
Subtotal, overlapping debt			119,836,370
Delsea Regional High School District direct debt			<u>10,581,000</u>
Total direct and overlapping debt			<u><u>\$ 130,417,370</u></u>

Sources: Township Finance Officers, County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Franklin and Elk Townships. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

Delsea Regional High School District
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation

	Equalized valuation basis		
	Elk	Franklin	Combined
2012	\$ 369,557,363	\$ 1,308,162,167	\$ 1,677,719,530
2013	358,670,972	1,282,523,898	1,641,194,870
2014	358,196,555	1,290,644,407	1,648,840,962
	<u>\$ 1,086,424,890</u>	<u>\$ 3,881,330,472</u>	<u>\$ 4,967,755,362</u>
Average equalized valuation of taxable property	\$ 362,141,630	\$ 1,293,776,824	\$ 1,655,918,454
Debt limit (3% of average equalized valuation)			^a 49,677,554
Net bonded school debt			10,581,000
Legal debt margin			<u>\$ 39,096,554</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 34,226,742	\$ 40,527,234	\$ 47,475,218	\$ 53,071,347	\$ 55,795,662	\$ 56,108,585	\$ 54,824,874	\$ 52,769,636	\$ 50,734,582	\$ 49,677,554
Total net debt applicable to limit	<u>10,396,907</u>	<u>9,276,912</u>	<u>8,156,694</u>	<u>7,031,236</u>	<u>5,825,539</u>	<u>4,619,583</u>	<u>3,328,355</u>	<u>2,036,831</u>	<u>745,000</u>	<u>10,581,000</u>
Legal debt margin	<u>\$ 23,829,835</u>	<u>\$ 31,250,322</u>	<u>\$ 39,318,524</u>	<u>\$ 46,040,111</u>	<u>\$ 49,970,123</u>	<u>\$ 51,489,002</u>	<u>\$ 51,496,519</u>	<u>\$ 50,732,805</u>	<u>\$ 49,989,582</u>	<u>\$ 39,096,554</u>
Total net debt applicable to the limit as a percentage of debt limit	30.38%	22.89%	17.18%	13.25%	10.44%	8.23%	6.07%	3.86%	1.47%	21.30%

Source: Abstract of Ratables and District records

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

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

FRANKLIN TOWNSHIP

Fiscal Year Ended June 30,	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2006	16,845	\$ 613,174,845	\$ 36,401	7.0%
2007	17,174	648,387,196	37,754	6.4%
2008	17,319	676,133,760	39,040	8.2%
2009	17,368	687,616,488	40,050	12.0%
2010	16,835	695,908,395	41,663	12.7%
2011	16,869	736,466,802	43,658	12.4%
2012	16,741	751,135,188 *	44,868	12.7%
2013	16,720	750,192,960 *	44,868 *	9.5%
2014	16,702	749,385,336 *	44,868 *	9.5%
2015	16,702 *	749,385,336 *	44,868 *	9.0%

ELK TOWNSHIP

Fiscal Year Ended June 30,	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2006	3,878	\$ 141,163,078	\$ 36,401	5.2%
2007	3,932	148,448,728	37,754	4.7%
2008	3,974	155,144,960	39,040	6.1%
2009	4,005	160,400,250	40,050	9.0%
2010	4,220	174,442,140	41,337	9.5%
2011	4,229	178,582,212	42,228	9.3%
2012	4,241	179,088,948 *	42,228 *	9.5%
2013	4,249	179,426,772 *	42,228 *	14.9%
2014	4,247	190,554,396 *	44,868 *	14.9%
2015	4,247 *	190,554,396 *	44,868 *	7.8%

Source:

- (a)** Population information provided by the NJ Department of Labor and Workforce Development.
- (b)** Personal income has been estimated based upon the municipal population and per capita income presented.
- (c)** Per Capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- (d)** Unemployment data provided by the NJ Department of Labor and Workforce Development.

