DELSEA REGIONAL HIGH SCHOOL DISTRICT

Franklinville, New Jersey
County of Gloucester

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025



ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

DELSEA REGIONAL HIGH SCHOOL DISTRICT

FRANKLINVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by

Delsea Regional High School District
Finance Department

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INTRODUCTORY SECTION

DELSEA REGIONAL HIGH SCHOOL DISTRICT
P.O. Box 405 • 242 Fries Mill Road • Franklinville, NJ 08322 • (856) 694-0100 • www.delsearegional.us
Fran Ciociola, Superintendent • Dr. Anthony Fitzpatrick, Assistant Superintendent • Joseph Collins, Business Administrator
Mary Beth Warfield, Director of Special Services/CST • Michele DePasquale, HS Principal • John Bertolino, MS Principal

December 18, 2025

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

Dear Board Members:

The annual comprehensive financial report (ACFR) of the Delsea Regional High School District for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2025, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The comprehensive annual financial report is presented in four sections:

- The Introductory Section contains a table of contents, letter of transmittal, list of principal officials, and an organizational chart of the District;

- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the basic financial statements, and notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;

- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;

- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey 0MB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*

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

Reporting Entity and Its Services

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

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular and vocational, as well as special education for handicapped youth. The District completed the 2024-25 fiscal year with an average daily enrollment of 1,544 students, which is 25 students less than the previous year's enrollment.

The teaching staff consists of approximately 136 teachers, plus 33 classroom support personnel. The district administrative structure includes: a superintendent, an assistant superintendent of curriculum, a business administrator/board secretary, a director of the child study team, and district wide instructional supervisors. The middle school has one principal and one assistant principal; the high school has one principal and two assistant principals. The nine-member board of education is an elected body consisting of seven representatives from Franklin Township and two from Elk Township. Each of the two satellite districts, Franklin and Elk, has its own board of education.

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

emphasis has been placed on technology throughout the District through integration and immersion. The District maintains the distinction of being a Future Ready School NJ.

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

A strong basic skills curriculum in reading, writing and math is available for students who benefit from small group instruction and need reinforcement of their foundational skills. The District utilizes various research based programs such as the Accelerated Reader program, IXL Math & ELA, Achieve3000, and ALEKS Math to provide differentiated instruction.

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

The District has made available to students a number of intervention groups to provide for the varied needs of our diversified population. Natural Helpers is a group whose purpose is to help students develop the capacity to intervene effectively with troubled friends. Peer Mediation is available for students to meet with a student mediator for the purpose of resolving conflicts. The 9th Grade Transition Program consists of a select group of upperclassmen who are trained to work with incoming freshmen providing academic, emotional and social assistance. Additional intervention groups are: Affected Others Educational Support Group, Students United for Respect and Equality, Achieving Sex Equality Through Students, Drug Information Support Group, Recovering Support Group, Pupil Assistance Committee, Concerned Persons Group, Chemical Dependency Support Group, the SURE club, and Student Voice Committee. In 2020, the district was awarded a $2.4 million Federal grant focused on the MS climate and culture grant over the next three years.

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

Delsea students participate in college admissions testing programs, where the average scores for Delsea students typically exceed state and national averages. Graduates of

Delsea have successfully completed degree programs at a full range of institutions of higher learning from Ivy League universities to community colleges.

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

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

Economic Condition and Outlook

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

The total land area of the two townships is seventy-six square miles. Eighty percent of the land is undeveloped. The sites are classified rural/agricultural made up of small farms and fruit orchards. A few small, locally-operated businesses are located within the communities; industries and large businesses are not part of the regional setting. The location of the two townships; the desire for safe, non-urban residences; the pastoral setting; the vast amounts of undeveloped land; and the travel convenience to Philadelphia, Wilmington, Atlantic City, and the shore areas entice new residents into the District. The 2000 census shows a 31% growth rate from 1990 to 2000. However, this movement of positive and controlled population growth may change dramatically in the near future. Presently there are minor and major subdivisions being presented to the planning and zoning board in Franklin along with several developments that have broken ground in Elk Township. 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 comprises two buildings on an attractive 85 acre campus. The high school, constructed in 1960, houses students in grades nine through twelve, and the middle school, built in 1989, accommodates the seventh and eighth grade populations. To keep up with the present demands of educational growth, both buildings have been refurbished to include appropriate technology upgrades and expansion of core facilities.

Major Initiatives

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

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

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

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

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

Technology - In order to challenge students in the twenty-first century, an emphasis has been placed on technology throughout the District. Technology has been integrated into every aspect of the curriculum. Both the high school and middle school facilities are equipped with state of the art labs, media centers, and technological tools, as well as a district wide wireless network with email and internet access. An educational technology coach works with staff to enhance learning and innovate pedagogy. The high school also boasts many

specialized areas for specific, more sophisticated technology utilization. In addition to numerous computer labs, there is a television/broadcast studio, a CAD lab, and music tech lab, and online course offerings. The IPad cart in the middle school music department infuses technology into music, creating a seamless transition to the high school music tech program. The District's commitment to technology advanced with the start of the 2013/2014 school year. Every student at Delsea is given a Chromebook as part of the District's 1:1 device initiative. Teachers are able to enhance learning by providing Flipped and Blended learning for students. The focus of technology has shifted from merely placing devices in students' hands or offering workshops to teachers. Preparing students for future success is about maximizing learning and leveraging technology, increasing equity and access for all. The district has moved from static to dynamic learning through the infusion of technology into learning.

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

Advanced Placement - The District is a leader in the county in the offerings of a variety of Advanced Placement courses that expand and solidify the college preparatory curricula to provide students with college entrance skills compatible to, and competitive with, the skills of academic students in other post-secondary institutions in the nation. This special academic curricula in grades seven through twelve function through an articulated and graduated program process from Honors courses in the lower grade levels to nineteen Advanced Placement courses in grades 10, 11, and 12. The district will be added three more AP courses: AP African American History and Culture, Pre-Calculus, and Statistics.

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

School to Careers - Emphasis is being placed on School to Career initiatives to provide students with work-based learning, school-based learning, and connecting activities. To this end, the District has formed School to Career Partnerships with other local school districts,

as well as partnerships with businesses and industry. The high school has added a Work-Based Learning Experiences coordinator and course to place students into relevant internships and jobs, helping to prepare them for careers following high school.

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

Professional Development - The District, as an advocate of professional growth, recognizes the need to remain current on educational research, practice and initiatives. This year's professional development focus is on high effect-size instructional practices and classroom conditions. The focus, born out of a need for post-pandemic recovery has allowed the districts to reshape its instructional model. The District's multi-year commitment to equity and access includes PD for administrators, staff, teachers, and students. The District recognizes each student's ability to learn and promotes training in Let Me Learn, a program which focuses on individual learning patterns. Professional development also focuses on assessment, technology, and best practices to enhance growth and learning.

SHAPE Program – SHAPE (School and Home for a Partnership in Education) serves as a summer enrichment program for academic and social programs for the most at-risk population. Students are exposed to instruction in math, English, and study skills, are mentored by high school students who serve as role models, and complete hands-on projects that reinforce teamwork. Cultural excursions are also part of the program. Due to the pandemic, the district was unable to offer the summer program, and instead is providing extended school year opportunities through during and after school tutoring in math and ELA.

Internal Accounting Controls

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

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable

laws and regulations related to those programs. The internal controls are also subject to periodic evaluation by the District management.

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

Budgetary Controls

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

Accounting System and Reports

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

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

Management's Discussion and Analysis

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

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District is required to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental

units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

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

Independent Audit

State statutes require an annual audit by independent Certified Public Accountants or registered municipal accountants. The accounting firm of Holt McNally and Associates, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey 0MB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Significant Awards – Educational

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
P.O. Box 405 • 242 Fries Mill Road • Franklinville, NJ 08322 • (856) 694-0100 • www.delsearegional.us
Fran Ciociola, Superintendent • Dr. Anthony Fitzpatrick, Assistant Superintendent • Joseph Collins, Business Administrator
Mary Beth Warfield, Director of Special Services/CST • Michele DePasquale, HS Principal • John Bertolino, MS Principal

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

Acknowledgements

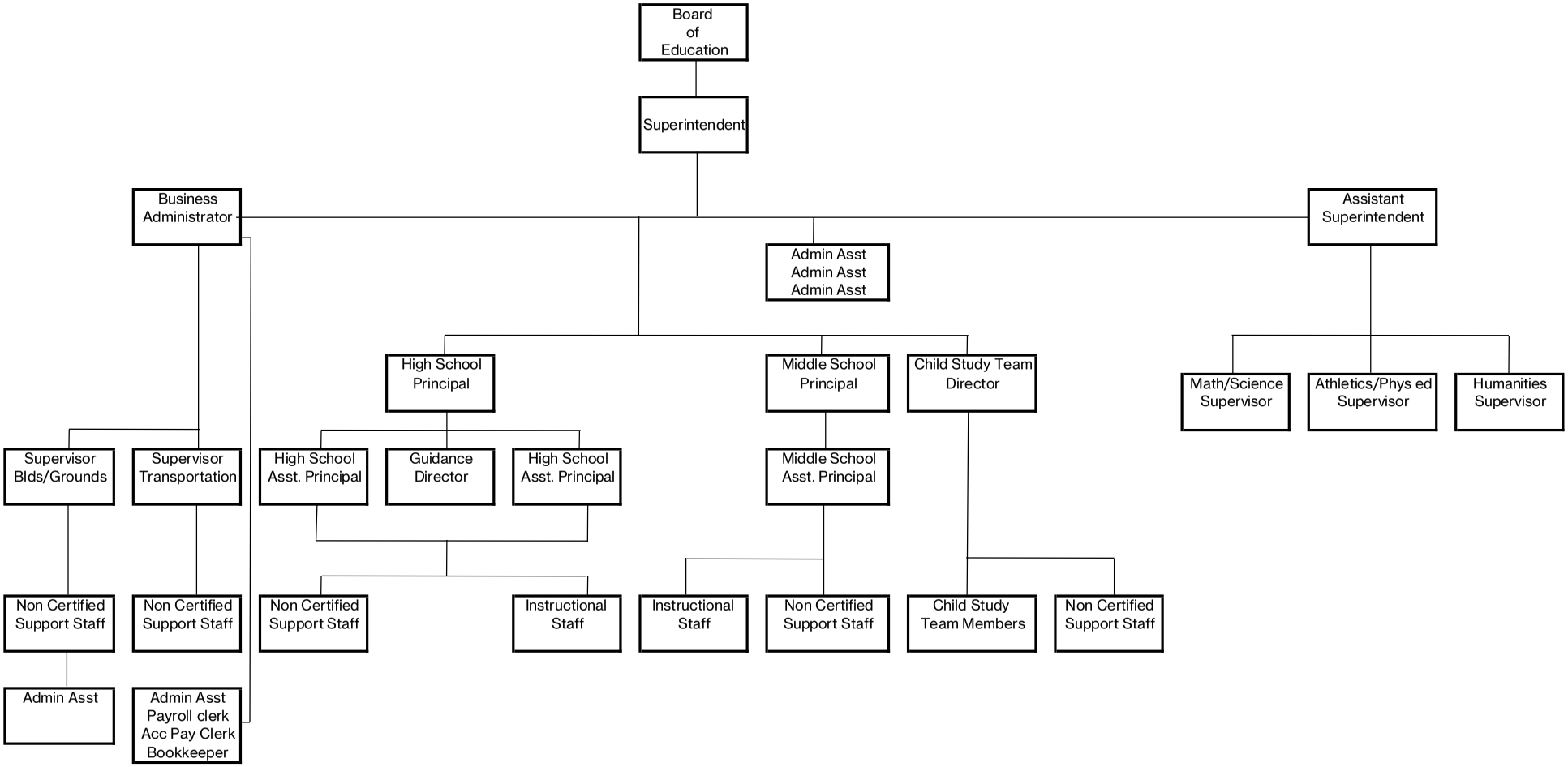
We would like to express our appreciation to the members of the Delsea Regional High School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

Francis Ciociola
Superintendent

Joseph M. Collins
Business Administrator/Board Secretary

DELSEA REGIONAL SCHOOL DISTRICT
ORGANIZATIONAL CHART



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

ROSTER OF OFFICIALS

June 30, 2025

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Joseph Darmino Sr., President	2027
Cheryl Beck, Vice President	2026
Frank Borelli	2026
William DiMatteo	2025
David Piccirillo	2025
Ellen Gaglianone	2025
David Dempsey	2027
Garry Lightfoot Jr.	2027
Barbara Doherty	2026

OTHER OFFICIALS

Mr. Francis Ciociola, Superintendent

Joseph M. Collins, CPA, Business Administrator/Board Secretary

Angela M. Gregory, Treasurer

Frank P. Cavallo, Jr., Esquire, Solicitor

DELSEA REGIONAL HIGH SCHOOL DISTRICT
FRANKLINVILLE, NEW JERSEY

CONSULTANTS AND ADVISORS

AUDIT FIRM

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ARCHITECT

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Mount Laurel, NJ 08054

FINANCIAL SECTION

HMA
HOLT MCNALLY & ASSOCIATES
Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Delsea Regional High School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Delsea Regional High School District, County of Gloucester, State of New Jersey, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles*, and *Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants*, *State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

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



Andrew Lee
Certified Public Accountant
Public School Accountant, No. 2737

Medford, New Jersey
December 18, 2025

REQUIRED SUPPLEMENTARY INFORMATION - PART I

DELSEA REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

As management of the Delsea Regional High School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2025 compared to fiscal year 2024.

Table 1
Summary of Net Position

	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Current & Other Assets	$ 8,198,070	$ 6,584,706	$ 1,613,364	24.5%
Capital Assets, Net	32,410,777	33,887,664	(1,476,887)	-4.4%
Total Assets	40,608,847	40,472,370	136,477	0.3%
Deferred Outflow of Resources	1,733,342	1,135,031	598,311	52.7%
Current and other Liabilities	1,385,039	1,344,274	40,765	3.0%
Noncurrent Liabilities	16,312,629	16,656,519	(343,890)	-2.1%
Total Liabilities	17,697,668	18,000,793	(303,125)	-1.7%
Deferred Inflow of Resources	788,354	1,052,181	(263,827)	-25.1%
Net Position:				
Net Investment in Capital Assets	24,538,910	25,307,026	(768,116)	-3.0%
Restricted	6,397,097	4,248,866	2,148,231	50.6%
Unrestricted (Deficit)	(7,079,840)	(7,001,465)	(78,375)	1.1%
Total Net Position	$ 23,856,167	$ 22,554,427	$ 1,301,740	5.8%

Table 2 shows the changes in net position for fiscal year 2025 compared to fiscal year 2024.

Table 2
Summary of Changes in Net Position

	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Revenues:				
Program Revenues:				
Charges for Services	$ 1,643,820	$ 1,660,759	$ (16,939)	-1.0%
Operating Grants & Contributions	6,622,039	6,913,550	(291,511)	-4.2%
General Revenues:				
Property Taxes	17,842,049	17,502,215	339,834	1.9%
Federal & State Aid	15,724,398	15,585,411	138,987	0.9%
Other General Revenues	5,208,289	3,077,849	2,130,440	69.2%
Total Revenues	47,040,595	44,739,784	2,300,811	5.1%

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

Table 2
Summary of Changes in Net Position (continued)

	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Function/Program Expenditures:				
Regular Instruction	10,617,239	10,766,460	(149,221)	-1.4%
Special Education Instruction	1,536,507	1,463,397	73,110	5.0%
Other Instruction	1,288,109	1,325,493	(37,384)	-2.8%
Tuition	3,475,073	3,662,666	(187,593)	-5.1%
Student & Instruction Related Services	4,975,108	4,465,578	509,530	11.4%
School Administrative Services	686,292	709,909	(23,617)	-3.3%
Other Administrative Services	1,894,167	2,120,827	(226,660)	-10.7%
Plant Operations & Maintenance	3,247,562	2,963,781	283,781	9.6%
Pupil Transportation	3,737,282	3,841,424	(104,142)	-2.7%
Unallocated Benefits	9,235,760	7,529,662	1,706,098	22.7%
On Behalf TPAF Pension and Social Security Contributions	200,361	1,240,715	(1,040,354)	-83.9%
Transfer to Charter Schools	146,136	245,321	(99,185)	100.0%
Internal Services	1,179,171	1,182,585	(3,414)	-0.3%
Interest & Other Charges	209,125	251,950	(42,825)	-17.0%
Unallocated Amortization	81,076	81,075	1	100.0%
Unallocated Depreciation	2,392,001	2,306,092	85,909	3.7%
Food Service	837,886	827,752	10,134	1.2%
Total Expenditures	45,738,855	44,984,687	754,168	1.7%
Change In Net Position	1,301,740	(244,903)	1,546,643	-631.5%
Net Position - Beginning	22,554,427	22,799,330	(244,903)	-1.1%
Net Position - Ending	$ 23,856,167	$ 22,554,427	$ 1,301,740	5.8%

Governmental Activities

During the fiscal year 2025, the net position of governmental activities increased by $1,335,808. The primary reason for the decrease was due to the decrease in overall expenditures for the year.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by $23,492,489, with an unrestricted deficit balance of $(7,332,545). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

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

Governmental Activities (continued)

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	$	(7,332,545)
Add back: PERS Pension Liability		7,531,860
Less: Deferred Outflows related to pensions		(1,733,342)
Add back: Deferred Inflows related to pensions		788,354
Unrestricted Net Position (Without GASB 68)	$	(745,673)

Business-type Activities

During the fiscal year 2025, the net position of business-type activities decreased by $(34,068).

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by $363,678.

General Fund Budgeting Highlights

Final budgeted revenues were $36,588,365, which were equal to the original budgeted revenues. Excluding nonbudgeted revenues, the School District's budgeted revenues exceeded actual revenues by $1,564,321.

Final budgeted appropriations were $39,976,791, which was an increase of $2,117,610 from the original budget. The increase is due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget and transfers in from Maintenance Reserve. Excluding nonbudgeted revenues, the School District's actual expenditures exceeded budget appropriations by $3,277,685.

The School District's general fund balance – budgetary basis (Exhibit C-1) was $7,915,922 at June 30, 2025, an increase of $930,769 from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of $7,263,762, an increase of $1,585,354 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by $908,093 to $6,462,257 at June 30, 2025, compared to an increase of $30,392 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund were as follows:

- Normal increases in the tax levy received during 24/25

Governmental Funds (continued)

Special revenue fund – The ending balance in the Special Revenue fund was $801,703, which consisted of Student Activities balance of $495,486 and Scholarships balance of $306,217.

Capital projects fund – During the current fiscal year, the fund balance of the School District's Capital Projects fund increased by $660,763 to $0 at June 30, 2025, compared to decrease of $(1,660,356) in prior year.

Debt service fund – During the current fiscal year, the fund balance of the School District's Debt Service Fund remained the same of $(198) at June 30, 2025.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by $110,973 to $363,678 at June 30, 2025, compared to an decrease of $(1,868) in net position in the prior fiscal year.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2025, totaled $32,410,777 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's capital assets for the current fiscal year in the amount of $1,476,887. This decrease is primarily due to current year depreciation exceeding current year capital asset additions. Table 4 shows fiscal 2025 balances compared to 2024.

Table 4
Summary of Capital Assets

Capital Assest (Net of Depreciation):	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Land	$ 71,500	$ 71,500	$ -	0.0%
Construction in Progress	4,264,729	4,264,729	-	0.0%
Land Improvements	718,120	829,103	(110,983)	-13.4%
Building and Improvements	24,035,488	25,591,165	(1,555,677)	-6.1%
Equipment	3,320,940	3,131,167	189,773	6.1%
	$ 32,410,777	$ 33,887,664	$ (1,476,887)	-4.4%

Net depreciation expense for the year was $2,339,801. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of $7,056,000, financed purchase payables outstanding of $815,867 and compensated absences payable of $908,902.

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

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. As state aid continues to be reduced throughout the State and the 2% mandated cap on property tax increases, several challenges have arisen for the District to move forward with its curriculum and operations.

The District has experienced a decrease in enrollment over the past several years. However, there are several new housing projects approved in both townships. The potential for an eventual, significant increase in enrollment could create a need for the District to build and expand. 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. However, the State has limited the choice student enrollments; with limited enrollments, the choice school revenue is also limited.

The District continues to investigate and implement shared service agreements to decrease costs while providing quality services. The District has signed shared service agreements with one of the constituent elementary districts, Elk Township, for the provision of all administrative services including Superintendent, Business Administrator, Director of Curriculum, Director of Child Study Team, 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.

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.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

EXHIBIT A-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	$ 1,830,090	$ 347,645	$ 2,177,735
Receivables, Net (Note 4)	3,292,195	46,479	3,338,674
Internal Balances	91,847	(91,847)	-
Inventory	-	18,730	18,730
Restricted Cash & Cash Equivalents	2,581,856	-	2,581,856
Intangible Asset (Note 21)	81,075	-	81,075
Capital Assets, Net (Note 5)			
Non-Depreciable	3,927,360	-	3,927,360
Depreciable	28,372,444	110,973	28,483,417
Total Assets	40,176,867	431,980	40,608,847
DEFERED OUTFLOW OF RESOURCES			
Related to Pensions (Note 8)	1,733,342	-	1,733,342
Total Deferred Outflow of Resources	1,733,342	-	1,733,342
Total Assets and Deferred Outflow of Resources	41,910,209	431,980	42,342,189
LIABILITIES			
Accounts Payable	438,621	52,106	490,727
Accrued Interest Payable	130,471	-	130,471
Payroll Deductions and Withholdings	21,821	-	21,821
Due to Other Governments	670,971	-	670,971
Unearned Revenue	54,853	16,196	71,049
Noncurrent Liabilities (Note 7):			
Due Within One Year	814,189	-	814,189
Due Beyond One Year	15,498,440	-	15,498,440
Total Liabilities	17,629,366	68,302	17,697,668
DEFERED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	788,354	-	788,354
Total Deferred Inflow of Resources	788,354	-	788,354
Total Liabilities and Deferred Inflow of Resources	18,417,720	68,302	18,486,022
NET POSITION			
Net Investment in Capital Assets	24,427,937	110,973	24,538,910
Restricted For:			
Capital Projects	1,418,766	-	1,418,766
Debt Service	(198)	-	(198)
Excess Surplus	3,013,736	-	3,013,736
Maintenance Reserve	926,436	-	926,436
Other Purposes	1,038,357	-	1,038,357
Unrestricted	(7,332,545)	252,705	(7,079,840)
Total Net Position	$ 23,492,489	$ 363,678	$23,856,167

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS & CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	$ 10,617,239	$ -	$ -	$ (10,617,239)	$ -	$ (10,617,239)
Special Education	1,536,507	-	579,136	(957,371)	-	(957,371)
Other Instruction	1,288,109	-	-	(1,288,109)	-	(1,288,109)
Support Services:						
Tuition	3,475,073	-	465,386	(3,009,687)	-	(3,009,687)
Student & Instruction Related Services	4,975,108	-	2,191,409	(2,783,699)	-	(2,783,699)
Health Services	254,804	-	-	(254,804)	-	(254,804)
Educational Media Services/School Library	194,570	-	-	(194,570)	-	(194,570)
School Administrative Services	686,292	-	-	(686,292)	-	(686,292)
General Administration	609,548	-	-	(609,548)	-	(609,548)
Central Services	441,395	-	-	(441,395)	-	(441,395)
Administrative Information Technology	393,850	-	-	(393,850)	-	(393,850)
Plant Operations & Maintenance	3,247,562	-	-	(3,247,562)	-	(3,247,562)
Pupil Transportation	3,737,282	-	-	(3,737,282)	-	(3,737,282)
Unallocated Benefits	9,235,760	-	2,799,384	(6,436,376)	-	(6,436,376)
On-Behalf TPAF Pension and Social Security Contributions	200,361	-	200,361	-	-	-
Transfers to Charter Schools	146,136	-	-	(146,136)	-	(146,136)
Internal Services	1,179,171	1,226,577	-	47,406	-	47,406
Interest and Charges on Long-Term Debt	209,125	-	-	(209,125)	-	(209,125)
Unallocated Amortization	81,076	-	-	(81,076)	-	(81,076)
Unallocated Depreciation	2,392,001	-	-	(2,392,001)	-	(2,392,001)
Total Governmental Activities	44,900,969	1,226,577	6,235,676	(37,438,716)	-	(37,438,716)
Business-Type Activities:						
Food Service	837,886	417,243	386,363	-	(34,280)	(34,280)
Total Business-Type Activities	837,886	417,243	386,363	-	(34,280)	(34,280)
Total Primary Government	$ 45,738,855	$ 1,643,820	$ 6,622,039	(37,438,716)	(34,280)	(37,472,996)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				17,197,535	-	17,197,535
Property Taxes, Levied for Debt Service				644,514	-	644,514
Federal & State Aid Not Restricted				15,724,398	-	15,724,398
Tuition Charges				1,988,976	-	1,988,976
Transportation Charges				1,640,069	-	1,640,069
Interest Earnings				-	212	212
Miscellaneous Income				1,579,032	-	1,579,032
Total General Revenues, Special Items, Extraordinary Items & Transfers				38,774,524	212	38,774,736
Change In Net Position				1,335,808	(34,068)	1,301,740
Net Position - Beginning				22,156,681	397,746	22,554,427
Net Position - Ending				$ 23,492,489	$ 363,678	$ 23,856,167

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

B. Fund Financial Statements

Governmental Funds

EXHIBIT B-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	$ 1,022,757	$ 807,333	$ -	$ 1,830,090
Receivables from Other Governments	1,675,336	892,490	-	2,567,826
Other Accounts Receivable	148,178	1,195	-	149,373
Interfund Accounts Receivable	1,466,637	-	-	1,466,637
Restricted Cash & Cash Equivalents	2,581,856	-	-	2,581,856
Total Assets	$ 6,894,764	$ 1,701,018	$ -	$ 8,595,782
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	$ 410,686	$ 24,685	$ -	$ 435,371
Intergovernmental Payable:				
State	-	6,806	-	6,806
Interfund Accounts Payable	-	812,971	198	813,169
Unearned Revenue	-	54,853	-	54,853
Payroll Deductions & Withholdings	21,821	-	-	21,821
Total Liabilities	432,507	899,315	198	1,332,020
Fund Balances:				
Restricted for:				
Maintenance Reserve	926,436	-	-	926,436
Capital Reserve Account	1,418,766	-	-	1,418,766
Unemployment Compensation	236,654	-	-	236,654
Excess Surplus - Designated for Subsequent Year's Expenditures	1,209,162	-	-	1,209,162
Excess Surplus	1,804,574	-	-	1,804,574
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	(198)	(198)
Student Activities	-	495,486	-	495,486
Scholarships	-	306,217	-	306,217
Assigned to:				
Other Purposes	1,052,654	-	-	1,052,654
Designated for Subsequent Year	192,950	-	-	192,950
Unassigned:				
General Fund	(378,939)	-	-	(378,939)
Total Fund Balances	6,462,257	801,703	(198)	7,263,762
Total Liabilities & Fund Balances	$ 6,894,764	$ 1,701,018	$ -	

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 $73,237,252 and the accumulated depreciation is $40,937,448.	32,299,804
Intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $405,377 and the accumulated amortization is $324,302.	81,075
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(130,471)
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	1,733,342
Deferred Inflows related to pensions	(788,354)
Internal Services Funds are used by management to charge the costs of certain activities, such as custodial and administrative services to other governments. Assets and liabilities of the Internal Service Fund of $10,125 are included in the Statement of Net Position.	10,125
Accrued pension contributions for the June 30, 2025 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(664,165)
Long-term liabilities, including net pension liability, compensated absences and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(16,312,629)
Net position of Governmental Activities	$ 23,492,489

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

EXHIBIT B-2

DELSEA REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	$ 17,197,535	$ -	$ -	$ 644,514	$ 17,842,049
Tuition	1,988,976	-	-	-	1,988,976
Transportation	1,640,069	-	-	-	1,640,069
Miscellaneous	1,579,032	810,707	-	-	2,389,739
Total Local Sources	22,405,612	810,707	-	644,514	23,860,833
State Sources	22,408,884	455,122	-	-	22,864,006
Federal Sources	10,506	1,970,102	-	-	1,980,608
Total Revenues	44,825,002	3,235,931	-	644,514	48,705,447
Expenditures:					
Current Expense:					
Regular Instruction	10,906,010	-	-	-	10,906,010
Special Education Instruction	1,140,632	395,875	-	-	1,536,507
Other Instruction	1,288,109	-	-	-	1,288,109
Support Services:					
Tuition	3,009,687	465,386	-	-	3,475,073
Student & Instruction Related Services	2,800,197	2,174,911	-	-	4,975,108
Health Services	254,804	-	-	-	254,804
Educational Media Services/ School Library	194,570	-	-	-	194,570
Instructional Staff Training	93,937	-	-	-	93,937
General Administrative	515,611	-	-	-	515,611
School Administrative Services	686,292	-	-	-	686,292
Central Services	441,395	-	-	-	441,395
Administrative Information Technology	393,850	-	-	-	393,850
Plant Operations & Maintenance	3,247,562	-	-	-	3,247,562
Pupil Transportation	3,737,282	-	-	-	3,737,282
Employee Benefits	7,023,724	-	-	-	7,023,724
On Behalf TPAF Pension and Social Security Contributions	6,694,992	-	-	-	6,694,992
Debt Service:					
Principal	-	-	-	420,000	420,000
Interest & Other Charges	175	-	-	224,514	224,689
Capital Outlay	965,269	183,261	-	-	1,148,530
Total Expenditures	43,394,098	3,219,433	-	644,514	47,258,045
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,430,904	16,498	-	-	1,447,402
Other Financing Sources/(Uses):					
Transfers In	47,406	-	660,763	-	708,169
Transfers Out	(660,763)	-	-	-	(660,763)
Transfers to Charter Schools	(146,136)	-	-	-	(146,136)
Financed Purchase - Nonbudgeted	236,682	-	-	-	236,682
Total Other Financing Sources & Uses	(522,811)	-	660,763	-	137,952
Net Change in Fund Balances	908,093	16,498	660,763	-	1,585,354
Fund Balances, July 1	5,554,164	785,205	(660,763)	(198)	5,678,408
Fund Balances June 30	$ 6,462,257	$ 801,703	$ -	$ (198)	$ 7,263,762

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

EXHIBIT B-3

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, 2025

Total Net Change in Fund Balances - Governmental Funds (From B-2)		$ 1,585,354
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	$ (2,322,357)	
Capital Outlay Adjustment	(69,644)	
Capital Outlays	911,848	(1,480,153)
Capital outlays related to subscription-based information technology arrangements are reported in governmanetal funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which capital outlays exceeded amortization in the period.		(81,076)
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		945,453
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		15,564
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.		(236,682)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		565,815
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		21,533
Change in Net Position of Governmental Activities		$ 1,335,808

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

Proprietary Funds

EXHIBIT B-4

DELSEA REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
ASSETS	**FOOD SERVICE FUND**	**GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND**	**TOTAL**
Current Assets:			
Cash & Cash Equivalents	$ 347,645	$ -	$ 347,645
Receivables from Other Governments	18,751	574,996	593,747
Other Receivable	27,728	-	27,728
Inventories	18,730	-	18,730
Total Current Assets	412,854	574,996	987,850
Fixed Assets:			
Equipment	608,687	-	608,687
Accumulated Depreciation	(497,714)	-	(497,714)
Total Fixed Assets	110,973	-	110,973
Total Assets	523,827	574,996	1,098,823
LIABILITIES			
Current Liabilities:			
Accounts Payable	52,106	3,250	55,356
Unearned Revenue	16,196	-	16,196
Interfund Payable	91,847	561,621	653,468
Total Current Liabilities	160,149	564,871	725,020
NET POSITION			
Investment in Capital Assets	110,973	-	110,973
Unrestricted	252,705	10,125	262,830
Total Net Position	$ 363,678	$ 10,125	$ 373,803

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

EXHIBIT B-5

DELSEA REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND FOOD SERVICE FUND	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND	TOTAL
Operating Revenue:			
Daily Sales - Reimbursable Programs	$ 154,169	$ -	$ 154,169
Daily Sales - Nonreimbursable Programs	193,223	-	193,223
Services provided to other LEA's	-	1,226,577	1,226,577
Special Functions	24,661	-	24,661
Miscellaneous Income	45,190	-	45,190
Total Operating Revenues	417,243	1,226,577	1,643,820
Operating Expenses:			
Salaries	301,082	601,252	902,334
Social Security	-	47,214	47,214
Employee Benefits	58,711	186,787	245,498
Supplies and Materials	34,428	51,139	85,567
Other Purchased Services	56,560	279,652	336,212
Depreciation	17,444	-	17,444
Miscellaneous Other Expenses	25,438	563	26,001
Cost of Sales - Reimburseable Programs	216,642	-	216,642
Cost of Sales - Non-Reimburseable Programs	127,581	-	127,581
Cleaning, Repair & Maintenance Services	-	3,079	3,079
Communications/Telephone	-	7,556	7,556
Oil	-	980	980
Electricity	-	949	949
Total Operating Expenses	837,886	1,179,171	2,017,057
Operating Income/(Loss)	(420,643)	47,406	(373,237)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	9,383	-	9,383
State School Breakfast Program	697	-	697
State NJEIE Lunch	7,627	-	7,627
State NJEIE Breakfast	1,512	-	1,512
Working Class Families State Supplement	322	-	322
Federal Sources:			
National School Lunch Program	239,869	-	239,869
National Breakfast Program	52,828	-	52,828
Healthy Hunger-Free Kids Act	9,432	-	9,432
Supply Chain Assistance Funds	1,777	-	1,777
Local Food for Schools Cooperative Agreement Program	5,306	-	5,306
Pandemic EBT Administrative Costs	322	-	322
Food Distribution Program	57,288	-	57,288
Interest Revenue	212	-	212
Transfers Out	-	(47,406)	(47,406)
Total Nonoperating Revenues	386,575	(47,406)	339,169
Change in Net Position	(34,068)	-	(34,068)
Net Position - Beginning of Year	397,746	10,125	407,871
Total Net Position - End of Year	$ 363,678	$ 10,125	$ 373,803

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

EXHIBIT B-6

DELSEA REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND FOOD SERVICE FUND	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	$ 408,717	$ 1,035,799	$ 1,444,516
Payments to Employees	(296,137)	(601,252)	(897,389)
Payments for Employee Benefits	(58,711)	(234,001)	(292,712)
Payments to Suppliers	(424,174)	(153,140)	(577,314)
Net Cash Provided/(Used) by Operating Activities	(370,305)	47,406	(322,899)
Cash Flows From Capital Financing Activities:			
Purchase of Equipment	(20,710)	-	(20,710)
Net Cash Used by Capital Financing Activities	(20,710)	-	(20,710)
Cash Flows From Noncapital Financing Activities:			
Operating Subsidies and Transfers to General Fund	-	(47,406)	(47,406)
Cash Received From State & Federal Reimbursements	323,592	-	323,592
Net Cash Provided by Noncapital Financing Activities	323,592	(47,406)	276,186
Cash Flows From Investing Activities:			
Interest & Dividends	212	-	212
Net Cash Provided by Investing Activities	212	-	212
Net Increase/(Decrease) in Cash & Cash Equivalents	(67,211)	-	(67,211)
Cash & Cash Equivalents, July 1	414,856	-	414,856
Cash & Cash Equivalents, June 30	$ 347,645	$ -	$ 347,645
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:			
Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	$ (420,643)	$ 47,406	$ (373,237)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	17,444	-	17,444
Food Distribution Program	57,288	-	57,288
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	644	(190,778)	(190,134)
(Increase)/Decrease in Inventory	1,785	-	1,785
Increase/(Decrease) in Unearned Revenue	(9,170)	-	(9,170)
Increase/(Decrease) in Accounts Payable	4,945	-	4,945
Increase/(Decrease) in Interfund Payable	(22,598)	190,778	168,180
Total Adjustments	50,338	-	50,338
Net Cash Provided/(Used) by Operating Activities	$ (370,305)	$ 47,406	$ (322,899)

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The Delsea Regional High School District is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members' terms expire each year. The purpose of the School District is to educate students in grades seven through twelfth. The School District has an approximate enrollment at June 30, 2025 of 1,533 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2025.

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

A. Government-Wide Financial Statements

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

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

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

B. Governmental Fund Financial Statements

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

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing

Note 1. Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued)

uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued)

The School District reports the following major governmental funds:

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

C. Proprietary Fund Financial Statements

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

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

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

The School District reports the following major proprietary funds:

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

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

Property Tax Calendar

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

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund.

Note 1. Summary of Significant Accounting Policies (continued)

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

Cash, Cash Equivalents and Investments

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

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

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

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

Tuition Receivable/Payable

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

Inventories

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

Note 1. Summary of Significant Accounting Policies (continued)

Interfund Receivables/Payables

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

Capital Assets

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

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

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

Compensated Absences

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

Note 1. Summary of Significant Accounting Policies (continued)

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Note 1. Summary of Significant Accounting Policies (continued)

Deferred Outflows and Deferred Inflows of Resources

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

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

Deferred Loss on Refunding Debt

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

Bond Premiums, Discounts and Issuance Costs

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

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

Pensions

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

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Note 1. Summary of Significant Accounting Policies (continued)

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

- Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statement became effective for the fiscal year ended June 30, 2025:

Statement No. 101, *Compensated Absences*, aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has implemented this standard for the fiscal year ended June 30, 2025, see Note 15.

Statement No. 102, *Certain Risk Disclosures*, requires a School District to disclose information about concentrations or constraints and related events that have occurred or have begun to occur that make a District vulnerable to a substantial impact. The standard will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. Statement No. 102 is effective for reporting periods beginning after June 15, 2024. Management has implemented this standard for the fiscal year ended June 30, 2025 and determined it has no material impact on the financial statements.

Recently Issued Accounting Pronouncements

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

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 103, *Financial Reporting Model Improvements*, requires that the information presented in the management's discussion and analysis (MD&A) be limited to the related topics discussed in five sections: 1) Overview of the Financial Statements, 2) Financial Summary, 3) Detailed Analyses, 4) Significant Capital Asset and Long-Term Financing Activity, and 5) Currently Known Facts, Decisions, or Conditions. The Statement emphasizes that the analysis provided in the MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that boilerplate discussion should be avoided by presenting only the most relevant information. Statement No. 103 is effective for reporting periods beginning after June 15, 2025. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets recognized in accordance with Statement No. 87, intangible right-to-use assets recognized in accordance with Statement No. 94 and subscription assets recognized in accordance with Statement No. 96 should be disclosed separately by major class of underlying asset in the capital asset note disclosures. Statement No. 104 is effective for reporting periods beginning after June 15, 2025. Management has not yet determined the potential impact on the District's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first $250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2025, the School District's bank balance of $6,515,288 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	$	5,677,284
Uninsured and Uncollateralized		838,004
	$	6,515,288

Investments

The School District had no investments at June 30, 2025.