N/A - Information not available

* Estimated

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

Employer	2015			2006	
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Percentage of Total Employment
Inspira Health	1,825	1	1.28%	N/A	N/A
Kennedy Memorial Hospital	1,675	2	1.18%	N/A	N/A
Washington Township School District	1,631	3	1.12%	N/A	N/A
Rowan University	1,483	4	1.04%	N/A	N/A
County of Gloucester	1,398	5	1.00%	N/A	N/A
Missa Bay, LLC	950	6	0.67%	N/A	N/A
Monroe Township School District	807	7	0.56%	N/A	N/A
U.S. Foodservices	725	8	0.51%	N/A	N/A
Exxon Mobil Research & Engineering	540	9	0.38%		
LaBrea Bakery	525	10	0.37%	N/A	N/A
	<u>11,559</u>				

Source: Gloucester County Department of Economic Development

Note: The information provided is for the County of Gloucester, information at the municipal level is not readily available.

N/A - Information not available

Delsea Regional High School District
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	106	109	108	107	107	107	108	109	108	105
Special education	39	37	36	36	40	41	40	42	43	46
Other special instruction	6	7	5	5	5	4	3	1	1	1
Support services:										
Student & instruction related services	39	34	36	36	34	34	33	37	38	33
General administrative services	3	3	3	3	3	3	3	3	3	4
School administrative services	13	12	12	12	12	13	9	8	10	10
Central services	5	5	5	5	5	5	5	5	5	5
Administrative information technology	2	2	3	3	3	3	2	3	4	4
Plant operations and maintenance	28	28	29	29	31	32	27	27	25	22
Pupil transportation	46	49	61	61	67	67	65	78	80	86
Total	<u>287</u>	<u>286</u>	<u>298</u>	<u>297</u>	<u>307</u>	<u>309</u>	<u>295</u>	<u>313</u>	<u>317</u>	<u>316</u>

Source: District personnel records

Delsea Regional High School District
Operating Statistics
Last Ten Fiscal Years

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Middle School	High School	Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	1,852.5	25,257,542	13,634	#DIV/0!	141	11:4:1	11.9:1	1,829	1,718	#DIV/0!	93.9%
2007	1,823.0	26,643,412	14,615	7.19%	141	12:2:1	11.1:1	1,790	1,678	-2.13%	93.7%
2008	1,807.0	27,787,300	15,378	5.22%	136	11:8:1	11.3:1	1,773	1,671	-0.95%	94.2%
2009	1,795.5	27,190,836	15,144	-1.52%	136	12:1:1	11.6:1	1,781	1,677	0.45%	94.2%
2010	1,765.5	29,131,113	16,500	8.96%	136	10:6:1	11.9:1	1,753	1,651	-1.57%	94.2%
2011	1,743.0	27,460,677	15,755	-4.52%	139	10:8:1	13.6:1	1,748	1,648	-0.27%	94.3%
2012	1,712.5	28,418,443	16,595	5.33%	142	10:6:1	12.9:1	1,713	1,620	-2.02%	94.6%
2013	1,752.6	30,776,363	17,560	5.82%	142	10:7:1	13.4:1	1,753	1,655	2.34%	94.4%
2014	1,752.6	32,155,588	18,347	4.48%	139	12:0:1	12.9:1	1,754	1,654	0.06%	94.3%
2015	1,698.0	32,562,373	19,177	4.52%	139	11.2:1	12.7:1	1,695	1,596	-3.36%	94.2%

Source: District records

Note: Enrollment based on annual October district count.