Note 3. Reserve Accounts

Capital Reserve

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

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

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	$	1,129,529
Increased by:		
Deposits approved by Board		950,000
		2,079,529
Decreased by:		
Withdrawls approved by Board		(660,763)
Ending Balance, June 30, 2025	$	1,418,766

Maintenance Reserve

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

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Note 3. Reserve Accounts (continued)

Beginning Balance, July 1, 2024	$ 426,436
Increased by:	
Deposits approved by Board	500,000
Ending Balance, June 30, 2025	$ 926,436

Note 4. Accounts Receivable

Accounts receivable at June 30, 2025 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2025, consisted of the following:

	Governmental Funds				Proprietary Funds	
Description	General Fund	Special Revenue Fund	Internal Service Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities
Federal Awards	$ -	$ 829,276	$ -	$ 829,276	$ 17,528	$ 17,528
State Awards	583,243	69,826	-	653,069	1,119	1,119
Other	1,233,659	1,195	574,996	1,809,850	27,832	27,832
Total	$ 1,816,902	$ 900,297	$ 574,996	$ 3,292,195	$ 46,479	$ 46,479

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Retirements and Transfers	Balance June 30, 2025
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 71,500	$ -	$ -	$ 71,500
Construction in Progress	4,264,729		-	4,264,729
Total Capital Assets not being depreciated	4,336,229	-	-	4,336,229
Capital Assets being depreciated:				
Land Improvements	4,299,441	-	-	4,299,441
Buildings and Improvements	51,419,730	-	-	51,419,730
Equipment	12,568,501	911,848	(298,498)	13,181,851
Total Capital Assets being depreciated	68,287,672	911,848	(298,498)	68,901,022
Less: Accumulated Depreciation:				
Buildings and Improvements	(25,828,565)	(1,555,677)	-	(27,384,242)
Land Improvments	(3,470,337)	(110,984)	-	(3,581,321)
Equipment	(9,545,042)	(655,696)	228,854	(9,971,884)
Total Accumulated Depreciation	(38,843,944)	(2,322,357)	228,854	(40,937,447)
Total Capital Assets being depreciated, net	29,443,728	(1,410,509)	(69,644)	27,963,575
Total Governmental Activities Capital Assets, net	$ 33,779,957	$ (1,410,509)	$ (69,644)	$ 32,299,804

	Balance July 1, 2024	Additions	Retirements and Transfers	Balance June 30, 2025
Business-Type Activities:				
Equipment	$ 587,977	$ 20,710	$ -	$ 608,687
	587,977	20,710	-	608,687
Less: Accumulated Depreciation:				
Equipment	(480,270)	(17,444)	-	(497,714)
	(480,270)	(17,444)	-	(497,714)
Total Business-Type Activities Capital Assets, net	$ 107,707	$ 3,266	$ -	$ 110,973

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivable/payable balances as of June 30, 2025 were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 1,466,637	$ -
Special Revenue Fund	-	812,971
Capital Projects Fund	-	-
Debt Service Fund	-	198
Food Service Fund	-	91,847
Internal Service Fund	-	561,621
	$ 1,466,637	$ 1,466,637

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

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
General Fund	$ 47,406	$ 660,763
Capital Projects Fund	660,763	-
Internal Service Fund	-	47,406
	$ 708,169	$ 708,169

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

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2025 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 7,476,000	$ -	$ 420,000	$ 7,056,000	$ 430,000
Financed Purchases Payab	1,104,638	236,682	525,453	815,867	384,189
Compensated Absences	930,435	-	21,533	908,902	-
Net Pension Liability	7,145,446	386,414	-	7,531,860	-
	$ 16,656,519	$ 623,096	$ 966,986	$ 16,312,629	$ 814,189

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

Bonds Payable

The current bond issuance outstanding consists of General Obligation Bonds dated February 15, 2015 with an original amount of $10,581,000, payable in annual installments through August 1, 2039. Interest is paid semi-annually at the rate of 3.00%-3.25% per annum. The balance remaining at June 30, 3025, was $7,056,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 430,000	$ 211,764	$ 641,764
2027	450,000	198,564	648,564
2028	475,000	184,689	659,689
2029	475,000	170,439	645,439
2030	475,000	156,189	631,189
2031-2035	2,375,000	566,006	2,941,006
2036-2040	2,376,000	192,818	2,568,818
	$ 7,056,000	$ 1,680,469	$ 8,736,469

Note 7. Long-Term Obligations (continued)

Financed Purchases Payable

The District has entered into several financed purchase agreements for the acquisition of computers and technology equipment. The agreements range from three to five years and carry interest rates ranging from 3.16% to 7.50%. The following is a schedule of future minimum payments under financed purchases, together with the net present value of the minimum finance purchase payments as of June 30, 2025.

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

Fiscal Year Ending June 30,	
2026	$ 469,215
2027	321,024
2028	88,483
2029	4,005
Total Minimum Payments	882,727
Less: Amount Representing Interest	(66,860)
Present Value of Minimum Finance Purchase Payments	$ 815,867

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

Bonds Authorized but not Issued

As of June 30, 2025, the School District had no bonds authorized but not issued.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

Note 8. Pension Plans (continued)

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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

Note 8. Pension Plans (continued)

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2025, the School District reported a liability of $7,531,860 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, to the measurement date of June 30, 2024. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The School District's proportion measured as of June 30, 2024, was 0.05543%, which was an increase of 0.006098% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized full accrual pension expense/(benefit) of $188,432 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2024 measurement date. At June 30, 2025 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 150,877	$ 20,052
Changes of Assumptions	9,357	85,695
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	349,232
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	908,943	333,375
School District Contributions Subsequent to Measurement Date	664,165	-
	$ 1,733,342	$ 788,354

Note 8. Pension Plans (continued)

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

$664,165 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the estimated amount payable to the State due April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	$ 304,680
2026	(235,752)
2027	135,633
2028	78,300
2029	(2,038)
	$ 280,823

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

Note 8. Pension Plans (continued)

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
June 30, 2023	5.08	-
June 30, 2024	5.08	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	-
June 30, 2024	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2019	-	-
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	-	5.00
June 30, 2023	-	5.00
June 30, 2024	-	5.00
Changes in Proportion and Differences between Contributions and		
Pro Year of Pension Plan Deferral:		
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04
June 30, 2023	5.08	5.08
June 30, 2024	5.08	5.08

Note 8. Pension Plans (continued)

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-6.55% based on years of service
Investment Rate of Return	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Note 8. Pension Plans (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Note 8. Pension Plans (continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	$ 10,092,233	$ 7,531,860	$ 5,470,350

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

The State's proportionate share of the PERS net pension liability associated with the special funding situation is $-0- as of June 30, 2025. The State's proportionate share of the contribution associated with the special funding situation was $24,283 as of June 30, 2025. These are based on measurements as of June 30, 2024.

B. Teachers' Pension and Annuity Fund (TPAF)

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

Note 8. Pension Plans (continued)

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

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

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific

Note 8. Pension Plans (continued)

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

financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2025 was $52,091,737. The School District's proportionate share was $-0-.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.105395%, which was a decrease of 0.00186% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the School District recognized ($190,023) in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2024 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

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

Note 8. Pension Plans (continued)

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

Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member

Note 8. Pension Plans (continued)

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

contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	$ -	$ -	$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	61,918,404	52,091,737	43,815,826
	$ 61,918,404	$ 52,091,737	$ 43,815,826

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

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

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

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

For the year ended June 30, 2025, employee contributions totaled $27,979, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of $15,261.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

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

Basis of Presentation

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial

Note 9. Other Post-Retirement Benefits (continued)

assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: $ 59,650,630,530

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 5.65% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

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

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2024 was $84,201,366. The School District's proportionate share was $0.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB Obligation attributable to the School District was 0.14116%, which was an increase of 0.001304% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized an OPEB expense in the amount of $2,233,569 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2024 measurement date.

Note 9. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreased to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	$ 98,617,833	$ 84,201,366	$ 72,607,534
State of New Jersey's Total Non- employer Liability	$ 69,863,663,542	$ 59,650,630,530	$ 51,437,232,141

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

The following presents the total nonemployer OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Note 9. Other Post-Retirement Benefits (continued)

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	$ 70,140,351	$ 84,201,366	$ 102,516,766
State of New Jersey's Total Nonemployer OPEB Liability	$ 49,689,409,509	$ 59,650,630,530	$ 72,625,778,279

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	$ -	$ -
Differences between Expected & Actual Experience	6,378,932,312	(11,139,706,892)
Change in Assumptions	10,004,978,073	(11,662,607,882)
Contributions Made in Fiscal Year Ending 6/30/2024 After Measurement Date	TBD	N/A
	$ 16,383,910,385	$ (22,802,314,774)

** Employer Contributions made after June 30, 2024 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2025	$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	(369,418,659)
	$ (6,418,404,389)

Note 9. Other Post-Retirement Benefits (continued)

Plan Membership

At June 30, 2023, the Program membership consisted of the following:

	June 30, 2023
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
	372,741

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

Total OPEB Liability

Service Cost	$	2,152,062,729
Interest Cost		1,963,557,443
Difference Between Expected & Actual Experience		158,934,425
Changes of Assumptions		4,462,660,491
Contributions: Member		51,347,810
Gross Benefit Payments		(1,499,600,607)
Net Change in Total OPEB Liability		7,288,962,291
Total OPEB Liability (Beginning)		52,361,668,239
Total OPEB Liability (Ending)	$	59,650,630,530
Total Covered Employee Payroll	$	15,845,935,573
Net OPEB Liability as a Percentage of Payroll		376%

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2025, the on-behalf payments for normal costs, post-retirement medical costs, long-term disability and reimbursed TPAF social security contributions were $4,441,100, $1,297,693, $1,684 and $954,515, respectively.

Note 11. Risk Management

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

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

Fiscal Year	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2024-2025	$ 51,182	$ 226	$ 43,069	$ 236,654
2023-2024	50,325	222	40,491	228,315
2022-2023	50,490	226	80,047	218,259

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

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 12. Contingencies (continued):

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

Note 13. Deferred Compensation

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

Lincoln Investment Planning
Siracusa Benefits Program
Metropolitan Life Insurance

Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 101 (GASB 101), "Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2025, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was $908,902 and $-0-, which represents a decrease of $21,533 and $-0- from the prior year.

Note 15. Tax Abatements

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

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

Note 16. Commitments

The School District has contractual commitments at June 30, 2025 to various vendors, which are recorded in the general fund as assigned to year end encumbrances in the amount of $1,052,654.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 was $1,804,574.

Note 18. Fund Balances

General Fund – Of the $6,462,257 General Fund fund balance at June 30, 2025, $1,418,766 has been restricted for the Capital Reserve Account; $926,436 has been restricted for the Maintenance Reserve Account; $1,209,162 is restricted for prior year excess surplus – designated for subsequent year's expenditures; $1,804,574 has been restricted for current year excess surplus; $236,654 has been restricted to the future use of Unemployment Compensation; $1,052,654 has been assigned to year-end encumbrances; $192,950 has been assigned and designated for subsequent year's expenditures; and ($378,939) has been unassigned.

Note 18. Fund Balances (continued):

Special Revenue Fund – Of the $801,703 Special Revenue Fund fund balance at June 30, 2024, $495,486 is restricted for Student Activities and $306,217 is restricted for Scholarships.

Debt Service Fund – The Debt Service fund balance at June 30, 2025 is ($198).

Note 19. Deficit in Fund Balances

The School District has a deficit fund balance of $378,939 in the General Fund as of June 30, 2025 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the fund statements (modified accrual basis) of $378,939 is less than the last state aid payment.

The District has an accumulated deficit of $198 in the Debt Service Fund as of June 30, 2024. This deficit is the result of the District not raising the proper amount of the debt service tax levy in the budget. The District will resolve the deficit with future tax levy receipts or through local contributions.

Note 20. Deficit in Net Position

Unrestricted Net Position – The School District's governmental activities had a deficit in unrestricted net position in the amount of $7,332,545. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees' Retirement System (PERS) as of June 30, 2025. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 21. Intangible Assets (SBITAs)

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

Intangible asset activity for the School District for the year ended June 30, 2025, was as follows:

	Balance as of June 30, 2024	Increases	Decreases	Balance as of June 30, 2025
Intangible Assets (SBITAs):				
Curriculum Software	$ 405,377	$ -	$ -	$ 405,377
Total Intangiable Assets	405,377	-	-	405,377
Less accumulated amortization				
Curriculum Software	(243,226)	(81,076)	-	(324,302)
Total accumulated amortization	(243,226)	(81,076)	-	(324,302)
Intangible Assets, net	$ 162,151	$ (81,076)	$ -	$ 81,075

Note 22. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and December 18, 2025, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

EXHIBIT C-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Tax Levy	10-1210	$ 17,197,535	$ -	$ 17,197,535	$ 17,197,535	$ -
Tuition from Other LEA's Within the State	10-1320	2,140,630	-	2,140,630	1,988,976	(151,654)
Transportation fees from Other LEA's	10-1420	1,100,000	-	1,100,000	1,640,069	540,069
Interest on Capital Reserve Funds	10-1511	200	-	200	-	(200)
Interest on Maintenance Reserve Funds	10-1512	200	-	200	-	(200)
Miscellaneous Revenues	10-1990	683,000	-	683,000	1,579,032	896,032
Total Local Sources		21,121,565	-	21,121,565	22,405,612	1,284,047
State Sources:						
School Choice Aid	10-3116	608,109	-	608,109	608,109	-
Categorical Transportation Aid	10-3121	668,879	-	668,879	668,879	-
Categorical Special Education Aid	10-3132	1,625,743	-	1,625,743	1,625,743	-
Equalization Aid	10-3176	12,044,423	-	12,044,423	12,044,423	-
Categorical Security Aid	10-3177	260,074	-	260,074	260,074	-
Extraordinary Aid	10-3131	200,000	-	200,000	489,645	289,645
Non-Public Transportation Aid	10-3190	-	-	-	39,695	39,695
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	4,441,100	4,441,100
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,297,693	1,297,693
On-Behalf TPAF Long Term Disability Insurance Contributions		-	-	-	1,684	1,684
Reimbursed TPAF Social Security Contribution		-	-	-	954,515	954,515
Total State Sources		15,407,228	-	15,407,228	22,431,560	7,024,332
Federal Sources:						
Medicaid Reimbursement	10-4200	59,572	-	59,572	10,506	(49,066)
Total Federal Sources		59,572	-	59,572	10,506	(49,066)
Total Revenues		36,588,365	-	36,588,365	44,847,678	8,259,313
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Grades 6 - 8	11-130-100-101	3,083,182	(118,744)	2,964,438	2,818,918	145,520
Grades 9 - 12	11-140-100-101	5,971,121	28,550	5,999,671	5,987,640	12,031
Home Instruction:						
Salaries of Teachers	11-150-100-101	3,000	(231)	2,769	1,694	1,075
Purchased Professional/Education Services	11-150-100-320	31,000	19,846	50,846	16,676	34,170
Other Purchase Services (400-500 series)	11-150-100-500	400	-	400	287	113
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	93,885	-	93,885	84,860	9,025
Purchased Professional - Educational Services	11-190-100-320	879,000	50,144	929,144	888,453	40,691
Other Purchased Services	11-190-100-500	936,325	(40,858)	895,467	757,784	137,683
General Supplies	11-190-100-610	149,400	370,858	520,258	338,716	181,542
Textbooks	11-190-100-640	7,866	(5,736)	2,130	397	1,733
Other Objects	11-190-100-800	15,623	3,698	19,321	10,585	8,736
Total Regular Programs		11,170,802	307,527	11,478,329	10,906,010	572,319

EXHIBIT C-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	427,332	-	427,332	426,520	812
Purchased Professional/Education Services	11-212-100-320	15,000	(15,000)	-	-	-
Other Purchased Services (400-500 Series)	11-212-100-500	7,300	(2,270)	5,030	2,525	2,505
General Supplies	11-212-100-610	4,290	(256)	4,034	2,015	2,019
Total Multiple Disabilities		453,922	(17,526)	436,396	431,060	5,336
Resource Room:						
Salaries of Teachers	11-213-100-101	485,200	92,184	577,384	577,334	50
Other Salaries for Instruction	11-213-100-106	117,160	-	117,160	117,160	-
Purchased Professional/Education Services	11-213-100-320	15,000	(15,000)	-	-	-
General Supplies	11-213-100-610	6,500	(4,717)	1,783	-	1,783
Other Objects	11-213-100-800	1,000	(124)	876	105	771
Total Resource Room		624,860	72,343	697,203	694,599	2,604
Home Instruction:						
Salaries of Teachers	11-219-100-101	-	14,973	14,973	14,973	-
Total Home Instruction		-	14,973	14,973	14,973	-
Total Special Education		1,078,782	69,790	1,148,572	1,140,632	7,940
Basic Skills/Remedial- Instruction						
Salaries of Teachers	11-230-100-101	94,734	-	94,734	94,734	-
General Supplies	11-230-100-610	500	-	500	-	500
Total Basic Skills/Remedial- Instruction		95,234	-	95,234	94,734	500
School Sponsored Co-Curricular Activities:						
Salaries	11-401-100-100	164,834	-	164,834	128,071	36,763
Purchased Services	11-401-100-500	14,100	(7,766)	6,334	5,136	1,198
Supplies and Materials	11-401-100-600	13,854	(8,623)	5,231	4,145	1,086
Other Objects	11-401-100-800	11,050	(9,277)	1,773	712	1,061
Total School Sponsored Co-Curricular Activities		203,838	(25,666)	178,172	138,064	40,108
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	570,558	(5,858)	564,700	559,185	5,515
Other Purchased Services	11-402-100-500	96,340	7,531	103,871	103,578	293
Supplies and Materials	11-402-100-600	87,974	1,596	89,570	75,617	13,953
Other Objects	11-402-100-800	32,000	16,474	48,474	48,386	88
Total School Sponsored Athletics Instruction		786,872	19,743	806,615	786,766	19,849
Total Other Instructional Programs		990,710	(5,923)	984,787	924,830	59,957

EXHIBIT C-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Before/After School Programs - Instruction:						
Salaries of Teacher Tutors	11-421-100-178	18,000	(5,118)	12,882	4,150	8,732
Total Before/After School Programs - Instruction		18,000	(5,118)	12,882	4,150	8,732
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	42,500	4,230	46,730	40,722	6,008
Other Salaries of Instruction	11-422-100-106	6,000	(4,230)	1,770	38	1,732
General Supplies	11-422-100-610	3,000	192	3,192	2,917	275
Other Objects	11-422-100-800	500	-	500	25	475
						-
Total Summer School - Instruction		52,000	192	52,192	43,702	8,490
Alternative Education Program - Instruction:						
Salaries of Teachers	11-423-100-101	33,120	28,910	62,030	62,030	-
Other Salaries of Instruction	11-423-100-106	8,640	(987)	7,653	3,830	3,823
Purchased Professional and Technical Services	11-423-100-300	4,000	(680)	3,320	-	3,320
Total Alternative Education Program - Instruction		45,760	27,243	73,003	65,860	7,143
Alternative Education Program - Support Services:						
Salaries	11-423-200-100	77,400	(22,697)	54,703	28,480	26,223
Total Alternative Education Program - Support Services		77,400	(22,697)	54,703	28,480	26,223
Total Alternative Education Program		123,160	4,546	127,706	94,340	33,366
Other Supplemental/At-Risk Programs - Instruction:						
Salaries of Teachers	11-424-100-101	36,000	16,940	52,940	52,940	-
Other Salaries of Instruction	11-424-100-106	17,280	(7,160)	10,120	3,870	6,250
Total Other Supplemental/At-Risk Program - Instruction		53,280	9,780	63,060	56,810	6,250
Other Supplemental/At-Risk Programs - Support Services:						
Salaries	11-424-200-100	36,000	(14,520)	21,480	21,480	-
Total Other Supplemental/At-Risk Program - Support Services		36,000	(14,520)	21,480	21,480	-
Total Other Supplemental/At-Risk Programs		89,280	(4,740)	84,540	78,290	6,250
Community Services Programs - Operations						
Salaries	11-800-330-100	94,786	(23,890)	70,896	48,063	22,833
Purchased Services (300-500 series)	11-800-330-500	1,000	(1,000)	-	-	-
Total Community Services Programs - Operations		95,786	(24,890)	70,896	48,063	22,833
Total Instruction		13,713,754	341,384	14,055,138	13,334,751	720,387
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	50,000	33,006	83,006	82,361	645
Tuition to County Vocational District/Regular Day Schools	11-000-100-563	282,200	(2,551)	279,649	251,424	28,225
Tuition to County Special Services District/Regional Day Schools	11-000-100-565	1,095,550	(5,206)	1,090,344	1,084,344	6,000
Tuition to Private School for the Handicapped - State	11-000-100-566	1,924,500	(13,159)	1,911,341	1,591,558	319,783
Total Undistributed Expenditures - Instruction		3,352,250	12,090	3,364,340	3,009,687	354,653

EXHIBIT C-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Attendance & Social Work Services:						
Salaries	11-000-211-100	102,565	-	102,565	101,644	921
Purchased Professional and Technical Services	11-000-211-300	1,000	-	1,000	-	1,000
Other Purchased Services (400-500 series)	11-000-211-500	500	(56)	444	-	444
Supplies and Materials	11-000-211-600	324	(267)	57	57	-
Other Objects	11-000-211-800	388	322	710	710	-
Total Attendance & Social Work Services		104,777	(1)	104,776	102,411	2,365
Health Services:						
Salaries	11-000-213-100	233,278	-	233,278	227,848	5,430
Purchased Professional & Technical Services	11-000-213-300	19,700	(203)	19,497	19,000	497
Other Purchased Services (400-500 series)	11-000-213-500	1,524	203	1,727	806	921
Supplies and Materials	11-000-213-600	8,941	-	8,941	7,150	1,791
Total Health Services		263,443	-	263,443	254,804	8,639
Speech, OT, PT and Related Services:						
Purchased Professional - Education Services	11-000-216-320	205,000	19,445	224,445	224,445	-
Supplies and Materials	11-000-216-600	1,000	(600)	400	400	-
Total Speech, OT, PT and Related Services		206,000	18,845	224,845	224,845	-
Other Support Services - Students - Extra Services:						
Salaries of Teachers	11-000-217-100	119,108	(16,639)	102,469	102,469	-
Purchased Professional - Education Services	11-000-217-320	116,250	83,612	199,862	199,862	-
Supplies and Materials	11-000-217-600	10,000	(8,813)	1,187	1,097	90
Total Other Support Services - Students - Extra Services		245,358	58,160	303,518	303,428	90
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	608,014	64,501	672,515	666,496	6,019
Salaries of Secretarial & Clerical Assistants	11-000-218-105	83,515	2,352	85,867	85,867	-
Other Purchased Services (400-500 series)	11-000-218-500	80,686	(15,936)	64,750	57,427	7,323
Supplies and Materials	11-000-218-600	6,606	1,267	7,873	-	7,873
Other Objects	11-000-218-800	1,855	(300)	1,555	-	1,555
Total Guidance		780,676	51,884	832,560	809,790	22,770
Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	359,078	45,425	404,503	404,463	40
Salaries of Secretarial & Clerical Assistants	11-000-219-105	94,395	-	94,395	94,395	-
Other Salaries	11-000-219-110	19,000	(18,800)	200	-	200
Purchased Professional - Education Services	11-000-219-320	10,000	22,439	32,439	32,439	-
Other Purchased Prof. and Tech. Services	11-000-218-390	13,100	(12,344)	756	756	-
Other Purchased Services	11-000-219-500	8,589	(2,648)	5,941	4,893	1,048
Supplies and Materials	11-000-219-600	17,656	(5,531)	12,125	9,813	2,312
Other Objects	11-000-219-800	750	2,700	3,450	3,450	-
Total Child Study Teams		522,568	31,241	553,809	550,209	3,600
Improvement of Instruction Services						
Salaries of Supervisors of Instruction	11-000-221-102	690,187	-	690,187	656,853	33,334
Salaries of Other Professional Staff	11-000-221-104	94,234	-	94,234	94,234	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	37,436	-	37,436	35,000	2,436
Other Salaries	11-000-221-110	22,500	-	22,500	18,890	3,610
Other Purchased Services	11-000-221-500	82,968	(387)	82,581	3,537	79,044
Supplies and Materials	11-000-221-600	1,500	-	1,500	1,000	500
Other Objects	11-000-221-800	200	-	200	-	200
Total Improvement of Instruction Services		929,025	(387)	928,638	809,514	119,124

EXHIBIT C-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Educational Media Services/School Library:						
Salaries	11-000-222-100	129,507	100	129,607	126,664	2,943
Other Purchased Services	11-000-222-500	117,236	(20,252)	96,984	39,227	57,757
Supplies and Materials	11-000-222-600	41,425	1,901	43,326	28,679	14,647
Other Objects	11-000-222-800	230	-	230	-	230
Total Educational Media Services/School Library		288,398	(18,251)	270,147	194,570	75,577
Support Services Instructional Staff Training Services:						
Salaries of Supervisors of Instruction	11-000-223-102	31,760	-	31,760	31,351	409
Salaries of Other Professional	11-000-223-104	22,500	-	22,500	-	22,500
Salaries of Secretarial & Clerical Assistants	11-000-223-105	16,044	-	16,044	15,000	1,044
Purchased Professional/Education Services	11-000-223-320	45,100	-	45,100	45,100	-
Other Purchased Services	11-000-223-500	2,000	387	2,387	2,307	80
Supplies and Materials	11-000-223-600	200	-	200	179	21
Total Support Services Instructional Staff Training Services		117,604	387	117,991	93,937	24,054
Support Services General Administration:						
Salaries	11-000-230-100	264,112	2,393	266,505	266,255	250
Legal Services	11-000-230-331	10,000	19,458	29,458	29,458	-
Audit Fees	11-000-230-332	38,000	7,500	45,500	45,500	-
Architectural/Engineering Services	11-000-230-334	2,500	(1,549)	951	-	951
Other Purchased Professional Services	11-000-230-339	5,000	(5,000)	-	-	-
Purchased Technical Services	11-000-230-340	5,000	-	5,000	4,695	305
Communications/Telephone	11-000-230-530	124,900	(11,125)	113,775	79,843	33,932
BOE Other Purchased Services	11-000-230-585	2,500	(142)	2,358	-	2,358
Misc. Purchased Services (400-500)	11-000-230-590	78,600	(11,615)	66,985	62,516	4,469
General Supplies	11-000-230-610	5,000	(878)	4,122	3,672	450
BOE In-House Training/Meeting Supplies	11-000-230-630	500	-	500	-	500
Miscellaneous Expenditures	11-000-230-890	13,000	(636)	12,364	6,494	5,870
BOE Membership Dues & Fees	11-000-230-895	15,500	1,678	17,178	17,178	-
Total Support Services General Administration		564,612	84	564,696	515,611	49,085
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	399,618	(17,109)	382,509	354,707	27,802
Salaries of Other Professional Staff	11-000-240-104	160,623	(10,000)	150,623	149,966	657
Salaries of Secretarial & Clerical Assistants	11-000-240-105	119,724	(8,000)	111,724	111,273	451
Purchased Professional and Technical Services	11-000-240-300	15,000	(1,970)	13,030	10,975	2,055
Other Purchased Services (400-500 Series)	11-000-240-500	24,425	(3,426)	20,999	17,761	3,238
Supplies and Materials	11-000-240-600	25,911	3,383	29,294	27,098	2,196
Other Objects	11-000-240-800	15,000	(488)	14,512	14,512	-
Total Support Services School Administration		760,301	(37,610)	722,691	686,292	36,399
Central Services:						
Salaries	11-000-251-100	419,774	(43,741)	376,033	364,201	11,832
Purchased Technical Services	11-000-251-340	16,588	4,360	20,948	20,948	-
Misc. Purchased Services (400-500)	11-000-251-592	3,809	4,629	8,438	5,728	2,710
Supplies and Materials	11-000-251-600	5,931	1,167	7,098	5,066	2,032
Interest on Lease Purchase Agreements	11-000-251-832	60,000	(15,948)	44,052	44,042	10
Miscellaneous Expenditures	11-000-251-890	2,000	-	2,000	1,410	590
Total Central Services		508,102	(49,533)	458,569	441,395	17,174
Administrative Information Technology:						
Salaries	11-000-252-100	167,107	(65,506)	101,601	95,505	6,096
Purchased Technical Services	11-000-252-340	50,946	130,027	180,973	180,973	-
Other Purchased Services (400-500 series)	11-000-252-500	76,988	39,617	116,605	112,044	4,561
Supplies & Materials	11-000-252-600	19,000	(11,388)	7,612	4,449	3,163
Other Objects	11-000-252-800	1,000	-	1,000	879	121
Total Administrative Information Technology		315,041	92,750	407,791	393,850	13,941

EXHIBIT C-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Allowance Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	350,323	128,417	478,740	290,163	188,577
General Supplies	11-000-261-610	70,000	4,693	74,693	70,905	3,788
Total Allowance Maintenance for School Facilities		420,323	133,110	553,433	361,068	192,365
Custodial Services:						
Salaries	11-000-262-100	1,114,286	(201,939)	912,347	909,924	2,423
Purchased Professional and Technical Services	11-000-262-300	5,000	43,196	48,196	43,196	5,000
Cleaning, Repair & Maintenance Services	11-000-262-420	85,000	58,898	143,898	116,138	27,760
Rental of Land Bldg. Other than Lease Purchase Agreement	11-000-262-441	240,000	-	240,000	240,000	-
Other Purchased Property Services	11-000-262-490	39,500	(11,374)	28,126	14,900	13,226
Insurance	11-000-262-520	214,088	(22,000)	192,088	191,854	234
Miscellaneous Purchased Services	11-000-262-590	42,200	(21,339)	20,861	3,229	17,632
General Supplies	11-000-262-610	132,750	8,954	141,704	134,389	7,315
Energy (Natural Gas)	11-000-262-621	165,000	40,826	205,826	205,826	-
Energy (Electricity)	11-000-262-622	500,000	(6,688)	493,312	485,113	8,199
Energy (Oil)	11-000-262-624	3,000	3,655	6,655	5,724	931
Energy (Gasoline)	11-000-262-626	1,000	-	1,000	-	1,000
Other Objects	11-000-262-800	5,000	-	5,000	4,263	737
Total Custodial Services		2,546,824	(107,811)	2,439,013	2,354,556	84,457
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	176,647	(32,432)	144,215	115,484	28,731
Cleaning, Repair & Maintenance Services	11-000-263-420	100,000	71,099	171,099	101,561	69,538
General Supplies	11-000-263-610	45,000	30,585	75,585	64,171	11,414
Total Care & Upkeep of Grounds		321,647	69,252	390,899	281,216	109,683
Security:						
Salaries	11-000-266-100	105,327	49,562	154,889	148,048	6,841
Purchased Professional and Technical Services	11-000-266-300	104,000	(516)	103,484	102,154	1,330
General Supplies	11-000-266-610	3,000	(2,024)	976	520	456
Total Security		212,327	47,022	259,349	250,722	8,627
Total Operation & Maintenance of Plant Services		3,501,121	141,573	3,642,694	3,247,562	395,132
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	383,421	(68,318)	315,103	286,068	29,035
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,297,704	(58,242)	1,239,462	1,150,113	89,349
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	684,710	(58,360)	626,350	574,984	51,366
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	110,000	112,113	222,113	197,292	24,821
Salaries of Pupil Transportation (Between Home & School) - Non-Public Schools	11-000-270-163	67,408	-	67,408	34,004	33,404
Purchased Professional and Technical Services	11-000-270-390	275,000	32,143	307,143	254,337	52,806
Cleaning, Repair & Maintenance Services	11-000-270-420	100,000	(51,930)	48,070	14,091	33,979
Rental Payments - School Buses	11-000-270-442	-	5,000	5,000	5,000	-
Aid in Lieu of Payments - Nonpublic	11-000-270-503	100,000	7,573	107,573	89,707	17,866
Aid in Lieu of Payments - Choice Schools	11-000-270-505	8,000	-	8,000	3,638	4,362
Contracted Services Between Home & School - Vendors	11-000-270-511	-	61,495	61,495	61,495	-
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	25,000	91,562	116,562	114,517	2,045
Contracted Services (Special Education Students) - Vendors	11-000-270-514	250,000	153,327	403,327	391,972	11,355
Miscellaneous Purchased Services - Transportation	11-000-270-593	112,800	(75,451)	37,349	27,672	9,677
Transportation Supplies	11-000-270-615	637,500	(59,133)	578,367	528,654	49,713
Other Objects	11-000-270-800	4,000	29	4,029	3,738	291
Total Student Transportation Services		4,055,543	91,808	4,147,351	3,737,282	410,069

EXHIBIT C-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Allocated Benefits:						
Custodial Services:						
Other Employee Benefits	11-000-262-290	23,600	(10,000)	13,600	8,470	5,130
Total Custodial Services		23,600	(10,000)	13,600	8,470	5,130
Student Transportation Services:						
Social Security Contributions	11-000-270-220	181,002	-	181,002	148,906	32,096
Health Benefits	11-000-270-270	1,775,644	(274,405)	1,501,239	1,474,508	26,731
Other Employee Benefits	11-000-270-290	11,750	2,823	14,573	14,237	336
Total Student Transportation Services		1,968,396	(271,582)	1,696,814	1,637,651	59,163
Total Allocated Benefits		1,991,996	(281,582)	1,710,414	1,646,121	64,293
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	315,217	16,688	331,905	315,677	16,228
Other Retirement Benefits - PERS	11-000-291-241	764,000	(1,369)	762,631	754,256	8,375
Unemployment Compensation	11-000-291-250	20,000	(19,503)	497	-	497
Worker's Compensation	11-000-291-260	186,800	19,056	205,856	205,856	-
Health Benefits	11-000-291-270	4,044,020	(16,184)	4,027,836	3,847,762	180,074
Tuition Reimbursement	11-000-291-280	40,000	14,112	54,112	35,976	18,136
Other Employee Benefits	11-000-291-290	118,000	100,166	218,166	218,076	90
Total Unallocated Benefits - Employee Benefits		5,488,037	112,966	5,601,003	5,377,603	223,400
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	4,441,100	(4,441,100)
On-Behalf TPAF Post-Retirement Medical Contribution		-	-	-	1,297,693	(1,297,693)
On-Behalf TPAF Long Term Disability Insurance Contribution		-	-	-	1,684	(1,684)
Reimbursed TPAF Social Security Contribution		-	-	-	954,515	(954,515)
Total Nonbudgeted		-	-	-	6,694,992	(6,694,992)
Total Undistributed Expenditures		23,994,852	224,424	24,219,276	29,093,903	(4,874,627)
Increase in Maintenance Reserve	10-606	200	-	200	-	200
Total Expenditures - Current Expense		37,708,806	565,808	38,274,614	42,428,654	(4,154,040)
Capital Outlay:						
Equipment:						
Regular Programs - Instruction:						
School Sponsored & Other Instructional Programs	12-402-100-730	-	19,809	19,809	-	19,809
Undistributed Expenditures:						
Custodial Services	12-000-262-730	-	118,838	118,838	21,103	97,735
Student Transportation:						
School Buses - Regular	12-000-270-733	150,000	816,635	966,635	563,608	403,027
School Buses - Special	12-000-270-734	-	293,876	293,876	143,876	150,000
Total Equipment		150,000	1,249,158	1,399,158	728,587	670,571
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on Construction Services	12-000-400-450		302,644	302,644	-	302,644
Assessment for Debt Service on SDA Funding	12-000-400-896	175	-	175	175	-
Total Facilities Acquisition & Construction Services		175	302,644	302,819	175	302,644

EXHIBIT C-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025 ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Assets Acquired Through Financing (Nonbudgeted):						
Instruction		-	-	-	236,682	(236,682)
Total Assets Acquired Through Financing (Nonbudgeted)		-	-	-	236,682	(236,682)
Increase in Capital Reserve	10-604	200	-	200		200
Total Capital Outlay		150,375	1,551,802	1,702,177	965,444	736,733
Total Expenditures		37,859,181	2,117,610	39,976,791	43,394,098	(3,417,307)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,270,816)	(2,117,610)	(3,388,426)	1,453,580	4,842,006
Other Financing Sources/(Uses):						
Transfer of Fund to Charter Schools	10-000-100-56X	(230,000)	19,190	(210,810)	(146,136)	64,674
Transfers From Internal Service Fund		-	-	-	47,406	47,406
Loan Proceeds (Nonbudgeted)		-	-	-	236,682	236,682
Transfer of Capital Reserve to Capital Projects		-	-	-	(660,763)	(660,763)
Total Other Financing Sources/(Uses)		(230,000)	19,190	(210,810)	(522,811)	(312,001)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		(1,500,816)	(2,098,420)	(3,599,236)	930,769	4,530,005
Fund Balances, July 1		6,985,153	-	6,985,153	6,985,153	-
Fund Balances, June 30		$ 5,484,337	$ (2,098,420)	$ 3,385,917	$ 7,915,922	$ 4,530,005

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	$ 1,535,941
Insurance Proceeds	562,479
Total	$ 2,098,420

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	$ 1,418,766
Maintenance Reserve	926,436
Unemployment Compensation	236,654
Excess Surplus	1,804,574
Excess Surplus Designated for Subsequent Year's Expenditures	1,209,162
Assigned to:	
Year-End Encumbrances	1,052,654
Designated for Subsequent Year's Expenditures	192,950
Unassigned Fund Balance	1,074,726
Subtotal	7,915,922
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	(1,453,665)
Fund Balance Per Governmental Funds (GAAP)	$ 6,462,257

EXHIBIT C-2

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	POSITIVE/ FINAL TO ACTUAL
Revenues:					
Federal Sources	$ 595,443	$ 1,702,963	$ 2,298,406	$ 1,998,479	$ (299,927)
State Sources	110,722	426,639	537,361	472,881	(64,480)
Local Sources	600,000	8,000	608,000	815,165	207,165
Total Revenues	1,306,165	2,137,602	3,443,767	3,286,525	(157,242)
Expenditures:					
Instruction:					
Purchased Professional Technical Services	318,625	(107,260)	211,365	200,441	10,924
Tuition	351,369	114,017	465,386	465,386	-
General Supplies	-	216,470	216,470	203,839	12,631
Textbooks	10,128	822	10,950	10,950	-
Total Instruction	680,122	224,049	904,171	880,616	23,555
Support Services:					
Salaries	26,043	416,806	442,849	210,540	232,309
Salaries of Other Professional Staff	-	101,527	101,527	95,507	6,020
Employee Benefits	-	41,440	41,440	28,365	13,075
Purchased Professional Services	-	416,658	416,658	381,035	35,623
Other Purchased Services	-	554,427	554,427	512,676	41,751
Supplies and Materials	-	199,434	199,434	187,360	12,074
Student Activities	525,000	-	525,000	715,673	(190,673)
Scholarship	75,000	-	75,000	74,994	6
Total Support Services	626,043	1,730,292	2,356,335	2,206,150	150,185
Facilities Acquisition & Construction Services:					
Building	-	103,940	103,940	103,940	-
Instructional Equipment	-	3,546	3,546	3,546	-
Non-Instructional Equipment	-	75,775	75,775	75,775	-
Total Facilities Acquisition & Construction Services	-	183,261	183,261	183,261	-
Total Expenditures	1,306,165	2,137,602	3,443,767	3,270,027	173,740
Total Outflows	1,306,165	2,137,602	3,443,767	3,270,027	173,740
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	16,498	16,498
Fund Balance, July 1	785,205	-	785,205	785,205	-
Fund Balance, June 30	$ 785,205	$ -	$ 785,205	$ 801,703	$ 16,498

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Student Activities	$ 495,486
Scholarship	306,217
	$ 801,703

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

EXHIBIT C-3

DELSEA REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2025

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" From the Budgetary Comparison Schedule (C-Series)	$ 44,847,678	$ 3,286,525
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	33,839
Current Year	-	(84,433)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,430,989	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,453,665)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	$ 44,825,002	$ 3,235,931
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	$ 43,394,098	$ 3,270,027
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for *budgetary* purposes, but in the year the supplies are received for *financial reporting* purposes.		
Prior Year	-	33,839
Current Year	-	(84,433)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	$ 43,394,098	$ 3,219,433

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

EXHIBIT L-1

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

	Measurement Date Ending June 30,									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
School District's proportion of the net pension liability	0.05543%	0.04933%	0.04849%	0.05274%	0.05107%	0.05199%	0.05814%	0.05641%	0.05781%	0.06170%
School District's proportionate share of the net pension liability	$ 7,531,860	$7,145,446	$ 7,317,770	$ 6,247,442	$ 8,327,868	$ 9,367,169	$ 11,448,047	$ 13,130,859	$ 17,122,071	$ 13,849,329
District's covered-employee payroll	$ 4,226,082	$ 4,252,191	$ 3,631,219	$ 3,600,344	$ 3,796,870	$ 3,638,651	$ 3,730,002	$ 3,945,064	$ 3,941,737	$ 4,815,991
School District's proportionate share of the net pension liability as a percentage of its covered payroll	178.22%	168.04%	201.52%	173.52%	219.34%	257.44%	306.92%	332.84%	434.38%	287.57%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

EXHIBIT L-2

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

	Fiscal Year Ending June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Contractually required contribution	$ 754,248	$ 659,337	$ 611,479	$ 617,607	$ 558,659	$ 505,675	$ 578,334	$ 552,559	$ 513,588	$ 530,413
Contributions in relation to the contractually required contribution	(754,248)	(659,337)	(611,479)	(617,607)	(558,659)	(505,675)	(578,334)	(552,559)	(513,588)	(530,413)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 4,080,893	$4,226,082	$4,252,191	$ 3,631,219	$ 3,600,344	$ 3,796,870	$ 3,638,651	$3,730,002	$ 3,945,064	$ 3,941,737
Contributions as a percentage of covered-employee payroll	18.48%	15.60%	14.38%	17.01%	15.52%	13.32%	15.89%	14.81%	13.02%	13.46%

EXHIBIT L-3

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

	Measurement Date Ending June 30,									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with the School District	52,091,737	54,735,167	56,231,506	53,414,636	74,447,717	69,990,718	71,780,827	76,146,600	90,964,073	71,703,114
	$ 52,091,737	$ 54,735,167	$ 56,231,506	$53,414,636	$ 74,447,717	$69,990,718	$ 71,780,827	$ 76,146,600	$ 90,964,073	$ 71,703,114
District's covered-employee payroll	$ 12,918,708	$ 12,563,458	$ 12,425,492	$ 12,319,248	$ 12,291,724	$ 12,082,874	$ 12,019,686	$ 11,739,889	$ 11,739,889	$ 12,181,522
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

EXHIBIT L-4

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

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

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

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

	Measurement Period Ending June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability Associated with the District								
Service Cost	$ 2,579,088	$ 2,587,765	$ 3,334,039	$ 3,898,772	$ 2,182,891	$ 2,280,930	$ 2,620,451	$ 3,150,773
Interest Cost	2,771,709	2,579,057	1,900,547	2,194,861	2,125,987	2,583,733	2,816,602	2,424,839
Differences between Expected and Actual	1,365,902	(1,856,261)	2,932,172	(16,193,449)	16,733,981	(9,973,262)	(7,783,464)	-
Changes of Benefit Terms	-	-	-	(90,057)	-	-	-	-
Changes of Assumptions	6,299,382	147,601	(19,238,398)	83,474	17,606,919	885,155	(7,500,156)	(9,751,384)
Contributions: Member	72,481	66,092	60,393	56,112	50,862	54,020	60,402	65,580
Gross Benefit Payments	(2,116,799)	(2,010,417)	(1,882,548)	(1,728,936)	(1,678,049)	(1,822,365)	(1,747,649)	(1,780,977)
Net Change in Total OPEB Liability Associated with District	10,971,763	1,513,837	(12,893,795)	(11,779,223)	37,022,591	(5,991,789)	(11,533,814)	(5,891,169)
Total OPEB Liability Associated with District (Beginning)	73,229,603	71,715,766	84,609,561	96,388,784	59,366,193	65,357,982	76,891,796	82,782,965
Total OPEB Liability Associated with District (Ending)	$ 84,201,366	$73,229,603	$ 71,715,766	$ 84,609,561	$96,388,784	$ 59,366,193	$ 65,357,982	$ 76,891,796
District's Covered Employee Payroll	$ 17,144,790	$ 16,815,649	$ 16,056,711	$ 15,919,592	$ 16,088,594	$ 15,721,525	$ 15,749,688	$ 15,684,953
Net OPEB Liability Associated with District as a Percentage of Payroll	491.12%	435.48%	446.64%	531.48%	599.11%	377.61%	414.98%	490.23%

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

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.65% as of June 30, 2023, to 3.93% as of June 30, 2024.