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

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

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

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

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Middle School										
Delsea Regional Middle School (1989)										
Square Feet	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000
Capacity (students)	724	724	724	724	724	724	724	724	724	724
Enrollment	567	611	622	628	570	547	539	600	613	538
High School										
Delsea Regional High School (1960)										
Square Feet	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800
Capacity (students)	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376
Enrollment	1,253	1,212	1,185	1,168	1,182	1,196	1,173	1,153	1,141	1,158
Other										
Bus Garage (1996) ^a										
Square Feet	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739
Maintenance/Transportation Trailer (1991)										
Square Feet	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180
Waste Water Treatment Plant (1989)										
Square Feet	700	700	700	700	700	700	700	700	700	700
Stadium Wrestling Building (1973)										
Square Feet	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118
Stadium Maintenance Office (1973)										
Square Feet	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352
Stadium Storage Building (1973)										
Square Feet	760	760	760	760	760	760	760	760	760	760
Stadium Press Box (2001)										
Square Feet	256	256	256	256	256	256	256	256	256	256
Concession Stand #1 (1973)										
Square Feet	320	320	320	320	320	320	320	320	320	320
Concession Stand #2 (1973)										
Square Feet	320	320	320	320	320	320	320	320	320	320
Stadium Equipment Storage Building (1989)										
Square Feet	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520
Greenhouse										
Square Feet	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012	1,012

Number of Schools at June 30, 2013
 Middle School = 1
 High School = 1
 Other = 8

Source: District records, ASSA

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

(a) The bus garage was purchased in 1994 but was originally constructed in 1963.

Delsea Regional High School District
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 Last Ten Fiscal Years

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Totals
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES 11-000-261-XXX												
School facilities:	Project numbers:											
Delsea High School	N/A	\$ 102,968	\$ 100,358	\$ 242,691	\$ 119,613	\$ 194,986	\$ 95,152	\$ 137,006	\$ 128,057	\$ 90,504	\$ 251,646	\$ 1,462,981
Delsea Middle School	N/A	77,187	135,583	75,491	55,054	57,868	33,108	59,060	80,715	82,390	112,694	769,150
Total school facilities		180,155	235,941	318,182	174,667	252,854	128,260	196,066	208,772	172,894	364,340	2,232,131
Other facilities:												
Wastewater treatment plant	N/A	48,297	36,963	38,982	40,573	38,464	26,391	58,105	160,240	63,446	75,337	586,798
Grand total		\$ 228,452	\$ 272,904	\$ 357,164	\$ 215,240	\$ 291,318	\$ 154,651	\$ 254,171	\$ 369,012	\$ 236,340	\$ 439,677	\$ 2,818,929

Source: District records

Delsea Regional High School District
Insurance Schedule

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - Republic Franklin Insurance Company		
Property - blanket building & contents	\$ 73,674,817	\$ 1,000
Crime Coverage		
Employee dishonesty/forgery/alteration	100,000	
Comprehensive General Liability		
General aggregate	3,000,000	
Products and completed operations	3,000,000	
Personal advertising injury	1,000,000	
Each occurrence	1,000,000	
Medical expense (any one person)	10,000	
School District Legal Liability		
Legal liability	1,000,000	
Aggregate for each year	3,000,000	7,500 plus 5%
Employee Benefits	3,000,000	1,000
Inland Marine		
Data processing hardware	3,788,298	100
Software	600,000	
Extra expense	200,000	
Commercial Umbrella - Utica Mutual Insurance Company	10,000,000	
Storage Tank System - ACE Tank Safe	1,000,000	5,000
Catastrophe Access - Fireman's Fund Insurance Co.	50,000,000	
Comprehensive Automobile Liability - Republic Franklin Ins Co.	1,000,000	
Comprehensive		500
Collision		1,000
Workers' Compensation - New Jersey School Boards Association Insurance Group	2,000,000	
School Board Legal Liability - Utica National Insurance Group	1,000,000	2,500
Student Accident Insurance		
Basic - Arch Insurance Group	500,000	
Voluntary - Berkley Life and Health Insurance Company	500,000	
Catastrophic - United States Fire Insurance Company	2,500,000	25,000
Public Employees' Faithful Performance		
Bond - Ohio Casualty Insurance Co.		
Treasurer	245,000	
Board Secretary	35,000	

Source - District records

SINGLE AUDIT SECTION

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

Independent Auditor's Report

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delsea Regional High School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Delsea Regional High School District's basic financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015-003 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Delsea Regional High School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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, which are described in the accompanying schedule of findings and questioned costs as item 2015-001, 2015-002 and 2015-004.

Response to Findings

Delsea Regional High School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Delsea Regional High School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on it.

Purpose of this Report

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

December 15, 2015

PETRONI & ASSOCIATES LLC

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB
CIRCULARS 04-04 AND/OR 15-08**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Delsea Regional High School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Delsea Regional High School District's major federal and state programs for the year ended June 30, 2015. Delsea Regional High School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Delsea Regional High School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, and the *New Jersey State Aid/Grant Compliance Supplement, Audits of States, Local Governments, and Non-Profit Organizations* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circulars 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid. Those standards and OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08, require

that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Delsea Regional High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Delsea Regional High School District's compliance.

Unmodified Opinion on Each Major Federal and State Program

In our opinion, Delsea Regional High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with NJ OMB Circulars 04-04 and/or 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2015-002 and 2015-004. Our opinion on each major federal and state program is not modified with respect to this matter.

Delsea Regional High School District's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Delsea Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Delsea Regional High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, and New Jersey OMB Circulars 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Delsea Regional High School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over*

compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

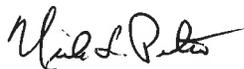
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08

We have audited the financial statements Delsea Regional High School District as of and for the year ended June 30, 2015, and have issued our report thereon dated December 15, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

December 15, 2015

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015			MEMO Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
General Fund:															
Medical Assistance Program (SEMI)	93.778	N/A	\$ 32,482	7/1/14	6/30/15			\$ 32,482	\$ (32,482)						\$ 32,482
ARRA - Medical Assistance Program	93.778	N/A	17,437	10/1/08	12/31/10			17,437	(17,437)						17,437
Education Jobs Fund	84.410	N/A	15,445	9/1/11	9/30/13	\$ (1,173)						\$ (1,173)			15,445
Total General Fund						<u>(1,173)</u>		<u>49,919</u>	<u>(49,919)</u>			<u>(1,173)</u>			<u>65,364</u>