OTHER SUPPLEMENTARY INFORMATION

E. Special Revenue Fund

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	NONPUBLIC NURSING SERVICES	AUXILIARY SERVICES NONPUBLIC TRANSPORTATION	AUXILIARY SERVICES NONPUBLIC HOME INSTRUCTION	NONPUBLIC SUPPLEMENTAL INSTRUCTION	NONPUBLIC EXAM & CLASSIFICATION	NONPUBLIC TEXTBOOKS	NONPUBLIC SECURITY	NONPUBLIC TECHNOLOGY	SREP GRANT	SDA EMERG. & CAPITAL NEEDS GRANT	SUBTOTAL
Revenues:											
State Sources	$ 28,470	$ 2,318	$ 3,410	$ 18,502	$ 28,446	$ 10,950	$ 44,895	$ 10,659	$ 99,728	$ 83,815	$ 331,193
Total Revenues	$ 28,470	$ 2,318	$ 3,410	$ 18,502	$ 28,446	$ 10,950	$ 44,895	$ 10,659	$ 99,728	$ 83,815	$ 331,193
Expenditures:											
Instruction:											
Salaries of Teachers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchased Professional / Technical Services	-	-	3,410	18,502	28,446	-	-	-	-	-	50,358
Other Purchased Services	-	-	-	-	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	10,950	-	-	-	-	10,950
Total Instruction	-	-	3,410	18,502	28,446	10,950	-	-	-	-	61,308
Support Services:											
Salaries	-	-	-	-	-	-	-	-	-	-	-
Purchased Professional Services	28,470	-	-	-	-	-	-	-	99,728	-	128,198
Other Purchased Services	-	2,318	-	-	-	-	44,895	10,659	-	-	57,872
Supplies & Materials	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	28,470	2,318	-	-	-	-	44,895	10,659	99,728	-	186,070
Facilities Acquisition & Construction Services:											
Building	-	-	-	-	-	-	-	-	-	83,815	83,815
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	-	-	-	83,815	83,815
Total Expenditures	$ 28,470	$ 2,318	$ 3,410	$ 18,502	$ 28,446	$ 10,950	$ 44,895	$ 10,659	$ 99,728	$ 83,815	$ 331,193

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	TITLE I PART A	TITLE II - PART A	TITLE IV	I.D.E.A. - PART B	SUBTOTAL
Revenues:					
Federal Sources	$ 204,096	$ 33,779	$ 22,307	$ 589,486	$ 849,668
Total Revenues	$ 204,096	$ 33,779	$ 22,307	$ 589,486	$ 849,668
Expenditures:					
Instruction:					
Salaries of Teachers	$ -	$ -	$ -	$ -	$ -
Purchased Professional Services	-	-	-	124,100	124,100
Tuition	-	-	-	465,386	465,386
General Supplies	108,078	-	194	-	108,272
Total Instruction	108,078	-	194	589,486	697,758
Support Services:					
Salaries	89,239	11,370	6,775	-	107,384
Employee Benefits	6,779	870	518	-	8,167
Purchased Professional Services	-	9,699	2,775	-	12,474
Other Purchased Services	-	9,370	7,078	-	16,448
Supplies & Materials	-	2,470	4,967	-	7,437
Other Objects	-	-	-	-	-
Total Support Services	96,018	33,779	22,113	-	151,910
Total Expenditures	$ 204,096	$ 33,779	$ 22,307	$ 589,486	$ 849,668

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	PERKINS	STONGER CONNECTIONS	TEACHER CLIMATE & CULTURE	ARTIFICIAL INTELLIGENCE	ARP ESSER III	ARP ACCEL. LEARNING	ARP MENTAL HEALTH	ARP BEYOND THE DAY	OTHER LOCAL GRANTS	STUDENT ACTIVITIES	SCHOLARSHIP	TOTALS
Revenues:												
Federal Sources	$ 88,457	$ 827,846	$ -	$ -	$ 88,754	$ 92,571	$ 11,183	$ 40,000	$ -	$ -	$ -	$ 1,998,479
State Sources	-	-	125,000	16,688	-	-	-	-	-	-	-	472,881
Local Sources	-	-	-	-	-	-	-	-	8,000	732,849	74,316	815,165
Total Revenues	$ 88,457	$ 827,846	$ 125,000	$ 16,688	$ 88,754	$ 92,571	$ 11,183	$ 40,000	$ 8,000	$ 732,849	$ 74,316	$ 3,286,525
Expenditures:												
Instruction:												
Salaries of Teachers	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Purchased Professional/ Technical Services	15,983	-	10,000	-	-	-	-	-	-	-	-	200,441
Tuition	-	-	-		-	-	-	-	-	-	-	465,386
Other Purchased Services	-	-	-	-	-	-	-	-	-	-	-	-
General Supplies	62,668	16,467	-	16,432	-	-	-	-	-	-	-	203,839
Textbooks	-	-	-	-	-	-	-	-	-	-	-	10,950
Total Instruction	78,651	16,467	10,000	16,432	-	-	-	-	-	-	-	880,616
Support Services:												
Salaries	-	26,006	77,150	-	-	-	-	-	-	-	-	210,540
Salaries - Principals	-	95,507	-	-	-	-	-	-		-	-	95,507
Employee Benefits	-	14,296	5,902	-	-	-	-	-	-	-	-	28,365
Purchased Professional Services	6,260	139,220		-	-	83,700	11,183	-	-	-	-	381,035
Other Purchased Services	-	424,228	14,128	-	-	-	-	-	-	-	-	512,676
Supplies & Materials	-	36,347	17,820	256	68,629	8,871	-	40,000	8,000	-	-	187,360
Other Objects	-	-	-	-	-	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	715,673	-	715,673
Scholarship	-	-	-	-	-	-	-	-	-	-	74,994	74,994
Total Support Services	6,260	735,604	115,000	256	68,629	92,571	11,183	40,000	8,000	715,673	74,994	2,206,150
Facilities Acquisition & Construction Services:												
Building	-	-	-	-	20,125	-	-	-	-	-	-	103,940
Instructional Equipment	3,546	-	-	-	-	-	-	-	-	-	-	3,546
Non-Instructional Equipment	-	75,775	-	-	-	-	-	-	-	-	-	75,775
Total Facilities Acquisition & Construction Services	3,546	75,775	-	-	20,125	-	-	-	-	-	-	183,261
Total Expenditures	88,457	827,846	125,000	16,688	88,754	92,571	11,183	40,000	8,000	715,673	74,994	3,270,027
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	17,176	(678)	16,498
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	478,310	306,895	785,205
Fund Balance, June 30	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 495,486	$ 306,217	$ 801,703

F. Capital Projects Fund

EXHIBIT F-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2025

PROJECT TITLE	ORIGINAL DATE	REVISED BUDGETARY APPROPRIATIONS	EXPENDITURES PRIOR YEAR	EXPENDITURES CURRENT YEAR	TRANSFER TO OTHER PROJECTS	UNEXPENDED BALANCE JUNE 30, 2025
Middle School Special Education Classrooms (SCSE) Wing Addition	11/5/2014	$ 1,713,213	$ 1,705,377	$ -	$ (7,836)	$ -
Middle School Roof Replacement, HVAC System and Electrical System Upgrades	11/5/2014	7,554,343	7,542,178	-	(12,165)	-
Toitlet Room Addition and Fieldhouse	2/2/2022	3,835,859	3,855,860	-	20,001	-
Total		$ 13,103,415	$ 13,103,415	$ -	$ -	$ -

EXHIBIT F-2

DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

Revenues and Other Financing Sources:	
Transfer from Capital Reserve	$ 660,763
Transfer From Other Projects	20,001
Total Revenues	680,764
Expenditures & Other Financing Uses:	
Transfer To Other Projects	20,001
Total Expenditures & Other Financing Sources/(Uses)	20,001
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	660,763
Fund Balance - Beginning	(660,763)
Fund Balance - Ending	$ -

EXHIBIT F-2a

DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MIDDLE SCHOOL SPECIAL EDUCATION CLASSROOM (SCSE) WING ADDITION
YEAR ENDED JUNE 30, 2025

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

ADDITIONAL PROJECT INFORMATION

Project Number	4940-060-14-1004
Grant Date	11/5/2014
Bond Authorization Date	11/5/2014
Bonds Authorized	$ 1,399,486
Bonds Issued	$ 1,399,465
Original Authorized Cost	$ 1,743,750
Additional Authorized Cost	$ -
Transfer of Bond Funds	$ (30,537)
Revised Authorized Cost	$ 1,713,213
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	August 2016
Revised Target Completion Date	August 2017

EXHIBIT F-2b

DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MIDDLE SCHOOL ROOF REPLACEMENT, HVAC SYSTEM AND ELECTRICAL SYSTEM UPGRADES
YEAR ENDED JUNE 30, 2025

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

ADDITIONAL PROJECT INFORMATION

Project Number	4940-060-13-1003
Grant Date	11/5/2014
Bond Authorization Date	11/5/2014
Bonds Authorized	$ 3,962,459
Bonds Issued	$ 3,962,459
Original Authorized Cost	$ 8,216,250
Additional Authorized Cost	$ -
Transfer of Bond Funds	$ (661,907)
Revised Authorized Cost	$ 7,554,343
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	August 2015
Revised Target Completion Date	August 2017

EXHIBIT F-2c

DELSEA REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
TOILET ROOM ADDITION AND FIELD HOUSE
YEAR ENDED JUNE 30, 2025

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	$ 3,175,096	$ 660,763	$ 3,835,859	$ 3,835,859
Transfer From Other Projects	-	20,001	20,001	20,001
Total Revenues	3,175,096	680,764	3,855,860	3,855,860
Expenditures & Other Financing Uses:				
Engineer/Architect	126,222	-	126,222	-
Other Professional/Technical Services	-	-	-	272,096
Construction Services	3,691,902	-	3,691,902	2,853,000
Supplies	37,323	-	37,323	50,000
Other Objects	413		413	-
Total Expenditures	3,855,860	-	3,855,860	3,175,096
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	$ (680,764)	$ 680,764	$ -	$ 680,764

ADDITIONAL PROJECT INFORMATION

Project Number	4940-050-22-1000
Original Authorized Cost	$ 3,835,859
Revised Authorized Cost	$ 3,835,859
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	August 2023
Revised Target Completion Date	August 2023

G. Proprietary Funds

Enterprise Funds

EXHIBIT G-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES FOOD SERVICE FUND	TOTAL
ASSETS		
Current Assets:		
Cash & Cash Equivalents	$ 347,645	$ 347,645
Accounts Receivable:		
State	1,118	1,118
Federal	17,633	17,633
Other	27,728	27,728
Inventory	18,730	18,730
Total Current Assets	412,854	412,854
Noncurrent Assets:		
Furniture, Machinery & Equipment	608,687	608,687
Less: Accumulated Depreciation	(497,714)	(497,714)
Total Noncurrent Assets	110,973	110,973
Total Assets	523,827	523,827
LIABILITIES		
Current Liabilities:		
Accounts Payable	52,106	52,106
Unearned Revenue	16,196	16,196
Interfund Payable	91,847	91,847
Total Current Liabilities	160,149	160,149
NET POSITION		
Investment in Capital Assets	110,973	110,973
Unrestricted	252,705	252,705
Total Net Position	$ 363,678	$ 363,678

EXHIBIT G-2

DELSEA REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES FOOD SERVICE FUND	TOTAL
Local Sources:		
Daily Sales - Reimbursable Programs	$ 154,169	$ 154,169
Daily Sales Nonreimbursable Programs	193,223	193,223
Special Functions	24,661	24,661
Miscellaneous	45,190	45,190
Total Operating Revenue	417,243	417,243
Operating Expenses:		
Salaries - FSMC	301,082	301,082
Employee Benefits - FSMC	58,711	58,711
Supplies and Materials	34,428	34,428
Management Fee	56,560	56,560
Depreciation	17,444	17,444
Miscellaneous	25,438	25,438
Cost of Sales - Reimburseable Programs	216,642	216,642
Cost of Sales - Non-Reimburseable Programs	127,581	127,581
Total Operating Expenses	837,886	837,886
Operating/(Loss)/Gain	(420,643)	(420,643)
Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program	9,383	9,383
State School Breakfast Program	697	697
State NJEIE Lunch	7,627	7,627
State NJEIE Breakfast	1,512	1,512
State SEBT	322	322
Federal Sources:		
National School Lunch Program	239,869	239,869
National School Breakfast Program	52,828	52,828
Healthy Hunger-Free Kids Act	9,432	9,432
Supply Chain Assistance Funds	1,777	1,777
Local Food for Schools Cooperative Agreement Program	5,306	5,306
Pandemic EBT Administrative Costs	322	322
Food Distribution Program	57,288	57,288
Interest & Investment Revenue	212	212
Total Nonoperating Revenues/ (Expenses)	386,575	386,575
Net Income/(Loss)	(34,068)	(34,068)
Net Position - Beginning	397,746	397,746
Total Net Position - Ending	$ 363,678	$ 363,678

EXHIBIT G-3

DELSEA REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES FOOD SERVICE FUND	TOTAL
Cash Flows From Operating Activities:		
Receipts from Customers	$ 408,717	$ 408,717
Payments to Suppliers	(424,174)	(424,174)
Payments to Employees	(296,137)	(296,137)
Payments for Employee Benefits	(58,711)	(58,711)
Net Cash Provided/(Used) by Operating Activities	(370,305)	(370,305)
Cash Flows From Capital Financing Activities:		
Purchase of Equipment	(20,710)	(20,710)
Net Cash Used by Capital Financing Activities	(20,710)	(20,710)
Cash Flows From Non-Capital Financing Activities:		
Cash Received from State & Federal Reimbursements	323,592	323,592
Net Cash Provided by Non-Capital Financing Activities	323,592	323,592
Cash Flows From Investing Activities:		
Interest Income	212	212
Net Cash Provided by Investing Activities	212	212
Net Increase/(Decrease) in Cash & Cash Equivalents	(67,211)	(67,211)
Cash & Cash Equivalents, July 1	414,856	414,856
Cash & Cash Equivalents, June 30	$ 347,645	$ 347,645
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:		
Operating Income/(Loss)	$ (420,643)	$ (420,643)
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:		
Depreciation Expense	17,444	17,444
Food Distribution Program	57,288	57,288
Change in Assets & Liabilities:		
(Increase)/Decrease in Accounts Receivable	644	644
(Increase)/Decrease in Inventory	1,785	1,785
Increase/(Decrease) in Unearned Revenue	(9,170)	(9,170)
Increase/(Decrease) in Interfunds Payable	(22,598)	(22,598)
Increase/(Decrease) in Accounts Payble	4,945	4,945
Total Adjustments	50,338	50,338
Net Cash Provided/(Used) by Operating Activities	$ (370,305)	$ (370,305)

Internal Service Fund

EXHIBIT G-4

DELSEA REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES	
ASSETS	**INTERNAL SERVICE FUND**	**TOTAL**
Current Assets:		
Receivables from Other Governments	$ 574,996	$ 574,996
Total Assets	574,996	574,996
LIABILITIES		
Interfunds Payable	561,621	561,621
Accounts Payable	3,250	3,250
Total Liabilities	564,871	564,871
NET POSITION		
Unrestricted	10,125	10,125
Total Net Position	$ 10,125	$ 10,125

EXHIBIT G-5

DELSEA REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND	TOTAL
OPERATING REVENUES:		
Charges for Services:		
Services provided to other LEA's	$ 1,226,577	$ 1,226,577
Total Operating Revenue	1,226,577	1,226,577
OPERATING EXPENSES:		
Salaries	601,252	601,252
Social Security	47,214	47,214
Employee Benefits	186,787	186,787
Other Professional/Technical Services	248,780	248,780
Cleaning, Repair & Maintenance Services	3,079	3,079
Contracted Services (Aid in Lieu)	30,872	30,872
General Supplies	51,139	51,139
Communications/Telephone	7,556	7,556
Oil	980	980
Electricity	949	949
Miscellaneous	563	563
Total Operating Expenses	1,179,171	1,179,171
Total Operating Income/(Loss)	47,406	47,406
Nonoperating Revenues/(Expenses):		
Transfers Out	(47,406)	(47,406)
Total Nonoperating Revenues/ (Expenses)	(47,406)	(47,406)
Net Income/(Loss)	-	-
Total Net Position - July 1	10,125	10,125
Total Net Position - June 30	$ 10,125	$ 10,125

EXHIBIT G-6

DELSEA REGIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND	TOTAL
Cash Flows From Operating Activities:		
Receipts from Customers	$ 1,035,799	$ 1,035,799
Payments to Suppliers	(153,140)	(153,140)
Payments to Employees	(601,252)	(601,252)
Payments for Employee Benefits	(234,001)	(234,001)
Net Cash Provided/(Used) by Operating Activities	47,406	47,406
Cash Flows from Noncapital Financing Activities:		
Operating Subsidies and Transfers to General Fund	(47,406)	(47,406)
Net Cash Provided/(Used) for Noncapital Financing Activities	(47,406)	(47,406)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	-
Cash & Cash Equivalents, July 1	-	-
Cash & Cash Equivalents, June 30	$ -	$ -

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

Reconciliation of Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	$ 47,406	$ 47,406
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:		
Change in Assets & Liabilities:		
(Increase)/Decrease in Accounts Receivable	(190,778)	(190,778)
Increase/(Decrease) in Accounts Payable	-	-
Increase/(Decrease) in Interfunds Payable	190,778	190,778
Total Adjustments	-	-
Net Cash Provided/(Used) by Operating Activities	$ 47,406	$ 47,406

I. Long-Term Debt

EXHIBIT I-1

DELSEA REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2025

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY DATE	ANNUAL MATURITY AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2024	RETIRED	BALANCE JUNE 30, 2025
Improvements and renovations to the middle school and high school	2/15/2015	$ 10,581,000	08/01/25	$ 430,000	3.000%	$ 7,476,000	$ 420,000	$7,056,000
			08/01/26	450,000	3.000%			
			08/01/27-32	475,000	3.000%			
			08/01/33-35	475,000	3.125%			
			08/01/36-38	475,000	3.250%			
			08/01/39	476,000	3.250%			
					Total	$ 7,476,000	$ 420,000	$ 7,056,000

EXHIBIT I-2

DELSEA REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF FINANCED PURCHASES PAYABLE
JUNE 30, 2025

PURPOSE	DATE OF LEASE	TERM OF LEASE	ORIGINAL PRINCIPAL	ORIGINAL INTEREST	INTEREST RATE	BALANCE JUNE 30, 2024	ISSUED	RETIRED	BALANCE JUNE 30, 2025
40 Promethean Boards	7/1/2019	5 Years	$ 131,600	$ 25,077	5.90%	$ 8,042	$ -	$ 8,042	$ -
Computer Equipment	9/1/2021	5 Years	269,770	23,362	4.25%	110,048	-	53,857	56,191
Computer Equipment	7/1/2022	5 Years	123,978	11,766	4.75%	74,280	-	23,620	50,660
Computer Equipment	7/1/2022	5 Years	202,328	16,429	4.06%	121,269	-	38,824	82,445
Chromebooks	7/1/2022	3 Years	290,090	11,633	4.00%	96,646	-	96,646	-
Network Equipment	7/1/2022	5 Years	154,826	20,043	4.20%	95,278	-	30,913	64,365
45 Promethean Boards	7/1/2022	5 Years	205,092	17,322	2.77%	125,198	-	40,988	84,210
44 Bromethean Boards	8/2/2023	5 Years	221,490	9,751	2.25%	173,965	-	43,596	130,369
Dell Computers	7/1/2023	5 Years	189,380	27,309	5.57%	146,042	-	32,782	113,260
Chromebooks	7/1/2023	3 Years	240,828	20,047	7.58%	153,870	-	73,774	80,096
Computer Equipment	9/1/2024	5 Years	17,682	2,345	5.67%	-	17,682	4,005	13,677
Chromebooks	9/1/2024	3 Years	219,000	16,218	7.41%	-	219,000	78,406	140,594
					Total	$ 1,104,638	$ 236,682	$ 525,453	$ 815,867

EXHIBIT I-3

DELSEA REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025				POSITIVE/ NEGATIVE
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	$ 644,514	$ -	$ 644,514	$ 644,514	$ -
Total Revenues	644,514	-	644,514	644,514	-
Expenditures:					
Regular Debt Service:					
Interest	224,514	-	224,514	224,514	-
Principal	420,000	-	420,000	420,000	-
Total Expenditures	644,514	-	644,514	644,514	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	(198)	-	(198)	(198)	-
Fund Balance, June 30	$ (198)	$ -	$ (198)	$ (198)	$ -

STATISTICAL SECTION (Unaudited)

Financial Trends Information

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

EXHIBIT J-1

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

	FISCAL YEAR ENDING JUNE 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Governmental Activities:										
Net Investment in,										
Capital Assets	$ 24,427,937	$ 25,199,319	$ 24,707,519	$ 24,696,694	$ 25,194,575	$ 26,649,674	$ 27,192,201	$ 28,304,260	$ 28,386,542	$ 20,087,435
Restricted	6,397,097	4,248,866	5,390,078	7,278,138	5,921,622	5,578,630	5,272,827	6,122,634	6,505,723	12,061,889
Unrestricted	(7,332,545)	(7,291,504)	(7,697,881)	(10,380,301)	(10,805,752)	(15,010,610)	(15,444,617)	(101,322,900)	(14,053,996)	(10,499,398)
Total Governmental Activities Net Position	$ 23,492,489	$ 22,156,681	$ 22,399,716	$ 21,594,531	$ 20,310,445	$ 17,217,694	$ 17,020,411	$ (66,896,006)	$ 20,838,269	$ 21,649,926
Business-Type Activities:										
Net Investment in,										
Capital Assets	$ 110,973	$ 107,707	$ 124,116	$ 72,038	$ 30,054	$ 36,011	$ 39,053	$ 42,128	$ 45,710	$ 6,894
Unrestricted	252,705	290,039	275,498	296,463	235,551	188,623	168,712	123,057	135,904	146,688
Total Business-Type Activities Net Position	$ 363,678	$ 397,746	$ 399,614	$ 368,501	$ 265,605	$ 224,634	$ 207,765	$ 165,185	$ 181,614	$ 153,582
District-Wide:										
Net Investment in,										
Capital Assets	$ 24,538,910	$ 25,307,026	$ 24,831,635	$ 24,768,732	$ 25,224,629	$ 26,685,685	$ 27,231,254	$ 28,346,388	$ 28,432,252	$ 20,094,329
Restricted	6,397,097	4,248,866	5,390,078	7,278,138	5,921,622	5,578,630	5,272,827	6,122,634	6,505,723	12,061,889
Unrestricted	(7,079,840)	(7,001,465)	(7,422,383)	(10,083,838)	(10,570,201)	(14,821,987)	(15,275,905)	(101,199,843)	(13,918,092)	(10,352,710)
Total District Net Position	$ 23,856,167	$ 22,554,427	$ 22,799,330	$ 21,963,032	$ 20,576,050	$ 17,442,328	$ 17,228,176	$ (66,730,821)	$ 21,019,883	$ 21,803,508

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

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities										
Instruction:										
Regular	$ 10,617,239	$ 10,766,460	$ 11,060,313	$ 9,859,271	$ 8,526,073	$ 9,032,728	$ 8,852,199	$ 8,889,722	$ 8,623,669	$ 8,363,282
Special Education	1,536,507	1,463,397	1,269,094	2,615,816	2,108,260	2,242,305	2,345,504	2,526,822	2,579,859	2,696,918
Other Special Instruction	-	-	-	-	-	532,739	563,506	486,454	567,685	369,628
Other Instruction	1,288,109	1,325,493	1,279,566	1,215,927	1,241,556	1,105,597	1,085,326	1,212,512	1,109,757	1,165,302
Support Services:										
Tuition	3,475,073	3,662,666	3,503,236	4,445,997	3,758,939	3,293,948	3,498,676	2,916,971	2,296,333	2,027,675
Student & Instruction Related Services	4,975,108	4,465,578	4,685,565	4,376,994	3,962,126	2,701,317	3,120,480	3,043,773	3,090,711	3,109,952
Health Services	254,804	247,693	216,071	247,018	237,323	-	-	-	-	-
Educational Media Services/School Library	194,570	290,003	240,120	233,756	195,862	-	-	-	-	-
School Administrative Services	686,292	709,909	707,005	695,878	683,226	617,385	520,241	578,927	512,785	491,292
General Administrative	609,548	586,236	537,489	519,453	485,765	1,004,806	1,141,374	1,097,037	1,033,505	1,140,117
Central Services	441,395	461,695	463,572	422,385	430,811	-	-	-	-	-
Administrative Information Technology	393,850	535,200	481,560	456,062	427,838	-	-	-	-	-
Plant Operations & Maintenance	3,247,562	2,963,781	3,028,597	2,607,129	2,710,769	2,844,750	2,899,941	2,959,811	2,820,985	2,477,707
Pupil Transportation	3,737,282	3,841,424	3,806,796	3,269,125	2,440,658	4,790,202	5,370,618	5,419,578	5,240,580	5,030,983
Employee Benefits	9,235,760	7,529,662	7,556,652	9,976,266	10,332,697	10,091,241	12,158,442	13,235,183	10,113,699	8,411,483
On Behalf TPAF Pension and Social Security Contributions	200,361	1,240,715	950,596	401,775	4,876,026	-	-	-	-	-
Transfer to Charter Schools	146,136	245,321	294,302	-	208,859	-	-	-	-	-
Internal Service	1,179,171	1,182,585	1,096,811	903,674	710,578	-	-	-	-	-
Interest on Long-Term Debt	209,125	251,950	273,853	251,560	271,392	278,039	288,501	298,255	304,731	307,312
Capital Outlay	-	-	-	-	-	472,386	1,144,845	785,379	-	726,934
Unallocated Amortization	81,076	81,075	81,076	-	-	-	-	-	-	-
Unallocated Depreciation	2,392,001	2,306,092	2,263,916	2,226,575	2,166,481	2,252,260	2,006,217	871,339	635,710	658,822
Total Governmental Activities Expenses	44,900,969	44,156,935	43,796,190	44,724,661	45,775,239	41,259,703	44,995,870	44,321,763	38,930,009	36,977,407
Business-Type Activities:										
Food Service	837,886	827,752	778,453	948,669	379,557	536,641	672,907	706,647	681,849	664,646
Total Business-Type Activities Expense	837,886	827,752	778,453	948,669	379,557	536,641	672,907	706,647	681,849	664,646
Total District Expenses	$ 45,738,855	$ 44,984,687	$ 44,574,643	$ 45,673,330	$ 46,154,796	$ 41,796,344	$ 45,668,777	$ 45,028,410	$ 39,611,858	$ 37,642,053

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

	FISCAL YEAR ENDING JUNE 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Program Revenues:										
Governmental Activities:										
Charges for Services	$ 1,226,577	$ 1,224,260	$ 1,216,485	$ 978,275	$ 780,802	$ 776,760	$ 765,907	$ 840,273	$ 737,375	$ 745,664
Operating Grants & Contributions	6,235,676	6,524,393	7,007,552	9,763,134	12,150,237	1,079,902	977,731	954,743	1,007,324	954,183
Total Governmental Activities Program Revenues	7,462,253	7,748,653	8,224,037	10,741,409	12,931,039	1,856,662	1,743,638	1,795,016	1,744,699	1,699,847
Business-Type Activities:										
Charges for Services:										
Food Service	417,243	436,499	389,147	124,686	12,414	284,962	446,193	414,213	406,274	396,911
Operating Grants & Contributions	386,363	389,157	420,201	926,742	407,995	268,379	269,162	275,883	258,712	271,204
Total Business Type Activities Program Revenues	803,606	825,656	809,348	1,051,428	420,409	553,341	715,355	690,096	664,986	668,115
Total District Program Revenues	$ 8,265,859	$ 8,574,309	$ 9,033,385	$ 11,792,837	$ 13,351,448	$ 2,410,003	$ 2,458,993	$ 2,485,112	$ 2,409,685	$ 2,367,962
Net/(Expense)/Revenue:										
Governmental Activities	$ (37,438,716)	$ (36,408,282)	$ (35,572,153)	$ (33,983,252)	$ (32,844,200)	$ (39,403,041)	$ (43,252,232)	$ (42,526,747)	$ (37,185,310)	$ (35,277,560)
Business-Type Activities	(34,280)	(2,096)	30,895	102,759	40,852	16,700	42,448	(16,551)	(16,863)	3,469
Total District-Wide Net Expense	$(37,472,996)	$ (36,410,378)	$ (35,541,258)	$ (33,880,493)	$ (32,803,348)	$ (39,386,341)	$ (43,209,784)	$ (42,543,298)	$ (37,202,173)	$ (35,274,091)

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

	FISCAL YEAR ENDING JUNE 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	$ 17,197,535	$ 16,860,328	$ 16,529,734	$ 16,205,622	$ 15,887,865	$ 15,714,677	$ 15,406,546	$ 15,104,457	$ 14,808,291	$ 14,517,932
Taxes Levied for Debt Service	644,514	641,887	638,616	640,166	641,615	632,612	627,689	625,964	617,314	531,800
Unrestricted Grants & Contributions	15,724,398	15,585,411	15,492,484	15,039,957	14,647,923	19,883,772	21,335,915	17,978,575	17,430,709	17,035,334
Restricted Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Tuition Received	1,988,976	1,459,799	2,064,370	2,116,279	2,037,949	2,027,224	2,104,622	2,523,723	2,167,049	1,779,475
Transportation Fees	1,640,069	1,185,398	1,103,142	1,163,455	666,914	1,194,008	1,579,182	1,442,730	1,217,929	842,823
Investment Earnings	-	44	1,862	3,477	678	1,836	6,055	6,384	6,343	3,732
Miscellaneous Income	1,579,032	432,380	222,828	98,382	493,672	146,195	216,329	(106,397)	126,018	158,351
Other - Special Items	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	38,774,524	36,165,247	36,053,036	35,267,338	34,376,616	39,600,324	41,276,338	37,575,436	36,373,653	34,869,447
Business-Type Activities:										
Investment Earnings	212	228	218	137	119	169	132	122	139	132
Capital Contributions	-	-	-	-	-	-	-	-	44,756	-
Total Business-Type Activities	212	228	218	137	119	169	132	122	44,895	132
Total District-Wide	$ 38,774,736	$ 36,165,475	$ 36,053,254	$ 35,267,475	$ 34,376,735	$ 39,600,493	$ 41,276,470	$ 37,575,558	$ 36,418,548	$ 34,869,579
Change in Net Position:										
Governmental Activities	$ 1,335,808	$ (243,035)	$ 480,883	$ 1,284,086	$ 1,532,416	$ 197,283	$ (1,975,894)	$ (4,951,311)	$ (811,657)	$ (408,113)
Business-Type Activities	(34,068)	(1,868)	31,113	102,896	40,971	16,869	42,580	(16,429)	28,032	3,601
Total District	$ 1,301,740	$ (244,903)	$ 511,996	$ 1,386,982	$ 1,573,387	$ 214,152	$ (1,933,314)	$ (4,967,740)	$ (783,625)	$ (404,512)

EXHIBIT J-3

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

	FISCAL YEAR ENDING JUNE 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General Fund:										
Restricted	$ 5,595,592	$ 4,124,622	$ 3,609,725	$ 6,461,632	$ 5,144,337	$ 3,890,639	$ 4,485,148	$ 5,079,683	$ 4,513,876	$ 4,745,633
Assigned	1,245,604	1,905,577	2,191,640	622,145	2,013,094	1,667,792	767,678	1,022,950	1,543,529	2,407,087
Unrestricted	(378,939)	(476,035)	(277,593)	385,788	355,953	(343,288)	(383,130)	(461,654)	(530,266)	(614,664)
Total General Fund	$ 6,462,257	$ 5,554,164	$ 5,523,772	$ 7,469,565	$ 7,513,384	$ 5,215,143	$ 4,869,696	$ 5,640,979	$ 5,527,139	$ 6,538,056
All Other Governmental Funds:										
Restricted, Reported in:										
Special Revenue Fund	$ 801,703	$ 785,205	$ 780,956	$ 796,503	$ 757,084	$ -	$ -	$ -	$ -	$ -
Capital Projects Fund	-	(660,763)	999,593	20,001	20,001	20,001	20,001	20,001	448,514	4,909,365
Debt Service Fund	(198)	(198)	(196)	2	200	198	-	-	(196)	(196)
Total All Other Governmental Funds	$ 801,505	$ 124,244	$ 1,780,353	$ 816,506	$ 777,285	$ 20,199	$ 20,001	$ 20,001	$ 448,318	$ 4,909,169

EXHIBIT J-4

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Taxes Local	$ 17,842,049	$ 17,502,215	$ 17,168,350	$ 16,845,788	$ 16,529,480	$ 16,347,289	$ 16,034,235	$ 15,730,421	$ 15,425,605	$ 15,049,732
Tuition Charges	1,988,976	1,459,799	2,064,370	2,116,279	2,037,949	2,027,224	2,104,622	2,523,723	2,167,049	1,779,475
Transportation	1,640,069	1,185,398	1,103,142	1,163,455	666,914	1,194,008	1,579,182	1,442,730	1,217,929	842,823
Interest Earnings	-	44	1,862	3,477	678	1,836	6,055	6,384	6,343	3,732
Miscellaneous	2,389,739	1,309,355	981,223	782,196	1,091,004	146,195	216,329	230,450	126,018	158,745
State Sources	22,864,006	22,444,258	22,116,775	21,642,319	19,950,461	18,680,408	18,628,231	17,997,099	17,498,373	17,061,674
Federal Sources	1,980,608	1,929,797	2,153,494	2,792,819	1,625,820	1,080,913	949,879	936,219	939,660	930,022
Total Revenue	48,705,447	45,830,866	45,589,216	45,346,333	41,902,306	39,477,873	39,518,533	38,867,026	37,380,977	35,826,203
Expenditures:										
Instruction:										
Regular Instruction	10,906,010	10,686,290	10,611,819	9,774,901	8,823,223	9,056,517	8,794,135	8,725,643	8,443,624	8,257,144
Special Education Instruction	1,536,507	1,463,397	1,269,094	2,615,816	2,108,260	2,242,305	2,379,712	2,521,715	2,587,899	2,712,384
Other Special Instruction	-	-	-	-	-	530,743	562,414	486,116	567,075	369,628
Other Instruction	1,288,109	1,325,493	1,279,566	1,215,927	1,241,556	1,105,597	1,099,678	1,211,367	1,109,411	1,120,825
Undistributed:										
Tuition	3,475,073	3,662,666	3,503,236	4,445,997	3,758,939	3,293,948	3,498,676	2,916,971	2,296,333	2,027,675
Student & Instruction Related Services	4,975,108	4,465,578	4,685,565	4,376,994	3,962,126	3,257,916	3,140,309	3,039,351	3,101,866	3,105,819
Health Services	254,804	247,693	216,071	247,018	237,323	-	-	-	-	-
Educational Media Services/School Library	194,570	290,003	240,120	233,756	195,862	-	-	-	-	-
Instructional Staff Training	93,937	48,549	53,733	39,550	43,250	-	-	-	-	-
General Administrative	515,611	537,687	483,756	479,903	442,515	472,190	448,744	452,864	432,914	423,852
School Administrative Services	686,292	709,909	707,005	695,878	683,226	677,411	695,659	714,288	688,163	697,019
Central Services	441,395	461,695	463,572	422,385	430,811	407,679	391,169	409,330	394,808	378,066
Administrative Information Technology	393,850	535,200	481,560	456,062	427,838	397,141	432,114	385,009	319,151	378,855
Plant Operations & Maintenance	3,247,562	2,963,781	3,028,597	2,607,129	2,710,769	2,823,569	2,881,762	2,891,880	2,736,786	2,386,014
Pupil Transportation	3,737,282	3,841,424	3,806,796	3,269,125	2,440,658	4,394,421	5,014,405	4,685,587	4,518,234	4,479,983
Employee Benefits	7,023,724	6,163,940	6,047,633	5,940,761	6,078,815	9,141,623	9,177,521	8,504,282	8,362,376	7,694,611
On Behalf TPAF Pension and Social Security Contributions	6,694,992	6,731,795	6,546,362	6,530,727	5,224,932	-	-	-	-	-
Debt Service Exenditures:										
Principal	420,000	405,000	390,000	380,000	370,000	350,000	335,000	325,000	310,000	240,000
Interest	224,689	237,064	248,814	260,539	271,788	282,414	292,689	300,964	307,314	291,800
Capital Outlay	1,148,530	3,124,760	3,306,942	1,927,303	267,017	1,216,281	1,767,095	2,035,865	6,762,919	12,915,596
Total Expenditures	47,258,045	47,901,924	47,370,241	45,919,771	39,718,908	39,649,755	40,911,082	39,606,232	42,938,873	47,479,271
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,447,402	(2,071,058)	(1,781,025)	(573,438)	2,183,398	(171,882)	(1,392,549)	(739,206)	(5,557,896)	(11,653,068)
Other Financing Sources/(Uses):										
Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Capital Leases (Non-Budgeted)	236,682	651,698	973,707	494,239	222,785	442,607	621,266	761,576	-	727,223
Accounts Receivable Cancelled	-	-	-	-	-	-	-	(336,847)	-	-
Transfer to Charter School	(146,136)	(245,321)	(294,302)	-	(208,859)	-	-	-	-	-
Transfers Out	(660,763)	-	(3,000,000)	(175,096)	-	-	-	-	-	-
Transfers In	708,169	38,964	3,119,674	249,697	63,064	74,920	-	-	86,128	83,243
Total Other Financing Sources/(Uses)	137,952	445,341	799,079	568,840	76,990	517,527	621,266	424,729	86,128	810,466
Net Change in Fund Balances	$ 1,585,354	$ (1,625,717)	$ (981,946)	$ (4,598)	$ 2,260,388	$ 345,645	$ (771,283)	$ (314,477)	$ (5,471,768)	$ (10,842,602)
Debt Service as a Percentage of Noncapital Expenditures	1.40%	1.43%	1.45%	1.46%	1.63%	1.65%	1.60%	1.67%	1.71%	1.54%