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
Title I, Part A	84.010	NCLB494015	154,517	7/1/14	6/30/15			956	(145,662)			(144,706)			
Title I, Part A, Carryover	84.010	NCLB494015	39,331	7/1/14	6/30/15			39,331	(39,331)						
Title I, Part A	84.010	NCLB494014	153,140	7/1/13	6/30/14	(131,698)		131,698							131,698
Title I, Part A, Carryover	84.010	NCLB494014	67,811	7/1/13	6/30/14	(4,490)		2,274				(2,216)			49,923
IDEA Part B, Basic Regular Carryover	84.027	FT494015	626,129	7/1/14	6/30/15				(596,270)			(596,270)			596,270
IDEA Part B, Basic Regular Carryover	84.027	FT494015	54,558	7/1/14	6/30/15			3,166	(45,086)			(41,920)			45,086
IDEA Part B, Basic Regular	84.027	FT494014	435,228	7/1/13	6/30/14	(381,638)		381,638							384,804
IDEA Part B, Basic Regular Carryover	84.027	FT494014	11,144	7/1/13	6/30/14	(7,000)		7,000							7,000
ARRA - IDEA Part B, Basic Regular	84.391	ARRA494010	450,141	9/1/09	8/31/11	63								\$ 63	450,078
Title II Part A	84.367	NCLB494015	45,032	7/1/14	6/30/15				(44,659)			(44,659)			44,659
Title II Part A, Carryover	84.367	NCLB494015	26,685	7/1/14	6/30/15			13,389	(22,016)			(8,627)			22,016
Title II Part A	84.367	NCLB494014	43,867	7/1/13	6/30/14	(22,195)		22,128				(67)			22,195
Title II Part A, Carryover	84.367	NCLB494014	25,154	7/1/13	6/30/14	(20,141)		20,141							20,141
Title II Part A	84.367	NCLB494013	44,623	9/1/12	8/31/13	(1,658)		1,658							21,838
Title III	84.365	NCLB494014	516	9/1/13	6/30/14	(506)		126				(380)			506
Title III	84.365	NCLB494012	505	9/1/11	8/31/12	(331)		331							869
Perkins	84.048	N/A	54,105	7/1/14	6/30/15				(54,105)			(54,105)			54,105
Perkins	84.048	N/A	57,229	7/1/13	6/30/14	(46,451)		42,118				(4,333)			46,451
Perkins	84.048	N/A	57,611	7/1/12	6/30/13			4,259	(4,259)						57,611
Perkins	84.048	N/A	43,148	7/1/11	6/30/12	(74)		74							43,148
Race to the Top	84.413A	N/A	14,370	9/1/12	11/30/15	(14,283)		14,131				(152)			14,283
Total Special Revenue Fund						<u>(630,402)</u>		<u>684,418</u>	<u>(951,388)</u>			<u>(897,435)</u>		<u>63</u>	<u>2,394,522</u>
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	47,581	7/1/14	6/30/15			47,581	(42,978)			\$ 4,603			46,777
Food Distribution Program	10.550	N/A	50,861	7/1/13	6/30/14	4,084			(4,084)						54,816
School Breakfast Program	10.553	N/A	35,781	7/1/14	6/30/15			27,948	(35,781)			(7,833)			34,954
School Breakfast Program	10.553	N/A	34,954	7/1/13	6/30/14	(11,809)		11,809							33,835
National School Lunch Program	10.555	N/A	198,647	7/1/14	6/30/15			160,840	(198,647)			(37,807)			198,647
National School Lunch Program	10.555	N/A	216,431	7/1/13	6/30/14	(65,876)		65,876							223,586
Total Enterprise Fund						<u>(73,601)</u>		<u>314,054</u>	<u>(281,490)</u>			<u>(45,640)</u>	<u>4,603</u>		<u>545,838</u>
Total Federal Financial Awards						<u>\$ (705,176)</u>		<u>\$ 1,048,391</u>	<u>\$ (1,282,797)</u>			<u>\$ (944,248)</u>	<u>\$ 4,603</u>	<u>\$ 63</u>	<u>\$ 3,005,724</u>