Source: District Records

Revenue Capacity Information

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

EXHIBIT J-5

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Interest on Investments	$ 4,556	$ 5,714	$ 5,354	$ 1,437	$ 5,266	$ 13,184	$ 10,975	$ 5,123	$ 17,134	$ 46,994
Athletic Events	13,256	15,611	19,418	13,268	672	14,496	16,579	-	18,999	17,772
Sale of Assets	-	-	-	-	-	500	-	-	-	-
Rentals	-	-	15,431	958	-	13,329	7,016	-	4,744	2,189
Refunds	50,766	27,760	25,136	12,912	23,171	38,057	21,784	5,416	34,043	9,516
Fines	-	-	-	373	226	-	150	-	310	58
Community School Dividend	-	-	-	-	-	-	24,998	-	-	-
E-Rate	18,459	-	-	-	-	-	-	-	-	-
Insurance Dividend	1,062,479	-	-	-	389,187	53,781	-	-	-	-
Miscellaneous	429,516	383,295	157,489	69,434	75,150	12,848	134,827	219,911	50,788	31,588
Total	########	$ 432,380	$ 222,828	$ 98,382	$ 493,672	$ 146,195	$ 216,329	$ 230,450	$ 126,018	$ 108,117

Source: District records

EXHIBIT J-6

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
Franklin												
2025	$ 28,787,000	$ 1,071,237,200	$ 51,424,300	$ 6,016,000	$ 99,884,700	$ -	$ 1,927,000	$ 1,259,276,200	$ -	$ 1,259,276,200	1.023	$2,020,986,038
2024	28,442,700	1,067,768,800	51,966,600	6,022,100	97,785,800	-	1,927,000	1,253,913,000	-	1,253,913,000	1.113	1,866,497,469
2023	29,356,400	1,060,180,900	51,598,900	5,777,300	95,800,800	-	1,927,000	1,244,641,300	-	1,244,641,300	1.085	1,646,130,476
2022	29,735,400	1,056,924,400	49,891,300	5,603,300	93,689,800	-	1,927,000	1,237,771,200	2,003,354	1,239,774,554	1.054	1,457,845,936
2024	31,119,600	1,050,078,300	50,207,200	5,445,500	93,136,200	-	1,927,000	1,231,913,800	3,352,485	1,235,266,285	1.026	1,368,835,101
2020	31,787,800	1,045,890,200	50,955,200	5,625,000	92,253,500	-	1,927,000	1,228,438,700	2,159,754	1,230,598,454	1.019	1,232,299,954
2019	32,143,500	1,048,027,300	49,508,200	5,625,200	92,593,900	-	1,927,000	1,229,825,100	2,161,153	1,231,986,253	1.019	1,322,706,396
2018	32,122,000	1,047,529,000	49,158,100	6,166,900	92,504,200	-	2,127,000	1,229,607,200	2,145,537	1,231,752,737	1.005	1,304,220,449
2017	33,979,400	1,047,692,500	48,604,500	6,071,800	95,784,400	-	2,127,000	1,234,259,600	2,819,379	1,237,078,979	0.979	1,306,330,003
2016	34,255,500	1,045,898,900	48,197,300	5,995,600	93,081,000	-	2,127,000	1,229,555,300	2,907,975	1,232,463,275	0.971	1,596,691,472
Elk												
2025	$ 14,259,700	$ 314,514,400	$ 25,562,600	$ 3,868,200	$ 31,692,800	$ 1,189,200	$ -	$ 391,086,900	$ -	$ 391,086,900	0.990	$ 610,119,969
2024	14,601,900	311,925,400	25,480,200	3,809,600	31,872,200	1,189,200	-	388,878,500	-	388,878,500	0.952	545,105,831
2023	14,204,700	308,813,500	24,968,800	3,715,500	31,692,800	1,189,200	-	384,584,500	-	384,584,500	0.994	480,550,419
2022	15,078,400	304,610,300	24,543,700	3,559,500	30,667,300	1,189,200	-	379,648,400	1,110,641	380,759,041	1.034	440,722,136
2024	16,679,800	300,723,500	23,894,800	3,491,900	31,239,900	1,189,200	-	377,219,100	2,188,373	379,407,473	1.064	411,819,926
2020	16,957,500	298,289,900	23,295,800	3,658,500	29,711,400	1,189,200	-	373,102,300	1,148,777	374,251,077	1.060	375,182,477
2019	16,910,800	296,901,200	23,690,400	3,789,000	29,037,900	1,189,200	-	371,518,500	1,065,004	372,583,504	0.979	390,369,066
2018	17,934,500	293,890,500	22,894,800	4,119,600	29,913,100	1,189,200	-	369,941,700	1,077,657	371,019,357	0.945	383,914,044
2017	19,532,500	284,780,900	23,915,600	4,314,500	30,934,200	1,189,200	-	364,666,900	1,007,309	365,674,209	0.949	382,130,867
2016	17,933,400	275,905,100	24,150,100	4,349,300	30,344,300	1,189,200	-	353,871,400	1,088,181	354,959,581	0.922	368,583,465

b. Tax rates are per $100

EXHIBIT J-7

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICES	TOTAL DIRECT SCHOOL TAX RATE	TOWNSHIP	TOWNSHIP SCHOOL DISTRICT	GLOUCESTER COUNTY	
Franklin							
2025	1.008	0.015	1.023	0.855	1.129	0.734	3.741
2024	1.072	0.041	1.113	0.789	0.987	0.758	3.647
2023	1.045	0.040	1.085	0.765	0.954	0.760	3.564
2022	1.014	0.040	1.054	0.738	0.923	0.753	3.468
2024	0.988	0.038	1.026	0.716	0.915	0.761	3.418
2020	0.980	0.039	1.019	0.688	0.918	0.755	3.380
2019	0.979	0.040	1.019	0.669	0.911	0.735	3.334
2018	0.965	0.040	1.005	0.671	0.891	0.722	3.289
2017	0.940	0.039	0.979	0.671	0.870	0.706	3.226
2016	0.937	0.034	0.971	0.671	0.863	0.706	3.211
Elk							
2025	0.990	0.000	0.990	0.950	0.990	0.758	3.688
2024	0.917	0.035	0.952	0.936	0.957	0.750	3.595
2023	0.955	0.039	0.994	0.936	0.949	0.750	3.629
2022	0.995	0.039	1.034	0.941	0.911	0.787	3.673
2024	1.024	0.040	1.064	0.917	0.940	0.796	3.717
2020	1.019	0.041	1.060	0.905	0.934	0.782	3.681
2019	0.941	0.038	0.979	0.903	0.921	0.764	3.567
2018	0.907	0.038	0.945	0.876	0.925	0.755	3.501
2017	0.911	0.038	0.949	0.876	0.826	0.753	3.404
2016	0.889	0.033	0.922	0.876	0.822	0.750	3.370

EXHIBIT J-8

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

FRANKLIN TOWNSHIP

TAXPAYER	2025 TAXABLE ASSESSED VALUE	2025 % OF TOTAL DISTRICT NET ASSESSED VALUATION	2016 TAXABLE ASSESSED VALUE	2016 % OF TOTAL DISTRICT NET ASSESSED VALUATION
RLS Real Estate of Newfield NJ II	$7,158,000	0.57%	-	-
Iannuzzi, Charles & leo, Anthony Es	3,587,300	0.28%	-	-
PDM LLC % CVS Pharmacy Inc	2,300,000	0.18%	-	-
Wawa Inc.	2,143,600	0.17%	-	-
328 Investment GRP LLC	2,131,300	0.17%	-	-
Graiff Brothers Properties LLC	2,065,100	0.16%	-	-
2515 Delsea Drive Reality LLC	2,057,100	0.16%	-	-
Visconti Brothers Properties LLC	1,852,000	0.15%	-	-
Rosmar Properties V LLC	1,600,000	0.13%	-	-
AJ Seerat LLC	1,466,900	0.12%	-	-
R Leo & Son, LLC	-	-	3,586,300	0.50%
State of NJ, Dep C/O White Oak CC	-	-	3,200,000	0.28%
RT Enterprises LLC	-	-	3,098,100	0.15%
Verizon New Jersey C/O Duff & Phelp	-	-	2,907,975	0.19%
Wawa Inc.	-	-	2,770,800	0.14%
FSL Development Corp	-	-	2,620,100	0.14%
PDM LLC % CVS Pharmacy Inc	-	-	2,500,000	0.18%
New Greenways LLC	-	-	2,155,700	0.14%
Graiff Brothers Properties LLC	-	-	2,068,400	0.16%
Newfield National Bank	-	-	2,046,600	0.14%
Total	$ 26,361,300	2.09%	$ 26,953,975	2.02%

ELK TOWNSHIP

TAXPAYER	2025 TAXABLE ASSESSED VALUE	2025 % OF TOTAL DISTRICT NET ASSESSED VALUATION	2016 TAXABLE ASSESSED VALUE	2016 % OF TOTAL DISTRICT NET ASSESSED VALUATION
Individual Taxpayer 1	$6,190,300	1.58%	$6,044,900	1.71%
Laux Lakeview Park Inc.	4,352,700	1.11%	4,142,000	1.17%
SCP 2007-C27, LLC (CVS Caremark)	2,449,900	0.63%	2,449,900	0.69%
AURA Investors LLC % Moat Scs	2,319,300	0.59%	-	-
Ewan 77 LLC	1,690,000	0.43%	-	-
RIC AURA LLC C/O Cole Schotz PC	1,546,200	0.40%	-	-
Copart of Connecticut Inc %Tax Dept	1,317,400	0.34%	1,102,000	0.31%
Clayton Associates	1,208,800	0.31%	1,189,200	0.34%
Robinson Property Holdings	1,052,200	0.27%	-	-
Christy Enterprises LLC	1,029,600	0.26%	-	-
Verizon New Jersey	-	-	1,088,181	0.31%
Aura Development Group LLC	-	-	3,538,700	1.00%
Western Oilfields Supply Co	-	-	1,052,200	0.30%
PCI REO 6 LLC	-	-	1,051,700	0.30%
Total	$ 23,156,400	5.92%	$ 21,658,781	6.13%

Source: Muncipal Tax Assessor.

EXHIBIT J-9

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

YEAR ENDED DECEMBER 31	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITH THE FISCAL YEAR		COLLECTIONS IN SUBSEQUENT YEAR
		AMOUNT	PERCENT OF LEVY	
2025	$ 17,842,049	$ 17,842,049	100.00%	-
2024	17,502,215	17,502,215	100.00%	-
2023	17,168,350	17,168,350	100.00%	-
2022	16,845,788	16,845,788	100.00%	-
2024	16,529,480	16,529,480	100.00%	-
2020	16,347,289	16,347,289	100.00%	-
2019	16,034,235	16,034,235	100.00%	-
2018	15,730,421	15,730,421	100.00%	-
2017	15,425,605	15,425,605	100.00%	-
2016	14,275,025	14,275,025	100.00%	-

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

Debt Capacity Information

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

EXHIBIT J-10

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

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		
	GENERAL OBLIGATION BONDS	EDA LOANS	FINANCED PURCHASES PAYABLE	FINANCED PURCHASES	TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME
2025	$7,056,000	$ -	$ 815,867	$ -	$ 7,871,867	Unavailable
2024	7,476,000	-	1,104,638	-	8,580,638	Unavailable
2023	7,881,000	-	1,024,468	-	8,905,468	0.64%
2022	8,271,000	-	575,974	-	8,846,974	0.67%
2024	8,651,000	-	609,399	-	9,260,399	0.71%
2020	9,021,000	-	906,549	-	9,927,549	0.83%
2019	9,371,000	-	987,262	-	10,358,262	0.91%
2018	9,706,000	-	902,696	-	10,608,696	0.97%
2017	10,031,000	-	689,583	-	10,720,583	1.02%
2016	10,341,000	-	1,192,905	-	11,533,905	1.13%

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

EXHIBIT J-11

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

	GENERAL BONDED DEBT OUTSTANDING				
FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2025	$ 7,056,000	$ -	$ 7,056,000	0.43%	Unavailable
2024	7,476,000	-	7,476,000	0.46%	Unavailable
2023	7,881,000	-	7,881,000	0.48%	372
2022	8,271,000	-	8,271,000	0.51%	394
2024	8,651,000	-	8,651,000	0.54%	413
2020	8,651,000	-	8,651,000	0.54%	412
2019	9,021,000	-	9,021,000	0.56%	440
2018	9,371,000	-	9,371,000	0.58%	457
2017	9,706,000	-	9,706,000	0.61%	471
2016	10,031,000	-	10,031,000	0.63%	487

EXHIBIT J-12

DELSEA REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	OVERLAPPING DEBT
Franklin			
Debt Repaid With Property Taxes:			
Franklin Township	$ 6,172,229	100.00%	$ 6,172,229
Gloucester County General Obligation Debt	140,088,000	4.30%	6,023,784
Regional School Debt	7,056,000	77.06%	5,437,605
Total Direct & Overlapping Debt			$ 17,633,618
Elk			
Debt Repaid With Property Taxes:			
Elk Township	$ 1,552,807	100.00%	$ 1,552,807
Gloucester County General Obligation Debt	140,088,000	1.30%	1,821,144
Regional School Debt	7,056,000	22.94%	1,618,395
Total Direct & Overlapping Debt			$ 4,992,346

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

Debt outstanding data provided by each governmental unit.

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

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

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	$ 71,302,363	$ 55,614,539	$ 53,751,439	$ 51,933,044	$ 51,079,084	$ 50,521,077	$ 39,189,481	$ 49,675,551	$ 49,433,011	$ 49,677,554
Total Net Debt Applicable to Limit	7,056,000	8,271,000	8,271,000	8,651,000	9,021,000	9,371,000	9,706,000	10,031,000	10,341,000	10,581,000
Legal Debt Margin	$64,246,363	$ 47,343,539	$45,480,439	$ 43,282,044	$ 42,058,084	$ 41,150,077	$ 29,483,481	$ 39,644,551	$ 39,092,011	$39,096,554
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.90%	14.87%	15.39%	16.66%	17.66%	18.55%	24.77%	20.19%	20.92%	21.30%

Legal Debt Margin Calculation for Fiscal Year 2025

	Equalized Valuation Basis		
	Elk	Franklin	Total
2024	$ 606,674,727	$2,012,378,430	$ 2,619,053,157
2023	539,086,768	1,852,696,189	2,391,782,957
2022	474,382,607	1,645,017,544	2,119,400,151
			$7,130,236,265
Average Equalized Valuation of Taxable Property			$ 2,376,745,422
Debt Limit (3% of Average Equalization Value)			$ 71,302,363
Net Bonded School Debt			7,056,000
Legal Debt Margin			$ 64,246,363

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

Demographic and Economic Information

Demographic and Economic information is intended to (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District's operates.

EXHIBIT J-14

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

YEAR	POPULATION (a)	PERSONAL INCOME	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
Franklin				
2025	N/A	N/A	N/A	N/A
2024	16,691	N/A	N/A	5.5%
2023	16,543	1,092,847,123	66,061	5.0%
2022	16,494	1,032,211,014	62,581	4.6%
2021	16,568	1,033,561,544	62,383	7.1%
2020	16,340	957,736,420	58,613	10.7%
2019	16,329	903,401,925	55,325	4.7%
2018	16,420	870,883,960	53,038	5.4%
2017	16,451	840,892,865	51,115	5.6%
2016	16,492	816,139,604	49,487	6.7%
Elk				
2025	N/A	N/A	N/A	N/A
2024	4,506	N/A	N/A	5.2%
2023	4,473	295,490,853	66,061	4.6%
2022	4,459	279,048,679	62,581	4.0%
2021	4,442	277,105,286	62,383	6.1%
2020	4,172	244,533,436	58,613	8.4%
2019	4,176	231,037,200	55,325	3.7%
2018	4,180	221,698,840	53,038	4.5%
2017	4,157	212,485,055	51,115	4.9%
2016	4,099	202,847,213	49,487	4.9%

Source:

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

b Personal income

[c] Per Capita

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

EXHIBIT J-15

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

	2025		
EMPLOYER	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Rowan University	3,500	1	N/A
Inspira Health Network	1,222	2	N/A
Gloucester County Personnel	1,200	3	N/A
Jefferson Health Washington Twp	670	4	N/A
Aryzta LaBrea Bakery, Inc.	500	5	N/A
Keller Williams Realty	500	6	N/A
Honda of Turnersville	499	7	N/A
Paulsboro Refinery LLC	402	8	N/A
Washington Township High School	400	9	N/A
Johnson Matthey, Inc.	379	10	N/A
	9,272		N/A

	2016		
EMPLOYER	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Inspira Health Network	1,825	1	N/A
Kennedy Hospital	1,675	2	N/A
Washington Township School District	1,631	3	N/A
Rowan University	1,483	4	N/A
County of Gloucester	1,398	5	N/A
Missa Bay, LLC	950	6	N/A
Monroe Township School District	807	7	N/A
U.S Foodservices	725	8	N/A
Exxon Mobile Research and Development	540	9	N/A
LeBrea Bakery	525	10	N/A
	11,559		N/A

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

Operation Information

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

EXHIBIT J-16

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular	113.0	114.0	115.0	107.0	100.0	104.0	105.0	102.0	108.0	106.0
Special Education	18.0	19.0	20.0	31.0	33.0	36.0	29.0	36.0	42.0	45.0
Other Instruction	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student & Instruction Related	29.0	32.0	33.0	34.0	37.0	36.0	38.0	37.0	31.0	30.0
General Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	5.0	5.0
School Administration	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0	9.0	8.0
Central Services	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology	3.0	2.0	3.0	2.0	2.0	2.0	3.0	4.0	5.0	5.0
Plants Operations & Maintenance	29.0	31.0	33.0	29.0	28.0	28.0	28.0	29.0	25.0	24.0
Pupil Transportation	64.0	63.0	65.0	68.0	70.0	70.0	76.0	76.0	88.0	87.0
Total	270.0	275.0	285.0	287.0	286.0	292.0	295.0	300.0	319.0	316.0

Source: District Personnel Records

EXHIBIT J-17

DELSEA REGIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	PUPIL/TEACHER RATIO TEACHING STAFF	MIDDLE RATIO	HIGH SCHOOL RATIO	AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2025	1,533	$ 42,574,790	27,772	3.91%	136	11.1:1	11.4:1	1,544	1,409	-1.59%	91.26%
2024	1,560	41,694,048	26,727	4.16%	137	10.9:1	11.6:1	1,569	1,443	-1.57%	91.97%
2023	1,587	40,719,931	25,658	2.21%	139	9.14:1	8.56:1	1,594	1,462	-0.25%	91.72%
2022	1,592	39,963,218	25,103	6.52%	137	11.9:1	11.5:1	1,598	1,454	2.90%	90.99%
2024	1,565	36,880,917	23,566	0.62%	143	11.5:1	10.7:1	1,553	1,455	-3.18%	93.69%
2020	1,614	37,801,060	23,421	-2.53%	142	12.2:1	12.9:1	1,604	1,544	-0.06%	96.26%
2019	1,603	38,516,298	24,028	4.97%	143	12.9:1	13.4:1	1,605	1,512	-0.43%	94.21%
2018	1,614	36,944,403	22,890	3.96%	145	11.5:1	12.9:1	1,612	1,515	0.75%	93.98%
2017	1,615	35,558,640	22,018	3.52%	151	10.1:1	12.7:1	1,600	1,506	-0.50%	94.13%
2016	1,600	34,031,875	21,270	21.15%	143	10.1:1	11.5:1	1,608	1,514	-8.32%	94.15%

Sources: District records
Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

EXHIBIT J-18

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

DISTRICT BUILDINGS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Middle School:										
Middle School (1989):										
Square Feet	101,650	101,650	101,650	101,650	101,650	101,650	101,650	101,650	101,650	101,650
Capacity (Students)	759	759	759	759	759	759	759	759	759	759
Enrollment	509	489	536	537	541	581	563	534	485	478
High School:										
High School (1960):										
Square Feet	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800	208,800
Capacity (Students)	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376
Enrollment	1,024	1,071	1,051	1,055	1,024	1,033	1,040	1,080	1,130	1,122
Other:										
Bus Garage (1996)										
Square Feet	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739	13,739
Maintenance/Transportation Trailer (1991):										
Square Feet	2,880	2,880	2,880	2,880	2,880	2,880	2,880	1,180	1,180	1,180
Waste Water Treatment Plant (1989):										
Square Feet	700	700	700	700	700	700	700	700	700	700
Stadium Field House (2024)										
Square Feet	5,700	5,700								
Outdoor Toilet Room (2024)										
Square Feet	1,160	1,160								
Stadium Wrestling Building (1973):										
Square Feet			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
Stadium Storage Building (1973):										
Square Feet			760	760	760	760	760	760	760	760
Stadium Storage Building (2024):										
Square Feet	320	320								
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
Concession Stand#2 (1973):										
Square Feet			320	320	320	320	320	320	320	320
Stadium Equipment Storage Building (1989)										
Square Feet	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520
Greenhouse										
Square Feet	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	1,012	1,012

Number of Schools at June 30, 2025:
Middle School = 1
High School = 1
Other = 9

Source: District records, ASSA

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

	GROSS SQUARE * FOOTAGE	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School Facilities											
Delsea High School	208,800	$ 194,882	$ 198,193	$ 190,711	$ 211,292	$246,357	$265,084	$ 155,034	$ 219,784	$ 160,195	$ 161,178
Delsea Middle School	101,650	79,697	57,997	57,761	82,177	50,990	75,650	92,089	121,908	113,978	41,544
Total School Facilities		$ 274,579	$ 256,190	$248,472	$293,469	$297,347	$340,734	$ 247,123	$ 341,692	$ 274,173	$202,722
Other Facilities:											
Wastewater Treatment Plant		86,489	86,489	94,837	93,225	91,290	64,838	76,615	69,808	65,641	59,982
Grand Total		$ 361,068	$342,679	$343,309	$386,694	$388,637	$405,572	$323,738	$ 411,500	$ 339,814	$262,704

* School facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

EXHIBIT J-20

DELSEA REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025

	Coverage	Deductible
Selective Insurance Company of America		
Property/Inland Marine/Auto Physical Damage	$ 175,000,000	$ 500
Crime	500,000	500
General Liability/Auto Liability	27,000,000	
Workmen's Compensation	Statutory	
Educator's Legal Liability	27,000,000	
Lexington Insurance Company, Inc.		
Cyber Liability	2,000,000	50,000 - 100,000
Lloyd's of London		
Violent Malicious Acts	1,000,000	10,000
Lloyd's of London		
Disaster Management Services	1,000,000	10,000
Travelers Insurance Company		
Boiler & Machinery	125,000,000	1,000
Commerce and Industry Insurance Company		
Commercial Pollution and Mold Legal Liability	3,000,000	
Pollution		25,000
Mold		100,000 - 250,000
Public Employees' Faithful Performance		
Bond - Ohio Casualty Insurance Co.		
Treasurer	260,000	
Board Secretary	35,000	

Source - District records

SINGLE AUDIT SECTION

HMA
HOLT MCNALLY & ASSOCIATES
Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Delsea Regional High School District (the "School District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 18, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully Submitted,

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



Andrew Lee
Certified Public Accountant
Public School Accountant, No. 2737

Medford, New Jersey
December 18, 2025

HMA
HOLT MCNALLY & ASSOCIATES
Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Delsea Regional High School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2025. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;* and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors



Andrew Lee
Certified Public Accountant
Public School Accountant, No. 2737

Medford, New Jersey
December 18, 2025

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE, JUNE 30, 2025 (ACCOUNTS RECEIVABLE)	BALANCE, JUNE 30, 2025 UNEARNED REVENUE
U.S. Department of Health and Human Services												
Passed Through New Jersey Department of Human Services:												
Medical Assistance Program (SEMI)	93.778	2405NJ5MAP	100-054-7540-211	$ 10,506	7/1/24-6/30/25	$ -	$ 10,506	$ (10,506)	$ -	$ -	$ -	$ -
Total U.S. Department of Health and Human Services						-	10,506	(10,506)	-	-	-	-
U.S. Department of Agriculture												
Passed Through New Jersey Department of Agriculture:												
Child Nutrition Cluster:												
School Breakfast Program	10.553	24NJ304N1099	100-010-3350-028	48,960	7/1/23-6/30/24	(3,158)	3,158	-	-	-	-	-
School Breakfast Program	10.553	25NJ304N1099	100-010-3350-028	52,828	7/1/24-6/30/25	-	49,375	(52,828)	-	-	(3,453)	-
						(3,158)	52,533	(52,828)	-	-	(3,453)	-
National School Lunch Program	10.555	24NJ304N1099	100-010-3350-026	182,388	7/1/23-6/30/24	(9,039)	9,039	-	-	-	-	-
National School Lunch Program	10.555	25NJ304N1099	100-010-3350-026	239,869	7/1/24-6/30/25	-	226,328	(239,869)	-	-	(13,541)	-
Healthy Hunger-Free Kids Act	10.555	25NJ304N1099	100-010-3350-026	9,432	7/1/24-6/30/25	-	8,898	(9,432)	-	-	(534)	-
Healthy Hunger-Free Kids Act	10.555	24NJ304N1099	100-010-3350-026	7,679	7/1/23-6/30/24	(370)	370	-	-	-	-	-
COVID-19 Supply Chain Assistance (3rd & 4th Round)	10.555	25NJ304N1099	100-010-3350-118	85,869	7/1/21-6/30/25	1,777	-	(1,777)	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	24NJ304N1099	Unavailable	64,724	7/1/23-6/30/24	10,078	-	(10,078)	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	25NJ304N1099	Unavailable	51,010	7/1/24-6/30/25	-	51,010	(47,210)	-	-	-	3,800
						2,446	295,645	(308,366)	-	-	(14,075)	3,800
Total Child Nutrition Cluster						(712)	348,178	(361,194)	-	-	(17,528)	3,800
Local Food for Schools Cooperative Agreement Program	10.185	AM22CPLFS000C015	100-010-3350-123	5,306	7/1/23/6/30/24	-	5,306	(5,306)	-	-	-	-
Subtotal						-	5,306	(5,306)	-	-	-	-
Summer EBT Program	10.646	241NJ304S9009	100-010-3350-115	322	7/1/23-6/30/24	-	322	(322)	-	-	-	-
Subtotal						-	322	(322)	-	-	-	-
Total US Department of Agriculure						(712)	353,806	(366,822)	-	-	(17,528)	3,800
U.S. Department of Treasury												
COVID-19 State and Local Fiscal Recovery Funds (ASCERS)	21.027	SLFRP0002	100-034-5065-016	99,610	3/3/21-12/23/24	99,610	-	-	-	-	-	99,610
						99,610	-	-	-	-	-	99,610
Total U.S. Department of Tresury						99,610	-	-	-	-	-	99,610
U.S. Department of Education												
Passed Through New Jersey Department of Education:												
I.D.E.A. Part B (Special Education Cluster)												
Basic	84.027A	H027A230100	100-034-5065-016	587,323	7/1/23-9/30/24	(241,664)	241,664	-	-	-	-	-
Basic	84.027A	H027A240100	100-034-5065-016	594,858	7/1/24-9/30/25	-	92,694	(589,486)	-	-	(496,792)	-
Total Special Education Cluster						(241,664)	334,358	(589,486)	-	-	(496,792)	-
Title I - Part A	84.010A	S010A230030	100-034-5064-194	358,147	7/1/23-6/30/24	(327,920)	327,920		-	-	-	-
Title I - Part A	84.010A	S010A240030	100-034-5064-194	224,858	7/1/24-6/30/25	-	16,506	(204,096)	-	-	(187,590)	-
						(327,920)	344,426	(204,096)	-	-	(187,590)	-
Title II - Part A, Supporting Effective Instruction	84.367A	S367A240029	100-034-5063-290	38,225	7/1/24-6/30/25	-	-	(33,779)	-	-	(33,779)	-
Title II - Part A, Supporting Effective Instruction	84.367A	S367A230029	100-034-5063-290	46,469	7/1/23-9/30/24	(41,382)	41,382		-	-	-	-
						(41,382)	41,382	(33,779)	-	-	(33,779)	-
Title III, Immigrant	84.365A	S365A230030	100-034-5064-187	1,516	7/1/23-9/30/24	(1,516)	1,516	-	-	-	-	-
						(1,516)	1,516	-	-	-	-	-
Title IV - Part A	84.424A	S424A230031	100-034-5063-348	21,659	7/1/23-9/30/24	(13,148)	13,148	-	-	-	-	-
Title IV - Part A	84.424A	S424A240031	100-034-5063-348	23,460	7/1/24-9/30/25	-	-	(22,307)	-	-	(22,307)	-
BSCA Stronger Connections Grant	84.424F	S424F220030	100-034-5063-362	1,380,000	9/1/23-9/30/25	(217,059)	937,777	(827,846)	-	-	(107,128)	-
						(230,207)	950,925	(850,153)	-	-	(129,435)	-
Career and Technical Education (Perkins)	84.048A	V048A230030	100-034-5032-084	104,287	7/1/23-6/30/24	(23,898)	23,898	-	-	-	-	-
Career and Technical Education (Perkins)	84.048A	V048A240030	100-034-5032-084	89,442	7/1/24-6/30/25	-	78,309	(88,457)	-	-	(10,148)	-
						(23,898)	102,207	(88,457)	-	-	(10,148)	-
Education Stabilization Fund:												
COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act:												
Elementary and Secondary School Emergency Relief - ESSER II	84.425D	S425D210027	100-034-5120-518	513,544	3/13/20-9/30/23	22,390	-	-	-	(22,390)	-	-
COVID-19 American Rescue Plan:												
ARP Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210027	100-034-5120-523	1,154,158	3/13/20-9/30/24	(336,022)	524,143	(88,754)	-	(99,367)	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	100-034-5120-523	140,060	3/13/20-9/30/24	(23,262)	31,805	(92,571)	-	84,028	-	-
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(35,660)	40,000	-	-	(4,340)	-	-
Evidence Based Comp. Beyond the School Day	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(18,499)	40,000	(40,000)	-	18,499	-	-
NJTSS Mental Health Support Staffing	84.425U	S425U210027	100-034-5120-523	45,000	3/13/20-9/30/24	8,532	21,150	(11,183)	-	(18,499)	-	-
						(382,521)	657,098	(232,508)	-	(42,069)	-	-
School Safety National Activities	84.184G	S184G230252	Unavailable	658,647	10/1/23-9/30/24	(35,455)	-	-	-	35,455	-	-
School Safety National Activities	84.184G	S184G220252	Unavailable	685,898	10/1/22-9/30/23	(34,299)	-	-	-	34,299	-	-
						(69,754)	-	-	-	69,754	-	-
Total U.S. Department of Education						(1,318,862)	2,431,912	(1,998,479)	-	27,685	(857,744)	-
Total Expenditures of Federal Awards						$ (1,219,964)	$2,796,224	$ (2,375,807)	$ -	$ 27,685	$ (875,272)	$ 103,410

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

EXHIBIT K-4
SCHEDULE B

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2025

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2023	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS BALANCES	ADJUSTMENTS	BALANCE, JUNE 30, 2025 ACCOUNTS RECEIVABLE	BALANCE, JUNE 30, 2025 UNEARNED REVENUE	BALANCE, JUNE 30, 2025 DUE TO GRANTOR	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
State Department of Education:														
General Fund:														
State Aid Public:														
Equalization Aid	495-034-5120-078	$ 12,044,423	7/1/24-6/30/25	$ -	$ 12,044,423	$ (12,044,423)	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,151,331	$ 12,044,423
Special Education Categorical Aid	495-034-5120-089	1,625,743	7/1/24-6/30/25	-	1,625,743	(1,625,743)	-	-	-	-	-	-	155,406	1,625,743
Security Aid	495-034-5120-084	260,074	7/1/24-6/30/25	-	260,074	(260,074)	-	-	-	-	-	-	24,861	260,074
School Choice Aid	495-034-5120-068	608,109	7/1/24-6/30/25	-	608,109	(608,109)	-	-	-	-	-	-	58,129	608,109
Total State Aid Public				-	14,538,349	(14,538,349)	-	-	-	-	-	-	1,389,727	14,538,349
Transportation Aid	495-034-5120-014	668,879	7/1/24-6/30/25	-	668,879	(668,879)	-	-	-	-	-	-	63,938	668,879
Additional Nonpublic Transportation Aid	495-034-5120-014	43,245	7/1/23-6/30/24	(43,245)	43,245	-	-	-	-	-	-	-	-	-
Additional Nonpublic Transportation Aid	495-034-5120-014	39,695	7/1/24-6/30/25	-	-	(39,695)	-	-	-	(39,695)	-	-	-	39,695
Extraordinary Aid	495-034-5120-044	401,070	7/1/23-6/30/24	(401,070)	401,070	-	-	-	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	489,645	7/1/24-6/30/25	-	-	(489,645)	-	-	-	(489,645)	-	-	-	489,645
Reimbursed TPAF Social Security	100-034-5094-003	951,680	7/1/23-6/30/24	(45,719)	45,719	-	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security	100-034-5094-003	954,515	7/1/24-6/30/25	-	908,115	(954,515)	-	-	-	(46,400)	-	-	-	954,515
Noncash Assistance:														
TPAF - Post Retirement Medical	495-034-5094-001	1,297,693	7/1/24-6/30/25	-	1,297,693	(1,297,693)	-	-	-	-	-	-	-	1,297,693
TPAF - Pension Contributions	495-034-5094-002	4,441,100	7/1/24-6/30/25	-	4,441,100	(4,441,100)	-	-	-	-	-	-	-	4,441,100
TPAF - Long-Term Disability Insurance	495-034-5094-004	1,684	7/1/24-6/30/25	-	1,684	(1,684)	-	-	-	-	-	-	-	1,684
Total General Fund Assistance				(490,034)	22,345,854	(22,431,560)	-	-	-	(575,740)	-	-	1,453,665	22,431,560
Special Revenue Fund:														
Passed-State Department of Education:														
N.J. Nonpublic Aid:														
Textbook Aid	100-034-5120-064	12,660	7/1/23-6/30/24	145	-	-	-	(145)	-	-	-	-	-	-
Textbook Aid	100-034-5120-064	11,200	7/1/24-6/30/25	-	11,200	(10,950)	-	-	-	-	-	250	-	10,950
Security	100-034-5120-067	44,895	7/1/23-6/30/24	258	-	-	-	(258)	-	-	-	-	-	-
Security	100-034-5120-067	44,895	7/1/24-6/30/25	-	44,895	(44,895)	-	-	-	-	-	-	-	44,895
Nursing Services	100-034-5120-070	28,470	7/1/24-6/30/25	-	28,470	(28,470)	-	-	-	-	-	-	-	28,470
Technology	100-034-5120-373	10,731	7/1/23-6/30/24	130	-	-	-	(130)	-	-	-	-	-	-
Technology	100-034-5120-373	10,731	7/1/24-6/30/25	-	10,731	(10,659)	-	-	-	-	-	72	-	10,659
Auxiliary Services (Ch. 192):														
Home Instruction	100-034-5120-067	3,410	7/1/24-6/30/25	-	-	(3,410)	-	-	-	(3,410)	-	-	-	3,410
Home Instruction	100-034-5120-067	1,332	7/1/23-6/30/24	(1,332)	1,332	-	-	-	-	-	-	-	-	-
Transportation	100-034-5120-068	1,058	7/1/23-6/30/24	114	-	-	-	(114)	-	-	-	-	-	-
Transportation	100-034-5120-068	2,590	7/1/24-6/30/25	-	2,590	(2,318)	-	-	-	-	-	272	-	2,318
Handicapped Services (Ch. 193):														
Corrective Speech	100-034-5120-066	930	7/1/23-6/30/24	930	-	-	-	(930)	-	-	-	-	-	-
Examination & Classification	100-034-5120-066	26,733	7/1/23-6/30/24	1,327	-	-	-	(1,327)	-	-	-	-	-	-
Examination & Classification	100-034-5120-066	29,206	7/1/24-6/30/25	-	29,206	(28,446)	-	-	-	-	-	760	-	28,446
Supplementary Instruction	100-034-5120-066	15,199	7/1/23-6/30/24	1,735	-	-	-	(1,735)	-	-	-	-	-	-
Supplementary Instruction	100-034-5120-066	23,954	7/1/24-6/30/25	-	23,954	(18,502)	-	-	-	-	-	5,452	-	18,502
SDA Emergent and Capital Maintenance Needs	Unavailable	83,815	7/1/21-6/30/22	-	83,815	(83,815)	-	-	-	-	-	-	-	83,815
Restorative Justice Grant	Unavailable	12,000	7/1/23-6/30/24	(1,230)	-	-	-	-	1,230	-	-	-	-	-
SREP Grant	495-022-8030-698	100,000	7/1/24-6/30/25	-	50,000	(99,728)	-	-	-	(49,728)	-	-	-	99,728
Teacher Climate & Culture Innovative Grant	100-034-5061-053	125,000	7/1/24-6/30/25	-	125,000	(125,000)	-	-	-	-	-	-	-	125,000
Artificial Intelligence Grant	Unavailable	75,000	2/1/25-1/31/26	-	-	(16,688)	-	-	-	(16,688)	-	-	-	16,688
Subtotal State Financial Assistance				2,077	411,193	(472,881)	-	(4,639)	1,230	(69,826)	-	6,806	-	472,881
State Department of Agriculture:														
Enterprise Fund:														
State School Lunch Program	495-010-3350-001	9,402	7/1/23-6/30/24	(454)	454	-	-	-	-	-	-	-	-	-
State School Lunch Program	495-010-3350-001	9,383	7/1/24-6/30/25	-	8,859	(9,383)	-	-	-	(524)	-	-	-	9,383
Working Class Families State Supplement	495-010-3350-006	2,990	7/1/23-6/30/24	(197)	197	-	-	-	-	-	-	-	-	-
Working Class Families State Supplement	495-010-3350-006	9,139	7/1/24-6/30/25	-	8,592	(9,139)	-	-	-	(547)	-	-	-	9,139
Summer EBT Program for Children	100-010-3370-003	322	7/1/24-6/30/25	-	322	(322)	-	-	-	-	-	-	-	322
State School Breakfast Program	495-010-3350-002	828	7/1/23-6/30/24	(50)	50	-	-	-	-	-	-	-	-	-
State School Breakfast Program	495-010-3350-002	697	7/1/24-6/30/25	-	649	(697)	-	-	-	(48)	-	-	-	697
Total Enterprise Fund Assitance				(701)	19,123	(19,541)	-	-	-	(1,119)	-	-	-	19,541
Grand Total Expenditures of State Financial Assistance				$ (488,658)	$ 22,776,170	$ (22,923,982)	$ -	$ (4,639)	$ 1,230	$ (646,685)	$ -	$ 6,806	$ 1,453,665	$ 22,923,982
State Financial Assistance Programs Not Subject to Calculation for Major Program Determination:														
TPAF - Post Retirement Medical (Noncash Assistance)		1,297,693	7/1/23-6/30/24			1,297,693								
TPAF - Pension Contributions (Noncash Assistance)		4,441,100	7/1/23-6/30/24			4,441,100								
TPAF - Long-Term Disability Insurance (Noncash Assistance)		1,684	7/1/23-6/30/24			1,684								
Total State Financial Assistance subject to Major Program Determination						$ (17,183,505)								

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

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2025. 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, 2025.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $(22,676) for the general fund and $(50,594) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

Fund	Federal	State	Total
General Fund	$ 10,506	$ 22,408,884	$ 22,419,390
Special Revenue Fund	1,970,102	455,122	2,425,224
Food Service Fund	366,822	19,541	386,363
Total Awards & Financial Assistance	$ 2,347,430	$ 22,883,547	$ 25,230,977

DELSEA REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Delsea Regional High School District had no loan balances outstanding at June 30, 2025.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

AIL Number(s)	FAI Number(s)	Name of Federal Program or Cluster
		Child Nutrition Cluster:
10.553	25NJ304N1099	Federal Breakfast Program
10.555	25NJ304N1099	Federal Lunch Program
84.424A	S424A240031	Title IV
84.424F	S424F220030	BSCA Stronger Connections Grant

Dollar threshold used to determine Type A programs	$750,000		
Auditee qualified as low-risk auditee?		yes	X no

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

State Financial Assistance

Dollar threshold used to determine Type A programs	$750,000		
Auditee qualified as low-risk auditee?		yes	X no
Internal control over major programs:			
1) Material weakness(es) identified?		yes	X no
2) Significant deficiency(ies) identified?		yes	X no
Type of auditor's report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?		yes	X no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
	State Aid - Public:
495-034-5120-078	Equalization Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-089	Categorical Special Education Aid
495-034-5120-068	School Choice
100-034-5094-003	Reimbursed TPAF Social Security

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

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

None.

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

EXHIBIT K-7

DELSEA REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Financial Statement Findings

Finding 2024-001:

Condition:
The District expended funds in the capital projects fund prior to the availability of funds to be spent.

Current Status:
The finding has been corrected in the current year.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.