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014				Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2015			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount	Accounts Receivable				Deferred Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education																
General Fund:																
Extraordinary Aid	15-100-034-5120-473	\$ 132,491	7/1/14	6/30/15						\$ (132,491)				\$ (132,491)		\$ 132,491
Extraordinary Aid	14-100-034-5120-473	134,710	7/1/13	6/30/14	\$ (134,710)			\$ 134,710								134,710
State Aid Public:																
Special Education Aid	15-495-034-5120-089	956,261	7/1/14	6/30/15				956,261	(956,261)						\$ 92,397	956,261
Equalization Aid	15-495-034-5120-078	12,086,304	7/1/14	6/30/15				12,086,304	(12,086,304)						1,165,502	12,086,304
Security Aid	15-495-034-5120-084	231,243	7/1/14	6/30/15				231,243	(231,243)						26,899	231,243
School Choice Aid	15-495-034-5120-068	323,031	7/1/14	6/30/15				323,031	(323,031)						31,212	323,031
Per Pupil Growth Aid	15-495-034-5120-097	16,350	7/1/14	6/30/15				16,350	(16,350)						1,580	16,350
PARCC Readiness Aid	15-495-034-5120-098	16,350	7/1/14	6/30/15				16,350	(16,350)						1,580	16,350
Transportation Aid	15-495-034-5120-014	300,718	7/1/14	6/30/15				300,718	(300,718)						29,056	300,718
Reimbursement of Nonpublic Transportation	N/A	17,470	7/1/14	6/30/15					(17,470)				(17,470)			17,470
Reimbursement of Nonpublic Transportation	N/A	20,311	7/1/13	6/30/14	(20,311)			20,311								20,311
On-behalf TPAF Pension Contribution	15-495-034-5094-006	613,334	7/1/14	6/30/15				613,334	(613,334)							613,334
On-behalf TPAF Post-retirement Medical	15-495-034-5094-001	973,668	7/1/14	6/30/15				973,668	(973,668)							973,668
Reimbursed TPAF Social Security	15-495-034-5094-003	828,723	7/1/14	6/30/15				788,285	(828,723)				(40,438)			828,723
Total General Fund					(155,021)			16,460,565	(16,495,943)				(190,399)		1,348,226	16,650,964
Special Revenue Fund:																
NJ Non-Public Aid																
Textbook Aid	15-100-034-5120-064	7,583	7/1/14	6/30/15				7,745	(7,583)						\$ 162	7,583
Textbook Aid	14-100-034-5120-064	7,734	7/1/13	6/30/14			\$ 76				\$ (76)					7,658
Auxiliary Services:																
English as a Second Language	15-100-034-5120-067	914	7/1/14	6/30/15				914							914	
English as a Second Language	13-100-034-5120-067	341	7/1/12	6/30/13	(341)						341					341
Transportation	15-100-034-5120-067	1,112	7/1/14	6/30/15				1,112	(1,112)							1,112
Transportation	14-100-034-5120-067	2,208	7/1/13	6/30/14			1				(1)					2,207
Home Instruction	14-100-034-5120-067	919	7/1/13	6/30/14	(919)								(919)			919
Basic Skills	15-100-034-5120-067	7,166	7/1/13	6/30/14				7,166	(6,450)						716	6,450
Handicapped Services:																
Corrective Speech	15-100-034-5120-066	3,534	7/1/14	6/30/15				3,534	(3,534)							3,534
Corrective Speech	14-100-034-5120-066	2,812	7/1/13	6/30/14			1,406				(1,406)					1,406
Examination and Classification	15-100-034-5120-066	15,317	7/1/14	6/30/15				15,317	(10,093)						5,224	10,093
Supplementary Instruction	15-100-034-5120-066	12,084	7/1/14	6/30/15				12,084	(11,849)						235	11,849
Supplementary Instruction	14-100-034-5120-066	10,893	7/1/13	6/30/14			833				(833)					10,060
Nursing Services Aid	15-100-034-5120-070	12,331	7/1/14	6/30/15				12,331	(12,331)							12,331
Technology Aid	15-100-034-5120-373	4,160	7/1/14	6/30/15				4,160	(3,919)						241	3,919
Reaching Everyone By Exposing Lies	N/A	1,000	7/1/09	6/30/10	(500)								(500)			1,000
Personalized Student Learning Plan	N/A	5,999	7/1/14	6/30/15				4,775	(5,999)				(1,224)			5,999
Personalized Student Learning Plan	N/A	5,978	7/1/13	6/30/14	(853)			1,852			(999)					5,938
Department of Community Affairs																
Passed-through County of Gloucester																
Special Revenue Fund:																
Municipal Alliance	N/A	5,550	7/1/14	6/30/15				4,850	(5,550)				(700)			5,550
Municipal Alliance	N/A	5,350	7/1/13	6/30/14	(700)			700								2,450
Total Special Revenue Fund					(3,313)	2,316		76,540	(68,420)		(2,974)		(3,343)		7,492	100,399

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2015			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount				Accounts Receivable	Deferred Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund: SDA Grant	4940-060-10-1004	10,200,854	11/5/14	6/30/17					(2,420,101)		(2,420,101)				2,420,101
Debt Service Fund: Debt Service Aid Type II	15-495-034-5120-017	365,779	7/1/14	6/30/15			365,779	(365,779)							646,947
Total Debt Service Fund							365,779	(365,779)							646,947
State Department of Agriculture Enterprise Fund:															
National School Lunch Program (State Share)	15-100-010-3350-023	6,225	7/1/14	6/30/15			4,905	(6,225)			(1,320)				6,225
National School Lunch Program (State Share)	14-100-010-3350-023	6,645	7/1/13	6/30/14	(1,977)		1,977								6,645
Total Enterprise Fund					(1,977)		6,882	(6,225)			(1,320)				12,870
Total State Financial Assistance					\$ (160,311)	\$ 2,316	\$ 16,909,766	\$ (19,356,468)	\$ (2,974)	\$ (2,615,163)	\$ 7,492	\$ 1,348,226	\$ 17,411,180		

a = Prior year encumbrance canceled

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Delsea Regional High School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular Letter 04-04 and/or 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to NJSA 18A:22-44-.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 last state aid payment in the current budget year, consistent with NJSA 18A:22-4-.2.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,698 for the General Fund and (\$32,421) for the Special Revenue Fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 49,919	\$ 16,457,203	\$ 16,507,122
Special Revenue Fund	940,567	46,820	987,387
Capital Projects Fund		10,200,875	10,200,875
Debt Service Fund		365,779	365,779
Food Service Fund	282,009	6,225	288,234
	<u>\$ 1,272,495</u>	<u>\$ 27,076,902</u>	<u>\$ 28,349,397</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2015, Delsea Regional High School District has food commodities totaling \$4,603 in inventory.

NOTE 6: OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2015. 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, 2015.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified? X Yes No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to basic financial statements noted? Yes X No

Federal Awards:

Internal control over major programs:

- 1. Material weakness(es) identified? Yes X No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I
10.550	Food Distribution Program
10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

State Awards:

Dollar threshold used to distinguish between type A and type B programs: \$580,694

Auditee qualified as low-risk auditee? X Yes No

Internal control over major programs:

1. Material weakness(es) identified? Yes X No

3. Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letters 04-04 and or 15-08? X Yes No

Identification of major programs:

State Grant/Project Numbers

Name of State Program

495-034-5120-078
495-034-5120-089
495-034-5095-084
495-034-5120-068
495-034-5120-097
495-034-5120-098
495-034-5120-014
495-034-5120-017
4940-060-10-1004

State Aid Public Cluster:
Equalization Aid
Special Education Categorical Aid
Security Aid
School Choice Aid
Per Pupil Growth Aid
PARCC Readiness Aid
Transportation Aid
Debt Service Aid
SDA Grant

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings

Finding: 2015-001

Criteria: The District must comply with IRS regulations concerning issuance of Forms 1099 to vendors.

Condition: Three out of ten vendors tested were not issued a 1099 when required.

Effect: The District is not in compliance with IRS regulations concerning issuance of Forms 1099 to vendors.

Cause: The District failed to review vendor listing at year end.

Recommendation: The District review the vendor listing at year end to insure that vendors are issued a Form 1099 when required.

View of Responsible Officials and Planned Corrective Action: The Business Administrator agrees with the finding and has addressed this matter in a corrective action plan.

Finding: 2015-002

Criteria: Application for State School Aid.

Condition: District work papers do not agree with totals on the Application for State School Aid.

Effect: The Application for State School Aid was improperly completed.

Cause: Failure to reconcile district records with the Application for State School Aid.

Recommendation: Application for State School Aid should agree with District work papers.

View of Responsible Officials and Planned Corrective Action: The Business Administrator agrees with the finding and has addressed this matter in a corrective action plan.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings (Continued)

Finding: 2015-003

Criteria: NJAC 6A:23A-16.2 Principles and directives for accounting and reporting.

Condition: Numerous audit adjustments were required for prior period audit adjustments, adjustments to cash made by the Treasurer, interfunds, receivables, receipts and disbursements, to bring the District's accounting records into compliance with NJAC 6A:23A-16.2, et. seq.

Effect: The general and subsidiary ledgers of the District did not accurately reflect the transactions that had occurred.

Cause: Failure to record adjusting entries supplied by the auditor and the Treasurer and to review the balances in the general and subsidiary ledgers.

Recommendation: The Business Administrator review the transactions and balances in the general and subsidiary ledgers.

View of Responsible Officials and Planned Corrective Action: The Business Administrator agrees with the finding and has addressed this matter in a corrective action plan.

Finding: 2015-004

Criteria: Purchases made under National Cooperative Contracts application, P.L. 2011, c.139 require compliance with procurement laws and regulations when the aggregate value of the goods or services (see NJAC 5:34-8.2) exceeds the contracting unit's bid threshold.

Condition: The district purchased smartboards from a vendor approved as a national cooperative contract, at a cost of \$88,721. However, no board approval was obtained, no documentation of the cost savings determination was made, nor did the contracting unit provide public notice to current contract holders and prospective bidders of their decision to utilize a national cooperative purchasing agreement that would otherwise require public bidding as required by P.L. 2011, c.139.

Questioned Cost: \$88,721.

Effect: Noncompliance with Public School Contracts Law.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings (Continued)

Cause: The Business Office was not aware of the compliance requirements for purchases made under a National Cooperative Contracts.

Recommendation: The School District adopt internal control procedures over procurement and purchasing through a national cooperative contract to ensure documentation of compliance with P.L. 2011, c.139.

View of Responsible Officials and Planned Corrective Action: The Business Office agrees with this finding and will develop procedures to ensure compliance with P.L. 2011, c.139.

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

FEDERAL AWARDS

No matters were reported.

STATE FINANCIAL ASSISTANCE

Finding: 2015-002

Criteria: Application for State School Aid.

Condition: District work papers do not agree with totals on the Application for State School Aid.

Effect: The Application for State School Aid was improperly completed.

Cause: Failure to reconcile District records with the Application for State School Aid.

Recommendation: Application for State School Aid should agree with District work papers.

View of Responsible Officials and Planned Corrective Action: The Business Administrator agrees with the finding and has addressed this matter in a corrective action plan.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

STATE FINANCIAL ASSISTANCE (CONTINUED)

Finding: 2015-004

Criteria: Purchases made under National Cooperative Contracts application, P.L. 2011, c.139 require compliance with procurement laws and regulations when the aggregate value of the goods or services (see NJAC 5:34-8.2) exceeds the contracting unit's bid threshold.

Condition: The District purchased smartboards from a vendor approved as a national cooperative contract, at a cost of \$88,721. However, no board approval was obtained, no documentation of the cost savings determination was made, nor did the contracting unit provide public notice to current contract holders and prospective bidders of their decision to utilize a national cooperative purchasing agreement that would otherwise require public bidding as required by P.L. 2011, c.139.

Questioned Cost: \$88,721.

Effect: Noncompliance with Public School Contracts Law.

Cause: The Business Office was not aware of the compliance requirements for purchases made under a National Cooperative Contracts.

Recommendation: The School District adopt internal control procedures over procurement and purchasing through a national cooperative contract to ensure documentation of compliance with P.L. 2011, c.139.

View of Responsible Officials and Planned Corrective Action: The Business Office agrees with this finding and will develop procedures to ensure compliance with P.L. 2011, c.139.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Finding 2014-001: The District did not comply with Secondary Bond Market Continuing Disclosure Commitments.

Current Status: Corrective action was taken.

Finding 2014-002: A budgetary line item was over-expended at June 30 despite the Board Secretary's monthly certification to the contrary (NJAC 6A:23A-16.10).

Current Status: Corrective action was taken.

Finding 2014-003: District work papers do not agree with totals on the Application for State School Aid.

Current Status: Corrective action has not been taken.